

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



May 17, 2016

EOG Resources, Inc.
Attn: Ms. Jordan Kessler

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL-7414

EOG Resources, Inc.
OGRID 7377
Black Bear 36 State Well No. 704 H
API No. 30-025-43009

Non-Standard Location

Proposed Location:

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	254` FNL & 675` FEL	A	36	25S	33E	Lea
Penetration Point	330` FNL & 318` FEL	A	36	25S	33E	Lea
Final perforation	330` FSL & 334` FEL	P	36	25S	33E	Lea
Terminus	230` FSL & 330` FEL	P	36	25S	33E	Lea

Proposed Project Area:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E/2 E/2 of Section 36	160	WC-025 G-09 S253336D; Upper Wolfcamp	98094

Reference is made to your application received on May 10, 2016.

You have requested to drill 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 less than 330 feet to the outside boundaries of the proposed project area.

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 EOG Resources, Inc. is seeking this location to allow for efficient spacing of horizontal wells, thereby preventing waste.

It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

Pursuant to the authority conferred by Division Rule 19.15.15.13 (B) NMAC, the above-described unorthodox location is hereby approved.

The above approvals are 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: New Mexico Oil Conservation Division – Hobbs
New Mexico State Land Office – Oil, Gas, and Minerals
Bureau of Land Management - Carlsbad