

State of New Mexico  
Energy, Minerals and Natural Resources Department

Susana Martinez  
Governor

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Heather Riley, Division Director  
Oil Conservation Division



December 12, 2018

Ms. Jordan L. Kessler  
[jlkessler@hollandhart.com](mailto:jlkessler@hollandhart.com)

NON-STANDARD LOCATION

Administrative Order NSL-7788

EOG Resources, Inc. [OGRID 7377]  
Caravan 28 State Com Well No. 701H  
API No. 30-025-PENDING

**Proposed Location**

|                              | <u>Footages</u>    | <u>Unit/Lot</u> | <u>Sec.</u> | <u>Twsp</u> | <u>Range</u> | <u>County</u> |
|------------------------------|--------------------|-----------------|-------------|-------------|--------------|---------------|
| Surface                      | 546 FNL & 2153 FWL | C               | 28          | 24S         | 33E          | Lea           |
| First Take Point             | 100 FNL & 2490 FWL | C               | 28          | 24S         | 33E          | Lea           |
| Last Take Point/<br>Terminus | 100 FSL & 2490 FWL | N               | 33          | 24S         | 33E          | Lea           |

**Proposed Horizontal Spacing Unit**

| <u>Description</u>  | <u>Acres</u> | <u>Pool</u>             | <u>Pool Code</u> |
|---------------------|--------------|-------------------------|------------------|
| E2 W2 of Section 28 | 320          | Wildcat; Upper Wolfcamp | 98092            |
| E2 W2 of Section 33 |              |                         |                  |

Reference is made to your application received on November 21, 2018.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. Sub Paragraph (a) of Paragraph (1) of Subsection B of 19.15.16.15 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 150 feet to the eastern edge. Encroachments will impact the following tracts.

Section 28, encroachment to the W2 E2

Section 33, encroachment to the W2 E2

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.

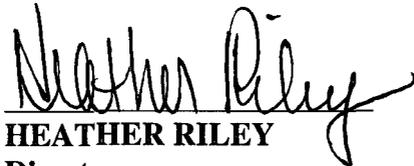
Division understands you seek this location as a preferred well spacing for horizontal wells to maximize the recovery of oil and gas reserves underlying the horizontal spacing unit located within the Wolfcamp formation underlying the E2 W2 of Section 28 and E2 W2 Section 33

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

Per Subsection B of 19.15.15.13 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.

  
**HEATHER RILEY**  
**Director**

HR/lrl

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