

NSL

Initial

Application

|                           |                      |                  |                               |
|---------------------------|----------------------|------------------|-------------------------------|
| RECEIVED: <b>01/15/21</b> | REVIEWER: <b>LRL</b> | TYPE: <b>NSL</b> | APP NO: <b>pLEL2101945879</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:** Fearless 26 Fed Com #724H Well **API:** 30-025-48350  
**Pool:** WC-025 G-09 S253309P; UPR WOLFCAMP **Pool Code:** 98180

**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.**

Kaitlyn A. Luck

Print or Type Name

Signature

1/14/2021

Date

505-954-7286

Phone Number

kaluck@hollandhart.com

e-mail Address



January 14, 2021

**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 Fearless 26 Fed Com #724H Well in the W/2 E/2 of Section 26, Township 25 South, Range 32 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 **Fearless 26 Fed Com #724H Well** (API No. 30-025-48350) to be completed within the WC-025 G-09 S253309P; UPR WOLFCAMP Pool [98180], underlying the W/2 E/2 of Section 26, Township 25 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

This well is to be drilled and completed at a surface location 444 feet from the north line and 2421 feet from the east line (Unit B) of Section 26. The *first take point* is located 100 feet from the north line and 2590 feet from the east line (Unit B) of Section 26, and the *last take point* is located 100 feet from the south line and 2590 feet from the east line (Unit O) of Section 26. 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 **Fearless 26 Fed Com #724H Well** encroaches on the spacing unit/tracts to the west in the E/2 W/2 of Section 26.

**Exhibit B** is a plat for Section 26 that shows the proposed **Fearless 26 Fed Com #724H Well** in relation to adjoining spacing unit to the west.

Ownership is diverse between the subject spacing unit and the affected spacing unit to the west. **Exhibit C** is a landman statement reflecting the “affected parties” and proof that a copy of this application with all attachments has been sent by certified mail to each affected party advising that any objections must be filed in writing with the Division within 20 days from the date the Division receives the application. A copy of this application has also been provided to the Bureau of Land Management because federal lands are involved.

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

Your attention to this matter is appreciated.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Kaitlyn A. Luck', is written over a horizontal line.

Kaitlyn A. Luck  
**ATTORNEY FOR EOG RESOURCES, INC.**

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

Revised August 1, 2011

Submit one copy to appropriate

District Office

☐ AMENDED REPORT

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

## 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<br><b>FEARLESS 26 FED COM</b> | <sup>6</sup> Well Number<br><b>724H</b> |
| <sup>7</sup> OGRID No.     | <sup>8</sup> Operator Name<br><b>EOG RESOURCES, INC.</b> | <sup>9</sup> Elevation<br><b>3395'</b>  |

