

RECEIVED: 01/12/18	REVIEWER: LRL	TYPE: NSL	APP NO: PLEL 180125 7713
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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:** Convoy 28 State Com No. 706H Well**API:** 30-025-44259**Pool:** Upper Wolfcamp Pool**Pool Code:** 98092

**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 holdersB. ☐ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☒ Notification and/or concurrent approval by SLOE. ☐ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☒ 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

RECEIVED OCD
 2018 JAN 12 P 2:31

- 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.

Jordan L. Kessler

Print or Type Name

Signature

January 12, 2018

Date

505-988-4421

Phone Number

jlkessler@hollandhart.com

e-mail Address

HOLLAND & HART^{LLP}



Jordan L. Kessler
Associate
Phone (505) 954-7286
Fax (505) 983-6043
JLKessler@hollandhart.com

January 12, 2018

VIA HAND DELIVERY

David Catanach
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

RECEIVED OGD
2018 JAN 12 P 2:31

Re: Application of EOG Resources, Inc. for administrative approval of an unorthodox well location for its Convoy 28 State Com No. 706H Well in the W/2 E/2 of Sections 28 and 33, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico.

Dear Mr. Catanach:

EOG Resources, Inc. (OGRID No. 7377) seeks administrative approval of an unorthodox well location for its **Convoy 28 State Com No. 706H Well** (API No. 30-025-44259) to be completed within the WC-025 G-09 S243336I; Upper Wolfcamp Pool (98092) underlying Sections 28 and 33, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico. This well will be drilled from a surface location 539 feet from the North line and 2322 feet from the East line (Unit B) of Section 28. The upper most perforation will be located 330 feet from North line and 2430 feet from the East line (Unit B) of Section 28 and the lower most perforation will be 330 feet from the South line and 2430 feet from the East line (Unit O) of Section 33. Since this acreage is governed by the Division's statewide rules which provides for wells to be located no closer than 330 feet to the outer boundary of the spacing unit, the completed interval for this well will be unorthodox because it is closer than 330 feet to the western, southwestern, and northwestern boundaries of the project area.

EOG has plans to drill and will be the operator of the three wells in the E/2 W/2 of Sections 28 and 33: the Caravan 28 State Com No. 701H, 702H, and 703H Wells. Working interest ownership in the Wolfcamp is identical between the W/2 E/2 and the E/2 W/2 of Sections 28 and 33. However, the overriding royalty interest is not the same. Thus, ownership is not identical between the E/2 and the W/2 of Sections 28 and 33. Approval of the unorthodox completed interval will allow EOG to use their preferred well spacing plan for horizontal wells in this area and thereby prevent waste.

Holland & Hart^{LLP}

Phone [505] 988-4421 Fax [505] 983-6043 www.hollandhart.com

110 North Guadalupe Suite 1 Santa Fe, New Mexico 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Boulder Carson City Colorado Springs Denver Denver Tech Center Billings Boise Cheyenne Jackson Hole Las Vegas Reno Salt Lake City Santa Fe Washington, D.C. ☏



Exhibit A is a draft Well Location and Acreage Dedication Plat (Form C-102), which shows that the completed interval of the proposed **Convoy 28 State Com No. 706H Well** encroaches on the spacing and proration units to the West, Northwest, and Southwest.

Exhibit B is a land plat for Sections 28 and 33 and the surrounding sections that shows the proposed **Convoy 28 State Com No. 706H Well** in relation to adjoining units and existing wells.

Exhibit C is a list of the parties affected by the encroachment to the West, Northwest, and Southwest. As described above, EOG is the operator in the spacing proration unit comprised of the E/2 W/2 of Sections 28 and 33 and working interest ownership is identical to the proposed spacing unit. Notice has been provided to the overriding royalty interest owner in the spacing unit to the West. Each of the parties listed on Exhibit C have been provided notice of this application by certified mail. A copy of this application has been provided to the State Land Office.

Exhibit D is an affidavit from the landman verifying that the working interest ownership in the E/2 and W/2 of Sections 28 and 33 is identical.

Your attention to this matter is appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "J. L. Kessler", with a long horizontal flourish extending to the right.

