

Initial Application Part I

Received: 08/19/2019

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

Revised March 23, 2017

| | | | |
|----------------------|---------------|----------|------------------------|
| RECEIVED: 08/19/2019 | REVIEWER: MAM | TYPE: PC | APP NO: pMAM1923152136 |
|----------------------|---------------|----------|------------------------|

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: Quail 2 State 594H & others API: 30-015-45788
 Pool: Wildcat G-015 S263001O; Bone Spring Pool Code: 97814

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

PC-1366

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.

Sarah Mitchell

Print or Type Name

Signature

Date

8/19/19

432-848-9133

Phone Number

Sarah_mitchell@eogresources.com

e-mail Address

Submit 1 Copy To Appropriate District
Office
District I – (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II – (575) 748-1283
811 S. First St., Artesia, NM 88210
District III – (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV – (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised July 18, 2013

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

| | | |
|---|--|---|
| SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) | | WELL API NO. 30-015-45788 |
| 1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> | | 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 2. Name of Operator EOG Resources, Inc. | | 6. State Oil & Gas Lease No. VB-0839; VB-0850 |
| 3. Address of Operator P.O. Box 2267, Midland, Texas 79702 | | 7. Lease Name or Unit Agreement Name Quail 2 State |
| 4. Well Location Unit Letter <u>C</u> : <u>300</u> feet from the <u>North</u> line and <u>1596</u> feet from the <u>West</u> line Section <u>2</u> Township <u>26S</u> Range <u>30E</u> NMPM Lea County | | 8. Well Number 594H |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3217' | | 9. OGRID Number 7377 |
| | | 10. Pool name or Wildcat Wildcat G-015 S263001O; Bn Spr [97814] |

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

| NOTICE OF INTENTION TO: | SUBSEQUENT REPORT OF: |
|--|--|
| PERFORM REMEDIAL WORK <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> | COMMENCE DRILLING OPNS. <input type="checkbox"/> |
| DOWNHOLE COMMINGLE <input type="checkbox"/> | CASING/CEMENT JOB <input type="checkbox"/> |
| CLOSED-LOOP SYSTEM <input type="checkbox"/> | |
| OTHER: Surface Commingle <input checked="" type="checkbox"/> | OTHER: PC-1366 <input type="checkbox"/> |

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

EOG Resources, Inc. respectfully requests to surface pool/lease commingle production from the following wells into one central tank battery:

| | | |
|------------------------|-------------------|---|
| Quail 2 State 594H | API: 30-015-45788 | Wildcat G-015 S263001O; Bone Spring [97814] |
| Quail 2 State Com 581H | API: 30-015-45787 | Wildcat G-015 S263001O; Bone Spring [97814] |
| Quail 2 State Com 707H | API: 30-015-45793 | Purple Sage; Wolfcamp [98220] |

Please see attached supporting documentation. These wells have uniform ownership. State Land Office has received notice of this application

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Sarah Mitchell TITLE Regulatory Contractor DATE 8/19/19

Type or print name Sarah Mitchell E-mail address: sarah_mitchell@eogresources.com PHONE: 432-848-9133

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____
Conditions of Approval (if any): _____



P.O. Box 2267, Midland, Texas 79702
Phone: (432) 686-3720

Date: August 14, 2019

To: State of New Mexico Oil Conservation Division
New Mexico State Land Office

Re: Surface Pool Commingling Application; Quail 2 State CTB: Quail 2 State
594H, Quail 2 State Com 581H, 707H

To whom it may concern:

This letter serves to notice you that the ownership of the following wells is identical in working, royalty, overriding royalty interest and percentages as defined in 19.15.12.7 NMAC:

| Well Name | Location | API # | Pool | Status |
|-------------------------|-------------|--------------|--|-----------|
| QUAIL 2 STATE #594H | C-2-26S-30E | 30-015-45788 | Wildcat G-015 S263001O; Bone Spring [97814] | Permitted |
| QUAIL 2 STATE COM #581H | A-2-26S-30E | 30-015-45787 | Wildcat G-015 S263001O; Bone Spring [97814] | Permitted |
| QUAIL 2 STATE COM #707H | C-2-26S-30E | 30-015-45793 | Purple Sage; Wolfcamp [98220] | Permitted |

