

RECEIVED 6/6/17 6/27/17	REVIEWER LRL	TYPE NSL	APP NO PLEL 1715753879
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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:** Hearn 34 State Com No 704H Well**API:** 30-025-43720

Pool: Upper Wolfcamp (WC - 025 G-09 5243336I; UPPER WOLF CAMP Pool Code: 98092, (#98092)

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

NSL-7553

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

Jordán L. Kessler

Print or Type Name

Signature

June 6, 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

June 6, 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 Hearn's 34 State Com No. 704H Well in the W/2 W/2 of Section 27 and the W/2 W/2 of Section 34, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico.

API # 30-025-43720

Dear Mr. Catanach

EOG Resources, Inc. (OGRID No. 7377) seeks administrative approval of an unorthodox well location for its **Hearn's 34 State Com No. 704H Well** to be completed within the WC-025 G-09 S2433361, Upper Wolfcamp (Pool Code 98092) underlying Sections 27 and 34, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico. This well will be drilled from a surface location 300 feet from the South line and 1,386 feet from the West line (Unit N) of Section 34. The upper most perforation will be located 330 feet from South line and 1,289 feet from the West line (Unit M) of Section 34 and the lower most perforation will be 330 feet from the North line and 1,289 feet from the West line (Unit D) of Section 27. 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, southeastern, and northeastern boundaries of the project area.

EOG is the 100 percent working interest owner in the E/2 W/2 of Section 34. EOG is the operator of two wells developing the E/2 W/2 of Section 34: the Hearn's 27 State Com No. 501H Well and the Hearn's 27 State Com No. 301H Well.

EOG has permitted the Frazier 703H Well, which will develop the spacing unit comprised of the E/2 W/2 of Section 27. The E/2 W/2 of Section 27 has one additional owner besides EOG. That owner is also a working interest owner in the subject well. That interest owner has been provided notice of EOG's request for an unorthodox location. Approval of the unorthodox completed

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** PO 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



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 draft Well Location and Acreage Dedication Plat (Form C-102), which shows that the completed interval of the proposed **Hearns 34 State Com No. 704H** encroaches on the spacing and proration units to the East, Northeast, and Southeast

Exhibit B is a land plat for Sections 27 and 34 and the surrounding sections that shows the proposed **Hearns 34 State Com No. 704H** in relation to adjoining units and existing wells

Exhibit C is a list of the parties affected by the encroachment to the Northeast and East. As described above, EOG owns 100 percent of the interest in the E/2 W/2 of Section 34. There are no affected parties in the spacing units to the Southeast of the proposed well or in the W/2 E/2 of Section 34. Each of the parties listed on Exhibit C have been provided notice of this application by certified mail. A copy of this application has been provided to the New Mexico State Land 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

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: (505) 748-1283 Fax: (505) 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-	² Pool Code 98092	³ Pool Name WC-025 G-09 S243336I; Upper Wolfcamp
⁴ Property Code	⁵ Property Name HEARNS 34 STATE COM	⁶ Well Number #704H
⁷ GRID No. 7377	⁸ Operator Name EOG RESOURCES, INC.	⁹ Elevation 3457'

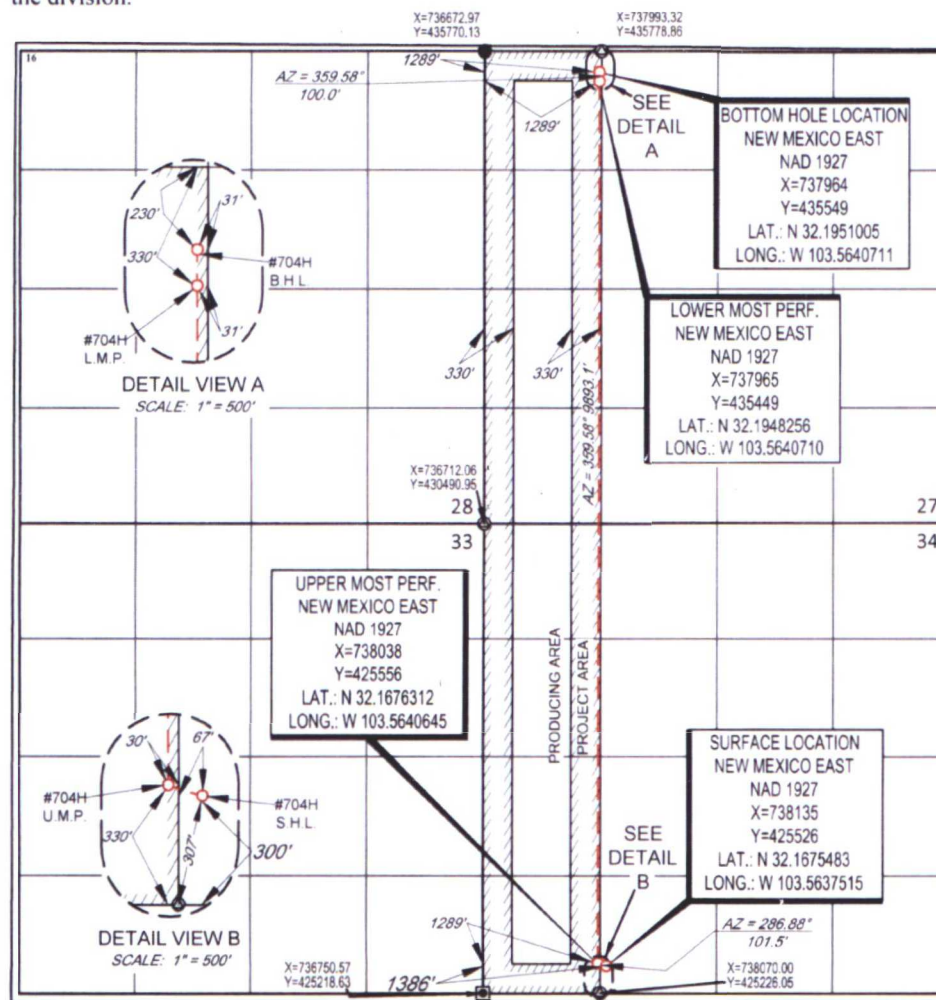
¹⁰Surface Location

U/L or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	34	24-S	33-E	-	300'	SOUTH	1386'	WEST	LEA

U/L or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	27	24-S	33-E	-	230'	NORTH	1289'	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.



