

# NSL Initial Application

Received: 12/24/19

Revised March 23, 2017

RECEIVED: 12/24/19	REVIEWER: LRL	TYPE: NSL	APP NO: pLEL1935830520
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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

<b>Applicant:</b> EOG Resources, Inc.	<b>OGRID Number:</b> 7377
<b>Well Name:</b> Neptune 10 State Com #205H Well	<b>API:</b> 30-025-pending
<b>Pool:</b> Triplex; Bone Spring	<b>Pool Code:</b> 59900

**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☐ PPR2) **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**

<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	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.**

Kaitlyn A. Luck

Print or Type Name

Signature

12/20/2019

Date

505-954-7286

Phone Number

kaluck@hollandhart.com

e-mail Address



**Kaitlyn A. Luck**  
Phone (505) 954-7286  
kaluck@hollandhart.com

December 20, 2019

**VIA ONLINE FILING**

Adrienne Sandoval  
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 Neptune 10 State Com #205H Well in the E/2 E/2 of Sections 3 and 10, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico.**

Dear Ms. Sandoval:

EOG Resources, Inc. (OGRID No. 7377) seeks administrative approval of an unorthodox well location for its **Neptune 10 State Com #205H Well** (API No. 30-025-pending) to be completed within the Triplex; Bone Spring Pool (59900) underlying the E/2 E/2 of Section 3 and 10, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico.

This well will be drilled from a *surface location* 871 feet from the south line and 1144 feet from the east line (Unit P) of Section 10. The *first take point* will be located 100 feet from the south line and 1155 feet from the east line (Unit P) of Section 10, and the *last take point* will be 100 feet from the north line and 1155 feet from the east line (Lot 1) of Section 3. 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 the standard offsets to the western 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 **Neptune 10 State Com #205H Well** encroaches on the spacing units or tracts to the east.

**Exhibit B** is a land plat for Sections 3 and 10, and the surrounding spacing units, that shows the proposed **Neptune 10 State Com #205H Well** in relation to adjoining units and existing wells.

**Exhibit C** is EOG's Certification of Ownership listing the parties affected by the encroachment 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 New Mexico State Land Office since state lands are involved.

**Exhibit D** are copies of the waivers requested from each of the affected parties:

OPERATOR	NAME	DATE SENT	WAIVER RECEIVED
1	EOG Resources, Inc.	N/A	N/A
2	Devon Energy Production Company, L.P.	12/19/19	
3	New Mexico State Land Office	12/19/19	

**Exhibit E** is statement from a petroleum engineer providing justification for the needed exception.

Your attention to this matter is appreciated.

Sincerely,



Kaitlyn A. Luck

**ATTORNEY FOR EOG RESOURCES, INC.**



**Kaitlyn A. Luck**  
Phone (505) 954-7286  
kaluck@hollandhart.com

December 20, 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 Neptune 10 State Com #205H Well in the E/2 E/2 of Sections 3 and 10, 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:

Chloe Sawtelle  
EOG Resources, Inc.  
(432) 686-3660  
Chloe\_Sawtelle@eogresources.com

Sincerely,

A handwritten signature in blue ink, appearing to read "Kaitlyn A. Luck".

Kaitlyn A. Luck  
**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.  
Sante Fe, NM 87505