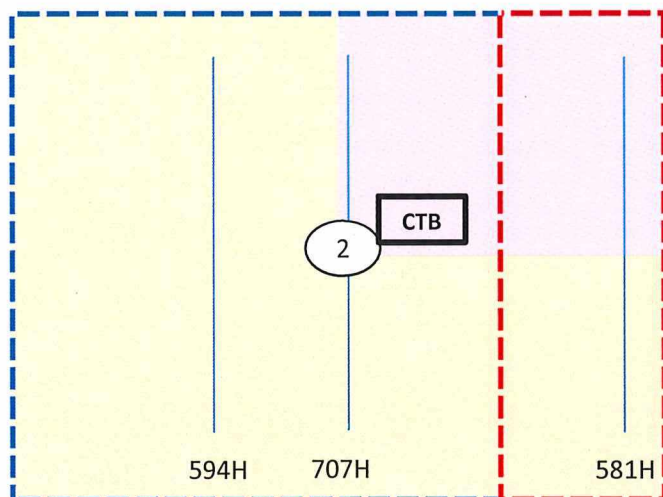
I certify that this information is true and correct to the best of my knowledge.

Sincerely,

EOG Resources, Inc.

By: Katie McBryde
Katie McBryde
Landman II

Township 26 South, Range 30 East, NMPM



ST NM VB-0850 - W2, SE4

ST NM VB-0839 - NE4

 Consolidation Agreement **Pending** - E2E2, Bone Spring Formation

 Consolidation Agreement **Pending** - Entire Section, Wolfcamp Formation

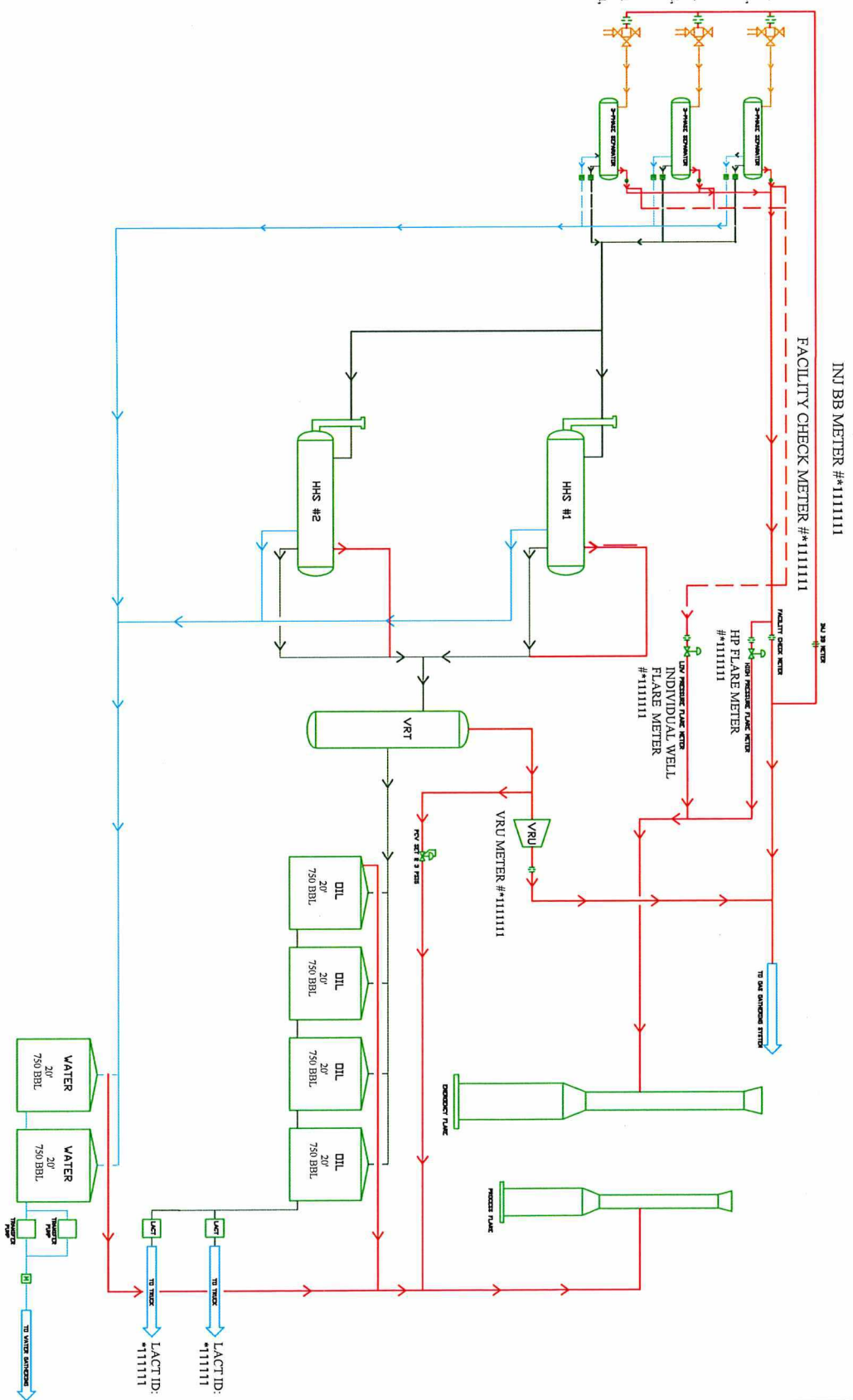
| API | Well Name | Mineral Owner | Status | Well Spacing Sec. 2-26S-30E |
|--------------|-------------------------|---------------|--------|--------------------------------|
| 30-015-45788 | Quail 2 State #594H | State | New | E/2 W/2 |
| 30-015-45787 | Quail 2 State Com #581H | State | New | E/2 E/2 |
| 30-015-45793 | Quail 2 State Com #707H | State | New | W/2 E/2 |

FACILITY NAME: QUAL 2 STATE CTB

WELL NAME: QUAL 2 STATE #594H
API NUMBER: 30-015-5788
GAS METER # *111111
GAS LIFT METER#*111111
OIL METER#*111111
WATER METERS #*111111,
*111111

WELL NAME: QUAL 2 STATE COM #581H
API NUMBER: 30-015-5787
GAS METER # *111111
GAS LIFT METER#*111111
OIL METER#*111111
WATER METERS #*111111,
*111111

WELL NAME: QUAL 2 STATE COM #707H
API NUMBER: 30-015-5793
GAS METER # *111111
GAS LIFT METER#*111111
OIL METER#*111111
WATER METERS #*111111,
*111111



Gas Drift Meter
Liquid Meter

*Test meter numbers will be provided upon installation of meters and completion of the facility.

| | | |
|------------------------|--|-----------|
| BLANK CTB PROCESS FLOW | | |
| E&G RESOURCES | | |
| MIDLAND DIVISION | | |
| BY: EPF | | rev. 00 |
| | | 7/15/2019 |