Jordan L. Kessler
ATTORNEY FOR EOG RESOURCES, INC.

cc: New Mexico State Land Office

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 Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Sante Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources
Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Sante Fe, NM 87505

FORM C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name CONVOY 28 STATE COM	
⁷ OGRID No.	⁸ Operator Name EOG RESOURCES, INC.	⁶ Well Number #706H
		⁹ Elevation 3521'

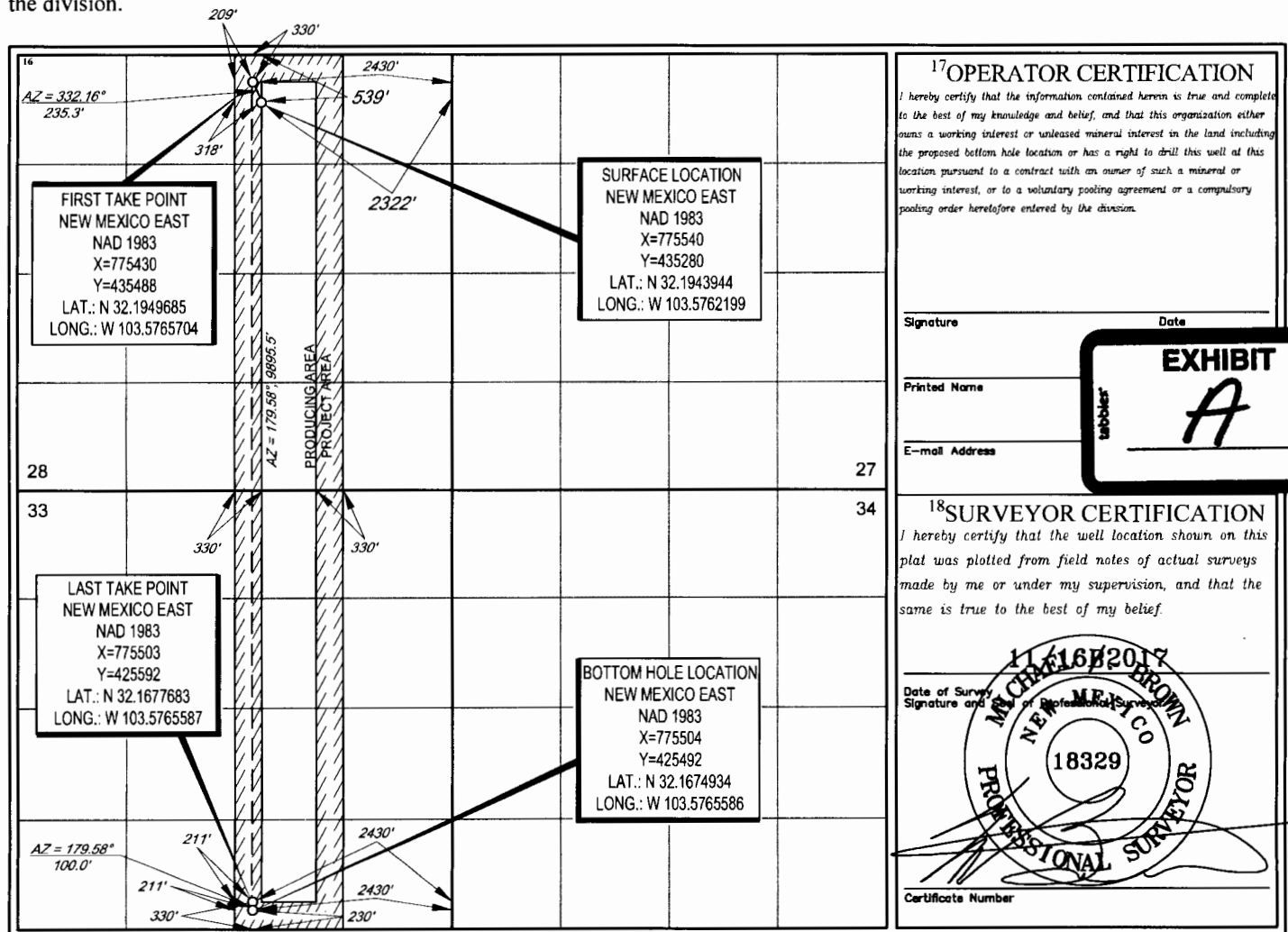
¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	28	24-S	33-E	-	539'	NORTH	2322'	EAST	LEA