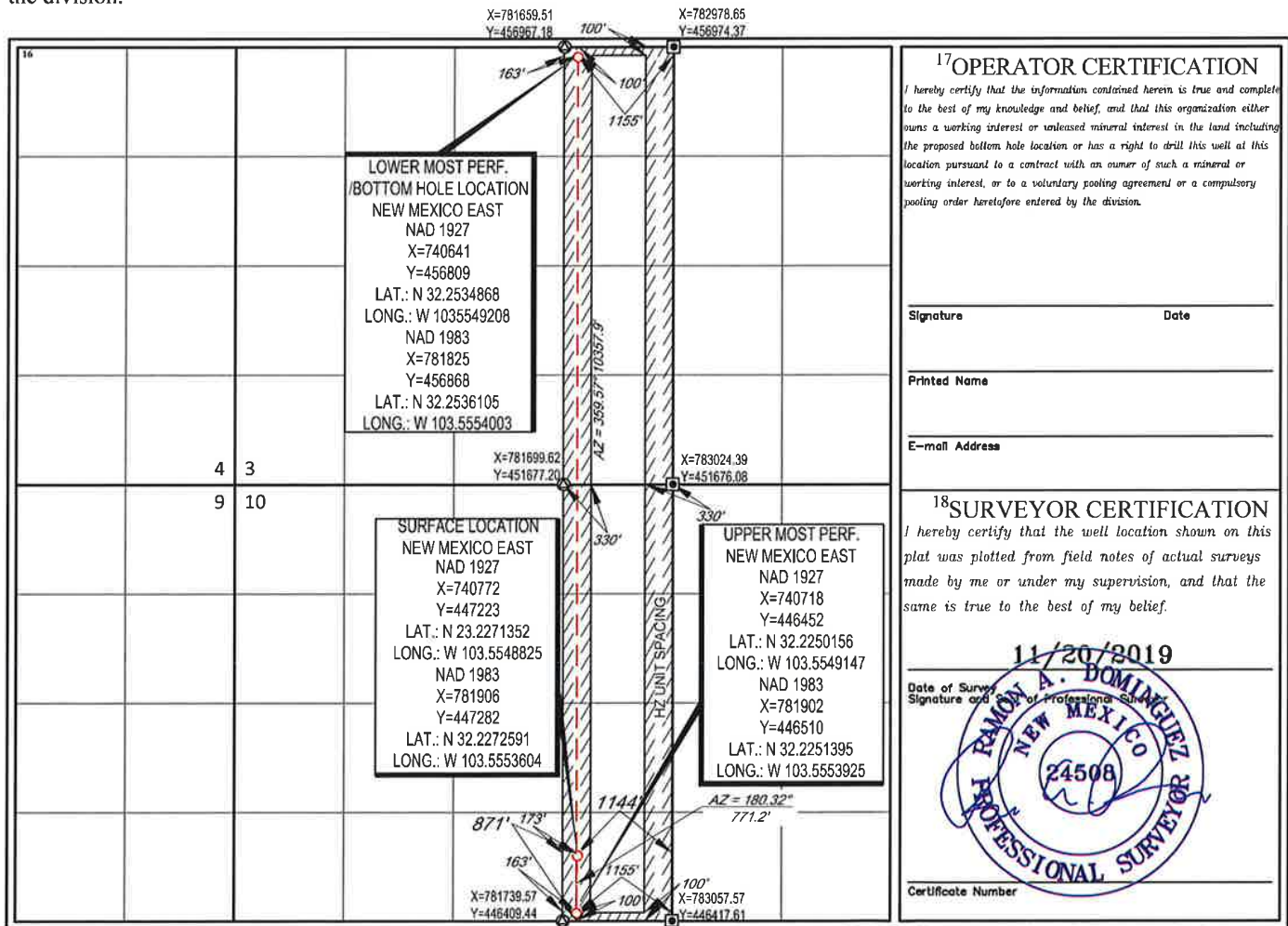
FORM C-102  
August 1, 2011  
to appropriate  
District Office

☐ **AMENDED REPORT**

## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number		<sup>2</sup> Pool Code		<sup>3</sup> Pool Name					
<sup>4</sup> Property Code		<sup>5</sup> Property Name NEPTUNE 10 STATE COM						<sup>6</sup> Well Number 205H	
<sup>7</sup> OGRID No.		<sup>8</sup> Operator Name EOG RESOURCES, INC.						<sup>9</sup> Elevation 3607'	
<sup>10</sup> Surface Location									
UL or lot no. P	Section 10	Township 24-S	Range 33-E	Lot Idn -	Feet from the 871'	North/South line SOUTH	Feet from the 1144'	East/West line EAST	County LEA
<sup>11</sup> Bottom Hole Location If Different From Surface									
UL or lot no. 1	Section 3	Township 24-S	Range 33-E	Lot Idn -	Feet from the 100'	North/South line NORTH	Feet from the 1155'	East/West line EAST	County LEA
<sup>12</sup> Dedicated Acres 320.05		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> 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.



S:\SURVEY\EOG MIDLAND\NEPTUNE 10 STATE COM\FINAL PRODUCTS\ILO NEPTUNE10STATE COM 205H.DWG 12/20/2019 11:13:47 AM rdominquez



[illegible]

**EXHIBIT**  
B

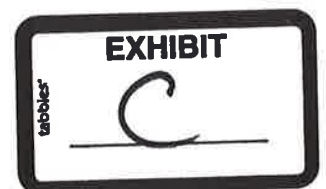
**Certification of Ownership**

I have reviewed the ownership of the oil and gas leasehold in Sections 3 & 10, T24S-R33E, Lea County, New Mexico, for purposes of the unorthodox location for EOG Resources, Inc.'s Neptune 10 State Com #205H Well in the E/2 E/2 of Sections 3 & 10. The affected parties are:

EOG Resources, Inc. 5509 Champions Drive Midland, Texas 79706
Devon Energy Production Company, L.P. 333 West Sheridan Avenue Oklahoma City, Oklahoma 73102
New Mexico State Land Office P. O. Box 1148 Santa Fe, New Mexico 87504

**EOG Resources, Inc.**

Chloe Sawtelle  
Landman II  
December 19, 2019





**Shipment Confirmation  
Acceptance Notice****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 - Neptune 102H  
CM# 44497.0001