APPLICATION FOR SURFACE POOL/LEASE COMMINGLING

EOG Resources, Inc. ("EOG") respectfully requests approval to surface pool/lease commingle oil & gas from the following wells:

| Well Name | Location | API # | Pool | Status | Oil BPD | Gravities | MSCFPD | BTU |
|-------------------------|-------------|--------------|---|-----------|---------|-----------|--------|-------|
| QUAIL 2 STATE #594H | C-2-26S-30E | 30-015-45788 | Wildcat G-015 S263001O; Bone Spring [97814] | Permitted | *1320 | *46 | *650 | *1333 |
| QUAIL 2 STATE COM #581H | A-2-26S-30E | 30-015-45787 | Wildcat G-015 S263001O; Bone Spring [97814] | Permitted | *1320 | *46 | *650 | *1333 |
| QUAIL 2 STATE COM #707H | C-2-26S-30E | 30-015-45793 | Purple Sage; Wolfcamp [98220] | Permitted | *1320 | *46 | *650 | *1333 |

*projected, pending completion

GENERAL INFORMATION :

- State of New Mexico lease VB-0839-0001 covers 160.00 acres, being the NE/4 of Section 2 in Township 26 South, Range 30 East, Eddy County, New Mexico
- State of New Mexico lease VB-0850-0001 covers 480.00 acres being the W/2 and SE/4 of Section 2 in Township 26 South, Range 30 East, Eddy County, New Mexico
- The central tank battery to service the subject wells is located in the SW/4 NE/4 (Unit G) of Section 2-26S-30E on State of New Mexico Lease VB-0839-0001.
- An application to commingle production from the subject wells is being submitted to the NMOCD and the New Mexico State Land Office.
- Enclosed herewith is (1) a map that displays the leases, the location of the subject wells, and the proposed CTB, (2) a process flow diagram, (3) and the C-102 plat for each of the wells.

FUTURE ADDITIONS

Pursuant to Statewide rule 19.15.12.10(C)(4)(g) EOG Resources, Inc. respectfully requests the option to include additional pools or leases within the defined parameters set forth in the order for future additions.

PROCESS AND FLOW DESCRIPTIONS:

The production from each well will flow into a dedicated 3-phase separator. The production stream will be separated into 3 independent streams (gas, oil, and water) by the separator and each stream will be measured individually after it exits the separator. The gas will be measured using a senior orifice meter before flowing into a common header. Process gas used is allocated to the wells on a mass balance basis based on this measurement. The remaining residue gas is allocated to the wells by energy balance

based off of routine gas sampling at the meter. *Gas measurements on the high pressure separator are aligned with API MPMS 20.1*

QUAIL 2 STATE #594H gas allocation meter is an Emerson orifice meter (S/N *1111111)

QUAIL 2 STATE COM #581H gas allocation meter is an Emerson orifice meter (S/N *1111111)

QUAIL 2 STATE COM #707H gas allocation meter is an Emerson orifice meter (S/N *1111111)

The oil from the separators will be measured using a Coriolis meter. *Oil measurements on the high pressure separator are aligned with API MPMS 20.1*

QUAIL 2 STATE #594H oil allocation meter is a FMC Coriolis meter (S/N *1111111)

QUAIL 2 STATE COM #581H oil allocation meter is a FMC Coriolis meter (S/N *1111111)

QUAIL 2 STATE COM #707H oil allocation meter is a FMC Coriolis meter (S/N *1111111)

The water will be measured using a vortex meter. The water from each separator is combined in a common header and flows into (2) 750 barrel internally coated steel tanks. Guided wave radar is used to measure water volumes in these tanks. The oil from each separator will be combined into a common header and flow into a heated 3-phase separator to aid separation of water entrained in the oil.

Water from the heated separator flows into the common water header connected to the (2) 750 barrel water tanks. The water is then pumped and/or trucked to water reuse or disposal well.