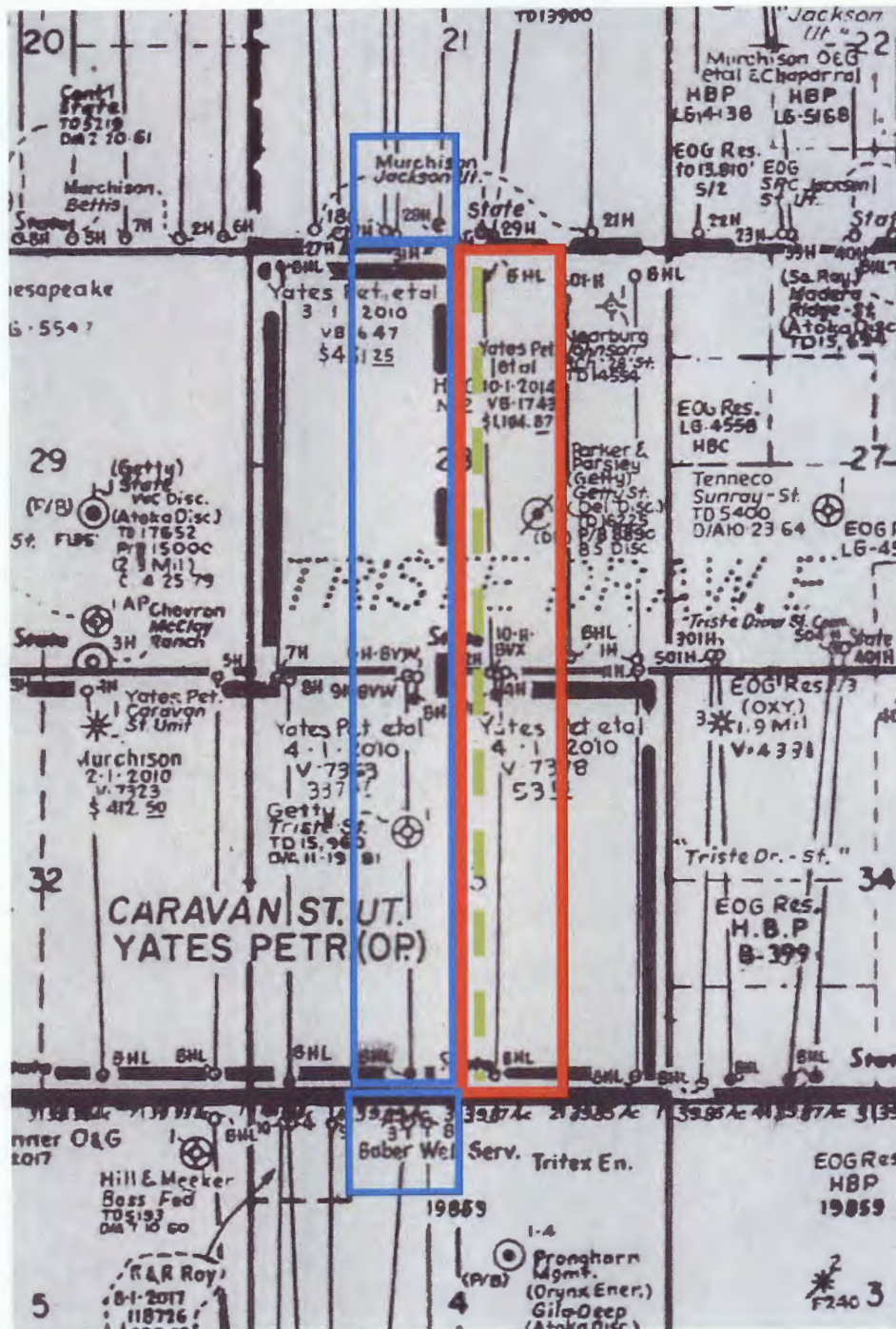
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	33	24-S	33-E	-	230'	SOUTH	2430'	EAST	LEA

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



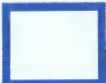
NSL Application - Convoy 28 State Com #706H
 Township 24 South-Range 33 East, NMPM
 Sec. 28: W/2E/2 & Sec. 33: W/2E/2, Lea County New Mexico



