

NSL

Initial

Application

RECEIVED: 07/26/21	REVIEWER: LRL	TYPE: NSL	APP NO: pLEL2120853774
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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: Audacious 19 Fed Com #506H well **API:** 30-025-48987
Pool: WC-025 G-08 S253235G; Lower Bone Spring Pool **Pool Code:** 97903

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

7/26/2021

Date

505-954-7286

Phone Number

kaluck@hollandhart.com

e-mail Address



July 26, 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 Audacious 19 Fed Com #506H well in the SE/4 of Section 19 and the E/2 of Section 30, Township 25 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 **Audacious 19 Fed Com #506H well** (API No. 30-025-48987) to be completed within the WC-025 G-08 S253235G; Lower Bone Spring Pool [97903], underlying the SE/4 of Section 19 and the E/2 of Section 30, Township 25 South, Range 33 East, N.M.P.M., Lea County, New Mexico.

This well is drilled and is to be completed as follows:

- the surface location is located 2,624 feet from the south line and 2,199 feet from the east line (Unit J) of Section 19,
- the bottom hole location is located 100 feet from the south line and 2,382 feet from the east line (Unit O) of Section 30,
- the first take point is located 2,539 feet from the south line and 2,382 feet from the east line (Unit J) of Section 19, and
- the last take point is located 100 feet from the south line and 2,382 feet from the east line (Unit O) of Section 30.

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 and encroaches on the E/2 SW/4 of Section 19, and the E/2 W/2 of Section 30.

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 Form C-102 showing the completed interval of the proposed **Audacious 19 Fed Com #506H well** encroaches on the spacing unit/tracts to the west in Sections 19 and 30. Also included with Exhibit A is a Form C-102 for the **Audacious 19 Fed Com #508H well**, which is the defining well for the enlarged spacing unit encompassing the **Audacious 19 Fed Com #506H well**.

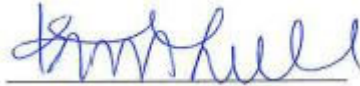
Exhibit B is a plat for Sections 19 and 30 that shows the proposed **Audacious 19 Fed Com #506H well** in relation to adjoining spacing unit/tracts to the west.

Ownership is diverse between the subject spacing unit and the affected spacing unit/tracts to the west. **Exhibit C** is a list of the “affected parties” to this application 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.

Exhibit D is a 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.

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) 746-3460 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

Revised August 1, 2011

Submit one copy to appropriate

District Office

☐ **AMENDED REPORT**

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-		² Pool Code	³ Pool Name	
⁴ Property Code	⁵ Property Name AUDACIOUS 19 FED COM			⁶ Well Number 506H
⁷ OGRID No. 7377	⁸ Operator Name EOG RESOURCES, INC.			⁹ Elevation 3450'