<sup>10</sup>Surface Location

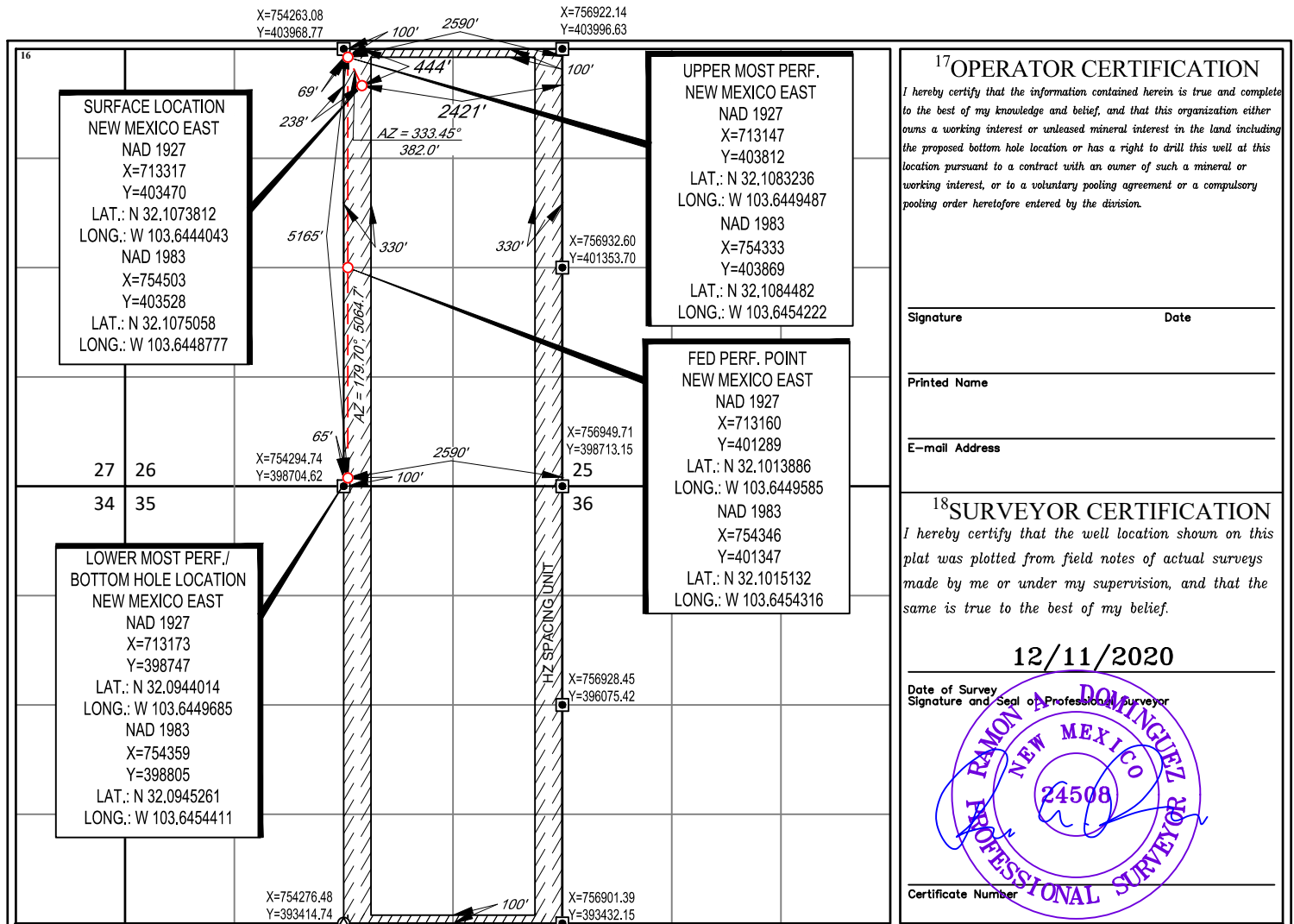
| UL or lot no. | Section   | Township    | Range       | Lot Idn  | Feet from the | North/South line | Feet from the | East/West line | County     |
|---------------|-----------|-------------|-------------|----------|---------------|------------------|---------------|----------------|------------|
| <b>B</b>      | <b>26</b> | <b>25-S</b> | <b>32-E</b> | <b>-</b> | <b>444'</b>   | <b>NORTH</b>     | <b>2421'</b>  | <b>EAST</b>    | <b>LEA</b> |

<sup>11</sup>Bottom 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     |
|---------------|-----------|-------------|-------------|----------|---------------|------------------|---------------|----------------|------------|
| <b>0</b>      | <b>26</b> | <b>25-S</b> | <b>32-E</b> | <b>-</b> | <b>100'</b>   | <b>SOUTH</b>     | <b>2590'</b>  | <b>EAST</b>    | <b>LEA</b> |

|  |                               |                                  |                         |
|--|-------------------------------|----------------------------------|-------------------------|
| <sup>12</sup> Dedicated Acres<br><b>640.00</b> | <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.



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

Revised August 1, 2011

Submit one copy 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<br><b>FEARLESS 26 FED COM</b> | <sup>6</sup> Well Number<br><b>724H</b> |
| <sup>7</sup> OGRID No.     | <sup>8</sup> Operator Name<br><b>EOG RESOURCES, INC.</b> | <sup>9</sup> Elevation<br><b>3395'</b>  |

