

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Susana Martinez**  
Governor

**Ken McQueen**  
Cabinet Secretary

**Matthias Sayer**  
Deputy Cabinet Secretary

**Heather Riley, Division Director**  
Oil Conservation Division



October 22, 2018

Ms. Jordan L. Kessler  
[jlkessler@hollandhart.com](mailto:jlkessler@hollandhart.com)

NON-STANDARD LOCATION

**Administrative Order NSL-7765**

**EOG Resources, Inc. [OGRID 7377]  
Hearns 34 State Com Well No. 709H  
API No. 30-025-43859**

**Proposed Location**

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	275 FSL & 2397 FEL	O	34	24S	33E	Lea
First Take Point	330 FSL & 2382 FEL	O	34	24S	33E	Lea
Last Take Point	330 FNL & 2382 FEL	B	27	24S	33E	Lea
Terminus	230 FNL & 2382 FEL	B	27	24S	33E	Lea

**Proposed Horizontal Spacing Unit**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
W2 E2 of Section 34	320	Wildcat; Upper Wolfcamp	98092
W2 E2 of Section 27			

Reference is made to your application received on September 26, 2018.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. Sub Paragraph (a) of Paragraph (1) of Subsection B of 19.15.16.15 NMAC governs this proposed well and provides that the operator shall dedicate to each horizontal oil well a standard horizontal spacing unit that comprises of one or more contiguous tracts that the horizontal oil well's completed interval penetrates, each of which consists of a governmental quarter-quarter section or equivalent.

This well's completed interval is as close as 258 feet to the western edge. Encroachments will impact the following tracts.

Section 34, encroachment to the E2 W2  
Section 27, encroachment to the E2 W2

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (8) Subsection A of 19.15.2.7 NMAC, in all adjoining units towards which the proposed location encroaches. However, the ownership is identical in the E2 W2 of Section 34 and E2 W2 of Section 27 therefore notice is not required.

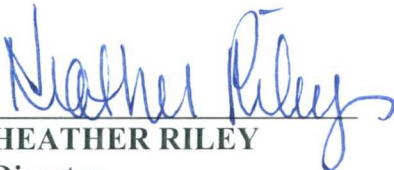
Division understands you seek this location as a preferred well spacing for horizontal wells to maximize the recovery of oil and gas reserves underlying the project area located within Wolfcamp formation underlying the W2 E2 of Section 34 and the W2 E2 of Section 27.

Your application has been filed under Subsection 6 of Paragraph of Section (C) of 19.15.16.15 NMAC, 19.15.15.13 NMAC and Paragraph (2) of Subsection A of 19.15.4.12 NMAC.

Per Subsection B of 19.15.15.13 NMAC, Division approves this unorthodox location.

The above approvals are subject to your following all other applicable Division rules.

Jurisdiction of this case is retained for the entry of further orders as Division deems necessary.

  
**HEATHER RILEY**  
**Director**

HR/lrl

cc: Oil Conservation Division – Hobbs District Office  
State Land Office – Oil, Gas, and Minerals Division