

NSL Initial Application

Received March 15, 2019

This application is only placed in file. It MAY or MAY NOT have been reviewed to be determined Administratively Complete

NSL-7866

Revised March 23, 2017

PLEL1907855396

| | | | |
|-------------------|---------------|-----------|---------|
| RECEIVED: 3/15/19 | REVIEWER: LRL | TYPE: NSL | APP NO: |
|-------------------|---------------|-----------|---------|

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: Savage 2 State Com No. 507H Well

API: 30-025-45694

Pool: Lower Bone Spring Pool

Pool Code: 97964

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

- 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.

Adam G. Rankin

Print or Type Name

Signature

March 15, 2019

Date

505-988-4421

Phone Number

agrarkin@hollandhart.com

e-mail Address



Adam G. Rankin
Associate
Phone (505) 954-7294
Fax (505) 983-6043
AGRankin@hollandhart.com

March 15, 2019

VIA HAND DELIVERY

Gabriel Wade
Acting Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Application of EOG Resources, Inc. for administrative approval of an unorthodox well location for its Savage 2 State Com No. 507H Well in the E/2E/2 of Section 2, Township 25 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Dear Mr. Wade:

EOG Resources, Inc. (OGRID No. 7377) seeks administrative approval of an unorthodox well location for its **Savage 2 State Com No. 507H Well** (API No. 30-025-45694) to be completed within the WC-025 F-07 S243225C; Lower Bone Spring Pool (97964) underlying Lot 1 and the SE/4 NE/4, E/2 SE/4 (i.e., E/2E/2) of Section 2, Township 25 South, Range 32 East, N.M.P.M., Lea County, New Mexico. This well will be drilled from a surface location 469 feet from the north line and 1,214 feet from the east line (Lot 1) of Section 2. The upper most perforation will be located 100 feet from the north line and 1,075 feet from the east line (Lot 1) of Section 2 and the lower most perforation will be 100 feet from the south line and 1,075 feet from the east line (Unit P) of Section 2. Since this acreage is governed by the Division's statewide rules, the completed interval for this well will be unorthodox because it is closer than 330 feet to the eastern boundary of the spacing unit. 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.

Exhibit A is a Well Location and Acreage Dedication Plat (Form C-102), which shows that the completed interval of the proposed **Savage 2 State Com No. 507H Well** encroaches on the drilling and spacing unit to the west.

Exhibit B is a land plat for Section 2 that shows the proposed **Savage 2 State Com No. 507H Well** in relation to adjoining units and existing wells in Section 2. This exhibit also shows EOG's well spacing pattern for the subject area.

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 C is a certification of the ownership identifying the affected parties in Lot 2 and the SW/4 NE/4, W/2 SE/4 (i.e., W/2E/2) of Section 2, the drilling and spacing unit to the west. Each of the parties listed on Exhibit C have been provided notice of this application by certified mail.

Exhibit D is a statement from an engineer confirming that EOG's requested unorthodox location is necessary to optimize well spacing, thereby preventing waste.

Your attention to this matter is appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "A.G. Rankin".

Adam G. Rankin

ATTORNEY FOR EOG RESOURCES, INC.



Adam G. Rankin
Associate
Phone (505) 954-7294
Fax (505) 983-6043
AGRankin@hollandhart.com

March 15, 2019

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 Savage 2 State Com No. 507H Well in Lot 1 and the SE/4NE/4, E/2SE/4 (i.e., E/2E/2) of Section 2, Township 25 South, Range 32 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:

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

Sincerely,

A handwritten signature in black ink, appearing to read "AR", enclosed within a large, loopy oval.

Adam G. Rankin
ATTORNEY FOR EOG RESOURCES, INC.

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., Santa 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.
Santa 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 SAVAGE 2 STATE COM | | ⁶ Well Number 507H |
| ⁷ GRID No. | ⁸ Operator Name EOG RESOURCES, INC. | | ⁹ Elevation 3544' |

