

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

APPLICANT: EOG RESOURCES, INC. )  
)  
RELIEF REQUESTED: MULTIUNIT HORIZONTAL WELL ) CAUSE CD NO. 201903065  
NIGHTHAWK 0718 #6H )  
)  
LEGAL DESCRIPTION: SECTIONS 7 AND 18, TOWNSHIP 9 ) ORDER NO. 703576  
NORTH, RANGE 4 WEST, McCLAIN )  
COUNTY, OKLAHOMA )

**INTERIM ORDER**

1. **Hearing Date and Place:** This Cause came on for hearing before Administrative Law Judge Jacqueline T. Miller on June 25, 2019, 8:30 a.m., regarding the above-styled Cause at the Jim Thorpe Office Building, 2101 N. Lincoln Boulevard, Oklahoma City, OK 73105.
2. **Appearances:** Gregory L. Mahaffey, Attorney, appeared for Applicant EOG Resources, Inc. No protests were filed.

**FINDINGS**

3. **Companion Causes:** Increased Density Cause CD Nos. 201903061 and 201903062; Multiunit Horizontal Well Cause CD Nos. 201903063, 201903065, 201903067 and 201903069; and Horizontal Well Location Exception and Exception to Rule Cause CD Nos. 201903064, 201903066, 201903068 and 201903070.
4. **Notice and Jurisdiction:** Notice has been given by publication as required by Commission Rules and Affidavits of Publication have been filed. Those Respondents whose names and addresses were attainable have been given actual notice by first-class mail pursuant to Commission rules. An adjudicative inquiry was conducted by the Administrative Law Judge into the sufficiency of the search to ascertain the names and addresses of all owners, and if a diligent effort had been made to locate all affected interest owners. The Commission finds that the Applicant has made a meaningful and diligent search of all reasonably available sources at hand to ascertain those parties that are entitled to notice and the whereabouts of those entitled to notice but who were served only by publication. The Applicant gave notice as required, the Commission approves the notice given by mail and by publication, and the Commission has jurisdiction of the subject matter and parties.
5. **Amendment:** None.
6. **Relief Requested:** Applicant's plan of development requests that it or some other party owning the right to drill be permitted to drill and produce a multiunit horizontal well in 640-acre horizontal units described in the caption for the Target Woodford common source of supply described hereinafter at the proposed location set forth in Paragraph 7, below, and with the allocation of costs and production set forth below:

SECTION:	LENGTH OF COMPLETION INTERVAL:	ALLOCATION OF COSTS AND PRODUCTION:
7	5,115'	50%
18	5,115'	50%
TOTAL	10,230'	100%

7. **Relief Granted:** The requested relief is granted; the well is proposed to be situated at the following location:

**SURFACE LOCATION:** Will be specified in the final order to issue in this cause.

**LOCATION OF WELLBORE (LATERAL) AT SECTION 7 COMPLETION INTERVAL:**

The proposed location of the end points of the completion interval will be no closer than 165 feet from the North line and no closer than 990 feet from the East line and no closer than 0 feet from the South line and no closer than 990 feet from the East line of Section 7; and

**LOCATION OF WELLBORE (LATERAL) AT SECTION 18 COMPLETION INTERVAL:**

The proposed location of the end points of the completion interval will be no closer than 0 feet from the North line and no closer than 990 feet from the East line and no closer than 165 feet from the South line and no closer than 990 feet from the East line of Section 18;

All in Township 9 North, Range 4 West, McClain County, Oklahoma.

**LOCATION OF LATERAL WITHIN THE MULTIUNIT:** No closer than 990 feet from the East line of said Sections 7 and 18.

The multiunit well will be for the common sources of supply described herein and subject to the following spacing order:

- (A) Section 7, Township 9 North, Range 4 West

<u>Common Source of Supply</u>	<u>Depth</u>	<u>Order No.</u>
Mississippian	8,985	632844
Woodford	9,040	632844
Hunton	9,190	632844

- (B) Section 18, Township 9 North, Range 4 West

<u>Common Source of Supply</u>	<u>Depth</u>	<u>Order No.</u>
Mississippian	8,985	682713
Woodford	9,040	682713
Hunton	9,190	682713

All in McClain County, Oklahoma.

