

State of New Mexico
Energy, Minerals and Natural Resources Department

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Oil Conservation Division



November 4, 2021

Ms. Kaitlyn A. Luck
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NON-STANDARD LOCATION

Administrative Order NSL-8249

EOG Resources, INC. [7377]
Audacious 19 Federal Com Well No. 505H
API No. 30-025-48986

| | <u>Footages</u> | <u>Unit/Lot</u> | <u>Sec.</u> | <u>Twsp</u> | <u>Range</u> | <u>County</u> |
|------------------------------|---------------------|-----------------|-------------|-------------|--------------|---------------|
| Surface | 2556 FSL & 2199 FEL | G | 19 | 25S | 33E | Lea |
| First Take Point | 2540 FSL & 2382 FWL | K | 19 | 25S | 33E | Lea |
| Last Take Point/ Terminus | 100 FSL & 2382 FWL | N | 30 | 25S | 33E | Lea |

Proposed Horizontal Units

| <u>Description</u> | <u>Acres</u> | <u>Pool</u> | <u>Pool Code</u> |
|---|--------------|----------------------------|------------------|
| SW/4 of Section 19 W/2 of Section 30 | 480.76 | Wildcat; Lower Bone Spring | 97903 |

Reference is made to your application received on October 29, 2021.

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 258 feet to the eastern edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 19, encroachment to the W/2 SE/4
Section 30, 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. Public notice was provided to all affected parties on July 30th, 2021. No objections were made against the application presented to the agency.

Division understands you are seeking this unorthodox location as your preferred location in order to maximize recovery of reserves within the Lower Bone Spring formation underlying the SW/4 of Section 19 and the W/2 of Section 30.

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: Bureau of Land Management – Carlsbad Field Office