

HOLLAND & HART^{LLP}



Jordan L. Kessler

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December 29, 2015

VIA HAND DELIVERY

David Catanach
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

RECEIVED OGD
2015 DEC 29 P. 2:18

Re: Application of EOG Resources, Inc. for administrative approval of an unorthodox well location for its Lomas Rojas 26 State Com No. 704H Well in the W/2 E/2 of Section 26, Township 25 South, Range 33 East, N.M.P.M., Lea County, New Mexico.

Dear Mr. Catanach:

EOG Resources, Inc. (OGRID No. 7377) seeks administrative approval of an unorthodox well location for its **Lomas Rojas 26 State Com No. 704H Well** to be completed within the WC-025 G-09 S253336D; Upper Wolfcamp Pool (Pool Code 98094) underlying Section 26, Township 25 South, Range 33 East, N.M.P.M., Lea County, New Mexico. This well will be drilled from a surface location 721 feet from the North line and 2,015 feet from the East line (Unit B) of Section 26. The upper most perforation will be located 330 feet from North line and 2,571 feet from the East line (Unit B) and the lower most perforation will be 330 feet from the South line and 2,570 feet from the East line of Section 26 (Unit O). Since this acreage is governed by the Division's statewide rules which provides for wells to be located no closer than 330 feet to the outer boundary of the spacing unit, the completed interval for this well will be unorthodox because it is closer than 330 feet to the western, southwestern, and northwestern boundaries of the project area. Approval of the unorthodox completed interval will allow for efficient spacing of horizontal wells and thereby prevent waste.

Exhibit A is a draft Well Location and Acreage Dedication Plat (Form C-102), which shows that the completed interval of the proposed **Lomas Rojas 26 State Com No. 704H Well** encroaches on the spacing and proration units to the West, Northwest, and Southwest.

Exhibit B is a land plat for Section 26 and the surrounding sections that shows the proposed **Lomas Rojas 26 State Com No. 704H Well** in relation to adjoining units and existing wells.

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110 North Guadalupe Suite 1 Santa Fe, New Mexico 87501 **Mailing Address** P.O. Box 2208 Santa Fe, NM 87504-2208

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Exhibit C is a list of the parties affected by the encroachment to the West, Northwest, and Southwest. Each of these parties have been provided notice of this application by certified mail. EOG is the sole operator and mineral lessee of the state leases covering the E/2 W/2 of Section 26. Accordingly, there are no parties affected by the encroachment to the West. Nonetheless, a copy of this application has been provided to the New Mexico State Land Office and the Bureau of Land Management-Carlsbad Field Office.

Your attention to this matter is appreciated.

Sincerely,

Jordan L. Kessler

ATTORNEY FOR EOG RESOURCES, INC.

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

Bureau of Land Management
620 E. Green Street
Carlsbad, NM 88220

3-10-10

EOG RESOURCES, INC.