¹⁰Surface Location

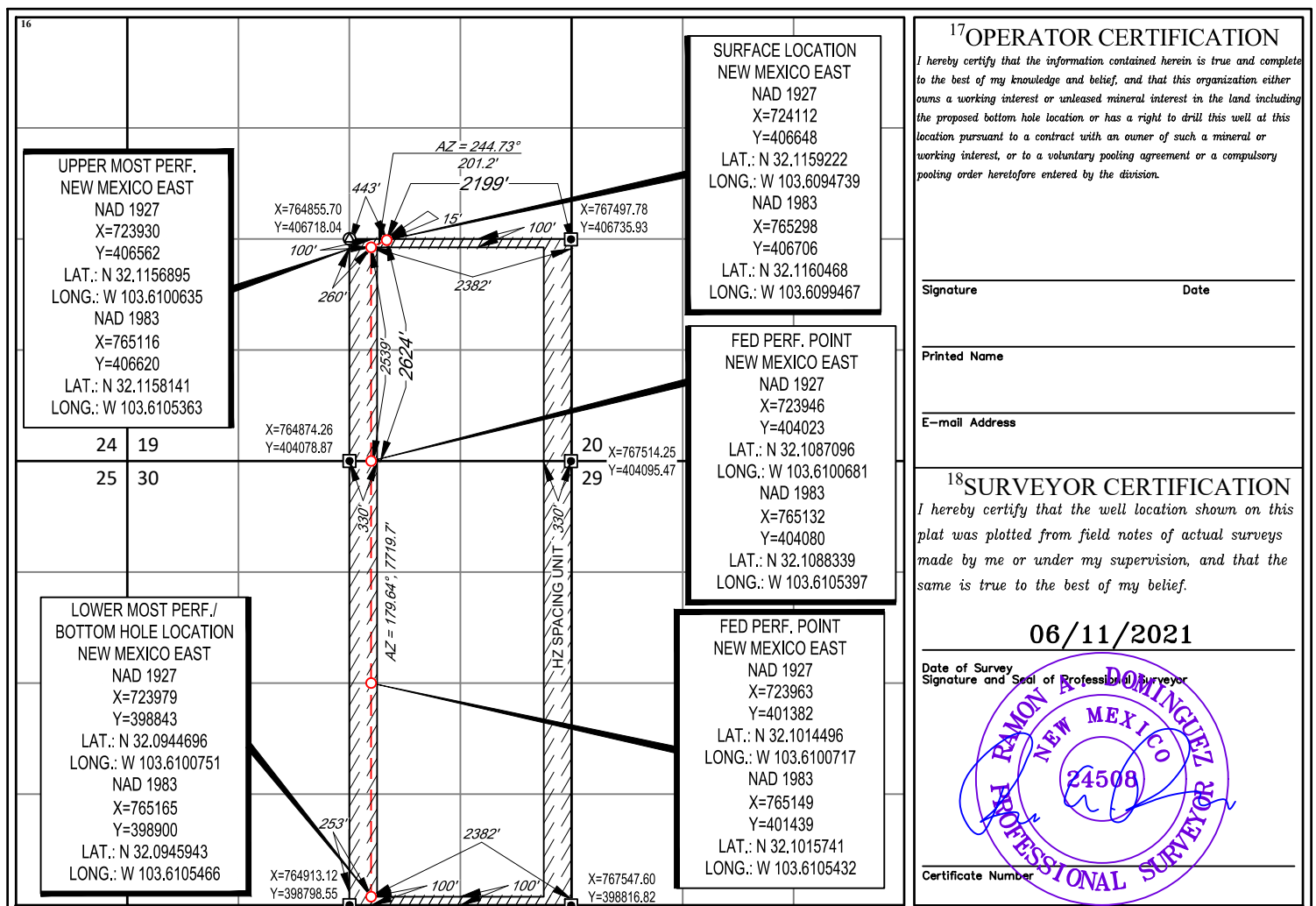
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	19	25-S	33-E	-	2624'	SOUTH	2199'	EAST	LEA

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
0	30	25-S	33-E	-	100'	SOUTH	2382'	EAST	LEA

¹² Dedicated Acres 480.00	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.



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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 30-025-		² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name AUDACIOUS 19 FED COM		⁶ Well Number 508H
⁷ OGRID No. 7377	⁸ Operator Name EOG RESOURCES, INC.		⁹ Elevation 3450'

¹⁰Surface Location

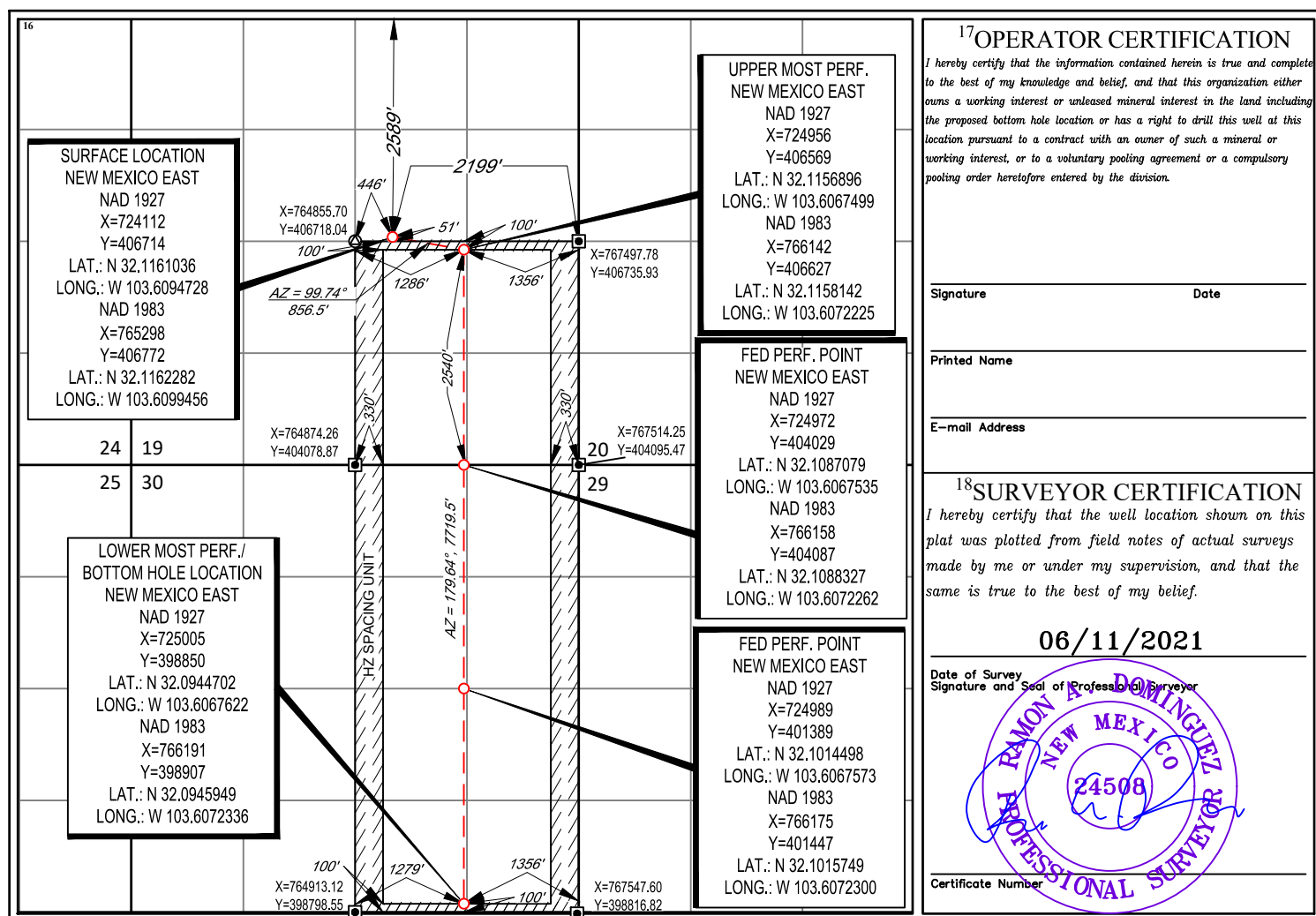
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	19	25-S	33-E	-	2589'	NORTH	2199'	EAST	LEA