¹⁰Surface Location

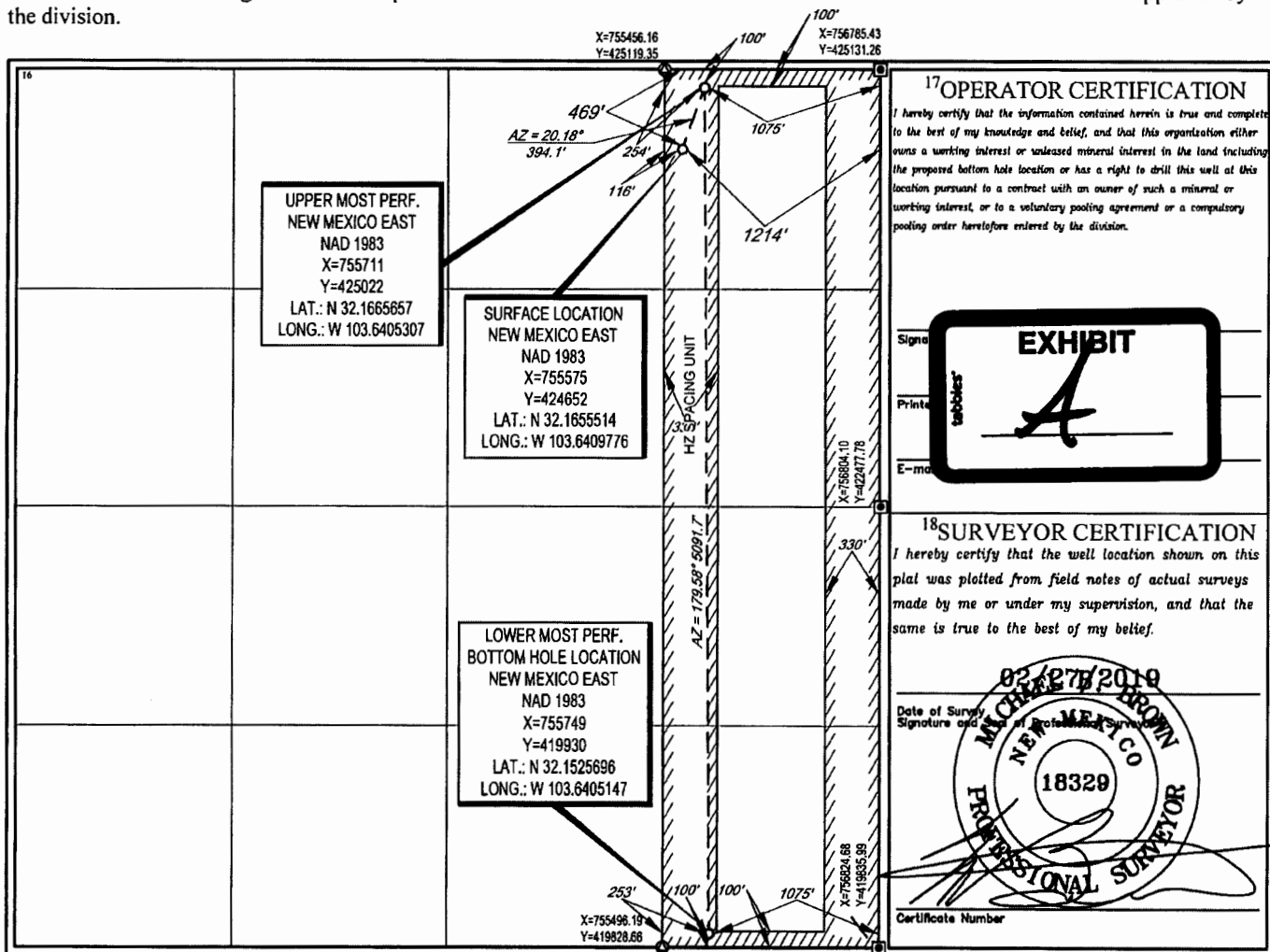
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| 1 | 2 | 25-S | 32-E | - | 469' | NORTH | 1214' | EAST | LEA |

¹¹Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| P | 2 | 25-S | 32-E | - | 100' | SOUTH | 1075' | EAST | LEA |

| | | | |
|---|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 161.42 | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. |
|---|-------------------------------|----------------------------------|-------------------------|

