

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Tony Delfin
Acting Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



October 12, 2016

EOG Resources, Inc.
Attn: Ms. Jordan Kessler

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL-7468

EOG Resources, Inc.
OGRID 7377
Della 29 Federal Com Well No. 602H
API No. 30-025-43054

Non-Standard Location

Proposed Location:

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	250' FSL & 1300' FEL	P	29	20S	34E	Lea
Penetration Point	455' FSL & 1214' FEL	P	29	20S	34E	Lea
Final perforation	330' FNL & 1194' FEL	A	29	20S	34E	Lea
Terminus	230' FNL & 1193' FEL	A	29	20S	34E	Lea

Proposed Project Area:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E/2 E/2	160	Lea; Bone Spring, South	37580

Reference is made to your application received on September 9, 2016.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. This location is governed by statewide Rule 19.15.15.9.A NMAC, which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary. This location is unorthodox because portions of the proposed completed interval are closer to outside boundaries of the proposed project area than any location that would be a standard location under the applicable pool rules.

Your application has been duly filed under the provisions of Division Rules 19.15.15.13 NMAC and 19.15.4.12.A (2) NMAC.

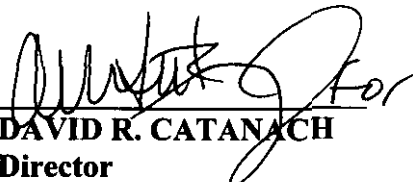
It is our understanding that EOG Resources, Inc. is seeking this location to allow for efficient spacing of horizontal wells, thereby preventing waste.

It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

Pursuant to the authority conferred by Division Rule 19.15.15.13 (B) NMAC, the above-described unorthodox location is hereby approved.

The above approvals are subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 19.15.5.9 NMAC.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.


DAVID R. CATANACH
Director

DRC/lrl

cc: Oil Conservation Division – Hobbs District Office
Bureau of Land Management – Carlsbad