Shipment Date: 12/20/2019

Shipped From:

Name: HOLLAND &amp; HART LLP (1)

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 0019 1515 94



## Firm Mailing Book For Accountable Mail

Name and Address of Sender	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 (1) 110 N Guadalupe St # 1 Santa Fe NM 87501	USPS Tracking/Article Number
1. 9214 8901 9403 8302 9615 51	Addressee (Name, Street, City, State, & ZIP Code™) Canaan Resources Drilling Company LLC 1101 N Broadway Suite 300 Oklahoma City OK 73103
2. 9214 8901 9403 8302 9615 68	CRP XII LLC 1101 N Broadway Suite 300 Oklahoma City OK 73103

**Shipment Confirmation  
Acceptance Notice****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 - Neptune 102H, 203H, 205H  
CM# 44497.0001

Shipment Date: 12/20/2019

Shipped From:

Name: HOLLAND & HART LLP (1)

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 0019 1516 24



PS Form **3877**, April 2015  
PSN 7530-02-000-9098

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Complete in Ink (Page 1 of 1)

Privacy Notice: For more information on USPS privacy policies, visit [usps.com/privacypolicy](https://usps.com/privacypolicy)



December 19, 2019

Via Email

New Mexico State Land Office  
Attn: Niranjana Khalsa  
P.O. Box 1148  
Santa Fe, NM 87504

**Re: Application of EOG Resources, Inc. for Administrative Approval of an Unorthodox Well Location: Neptune 10 State Com #205H Well, E/2 E/2 of Section 3 and Section 10, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico**

Dear Ms. Khalsa:

EOG Resources, Inc. has submitted the above-referenced application to the New Mexico Oil Conservation Division for an unorthodox well location for its Neptune 10 State Com #205H Well (API No. pending) to be completed within the Bone Spring Leonard Shale B formation (Triplex; Bone Spring - 59900) underlying the E/2 E/2 of Section 3 and 10, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico. Division rules provide that the completed interval for such wells are to be located no closer than 330 feet to the outer boundary of the horizontal spacing unit in which the well is located. The proposed first take point will be located 100 feet from the south line and 1155 feet from the east line (Unit P) of Section 10, and the last take point will be 100 feet from the north line and 1155 feet from the east line (Lot 1) of Section 3 and will be drilled pursuant to the horizontal well rules of the Division. The proposed location for this well, therefore, encroaches on the western boundary of the spacing unit and requires Division approval for an unorthodox well location.

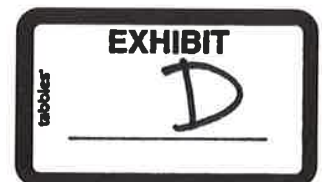
Division Rules provide that an application may be approved sooner if the applicant obtains waivers from affected parties. We therefore request your waiver of objection to this administrative application. We respectfully request you that you sign this letter and return it as soon as possible.

Thank you for your consideration of this matter. Should you wish to discuss this further, please feel free to contact me at the information listed below.

Sincerely,

Chloe Sawtelle  
Landman II  
(432) 686-3660  
Chloe\_Sawtelle@eogresources.com

energy opportunity growth



**Re: Application of EOG Resources, Inc. for Administrative Approval of an Unorthodox Well Location: Neptune 10 State Com #205H Well, E/2 E/2 of Section 3 and Section 10, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico**

New Mexico State Land Office agrees to waive objection to EOG Resources application for an unorthodox well location for its **Neptune 10 State Com #205H Well**.

**NEW MEXICO STATE LAND OFFICE**

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_





December 19, 2019

Via Email

Devon Energy Production Company, L.P.  
333 West Sheridan Avenue  
Oklahoma City, Oklahoma 73102

**Re: Application of EOG Resources, Inc. for Administrative Approval of an Unorthodox Well Location: Neptune 10 State Com #205H Well, E/2 E/2 of Section 3 and Section 10, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico**

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Sincerely,

Chloe Sawtelle  
Landman II  
(432) 686-3660  
Chloe\_Sawtelle@eogresources.com

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New Mexico State Land Office agrees to waive objection to EOG Resources application for an unorthodox well location for its **Neptune 10 State Com #205H Well**.

**DEVON ENERGY PRODUCTION COMPANY, L.P.**

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



Neptune 10 State Com #205H

A non-standard location is necessary to develop the Avalon Shale in this section efficiently and in an economic manner. A non-standard location optimizes pressures related to the completion of the wells and is expected to yield a higher ultimate recovery than a standard location, thereby preventing waste and protecting correlative rights.

A handwritten signature in black ink that reads "David Carlos Sonka".

EOG Resources  
David Carlos Sonka  
Reservoir Engineer

energy opportunity growth