LOMAS ROJAS 26 STATE COM #704H UNORTHODOX LOCATION NOTICE TRACT PLAT TOWNSHIP 25 SOUTH RANGE 33 EAST, LEA COUNTY, NM

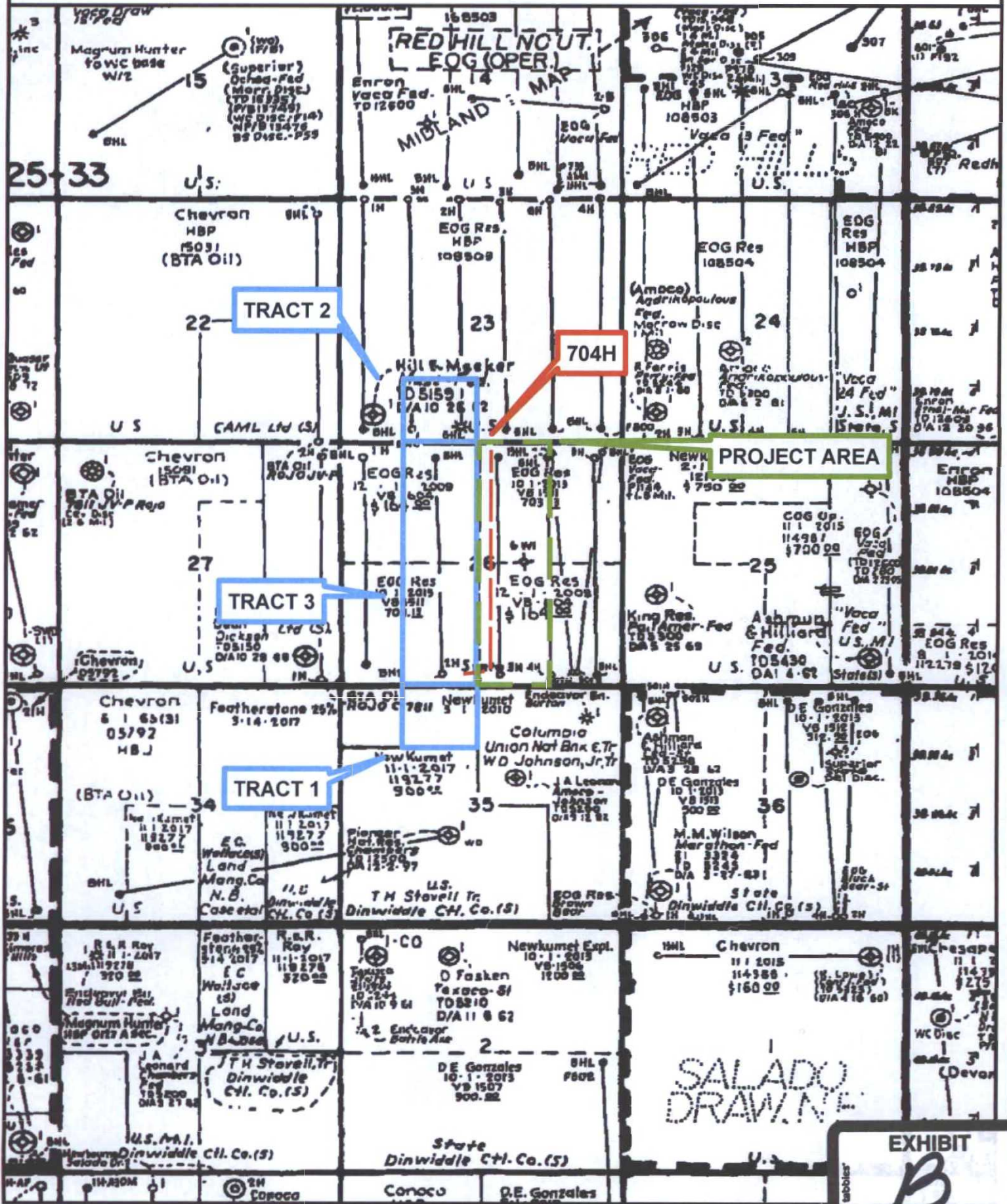


Exhibit C

Yates Petroleum Corporation
105 S. 4th Street
Artesia, NM 88210

COG Operating, LLC
a Delaware limited liability company
600 W. Illinois Ave.
Midland, TX 79701

Bradley S. Bates
101 Blackberry Court
Midland, TX 79705

Sagebrush Interests, LLC
2450 Fondren
Ste. #112
Houston, TX 77063

RSC Resources, LP
a Texas limited partnership
6824 Island Circle
Midland, TX 79707



Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Monday, February 08, 2016 4:51 PM
To: 'jlkessles@hollandhart.com'
Cc: McMillan, Michael, EMNRD; Goetze, Phillip, EMNRD; Jones, William V, EMNRD; Brown, Maxey G, EMNRD; Kautz, Paul, EMNRD; 'scaffey@blm.gov'; 'jstovall@blm.gov'; Holm, Anchor E.; Martin, Ed; Jones, William V, EMNRD
Subject: NSL - 7383_EOG Resources, INC. Lomas Rojas 26 State Com No. 704H_SEC 26 25S 33E
Importance: High

Ms. Jordan L. Kessler,

The following permit has been issued and will soon be scanned along with the application and will be available on the Division's web site.

NSL-7383

API # 30-025-42971

EOG Resources, INC. Lomas Rojas 26 State Com No. 704H

LOCATED: B SECTION 26 TWN 25S RNG 33E

The Order may be viewed on our website:

<http://ocdimage.emnrd.state.nm.us/imaging/default.aspx>

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

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E-mail: leonard.lowe@state.nm.us

Website: <http://www.emnrd.state.nm.us/ocd/>