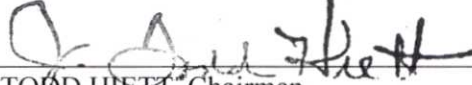
8. **Reason for Relief: Economic** – it was the testimony that there are numerous benefits of drilling a multiunit lateral for the named common sources of supply: (a) Cost savings by construction of one surface location versus two surface locations; (b) Cost savings in infrastructure costs of one

lease road, one pipeline and one tank battery versus multiple roads and pipelines if each section is developed solely as a 640-acre unit; and (c) Reduced cost of drilling only one well versus two wells. Applicant estimates that savings in excess of \$2,000,000.00 will result from drilling one multiunit lateral measuring 10,230 feet versus two separate laterals measuring 5,115 feet. The common sources of supply are approximately the same thickness and same quality across each of the affected units and allocation of costs and production based upon percent of completion interval within each unit is fair and reasonable.

9. **Allocation of Costs and Production:** That the allocation factor for each of the affected 640-acre units involved herein shall be determined by dividing the length of the completion interval of the multiunit horizontal well involved herein located in each such affected unit by the entire length of the completion interval of such multiunit horizontal well. The lateral of the multiunit horizontal well involved herein stayed within the productive portion of the **Target Woodford and Adjacent Mississippian and Hunton** common sources of supply throughout the drilling of such lateral, therefore, **50% of the completion interval of such multiunit horizontal well is located in said Section 7, and 50% of the completion interval of such multiunit horizontal well is located in said Section 18**, with the cost of and the production and proceeds from such multiunit horizontal well to be allocated between the affected units involved herein based on such percentages. The actual allocation of such costs, production and proceeds may vary depending upon the results of the multiunit horizontal well involved herein.
10. **Final Allocation:** Final determination of the costs and production for the multiunit horizontal well to be drilled hereunder shall occur upon reopening of this Cause and submission of a bottomhole survey and evidence of the actual completion interval location in each of the above-described units.
11. **Special Provision:** That the entire length of the lateral will be cased and cemented such that the perforations are isolated from the beginning and end point of the lateral.
12. **Dismissal of Adjacent Common Sources of Supply:** If any of the above-named common sources of supply are not inadvertently encountered, they will be dismissed at the hearing for a final order.
13. **Interim Order Reopening:** This is an Interim Order and this cause shall be reopened on **April 14, 2020**, for submission of a bottomhole directional survey and evidence of the actual completion interval of such multiunit horizontal well.

The multiunit horizontal well, in accordance with the foregoing, is necessary to prevent waste and to protect correlative rights and **EOG Resources, Inc.** should be permitted to drill, complete and test such well, as set out herein, provided such well must be commenced within one year from the date hereof or this order shall be of no force and effect, and IT IS SO ORDERED.

CORPORATION COMMISSION OF OKLAHOMA

  
\_\_\_\_\_  
J. TODD HIATT, Chairman

  
\_\_\_\_\_  
BOB ANTHONY, Vice-Chairman

  
\_\_\_\_\_  
DANA L. MURPHY, Commissioner

CERTIFICATION

DONE AND PERFORMED by the Commissioners participating in the making of this order, as shown by their signatures above, this 11 day of October 2019.

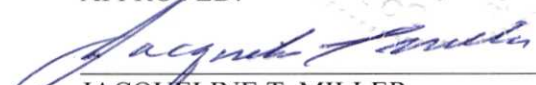
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\_\_\_\_\_  
PEGGY MITCHELL, Secretary

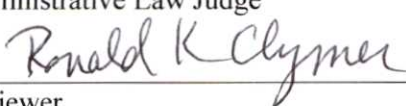
REPORT OF THE ADMINISTRATIVE LAW JUDGE

The foregoing findings and order are the report and recommendations of the Administrative Law Judge.