¹⁷OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: *Stan Wagner* Date: 3/24/17

Printed Name: Stan Wagner

E-mail Address:

¹⁸SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true to the best of my belief.

Date of Survey: 02/06/2017 Signature and Seal of Professional Surveyor

Professional Surveyor Seal: MICHAEL BROWN, NEW MEXICO, 18329

Certificate Number:

EXHIBIT

A

**HEARNS 34 STATE COM #704H UNORTHODOX LOCATION NOTICE TRACT PLAT
TOWNSHIP 24 SOUTH RANGE 33 EAST, LEA COUNTY, NM**



EXHIBIT - C

**EOG/Hearns 34 State Com No. 704H Well
Affected Parties**

Tract 1

EOG Resources, Inc
5509 Champions Drive
Midland, TX 79706
7016 3010 0001 1046 7524

Murchison Oil & Gas, Inc
Legacy Tower One
7250 Dallas Parkway, Suite 1400
Plano, TX 75024
7016 3010 0001 1046 7531

Murchison Bone Springs Drilling Program 1, LLC
814 San Jacinto Boulevard, Suite 303
Austin, TX 78701
7016 3010 0001 1046 7548

MEC Petroleum Corporation
P O Box 11265
Midland, TX 79702
7016 3010 0001 1046 7555

Pickens Southwest Energy, LLC
8117 Preston Road, Suite 260
Dallas, TX 75225
7016 3010 0001 1046 7562

Blue Water Energy Partners, L P
P O Box 149
Graham, TX 76450
7016 3010 0001 1046 7579

David John Andrews
1015 Bee Cave Woods Dr , Suite 300A
Austin, TX 78746
7016 3010 0001 1046 7586



Raptor Partnership Ltd
7001 Greenshores Dr
Austin, TX 78730
7016 3010 0001 1046 7593

Duer Wagner, III
301 Commerce St , Suite 1830
Ft Worth, TX 76102
7016 3010 0001 1046 7609

Mesa Southwest Energy, LLC
8117 Preston Rd, Suite 260
Dallas, TX 75225
7016 3010 0001 1046 7616

Samson Resource Company
15 East 5th St , Suite 1000
Tulsa, OK 74103
7016 3010 0001 1046 7623

Southland Royalty Company
400 West 7th Street
Fort Worth, TX 76102
7016 3010 0001 1046 7630

Chaparral Energy, LLC
701 Cedar Lake Blvd
Oklahoma City, OK 73114
7016 3010 0001 1046 7647

Headington Penn Corporation
7557 Rambler Rd , Suite 1100
Dallas, TX 75231
7016 3010 0001 1046 7654

HOLLAND & HART ^{LLP}



Jordan L. Kessler
Associate

Phone (505) 954-7286

Fax (505) 983-6043

JLKessler@hollandhart.com

June 6, 2017

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 Hearn's 34 State Com No. 704H Well in the W/2 W/2 of Section 27 and the W/2 W/2 of Section 34, Township 24 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:

Gavin Smith
EOG Resources, Inc.
(432) 686-3720
Gavin_Smith@eogresources.com

Sincerely,

Jordan L. Kessler

ATTORNEY FOR EOG RESOURCES, INC.

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** PO 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 DC ☼

Lowè, Leonard, EMNRD

From: Jordan L Kessler <JLKessler@hollandhart.com>
Sent: Thursday, June 29, 2017 3:46 PM
To: Lowe, Leonard, EMNRD
Cc: Jones, William V, EMNRD
Subject: RE: NSL APPLICATION Hearn's 34 State Com No 704H

Hi Leonard,

COG Operating LLC owns a 32% contractual interest in the N/2 of Section 27. That means that they own an identical interest in the spacing unit for the Hearn's 34 State Com No 704H (W/2 W/2 of 27) and the spacing unit that is being encroached on (E/2 W/2 of 27).

Thanks!
Jordan

From: Lowe, Leonard, EMNRD [mailto:Leonard.Lowe@state.nm.us]
Sent: Thursday, June 29, 2017 10:42 AM
To: Jordan L Kessler <JLKessler@hollandhart.com>
Cc: Jones, William V, EMNRD <WilliamV.Jones@state.nm.us>
Subject: NSL APPLICATION Hearn's 34 State Com No 704H
Importance: High

Ms Jordan Kessler,

NSL application addition information requested

Who are the working interest in the E/2 W/2 of Section 27? You are seeking a project area of 31 feet from the line. If not 100%, please provide the percentage of ownership in that area.

Further processing of your application is pending that additional information.

I will be out of the office this afternoon (after 1:00 p.m.) and will not be in the office tomorrow, Friday, June 30th. I will be in the office on Monday, July 3rd.

Thank you,

Leonard Lowe
Engineering Bureau
Oil Conservation Division
Energy Minerals and Natural Resources Department
1220 South St. Francis
Santa Fe, New Mexico 87004
Office: 505-476-3492
Cell: 505-930-6717
Fax: 505-476-3462
E-mail: leonard.lowe@state.nm.us