

RECEIVED: <u>5/10/2017</u>	REVIEWER: <u>LRL</u>	TYPE: <u>NSL</u>	APP NO: <u>PLE1713054808</u>
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

Suspended 5/10/17

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:** Hound 30 Fed No. 702H Well**API:** Pending**Pool:** Upper Wolfcamp underlying Section 30 and 31, Township 25 South Range 34 East NMPM**Pool Code:** 98094

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

NSL-7377

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 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**☐

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.

Jordan L. Kessler

Print or Type Name

Signature

5/10/2017

Date

505-988-4421

Phone Number

jlkessler@hollandhart.com

e-mail Address

HOLLAND & HART^{LLP}



Jordan L. Kessler

Associate

Phone (505) 954-7286

Fax (505) 983-6043

JLKessler@hollandhart.com

May 10, 2017

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 Hound 30 Fed No. 702H Well in the W/2 W/2 of Section 31 and the W/2 SW/4 of Section 30, Township 25 South, Range 34 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 **Hound 30 Fed No. 702H Well** to be completed within the WC-025 G-09 S253336D; Upper Wolfcamp (Pool Code 98094) underlying Section 30 and 31, Township 25 South, Range 34 East, N.M.P.M., Lea County, New Mexico. While drilling, the wellbore deviated from the projected course as permitted in its initial C-102. The completed interval will therefore be unorthodox, as set forth below.

This well was drilled from a surface location 2,191 feet from the South line and 674 feet from the West line (Unit L) of Section 30. The upper most perforation will be located 2,308 feet from South line and 1,012 feet from the West line (Lot 3) of Section 30 and the lower most perforation will be 444 feet from the South line and 1,011 feet from the West line (Lot 4) of Section 31. As illustrated on Exhibit A, the completed interval is outside of the producing area, and is therefore unorthodox. 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 eastern and northeastern boundaries of the project area.

EOG owns the leasehold in two federal leases covering the W/2 of Sections 30 and 31. Ownership is **identical** throughout the W/2 of Section 30 and 31. EOG is the operator of two wells dedicated to the E/2 W/2 of Sections 31 and the E/2 SW/4 of Section 30: the Hound 30 Fed No. 703H Well and the Hound 30 Fed No. 704H Well. Both wells have been drilled but not yet completed. The location of this well is unorthodox due to the course of the wellbore having

Holland & Hart^{LLP}

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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

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. ☐



deviated during drilling; however, 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 an as-drilled Well Location and Acreage Dedication Plat (Form C-102), which shows that the completed interval of the **Hound 30 Fed No. 702H Well** encroaches on the spacing and proration units to the East and Northeast.

Exhibit B is a land plat for Sections 30 and 31 and the surrounding sections that shows the proposed **Hound 30 Fed No. 702H Well** in relation to adjoining units and existing wells.

Because ownership is identical in the W/2 of Sections 30 and 31, there are no parties affected by the encroachment to the East and the Northeast. A copy of this application has been provided to the New Mexico State Land Office and the Bureau of Land Management-Carlsbad Office.

Your attention to this matter is appreciated.

