

State of New Mexico
Energy, Minerals and Natural Resources Department

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Ms. Jordan Kessler
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NON-STANDARD LOCATION

Administrative Order NSL - 8468

**EOG RESOURCES, INC. [OGRID 7377]
Stark 33 Federal Com Well No. 706H
API No. 30-015-48603**

Proposed Location

| | <u>Footages</u> | <u>Unit/Lot</u> | <u>Sec.</u> | <u>Twsp</u> | <u>Range</u> | <u>County</u> |
|------------------------------|--------------------|-----------------|-------------|-------------|--------------|---------------|
| Surface | 500 FSL & 1832 FWL | N | 33 | 25S | 30E | Eddy |
| First Take Point | 330 FNL & 2210 FWL | C | 4 | 26S | 30E | Eddy |
| Last Take Point/ Terminus | 100 FSL & 2210 FWL | N | 9 | 26S | 30E | Eddy |

Proposed Horizontal Gas Units

| <u>Description</u> | <u>Acres</u> | <u>Pool</u> | <u>Pool Code</u> |
|--------------------|--------------|-----------------------------|------------------|
| E/2 of Section 5 | 1280 | Purple Sage; Wolfcamp (GAS) | 98220 |
| E/2 of Section 8 | | | |
| W/2 of Section 4 | | | |
| W/2 of Section 9 | | | |

Reference is made to your application received on November 2nd, 2022.

You have requested to complete this horizontal well as a gas well described above in the referenced pool or formation. This well is governed by special rules, R-14262, for the Purple Sage; Wolfcamp (Gas) Pool and provides for 320-acre units, with wells located at least 330 feet from a unit outer boundary.

This well's completed interval is as close as 100 feet to the southern edge of the horizontal spacing unit. Encroachment will impact the following tract.

Section 16, encroachment to the NW/4

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.

Division understands you are seeking this unorthodox location to achieve ultimate recovery and to reduce the waste of resources within the Wolfcamp formation underlying the spacing unit located W/2 of Section 5, E/2 of Section 8, W/2 of Section 4, and the W/2 of Section 9.

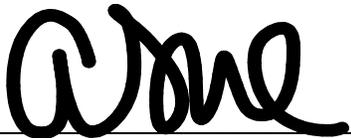
Your application has been filed under 19.15.16.15(C)(6) NMAC, 19.15.15.13 NMAC and 19.15.4.12 (A)(2) NMAC.

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

Reference this NSL order number on the As Drilled C-102 submitted with the Authorization to Transport, to place this well into production.

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

Date: 12/05/2022

AES/lrl