

DATE IN 10/21/16	SUSPENSE	ENGINEER LRL	LOGGED IN 10/25/16	TYPE NSL	FILE NO. PLEL 1629935368
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- 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

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☒ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☒ Notification and/or Concurrent Approval by BLM or SLO
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **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.

MICHAEL H. FELDEWERT

Print or Type Name

Signature

ATTORNEY

Title

mfeldewert@hollandhart.com

Date

e-mail Address

NSL-7484
 EOG RESOURCES, INC. [#7377]
 NEPTUNE 10 STATE COM NO. 5044
 API # 30-025-43455
 POOL: TRIPLE X; BONE SPRING, WEST

HOLLAND & HART^{LLP}



Michael H. Feldewert
Recognized Specialist in the Area of Natural
Resources - Oil and Gas Law - New Mexico
Board of Legal Specialization
mfeldewert@hollandhart.com

October 21, 2016

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

Re: Application of EOG Resources, Inc. for administrative approval of an unorthodox well location for its Neptune 10 State Com No. 504H Well in the E/2 W/2 of Section 3 and the E/2 W/2 of Section 10, Township 24 South, Range 33 West, 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 **Neptune 10 State Com No. 504H Well** to be completed within the Triple X Bone Spring Pool (Pool Code 59900) underlying Sections 3 and 10, Township 24 South, Range 33 West, N.M.P.M., Lea County, New Mexico. This well will be drilled from a surface location 330 feet from the South line and 1,480 feet from the West line (Unit N) of Section 10. The upper most perforation will be located 330 feet from South line and 1,480 feet from the West line (Unit N) of Section 10 and the lower most perforation will be 330 feet from the North line and 1,480 feet from the West line (Unit C) of Section 3. 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. Ownership in the W/2 W/2 of Sections 3 and 10 is common with the proposed spacing unit and therefore there are no affected parties in the spacing unit to the West. 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. EOG is the operator of existing horizontal wells in the adjacent spacing units to the East and to the West, and this well spacing will be a continuation of EOG's preferred well spacing for their development plan in the area.

Exhibit A is a draft Well Location and Acreage Dedication Plat (Form C-102), which shows that the completed interval of the proposed **Neptune 10 State Com No. 504H Well** encroaches on the spacing and proration units to the West, Northwest, and Southwest.

Holland & Hart^{LLP}

Phone [505] 988-4421 Fax [505] 983-6043 www.hollandhart.com

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

Aspen Boulder Carson City Colorado Springs Denver Denver Tech Center Billings Boise Cheyenne Jackson Hole Las Vegas Reno Salt Lake City Santa Fe Washington, D.C. ☐

HOLLAND & HART LLP



Exhibit B is a land plat for Sections 3 and 10 and the surrounding sections that shows the proposed **Neptune 10 State Com No. 504H Well** in relation to adjoining units and existing wells.

Exhibit C is a list of the parties affected by the encroachment to the Northwest, and Southwest. As described above, EOG is the operator in the spacing unit in the W/2 W/2 of Sections 3 and 10 and ownership is identical with that of the subject spacing unit. For these reasons, there are no affected parties in the spacing unit to the West. Parties affected by the unorthodox location are located in the spacing units to the Northwest and the Southwest. Each of these parties have been provided notice of this application by certified mail. A copy of this application has also been provided to the New Mexico State Land Office.

Your attention to this matter is appreciated.

Sincerely,

Michael H. Feldewert
ATTORNEY FOR EOG RESOURCES, INC.

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-43455		² Pool Code 96674		³ Pool Name TRIPLE X; Bone Spring, WEST	
⁴ Property Code		⁵ Property Name NEPTUNE 10 STATE COM			⁶ Well Number 504H
⁷ GRID No. 7377		⁸ Operator Name EOG RESOURCES, INC.			⁹ Elevation 3610'