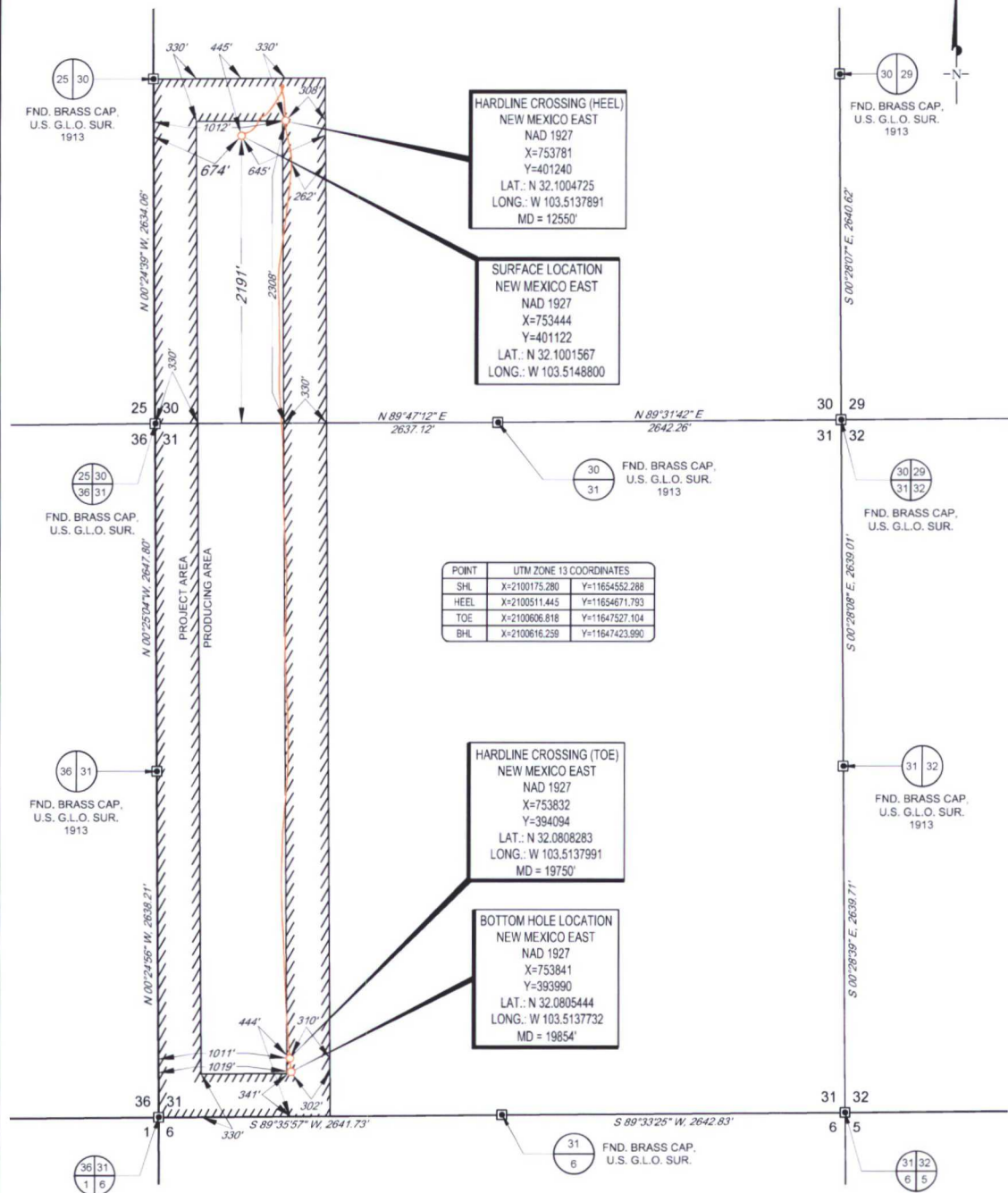
Sincerely,

Jordan L. Kessler
ATTORNEY FOR EOG RESOURCES, INC.

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

SCALE: 1" = 1000'
0' 500' 1000'

SECTIONS 30 & 31, TOWNSHIP 25-S, RANGE 34-E, N.M.P.M.
LEA COUNTY, NEW MEXICO



POINT	UTM ZONE 13 COORDINATES
SHL	X=2100175.280 Y=1165452.288
HEEL	X=2100511.445 Y=1165467.793
TOE	X=2100606.818 Y=11647527.104
BHL	X=2100616.258 Y=11647423.990

LEASE NAME & WELL NO.: HOUND 30 FED #702H
 SECTION 30 TWP 25-S RGE 34-E SURVEY N.M.P.M.
 COUNTY LEA STATE NM ELEVATION 3317'
 DESCRIPTION 2191' FSL & 674' FWL

INTERNAL
PRE-COMPLETION
PLAT



1400 EVERMAN PARKWAY, Ste. 197 • FT. WORTH, TEXAS 76140
 TELEPHONE: (817) 744-7512 • FAX (817) 744-7548
 2903 NORTH BIG SPRING • MIDLAND, TEXAS 79705
 TELEPHONE: (432) 682-1653 OR (800) 767-1653 • FAX (432) 682-1743
 WWW.TOPOGRAPHIC.COM