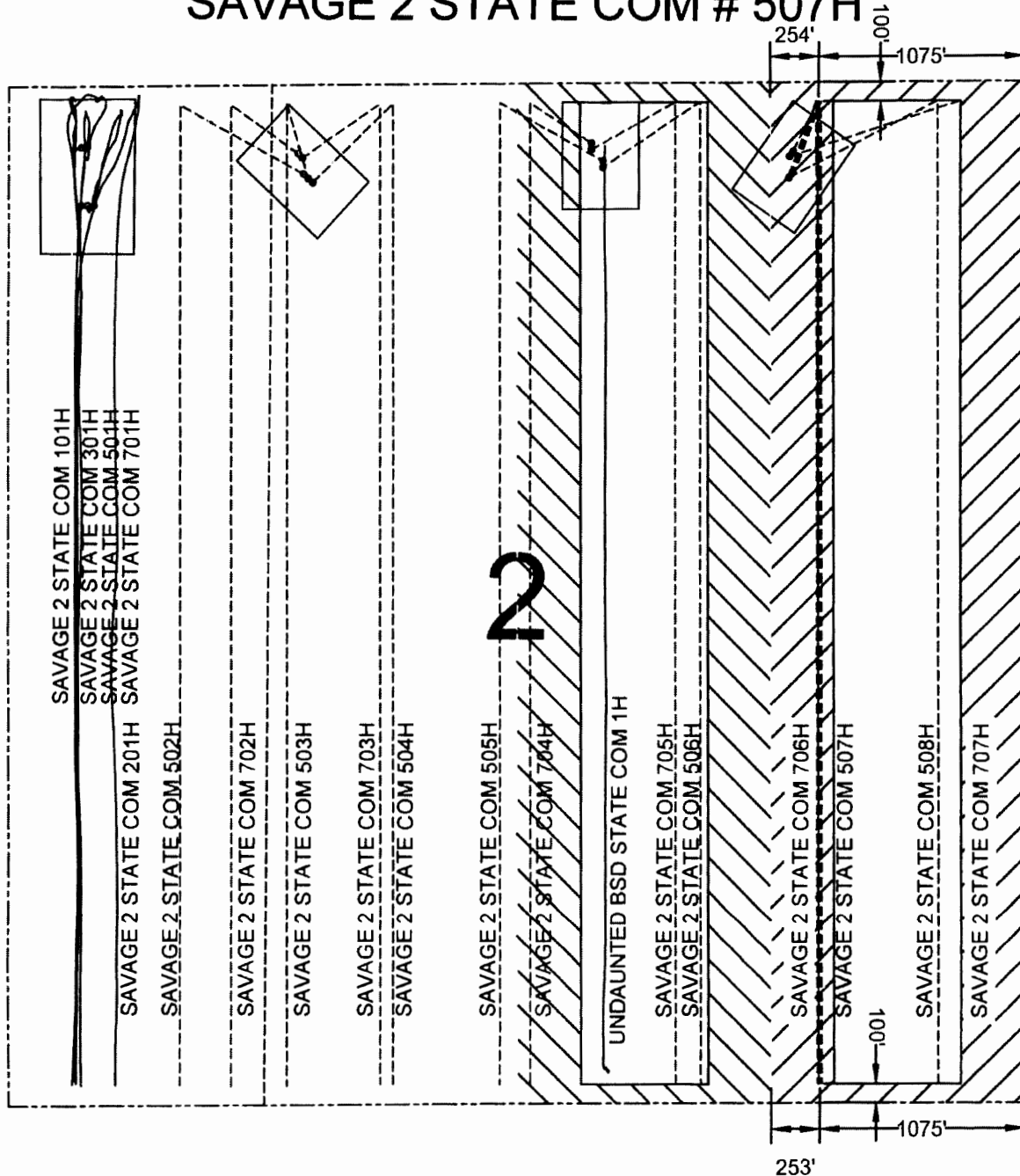
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



T-25-S, R-32-E, LEA COUNTY

UNORTHODOX LOCATION APPLICATION

SAVAGE 2 STATE COM # 507H



HZ SPACING UNIT
FOR PROPOSED WELL



AFFECTED PARTIES



WOLFCAMP

PROPOSED WELL
EXISTING WELL

BONE SPRING

PROPOSED WELL
EXISTING WELL

EXHIBIT

B

tabbles



5509 Champions Dr., Midland, Texas 79706
Phone: (432) 686-3600 Fax: (432) 686-3773

Certification of Ownership

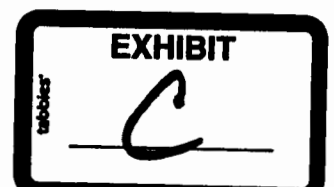
I have reviewed the ownership of the oil and gas leasehold in Section 2, T25S-R32E, Lea County, New Mexico, for purposes of the unorthodox location for EOG Resources, Inc.'s Savage 2 State Com #507H in the E/2E/2 of Section 2. As of this date below, the affected parties are:

| |
|---|
| EOG Resources, Inc. 5509 Champions Drive Midland, Texas 79706 |
| Oxy Y-1 Company ✓ Attn: Permian Land Manager – New Mexico P. O. Box 4294 Houston, Texas 77210-4294 |
| New Mexico State Land Office P. O. Box 1148 Santa Fe, New Mexico 87504 |

EOG Resources, Inc.

