

Revised March 23, 2017

ID NO. 243582

NSL - 8624

RECEIVED:	REVIEWER:	TYPE:	APP NO: <b>pLEL2320536485</b>
-----------	-----------	-------	-------------------------------

ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Geological & Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505

**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND  
 REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Applicant:** EOG Resources Inc. **OGRID Number:** 7377  
**Well Name:** Cobalt 32 State Com 507H **API:** 30-025-51747  
**Pool:** Red Hills; Lower Bone Spring **Pool Code:** 51020

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION  
 INDICATED BELOW**

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]  
 A. Location – Spacing Unit – Simultaneous Dedication  
☒ NSL ☐ NSP (PROJECT AREA) ☐ NSP (PRORATION UNIT) ☐ SD
- B. Check one only for [ I ] or [ II ]  
 [ I ] Commingling – Storage – Measurement  
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM  
 [ II ] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery  
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR
- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.  
 A. ☒ Offset operators or lease holders  
 B. ☒ Royalty, overriding royalty owners, revenue owners  
 C. ☐ Application requires published notice  
 D. ☒ Notification and/or concurrent approval by SLO  
 E. ☐ Notification and/or concurrent approval by BLM  
 F. ☐ Surface owner  
 G. ☒ For all of the above, proof of notification or publication is attached, and/or,  
 H. ☐ No notice required

**FOR OCD ONLY**

- ☐ Notice Complete  
☐ Application  
 Content  
 Complete

- 3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

**Note: Statement must be completed by an individual with managerial and/or supervisory capacity.**

Lisa Youngblood

Print or Type Name

7/24/2023

Date

432-247-6331

Phone Number

lisa\_youngblood@eogresources.com

e-mail Address

Lisa Youngblood

Signature



Lisa Youngblood  
Phone: (432) 247-6331  
Email: lisa\_youngblood@eogresources.com

July 24, 2023

**VIA ONLINE FILING**

Dylan Fuge, Acting Director  
Oil Conservation Division  
New Mexico Department of Energy, Minerals, and Natural Resources  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

**Re: Application of EOG Resources, Inc. for administrative approval of an unorthodox well location for its Cobalt 32 State Com 507H well dedicated to the E/2 of Sections 32, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico.**

Dear Director Fuge,

EOG Resources, Inc. (OGRID No. 7377) seeks administrative approval of an unorthodox well location for its Cobalt 32 State Com 507H well (API No. 30-025-51747). The spacing unit dedicated to the well is comprised of the E/2 of Sections 32, Township 24 South, Range 34 East, Lea County, New Mexico and is within the Red Hills; Lower Bone Spring pool (51020). The horizontal spacing unit for the well is approximately 320 acres and does not include proximity tracts.

This well has not yet been drilled. It is proposed to be drilled as follows:

- The surface location is located 300 feet from the South line, 1721 feet from the East line (Unit O) of Section 32,
- The bottom hole location is located 100 feet from the North line, 2540 feet from the East line (Unit B) of Section 32,
- The first take point is located 100 feet from the South line, 2540 feet from the East line (Unit O) of Section 32,
- The last take point is located 100 feet from the North line, 2540 feet from the East line (Unit B) of Section 32.

The acreage is governed by the Division's statewide rules. The proposed completed interval is unorthodox because it will be closer than 330 feet to the western boundary. It encroaches on the spacing units in the W/2 of Section 32. Approval of the unorthodox location will allow EOG to use its preferred well spacing plan for horizontal wells, which will prevent waste.

**Exhibit A** is the C-102 showing the location of the well, including the proposed unorthodox, completed interval. The completed interval encroaches on the spacing unit/tracts to the west.

**Exhibit B** is a plat that shows the Cobalt 32 State Com 507H well in relation to the adjoining spacing units/tracts to the west.

**Exhibit C** is a certification from the landman indicating that he has reviewed the tracts affected by this request. Exhibit C includes a list of the affected parties and provides proof that a copy of this application, including exhibits, was mailed to each affected party. This notice advises affected parties that any objection must be filed in writing with the Division within 20 days from the date the Division receives the application.

**Exhibit D** is a statement from a petroleum engineer providing justification for the requested non-standard location.

Thank you for your attention to this matter.

Very truly yours,

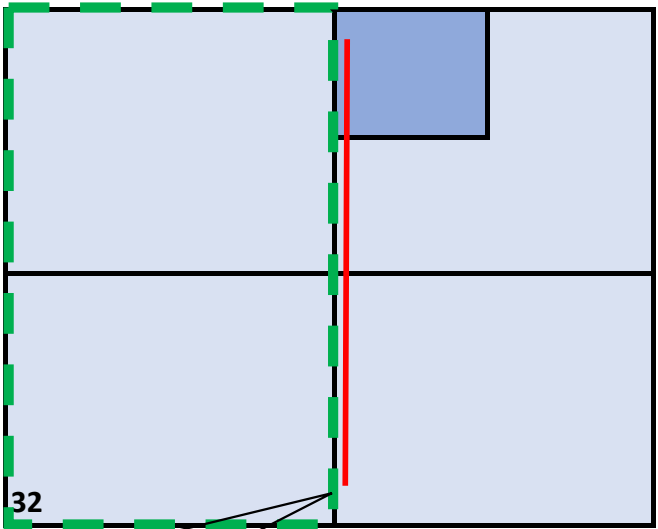
A handwritten signature in black ink that reads "Lisa Youngblood". The script is cursive and fluid.

