

State of New Mexico
Energy, Minerals and Natural Resources Department

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Heather Riley, Division Director
Oil Conservation Division



October 22, 2018

Ms. Jordan L. Kessler
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NON-STANDARD LOCATION

Administrative Order NSL-7766

**EOG Resources, Inc. [OGRID 7377]
Hearns 34 State Com Well No. 708H
API No. 30-025-43858**

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	275 FSL & 2846 FWL	O	34	24S	33E	Lea
First Take Point	330 FSL & 2432 FWL	N	34	24S	33E	Lea
Last Take Point	330 FNL & 2386 FWL	C	27	24S	33E	Lea
Terminus	230 FNL & 2386 FWL	C	27	24S	33E	Lea

Proposed Horizontal Spacing Unit

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

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 208 – 254 feet to the eastern edge. Encroachments will impact the following tracts.

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

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 W2 E2 of Section 34 and W2 E2 of Section 27 therefore notice is not required.

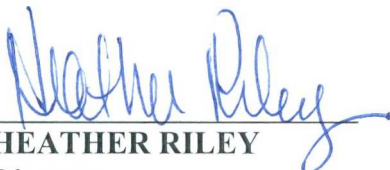
Division understands you seek this location as a preferred well spacing for horizontal wells to maximize the recovery of oil and gas reserves underlying the project area located within Wolfcamp formation underlying the E2 W2 of Section 34 and the E2 W2 of Section 27.

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