<sup>10</sup>Surface Location

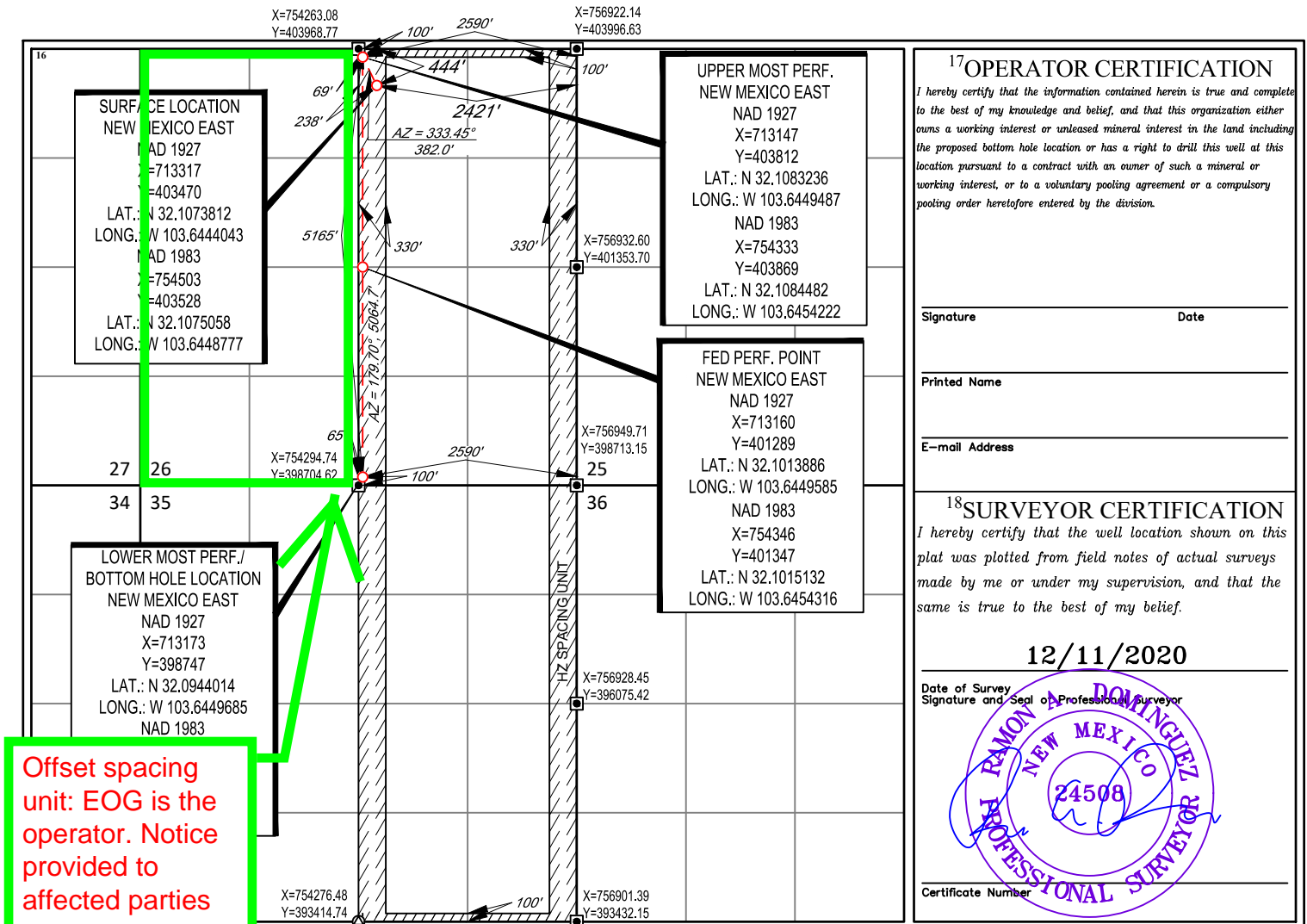
| UL or lot no. | Section   | Township    | Range       | Lot Idn  | Feet from the | North/South line | Feet from the | East/West line | County     |
|---------------|-----------|-------------|-------------|----------|---------------|------------------|---------------|----------------|------------|
| <b>B</b>      | <b>26</b> | <b>25-S</b> | <b>32-E</b> | <b>-</b> | <b>444'</b>   | <b>NORTH</b>     | <b>2421'</b>  | <b>EAST</b>    | <b>LEA</b> |

<sup>11</sup>Bottom 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     |
|---------------|-----------|-------------|-------------|----------|---------------|------------------|---------------|----------------|------------|
| <b>0</b>      | <b>26</b> | <b>25-S</b> | <b>32-E</b> | <b>-</b> | <b>100'</b>   | <b>SOUTH</b>     | <b>2590'</b>  | <b>EAST</b>    | <b>LEA</b> |

|  |                               |                                  |                         |
|--|-------------------------------|----------------------------------|-------------------------|
| <sup>12</sup> Dedicated Acres<br><b>640.00</b> | <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.