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
O	30	25-S	33-E	-	100'	SOUTH	1356'	EAST	LEA

¹² Dedicated Acres 480.00	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.



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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 30-025-	² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name AUDACIOUS 19 FED COM	⁶ Well Number 506H
⁷ OGRID No. 7377	⁸ Operator Name EOG RESOURCES, INC.	⁹ Elevation 3450'

¹⁰Surface Location

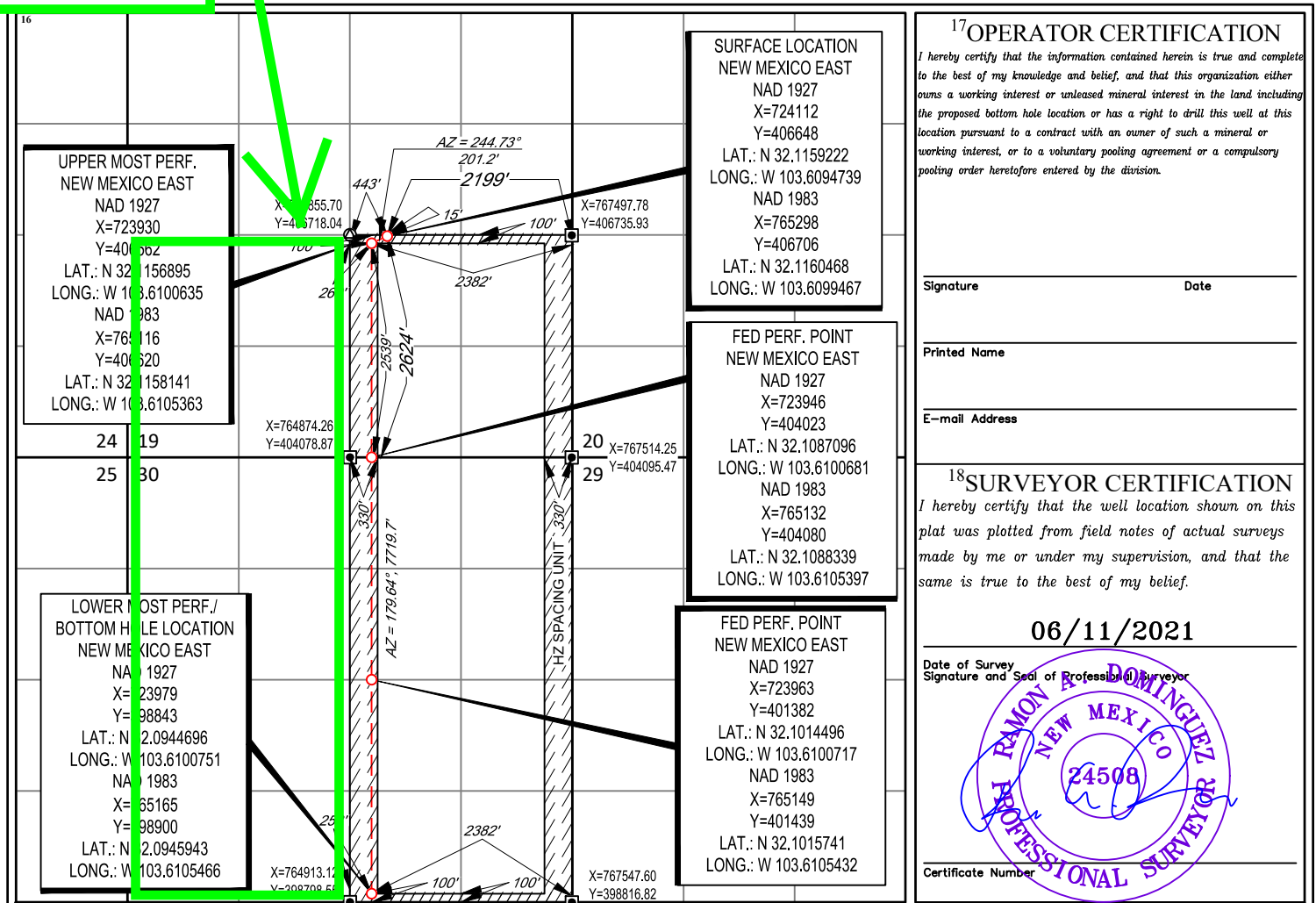
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	19	25-S	33-E	-	2624'	SOUTH	2199'	EAST	LEA