The oil from the heated 3-phase separator flows through a vapor recovery tower (VRT) where gas is allowed to breakout at a lower pressure, and then the oil flows into (4) 750 barrel coated steel tanks. Guided wave radar is used to measure oil volumes in these tanks and can be used for volume verification during diagnosis of upset conditions. Oil is pumped out of the tanks through a LACT with Coriolis measurement into a truck or a pipeline. The LACT is the custody transfer point and the measurement point for oil sales. After the gas from each separator is measured it is combined into a common header. The gas from the heated 3-phase separator also flows into this header. The gas flows through the header to a custody transfer senior orifice meter (#*1111111) that serves as the lease gas production meter. If the pipeline is experiencing problems and gas takeaway rates are reduced, the gas will flow through the produced gas emergency flare meter (#*1111111) to the flare. If an individual well is required to be flared for any safety or operational reason it will be manually routed through the individual well flare meter (#*1111111) to the flare. The overhead gas from the vapor recovery tower is compressed by an electric drive vapor recovery compressor and then measured by a custody transfer senior orifice meter (#*1111111). The gas from the vapor recovery system combines with the gas from the lease production meter and flows into the gas gathering pipeline system.

*Meter numbers will be provided upon installation of meters and completion of the facility.

APPLICATION FOR, COMMINGLING AT A COMMON CENTRAL TANK BATTERY

Proposal for QUAIL 2 STATE CTB:

EOG Resources, Inc. is requesting approval to commingle the following wells in a common central tank battery:

State of New Mexico Leases VB-0839; VB-0850

| Well Name | Location | API # | Pool | HSU | Status | Oil BPD | Gravities | MSCFPD | BTU |
|-------------------------|-------------|--------------|---|-----------------------------|-----------|---------|-----------|--------|-------|
| QUAIL 2 STATE #594H | C-2-26S-30E | 30-015-45788 | Wildcat G-015 S263001O; Bone Spring [97814] | E/2 Section 2 T26S-R30E | Permitted | *1320 | *46 | *650 | *1333 |
| QUAIL 2 STATE COM #581H | A-2-26S-30E | 30-015-45787 | Wildcat G-015 S263001O; Bone Spring [97814] | E/2 E/2 Section 2 T26S-R30E | Permitted | *1320 | *46 | *650 | *1333 |
| QUAIL 2 STATE COM #707H | C-2-26S-30E | 30-015-45793 | Purple Sage; Wolfcamp [98220] | All of Section 2 T26S-R30E | Permitted | *1320 | *46 | *650 | *1333 |

* Estimated numbers for these wells; will provide actual numbers once these wells are producing.

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

RECEIVED

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|---|--|---|--|--|----------------------------------|
| ¹ API Number 30-025-45767 | | ² Pool Code 96403 97814 | | ³ Pool Name Wildcat; Bone Spring | |
| ⁴ Property Code 325163 | | ⁵ Property Name QUAIL 2 STATE COM | | | ⁶ Well Number 581H |
| ⁷ OGRID No. 7377 | | ⁸ Operator Name EOG RESOURCES, INC. | | | ⁹ Elevation 3243' |