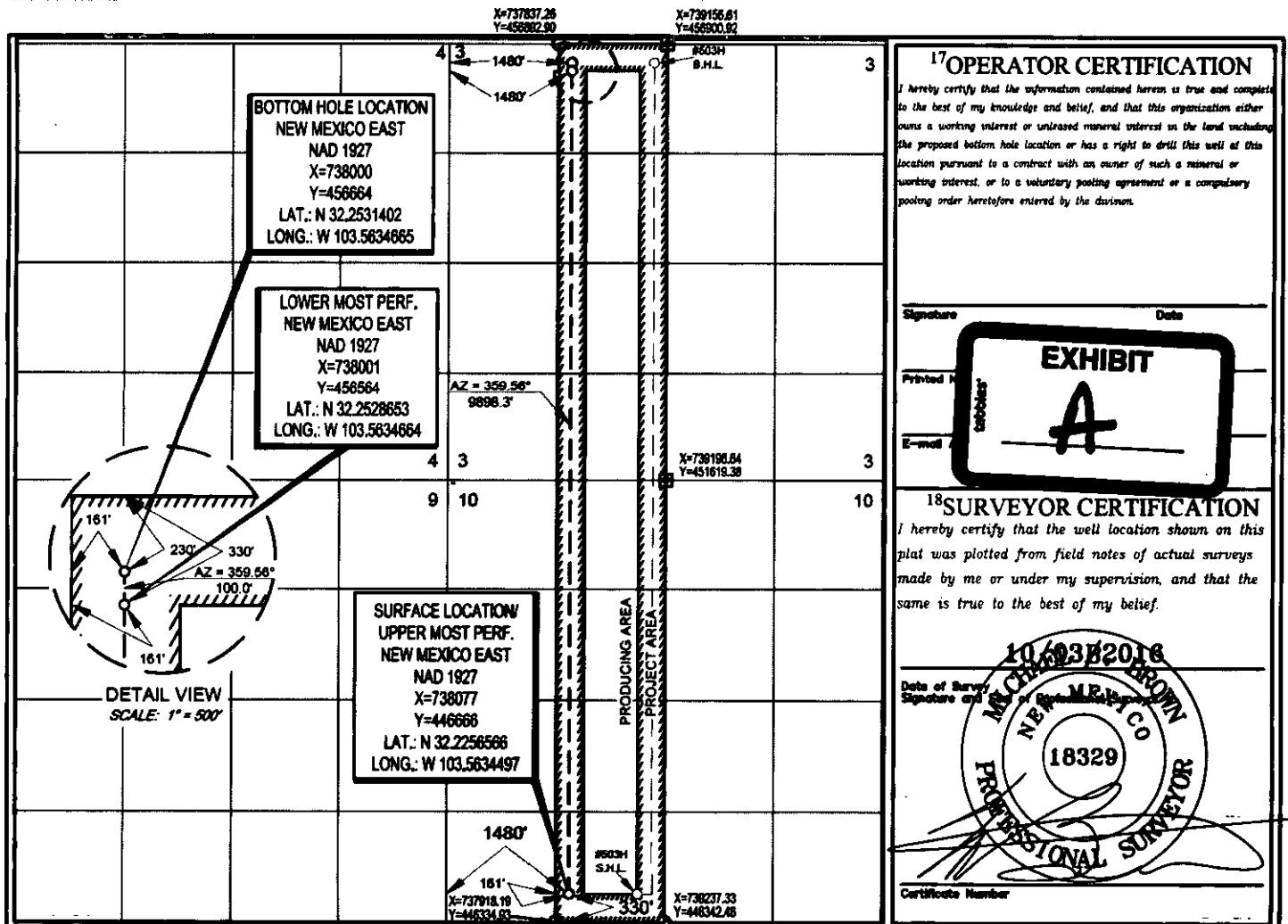
¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	10	24-S	33-E	-	330'	SOUTH	1480'	WEST	LEA

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	3	24-S	33-E	-	230'	NORTH	1480'	WEST	LEA

¹¹ Dedicated Acres 320	¹² Joint or Infill	¹³ Consolidation Code	¹⁴ 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.