A handwritten signature in black ink, appearing to read "Charles Moran", written over a horizontal line.

Charles Moran
Land Advisor
March 11, 2019



**A. Mailer Action**

Note to Mailer: The labels and volume associated to this form online, **must** match the labeled packages being presented to the USPS® employee with this form.

EOG NSL - Savage 507H
CM# 44497.0001
Notice List 20190315

**Shipment Confirmation
Acceptance Notice**

Shipment Date: 03/13/2019

Shipped From:

Name: HOLLAND & HART LLP

Address: 110 N GUADALUPE ST # 1

City: SANTA FE

State: NM ZIP+4® 87501

| Type of Mail | Volume |
|------------------------------|--------|
| Priority Mail Express® | |
| Priority Mail® | 0 |
| First-Class Package Service® | |
| Returns | |
| International* | |
| Other | 2 |
| Total | 2 |

*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

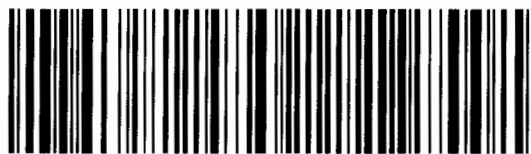
B. USPS Action

Note to RSS Clerk:

1. Home screen > Mailing/Shipping > More
2. Select Shipment Confirm
3. Scan or enter the barcode/label number from PS Form 5630
4. Confirm the volume count message by selecting Yes or No
5. Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail.
Leave form with customer or in customer's mail receptacle.

USPS SCAN AT ACCEPTANCE



9275 0901 1935 6200 0013 2336 85



Firm Mailing Book For Accountable Mail

| Name and Address of Sender | USPS Tracking/Article Number | Check type of mail or service <input type="checkbox"/> Adult Signature Required <input type="checkbox"/> Priority Mail Express <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Collect on Delivery (COD) <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Insured Mail <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Priority Mail <input type="checkbox"/> Restricted Delivery |
|---|--|---|
| Holland & Hart LLP 110 N Guadalupe St # 1 Santa Fe NM 87501 | 1. 9214 8901 9403 8380 0434 53 | New Mexico State Land Office PO BOX 1146 Santa Fe NM 87504 |
| | 2. 9214 8901 9403 8380 0434 60 | OXY Y-1 Company Attn NM Permian Land Manager PO BOX 4294 Houston TX 77210 |
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| | | |
| Total Number of Pieces Listed by Sender 2 | Total Number of Pieces Received at Post Office | Postmaster, Per (Name of receiving employee) |



February 26, 2019

Re: EOG Resources, Inc. NSL Application
Savage 2 State Com #507H (Well)
E/2E/2 Sec. 2, T25S-R32E
Lea County, New Mexico

To Whom it may concern:

Considering the distance between wells in the development plan for the Bone Spring formation as well as the location of the existing wells in Section 2-T25S-R32E, EOG believes the non-standard location is necessary to develop the 2nd Bone Spring resource in an economic fashion. Based on current 2nd Bone Spring wells in Section 2-T25S-R32E, placing the well at this location prevents completion energy distribution to be skewed into a region of lower pressure caused by offset depletion, negatively impacting well's production. Granting the exception will allow for more total production from the section and more efficient development of the asset therefore protecting correlative rights.

Sincerely

EOG Resources, Inc.

A handwritten signature in black ink that reads "Matt Mason".

Matt Mason
Reservoir Engineer I



Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Friday, April 5, 2019 11:16 AM
To: 'Adam Rankin'
Cc: 'lisa@rwbyram.com'; Jones, William V, EMNRD; McMillan, Michael, EMNRD; Goetze, Phillip, EMNRD; Warnell, Terry G, EMNRD; Dawson, Scott, EMNRD; Murphy, Kathleen A, EMNRD; Holm, Anchor E.; Sharp, Karen, EMNRD; Kautz, Paul, EMNRD
Subject: APPROVED NSL-7866_EOG Resources, Inc._Savage 2 State Com Well No. 507H_SEC 2 25S 32E_Lea County

Importance: High

Mr. Adam Rankin,

The following administrative order has been issued and will soon be available on the Division's web site:

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

NSL-7866

EOG Resources, Inc. [7377]

30-025-45694

Savage 2 State Com Well No. 507H

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/>