Lisa Youngblood  
Regulatory Specialist

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office  
☐ AMENDED REPORT

Released to Imaging: 8/18/2023 10:52:03 AM

**EXHIBIT B**  
**COBALT 32 STATE COM**  
**All of Section 32, T24S-R34E**  
**LEA COUNTY, NM**



**Cobalt 32 State com #507H**



Offset Spacing Unit operated by  
EOG Resources, Inc.



State NM LG-0359-5



State NM A0-4096-0026

Notice provided to:  
Chevron U.S.A. Inc.  
FR Energy, LLC  
State of New Mexico

**Exhibit B**

**EXHIBIT C**



P.O. Box 2267, Midland, Texas 79702  
Phone: (432) 686-3600 Fax: (432) 686-3773

July 17, 2023


**Certification of Ownership**

I have reviewed the ownership of the oil and gas leasehold in All of Section 32 of T24S-R34E, Lea County, New Mexico, for purposes of the unorthodox location for EOG's Cobalt 32 State Com #507H well located in the E/2 of Section 32, T24S-R34E, Lea County, New Mexico. As of the date of this letter, the affected parties are:

1. EOG Resources, Inc.  
5509 Champions Dr. Midland,  
TX 79706
2. Chevron USA, Inc.  
1400 Smith Street  
Houston, TX 77002
3. FR Energy, LLC  
55 Waugh Dr., Ste 1200  
Houston, TX 77007
4. New Mexico State Land Office  
PO Box 1148  
Santa Fe, NM 87504

Sincerely,

**EOG Resources, Inc.**

  
Daniel Koury  
Landman II

**Exhibit C**



Lisa Youngblood  
Phone: (432) 247-6331  
Email: [lisa\\_youngblood@eogresources.com](mailto:lisa_youngblood@eogresources.com)

July 24, 2023

**VIA CERTIFIED MAIL**

**TO: AFFECTED PARTIES**

**Re: Application of EOG Resources, Inc. for administrative approval of an unorthodox well location for its Cobalt 32 State Com 507H well dedicated to the E/2 of Sections 32, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico.**

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date. Any objection to this application must be filed in writing within twenty days from this date with the applicant and the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division.

If you have any questions about this application, please contact the following:

Daniel Koury  
EOG Resources, Inc.  
(432) 686-3713  
[Daniel\\_Koury@eogresources.com](mailto:Daniel_Koury@eogresources.com)

Very truly yours,

A handwritten signature in black ink that reads "Lisa Youngblood".

Lisa Youngblood  
Regulatory Specialist

Notice List for Cobalt 32 State Non-Standard Location  
EOG Resources, Inc.  
Notice List

Application Notice:  
New Mexico Oil Conservation Division  
Attn: Mr. Dean McClure  
1220 South St. Francis Drive  
Santa Fe, NM 87505  
Via NMOCD Online

Royalty Owners:  
New Mexico State Land Office  
Attn: Scott Dawson  
310 Old Santa Fe Trail  
Santa Fe, NM 87501  
7022 2410 0001 5582 4061

Working Interest Owners:  
Chevron USA, Inc.  
1400 Smith Street  
Houston , TX 77002  
7022 2410 0001 5582 4078

FR Energy, LLC  
55 Waugh Dr., Ste. 1200  
Houston, TX 77007  
7022 2410 0001 5582 4085

EOG Resources  
5509 Champions Dr  
Midland, TX 79706





P.O. Box 2267, Midland, Texas 79702  
Phone: (432) 247-6327

July 13, 2023

Re: EOG Resources NSL Application  
Cobalt 32 State Com #507H

To whom it may concern:

A non-standard location is necessary to develop the Bone Spring formation in these sections efficiently and in an economic manner. Because of other existing Bone Spring formation wells, a non-standard location optimizes pressures related to the completion and production drawdown of the wells and is expected to yield a higher ultimate recovery than a standard location, thereby preventing waste and protecting correlative rights.

Sincerely,

 07/13/2023

EOG Resources  
Anish Chaudhary  
Reservoir Engineering Advisor

Exhibit D

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone:(575) 393-6161 Fax:(575) 393-0720  
**District II**  
811 S. First St., Artesia, NM 88210  
Phone:(575) 748-1283 Fax:(575) 748-9720  
**District III**  
1000 Rio Brazos Rd., Aztec, NM 87410  
Phone:(505) 334-6178 Fax:(505) 334-6170  
**District IV**  
1220 S. St Francis Dr., Santa Fe, NM 87505  
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico  
Energy, Minerals and Natural Resources  
Oil Conservation Division  
1220 S. St Francis Dr.  
Santa Fe, NM 87505

CONDITIONS  
  
Action 243582

CONDITIONS

Operator: EOG RESOURCES INC P.O. Box 2267 Midland, TX 79702	OGRID: 7377
	Action Number: 243582
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	7/24/2023