¹⁰Surface Location

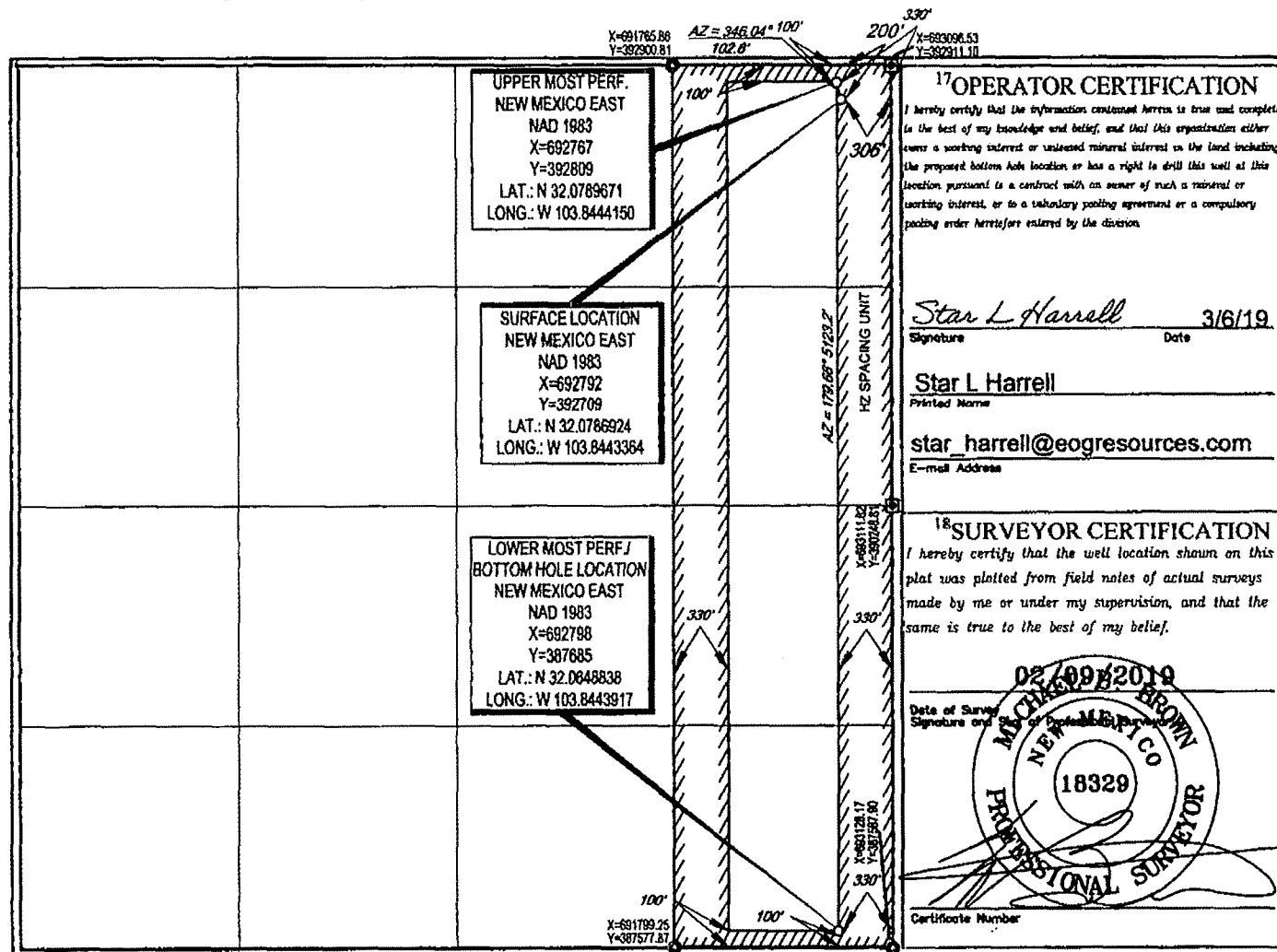
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| A | 2 | 26-S | 30-E | - | 200' | NORTH | 306' | EAST | EDDY |

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 | 26-S | 30-E | - | 100' | SOUTH | 330' | EAST | EDDY |

| | | | |
|---|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 160.00 | 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.



RWP 3-19-19

RECEIVED

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
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Phone: (505) 334-6178 Fax: (505) 334-6170
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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

APR 02 2019

FORM C-102

Revised August 1, 2011

Submit one copy to appropriate

District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | |
|----------------------------|--------------------------------------|--------------------|------------------------------------|
| API Number 30-015-45793 | | Pool Code 98220 | Pool Name Purple Sage; Wolfcamp |
| Property Code 325165 | Property Name QUAIL 2 STATE COM | | Well Number 707H |
| OGRID No. 7377 | Operator Name EOG RESOURCES, INC. | | Elevation 3215' |

¹⁰Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| C | 2 | 26-S | 30-E | - | 300' | NORTH | 1629' | WEST | EDDY |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| 0 | 2 | 26-S | 30-E | - | 230' | SOUTH | 2610' | EAST | EDDY |

| | | | |
|---------------------------|------------------|--------------------|-----------|
| Dedicated Acres 640.00 | Joint or Toffill | Consolidation Code | 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.