January 12, 2021

**Certification of Ownership**

I have reviewed the ownership of the oil and gas leasehold in Section 26-25S-32E, Lea County, New Mexico, for purposes of the unorthodox location for EOG's Fearless 26 Fed Com #724H well located in the W/2E/2 of Section 26-25S-32E. As of the date of this letter, the affected parties are:

1. EOG RESOURCES INC  
5509 CHAMPIONS DR.  
MIDLAND, TX 79706
2. BUREAU OF LAND MANAGEMENT  
301 DINOSAUR TR.  
SANTA FE, NM 87508
3. MCCLELLAN OIL CORPORATION  
P O BOX 730  
ROSWELL, NM 88202-0730
4. DAVID PETROLEUM CORPORATION  
116 WEST FIRST STREET  
ROSWELL, NM 88201-0000
5. TOLES COMPANY  
P O BOX 1300  
ROSWELL, NM 88202-1300
6. MARK AND KRISTY KUNDYSEK  
FAMILY INVESTMENTS LP  
P O BOX 202092  
ARLINGTON, TX 76006-0000
7. SHARBRO ENERGY LLC  
P O BOX 840  
ARTESIA, NM 88211-0840
8. CARLYSLE EXPLORATION INC  
P O BOX 136181  
FORT WORTH, TX 76136-0000

Sincerely,

EOG Resources, Inc.

*Matthew Gray*

Matthew Gray  
Landman

**EXHIBIT C**



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

January 14, 2021

**VIA CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**TO: ALL AFFECTED PARTIES**

**Re: Application of EOG Resources, Inc. for administrative approval of an unorthodox well location for its Fearless 26 Fed Com #724H Well in the W/2 E/2 of Section 26, 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:

Matthew Gray  
EOG Resources, Inc.  
(432) 686-3633  
matthew\_gray@eogresources.com

Sincerely,

A handwritten signature in blue ink, appearing to read "Kaitlyn Luck", written over a horizontal line.

Kaitlyn A. Luck  
ATTORNEY FOR EOG RESOURCES, INC.





# 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.

Tap Rock - Fearless 724H NSL

Shipment Date: 01/14/2021

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                        | 7      |
| Total                        | 7      |

\*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.