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
0	30	25-S	33-E	-	100'	SOUTH	2382'	EAST	LEA

Offset spacing unit: EOG is the operator. Notice provided to affected parties

igned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.





P.O. Box 2267, Midland, Texas 79702
Phone: (432) 686-3600 Fax: (432) 686-3773

July 19, 2021

Certification of Ownership

I have reviewed the ownership of the oil and gas leasehold in Sections 19 & 30 -25S-33E, Lea County, New Mexico, for purposes of the unorthodox location for EOG's Audacious 19 Fed Com #506H well located in the W/2E/2 of Sections 19 & 30-25S-33E. As of the date of this letter, the affected parties are:

See Attached EXHIBIT "A"

Sincerely,

EOG Resources, Inc.

Matthew Gray

Matthew Gray
Landman

EXHIBIT C



P.O. Box 2267, Midland, Texas 79702
Phone: (432) 686-3600 Fax: (432) 686-3773

EXHIBIT “A”

Name	Address	Interest Type
SHARBRO ENERGY LLC	POA ELIZABETH BAKER P O BOX 840 ARTESIA,NM 88211-0840	Working Interest
EOG RESOURCES INC	P O BOX 4362 HOUSTON,TX 77210-4362	Working Interest
BUREAU OF LAND MANAGEMENT	301 DINOSAUR TR. SANTA FE, NM 87508	Royalty Interest



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

July 26, 2021

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: ALL AFFECTED PERSONS

Re: Application of EOG Resources, Inc. for administrative approval of an unorthodox well location for its Audacious 19 Fed Com #506H well in the SE/4 of Section 19 and the E/2 of Section 30, Township 25 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:

Matthew Gray
EOG Resources, Inc.
(432) 686-3600
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.

Parent ID	Mail Date	Name	Delivery Address	City	ST	Zip	MailClass	TrackingNo	Well
31309	07/26/2021	Sharbro Energy LLC, POA Elizabeth Baker	PO Box 840	Artesia	NM	88211-0840	Certified with Return Receipt (Signature)	94148118987 65807226527	70777 - EOG_Audacious 506 NSL - notice list - 1
31309	07/26/2021	EOG Resources Inc.	PO Box 4362	Houston	TX	77210-4362	Certified with Return Receipt (Signature)	94148118987 65807226503	70777 - EOG_Audacious 506 NSL - notice list - 2
31309	07/26/2021	Bureau of Land Management	301 Dinosaur Trl	Santa Fe	NM	87508-1560	Certified with Return Receipt (Signature)	94148118987 65807226596	70777 - EOG_Audacious 506 NSL - notice list - 3
31309	07/26/2021	Buruea of Land Management	620 E Greene St	Carlsbad	NM	88220-6292	Certified with Return Receipt (Signature)	94148118987 65807226541	70777 - EOG_Audacious 506 NSL - notice list - 4

July 12, 2021

Re: EOG Resources, Inc. NSL Application
Audacious 19 Fed Com #506H (Well)
W/2E/2 Sec. 19 and 30, T25S-R33E
Lea County, New Mexico

To Whom it may concern:

Considering the distance between wells in the development plan for the Bone Spring formation in Sections 19 and 30 of T25S-R32E, EOG believes the non-standard location is necessary to develop the 2nd Bone Spring resource in an economic fashion. Based on analog 2nd 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
Sr. Reservoir Engineer

EXHIBIT D