

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Tony Delfin
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



February 1, 2016

EOG Resources, Inc.
Attn: Ms. Jordan L. Kessler
Holland & Hart, LLP

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL-7383
Administrative Application Reference No. pLEL161444266

EOG Resources, Inc
OGRID 7377
Lomas Rojas 26 State Com No. 704 H
API No. 30-025-42971

Proposed Location:

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	721` FNL & 2015` FEL	B	26	25S	33E	Lea
Penetration Point	330` FNL & 2571` FEL	B	26	25S	33E	Lea
Final perforation	330` FSL & 2570` FEL	O	26	25S	33E	Lea
Bottom Hole	230` FSL & 2570` FEL	O	26	25S	33E	Lea

Proposed Project Area:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
W/2 E/2 Section 26	160	WC-025G-09S253336D Upper Wolfcamp	98094

Reference is made to your application received on December 29, 2015.

You have requested to drill and complete this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. This location is governed by statewide Rule 19.15.15.9.A NMAC, which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary, and Rule 19.15.16.14.B(2) NMAC concerning directional wells in designated project areas. This location is unorthodox because portions of the proposed completed interval are closer to outside boundaries of the proposed project area than any location that would be a standard location under the applicable pool rules.

Your application has been duly filed under the provisions of Division Rules 19.15.15.13 NMAC and 19.15.4.12.A(2) NMAC.

It is our understanding that you are seeking this location to allow efficient spacing for horizontal wells and thereby preventing waste.

It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 19.15.4.12 A (2) NMAC, in all adjoining units towards which the proposed location encroaches and no affected person has objected.

Pursuant to the authority conferred by Division Rule 9.15.15.13 (B) NMAC, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 19.15.5.9 NMAC.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.



DAVID R. CATANACH
Director

DRC/lrl

cc: Oil Conservation Division – Hobbs Office
State Land Office – Oil, Gas, and Minerals Division
Bureau Land Management – Carlsbad Field Office