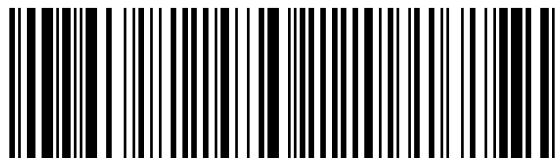
## B. USPS Action

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 0026 3476 07



|  |  |  |         |   |  |                            |               |                   |         |          |        |        |        |          |        |  |
|--|--|--|---------|---|--|----------------------------|---------------|-------------------|---------|----------|--------|--------|--------|----------|--------|--|
| Name and Address of Sender<br><b>Holland &amp; Hart LLP (1)</b><br><b>110 N Guadalupe St # 1</b><br><b>Santa Fe NM 87501</b> |  | Check type of mail or service<br><input type="checkbox"/> Adult Signature Required <input type="checkbox"/> Priority Mail Express<br><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail<br><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Return Receipt for Merchandise<br><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation<br><input type="checkbox"/> Collect on Delivery (COD) <input type="checkbox"/> Signature Confirmation Restricted Delivery<br><input type="checkbox"/> Insured Mail<br><input type="checkbox"/> Priority Mail |         | Affix Stamp Here<br>(for additional copies of this receipt).<br><b>Postmark with Date of Receipt.</b> |  |                            |               |                   |         |          |        |        |        |          |        |  |
| USPS Tracking/Article Number   | Addressee (Name, Street, City, State, & ZIP Code™)                                 |  | Postage | (Extra Service) Fee   | Handling Charge  | Actual Value if Registered | Insured Value | Due Sender if COD | ASR Fee | ASRD Fee | RD Fee | RR Fee | SC Fee | SCRD Fee | SH Fee |  |
| 1. <b>9214 8901 9403 8329 8560 38</b>  | Bureau of Land Management 301 Dinosaur Trail Santa Fe NM 87508                     |  | 0.50    | 3.55  | Handling Charge - if Registered and over \$50,000 in value |                            |               |                   |         |          |        | 1.70   |        |          |        |  |
|  |  |  |         |   |  |                            |               |                   |         |          |        |        |        |          |        |  |
|  |  |  |         |   |  |                            |               |                   |         |          |        |        |        |          |        |  |
|  |  |  |         |   |  |                            |               |                   |         |          |        |        |        |          |        |  |
| 2. <b>9214 8901 9403 8329 8560 45</b>  | McClellan Oil Corporation PO BOX 730 Roswell NM 88202-0730                         |  | 0.50    | 3.55  |  |                            |               |                   |         |          |        | 1.70   |        |          |        |  |
|  |  |  |         |   |  |                            |               |                   |         |          |        |        |        |          |        |  |
|  |  |  |         |   |  |                            |               |                   |         |          |        |        |        |          |        |  |
| 3. <b>9214 8901 9403 8329 8560 52</b>  | David Petroleum Corporation 116 West First Street Roswell NM 88201                 |  | 0.50    | 3.55  |  |                            |               |                   |         |          |        | 1.70   |        |          |        |  |
|  |  |  |         |   |  |                            |               |                   |         |          |        |        |        |          |        |  |
| 4. <b>9214 8901 9403 8329 8560 69</b>  | Toles Company PO BOX 1300 Roswell NM 88202-1300                                    |  | 0.50    | 3.55  |  |                            |               |                   |         |          |        | 1.70   |        |          |        |  |
|  |  |  |         |   |  |                            |               |                   |         |          |        |        |        |          |        |  |
|  |  |  |         |   |  |                            |               |                   |         |          |        |        |        |          |        |  |
| 5. <b>9214 8901 9403 8329 8560 76</b>  | Mark and Kristy Kundysek Family Investments LP PO BOX 202092<br>Arlington TX 76006 |  | 0.50    | 3.55  |  |                            |               |                   |         |          |        | 1.70   |        |          |        |  |
|  |  |  |         |   |  |                            |               |                   |         |          |        |        |        |          |        |  |
| 6. <b>9214 8901 9403 8329 8560 83</b>  | Sharbro Energy LLC PO BOX 840 Artesia NM 88211-0840                                |  | 0.50    | 3.55  |  |                            |               |                   |         |          |        | 1.70   |        |          |        |  |
|  |  |  |         |   |  |                            |               |                   |         |          |        |        |        |          |        |  |
|  |  |  |         |   |  |                            |               |                   |         |          |        |        |        |          |        |  |
| 7. <b>9214 8901 9403 8329 8560 90</b>  | Carlyle Exploration Inc PO BOX 136181 Fort Worth TX 76135                          |  | 0.50    | 3.55  |  |                            |               |                   |         |          |        | 1.70   |        |          |        |  |
|  |  |  |         |   |  |                            |               |                   |         |          |        |        |        |          |        |  |
|  |  |  |         |   |  |                            |               |                   |         |          |        |        |        |          |        |  |
|  |  |  |         |   |  |                            |               |                   |         |          |        |        |        |          |        |  |
| Total Number of Pieces Listed by Sender<br><b>7</b>  | Total Number of Pieces Received at Post Office                                     | Postmaster, Per (Name of receiving employee)   |         |   |  |                            |               |                   |         |          |        |        |        |          |        |  |

January 8, 2021

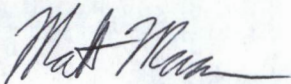
Re: EOG Resources, Inc. NSL Application  
Fearless 26 Federal Com #724H (Well)  
W/2E/2 Sec. 26, T25S-R32E  
Lea County, New Mexico

To Whom it may concern:

Considering the distance between wells in the development plan for the Wolfcamp formation in Section 26-T25S-R32E, EOG believes the non-standard location is necessary to develop the upper Wolfcamp resource in an economic fashion. Based on analog 2<sup>nd</sup> Bone Spring wells in the area along with Geologic analysis, EOG believes this is the optimal spacing to begin to develop the resources in the formation. 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.**



Matt Mason  
Reservoir Engineer II

**EXHIBIT D**