

Approved

NSL

Order

Approved: 01/30/20

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Cabinet Secretary

Adrienne E. Sandoval, Director
Oil Conservation Division



January 30, 2020

Ms. Kaitlyn A. Luck
kaluck@hollandhart.com

NON-STANDARD LOCATION

Administrative Order NSL-7986
(Supersedes NSL-7973)

EOG Resources, Inc. [OGRID 7377]
Neptune 10 State Com Well No. 203H
API No. 30-025-46733

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	97 FSL & 2202 FEL	O	10	24S	33E	Lea
First Take Point	100 FSL & 2475 FEL	N	10	24S	33E	Lea
Last Take Point	100 FNL & 2475 FEL	3	3	24S	33E	Lea
Terminus	100 FNL & 2475 FEL	3	3	24S	33E	Lea

Proposed Horizontal Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
W/2 of Section 10	610.23	Triple X; Bone Spring	59900
W/2 of Section 3			

Reference is made to your application received on January 27, 2020.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. 19.15.16.15(B)(1)(a) 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 165 feet to the eastern edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 10, encroachment to the W/2 E/2
Section 3, encroachment to the W/2 E/2

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in 19.15.2.7(A)(8) NMAC, in all adjoining units towards which the proposed location encroaches. *Notice was not required as the affected tracts/parties did not change.*

This Order supersedes Administrative Order NSL-7973, issued on January 14, 2020. *The following were amended: the surface location was moved, and the Horizontal Spacing Unit acreage was increased.*

Division understands you seek this unorthodox location in order to develop the formation efficiently, to optimize pressures related to the completion of the well and to expect a higher yield of resources, thereby preventing waste within the Bone Spring formation underlying the W/2 of Section 10 and the W/2 of Section 3.

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

Per 19.15.15.13 (B) 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.



ADRIENNE E. SANDOVAL
Division Director

AES/lrl

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

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Thursday, January 30, 2020 1:54 PM
To: 'Kaitlyn A. Luck'
Cc: Mike Bratcher (mike.bratcher@state.nm.us); Kautz, Paul, EMNRD; 'lisa@rwbyram.com'; Goetze, Phillip, EMNRD; Murphy, Kathleen A, EMNRD; Warnell, Terry G, EMNRD; Rose-Coss, Dylan H, EMNRD; McClure, Dean, EMNRD; Lamkin, Baylen, EMNRD; Simmons, Kurt, EMNRD; Garcia, John A, EMNRD; Cox, Scott, EMNRD
Subject: APPROVED NSL-7985.7986.7987_Neptune 10 State Com Well No. 102H.203H.205H_SEC 10 24S 33E
Attachments: NSL-7985_ORDER.pdf; NSL-7986_ORDER.pdf; NSL-7987_ORDER.pdf
Importance: High

Ms. Kaitlyn A. Luck,

The following NSL Administrative Orders have been issued and will soon be available on the Division's web site:

<http://ocdimage.emnrd.state.nm.us/Imaging/Default.aspx>

NSL	AMD	Applicant	OGRID	WELL NAME	API
7987	7974	EOG Resources, LLC	7377	Neptune 10 State Com Well No. 205H	30-025-46733
7986	7973	EOG Resources, LLC	7377	Neptune 10 State Com Well No. 203H	30-025-46733
7985	7972	EOG Resources, LLC	7377	Neptune 10 State Com Well No. 102H	30-025-44464

Leonard R. Lowe

Engineering Bureau
OCD-EMNRD
1220 S. St. Francis
Santa Fe, N.M. 87004
O:505-476-3492
C: 505-930-6717
F: 505-476-3462

<http://www.emnrd.state.nm.us/ocd/>