APPROVED:

  
\_\_\_\_\_  
JACQUELINE T. MILLER  
Administrative Law Judge

10-3-2019  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Reviewer

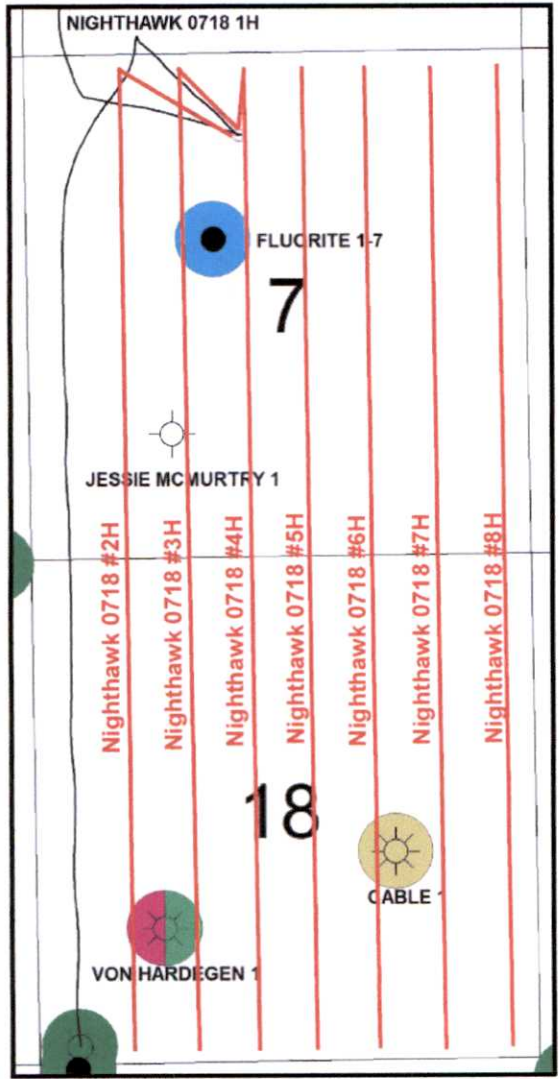
10/7/19  
\_\_\_\_\_  
Date

This order follows the format and contains all elements set forth in the Judicial & Legislative Services Form Order for this type of Cause. The undersigned attorney affirms (1) said attorney has read this order and (2) this order is true, correct and approved as to form and content.

  
\_\_\_\_\_  
GREGORY L. MAHAFFEY, OBA NO. 5626  
CALEB A. HARTWELL, OBA NO. 33190

**Exhibit "A"**

**Plat: Nighthawk 0718 Package**



**Completion Allocation**  
**50/50 For All Wells:**  
**Section 7: 5115'**  
**Section 18: 5115'**

- |                    |                                      |
|--------------------|--------------------------------------|
| Straight hole well | Deviated well - Wellbore path        |
| Well Status        | Deviated well - Wellbore path        |
| ◇ D&A              | Deviated well - Surface location     |
| ◇ D&A-G            | ○ Deviated well - Surface locator    |
| ◇ D&AW             | Deviated well - Bottom hole location |
| ☆ GAS              | Well Status                          |
| ☆ INA-GAS          | ○ AT-TD                              |
| ● INA-OIL          | ○ START                              |
| ● OIL              | ○ TREATD                             |
|                    | ◇ D&A                                |
|                    | ● OIL                                |
|                    | ○ PERMIT                             |

- Conditional Pie**
- Wells with production = BRRY
  - Wells with production = SKNR
  - Wells with production = MSSP
  - Wells with production = RDFK
  - Wells with production = HART
  - Wells with production = OSBR
  - Wells with production = PSLVL
  - Wells with production = WDFD
  - Wells with production = VIOL
  - Wells with production = HNTN
  - Wells with production = PSLV