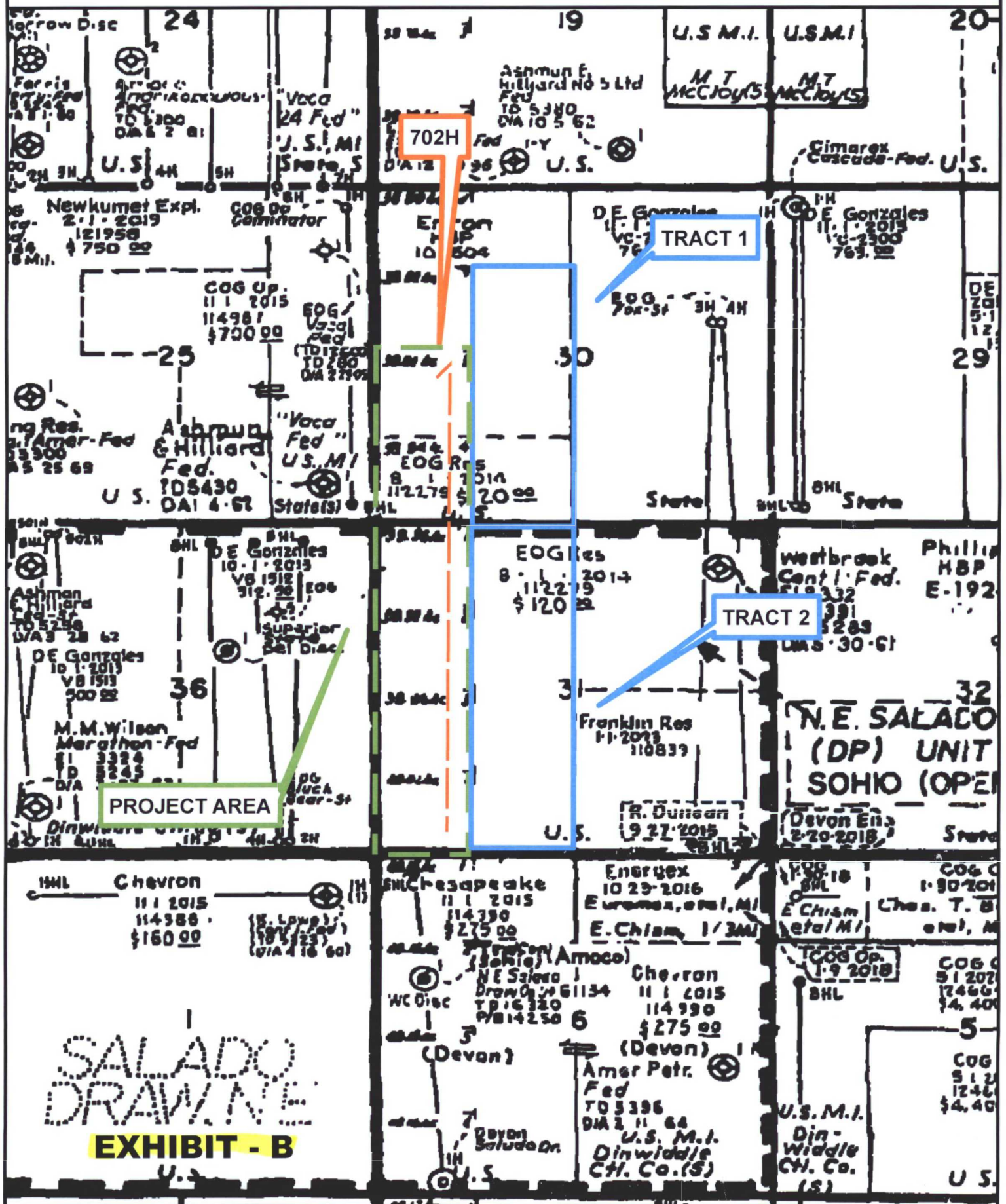
Michael Blake Brown, P.S. No. 18329
MAY 9, 2017