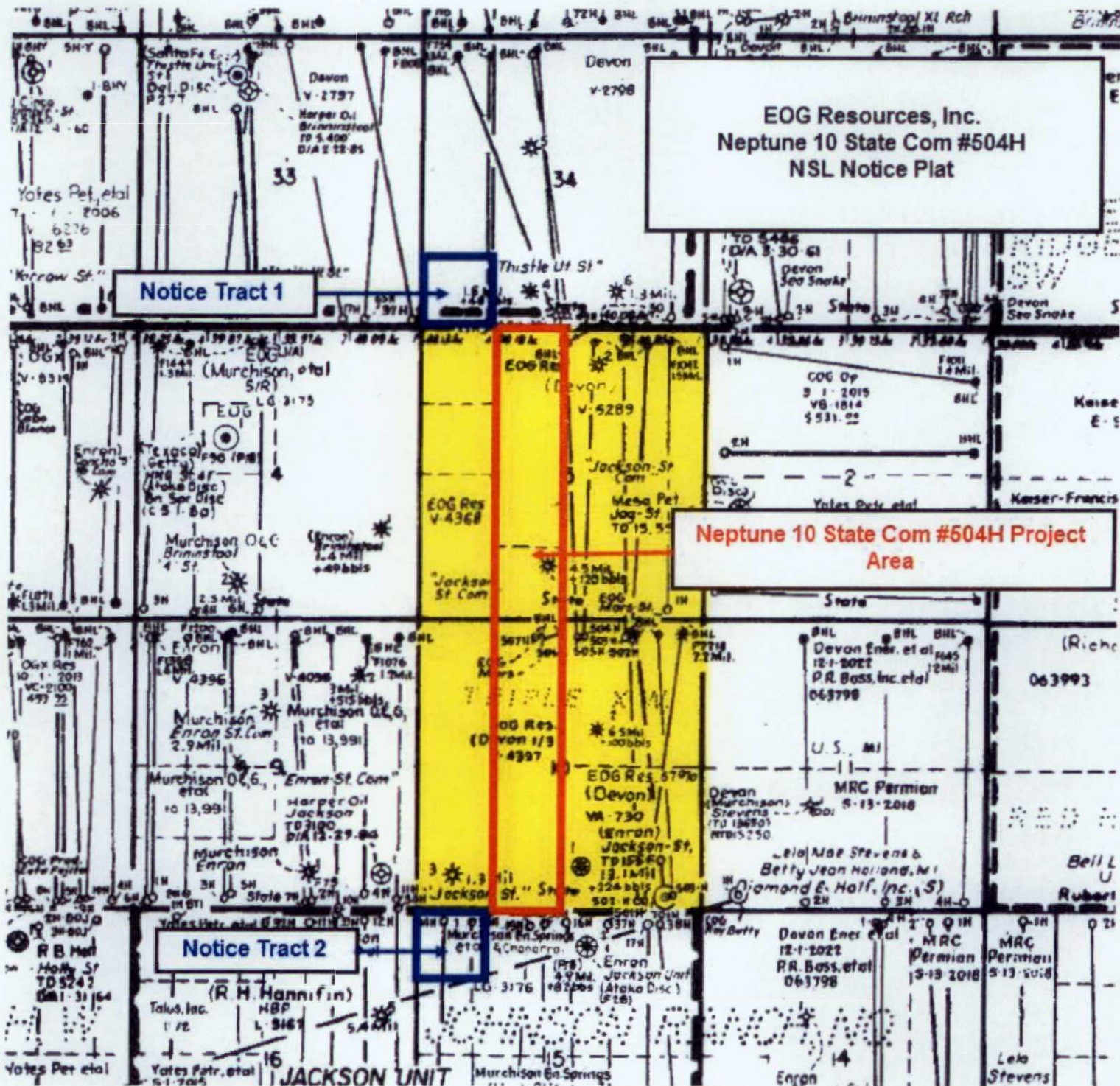


Exhibit C

Tract 1

Devon Energy Production Company
333 W. Sheridan
Oklahoma City, OK 73102
7016 0340 0000 0203 2110

Tract 2

Murchison Oil & Gas, Inc.
Legacy Tower One
7520 Dallas Parkway, Suite 1400
Plano, TX 75024
7016 0340 0000 0203 2134

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Resources - oil and gas law - New Mexico
Board of Legal Specialization
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October 21, 2016

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 No. 504H Well in the E/2 W/2 of Section 3 and the E/2 W/2 of Section 10, Township 24 South, Range 33 West, 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:

Matt Phillips
EOG Resources, Inc.
(432) 686-3649
Matthew_Phillips@eogresources.com

Sincerely,

Michael H. Feldewert
ATTORNEY FOR EOG RESOURCES, INC.

Holland & Hart LLP

Phone [505] 988-4421 Fax [505] 983-6043 www.hollandhart.com

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