Project area for Convoy 28 State Com #706H – W/2E/2 Sec. 28 and W/2E/2 Sec. 33-T24S-R33E



Convoy 28 State Com #704H



Affected Parties



Exhibit C

Tract 1:

Murchison Oil and Gas
7250 Dallas Parkway, Suite 1400
Plano, TX 75024
70171450000216970521

Tract 2:

Saguaro Resources, Inc.
5705 Pinehurst, Farmington, NM 79702
70171450000216979921

Tract 3:

COG Operating LLC
600 W. Illinois Ave.
One Concho Center
Midland, TX 79701
70171450000216970514



Date: January 11, 2018

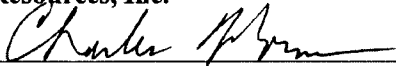
To: State of New Mexico Oil Conservation Division

Re: Convoy 28 State Com #706H – NSL Application

To whom it may concern:

I have reviewed the ownership as to the Wolfcamp Formation of the oil and gas leasehold in Section 28 and Section 33, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico, for purposes of the APPLICATION FOR NONSTANDARD LOCATION in the W/2E/2 of Sections 28 and 33. Sections 28 and 33 are covered by a joint operating agreement. Accordingly, working interest ownership is identical in the proposed spacing unit and the adjacent spacing unit in the E/2W/2 of Sections 28 and 33. However, overriding royalty owners are not identical. Ownership is therefore not identical.

EOG Resources, Inc.



Charles Moran
Land Advisor



HOLLAND & HART LLP



Jordan L. Kessler
Associate
Phone (505) 954-7286
Fax (505) 983-6043
JLKessler@hollandhart.com

January 12, 2018

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO AFFECTED PARTIES

Re: Application of EOG Resources, Inc. for administrative approval of an unorthodox well location for its Convoy 28 State Com No. 706H Well in the W/2 E/2 of Sections 28 and 33, Township 24 South, Range 33 East, N.M.P.M., 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:

Chuck Moran
EOG Resources, Inc.
(432) 686-3684
Charles_Moran@eogresources.com

Sincerely,

Jordan L. Kessler
ATTORNEY FOR EOG RESOURCES, INC.

Holland & Hart LLP

Phone [505] 988-4421 **Fax** [505] 983-6043 **www.hollandhart.com**

110 North Guadalupe Suite 1 Santa Fe, New Mexico 87501 **Mailing Address** P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Boulder Carson City Colorado Springs Denver Denver Tech Center Billings Boise Cheyenne Jackson Hole Las Vegas Reno Salt Lake City Santa Fe Washington, D.C. ☏

From: [Lowe, Leonard, EMNRD](#)
To: ["Jordan L. Kessler"; "Michael Feldewert"](#)
Cc: [Brown, Maxey G, EMNRD](#); [Kautz, Paul, EMNRD](#); [McMillan, Michael, EMNRD](#); [Goetze, Phillip, EMNRD](#); [Jones, William V, EMNRD](#); ["lisa@rwbyram.com"](#); ["jglover@blm.gov"](#); ["scaffey@blm.gov"](#); ["jstovall@blm.gov"](#)
Subject: APPROVED NSL-7634_EOG RESOURCES, INC_Convoy 28 State Com Well No. 706H_SEC 28 24S 33E
Date: Friday, February 16, 2018 5:12:00 PM
Importance: High

Ms. Jordan L. Kessler,

The following Administrative Order has been issued, for:

OPERATOR: EOG RESOURCES, INC.
ORDER: NSL-7634
WELL: Convoy 28 State Com Well No. 706H
API NO: 30-025-44259

The Order will soon be available on the Division's web site:

<http://ocdimage.emnrd.state.nm.us/Imaging/Default.aspx>

Thank you!

Leonard Lowe

Engineering Bureau

Oil Conservation Division

Energy Minerals and Natural Resources Department

1220 South St. Frances

Santa Fe, New Mexico 87004

Office: 505-476-3492

Cell: 505-930-6717

Fax: 505-476-3462

E-mail: leonard.lowe@state.nm.us

Website: <http://www.emnrd.state.nm.us/ocd/>