HOUND 30 FED #702H PRE-COMPLETION	REVISION:
DATE: 05/02/17	A.C.C. 05/09/17
FILE: C:\HOUND_30_FED_702H_REV1	
DRAWN BY: A.C.C.	
SHEET: 1 OF 1	

NOTES
 1. ORIGINAL DOCUMENT SIZE: 8.5" x 14"
 2. ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREIN ARE GRID BASED UPON THE NEW MEXICO STATE PLANE COORDINATE SYSTEM, EAST ZONE, U.S. SURVEY FEET, NORTH AMERICAN DATUM 1927
 3. THIS WELL LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY EOG RESOURCES, INC. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.

EXHIBIT - A

**HOUND 30 FED #702H UNORTHODOX LOCATION NOTICE TRACT PLAT
TOWNSHIPS 25 SOUTH RANGE 34 EAST, LEA COUNTY, NM**



Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Wednesday, May 10, 2017 3:39 PM
To: 'Jordan Kessler'
Subject: NSL Application suspended.

Importance: High

Ms. Jordan Kessler,

Your NSL application submittal for WELL: Hound 30 Fed No. 702H was received at the OCD Santa Fe office.

Your application is suspended.

There is no C-102 within your submittal. Your Exhibit A can be used as an extension of a C-102.

Please submit.

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
Cell: 505-930-6717
Fax: 505-476-3462
E-mail: leonard.lowe@state.nm.us
Website: <http://www.emnrd.state.nm.us/oed/>

Wells Operators Operator Data OCD Review OCD Only Administration

OCD Permitting

[Home](#) [Land Searches](#) [Land Details](#)

Section : 30-25S-34E

Type: Normal

Total Acres: 639.28

County: Lea (25)

D (1) Federal ¹ Federal ² (25) 39.8	C (C) Federal ¹ Federal ² (25) 40	B (B) State ¹ State ² (25) 40	A (A) State ¹ State ² (25) 40
E (2) Federal ¹ Federal ² (25) 39.82	F (F) Federal ¹ Federal ² (25) 40	G (G) State ¹ State ² (25) 40	H (H) State ¹ State ² (25) 40
L (3) Federal ¹ Federal ² (25) 39.82	K (K) Federal ¹ Federal ² (25) 40	J (J) State ¹ State ² (25) 40	I (I) State ¹ State ² (25) 40
M (4) Federal ¹ Federal ² (25) 39.84	N (N) Federal ¹ Federal ² (25) 40	O (O) State ¹ State ² (25) 40	P (P) State ¹ State ² (25) 40

Note¹ = Surface Owner Rights

Note² = Sub-Surface Mineral Rights

Land Restrictions

No land restrictions found for this section.

[Return to Search](#)

Wells Operators Operator Data OCD Review OCD Only Administration

OCD Permitting

Home Land Searches Land Details

Section : 31-25S-34E

Type: Normal

Total Acres: 639.76

County: Lea (25)

D (1) Federal ¹ Federal ² (25) 39.86	C (C) Federal ¹ Federal ² (25) 40	B (B) Federal ¹ Federal ² (25) 40	A (A) Federal ¹ Federal ² (25) 40
E (2) Federal ¹ Federal ² (25) 39.92	F (F) Federal ¹ Federal ² (25) 40	G (G) Federal ¹ Federal ² (25) 40	H (H) Federal ¹ Federal ² (25) 40
L (3) Federal ¹ Federal ² (25) 39.96	K (K) Federal ¹ Federal ² (25) 40	J (J) Federal ¹ Federal ² (25) 40	I (I) Federal ¹ Federal ² (25) 40
M (4) Federal ¹ Federal ² (25) 40.02	N (N) Federal ¹ Federal ² (25) 40	O (O) Federal ¹ Federal ² (25) 40	P (P) Federal ¹ Federal ² (25) 40

Note¹ = Surface Owner Rights

Note² = Sub-Surface Mineral Rights

Land Restrictions

No land restrictions found for this section.

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