

RECEIVED: 8/1/17	REVIEWER: LRL	TYPE: NSL	APP NO: PLEL 1721432573
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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 **OGRID Number:** 7377
Well Name: Neptune 10 State Com No. 704H Well **API:** 30-025-43807
Pool: WC- 025 G-09 S243310P; Upper Wolfcamp **Pool Code:** 98135

**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.

Jordan L. Kessler

Print or Type Name

Signature

August 1, 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

August 1, 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 Neptune 10 State Com No. 704H Well in the E/2 W/2 of Section 3 and Section 10, Township 24 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 **Neptune 10 State Com No. 704H Well** to be completed within the WC-025 G-09 S243310P; Upper Wolfcamp (Pool Code 98135) underlying Section 3 and 10, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico. This well will be drilled from a surface location 629 feet from the South line and 2,012 feet from the West line (Unit N) of Section 10. The upper most perforation will be located 330 feet from South line and 1,590 feet from the West line (Unit N) of Section 10 and the lower most perforation will be 330 feet from the North line and 1,590 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.

EOG will be the operator of the Neptune 10 State Com No. 702H Well, a proposed Wolfcamp well located in the W/2 W/2 of Sections 3 and 10. EOG is the operator of the Neptune 10 State Com No. 701H Well, an existing Wolfcamp well located in the W/2 S/W and S/W N/W of Section 3 and the W/2 W/2 of Section 10. The working interest ownership is identical in the W/2 W/2 and the E/2 W/2 of Sections 3 and 10. 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.

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. ☏

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2017 AUG - 1 P 3 PM

HOLLAND & HART^{LLP}



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. 704H Well** encroaches on the spacing and proration units to the West, Northwest, and Southwest.

Exhibit B is a land plat for Sections 3 and 10 and the surrounding sections that shows the proposed **Neptune 10 State Com No. 704H 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, ownership throughout the W/2 of Sections 3 and 10 is identical. Accordingly, there are no affected parties in the spacing units to the West of the proposed well. 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 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

HOLLAND & HART



Jordan L. Kessler

Associate

Phone (505) 954-7286

Fax (505) 983-6043

JLKessler@hollandhart.com

August 1, 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 Neptune 10 State Com No. 704H Well in the E/2 W/2 of Section 3 and Section 10, 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:

Paul Boland
EOG Resources, Inc.
(432) 686-3666
Paul_Boland@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** 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. ☏

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) 749-1283 Fax: (575) 749-9720
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

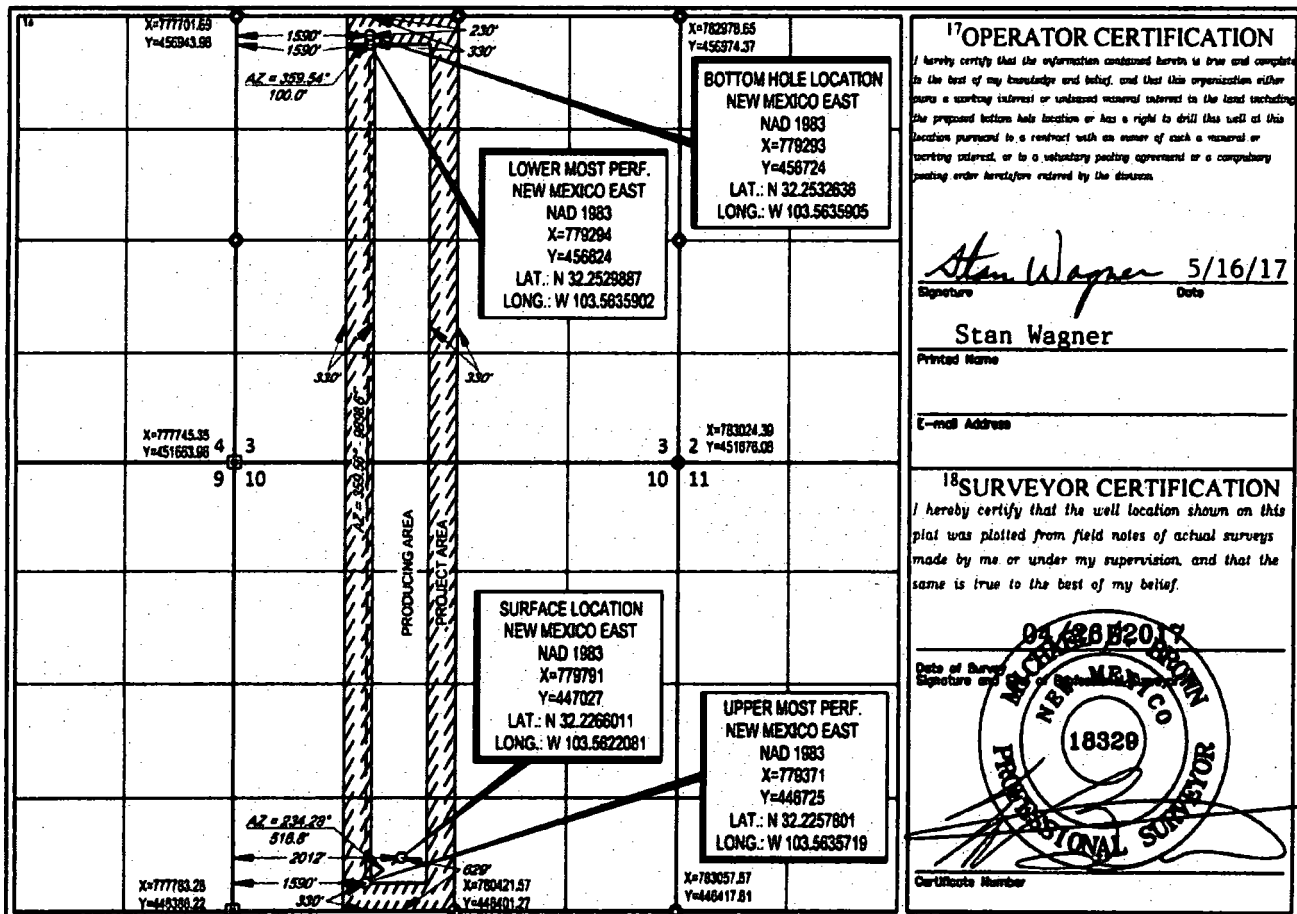
¹ API Number 30-025- 43807	² Pool Code 98135	³ Pool Name WC-025 G-09 S243310P; Upper Wolfcamp
⁴ Property Code 313956	⁵ Property Name NEPTUNE 10 STATE COM	
⁶ GRID No. 7377	⁷ Operator Name EOG RESOURCES, INC.	⁸ Well Number #704H ⁹ Elevation 3607'

¹⁰ Surface Location									
UL or lot no.	Section	Township	Range	Lot Ids	Feet from the	North/South line	Feet from the	East/West line	County
N	10	24-S	33-E	-	629'	SOUTH	2012'	WEST	LEA

UL or lot no.	Section	Township	Range	Lot Ids	Feet from the	North/South line	Feet from the	East/West line	County
C	3	24-S	33-E	-	230'	NORTH	1590'	WEST	LEA

¹¹ Dedicated Acres 320.10	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.



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EXHIBIT

A

EOG RESOURCES, INC.
NEPTUNE 10 STATE COM #704H UNORTHODOX LOCATION NOTICE TRACT PLAT
TOWNSHIP 24 SOUTH RANGE 33 EAST, LEA COUNTY, NM

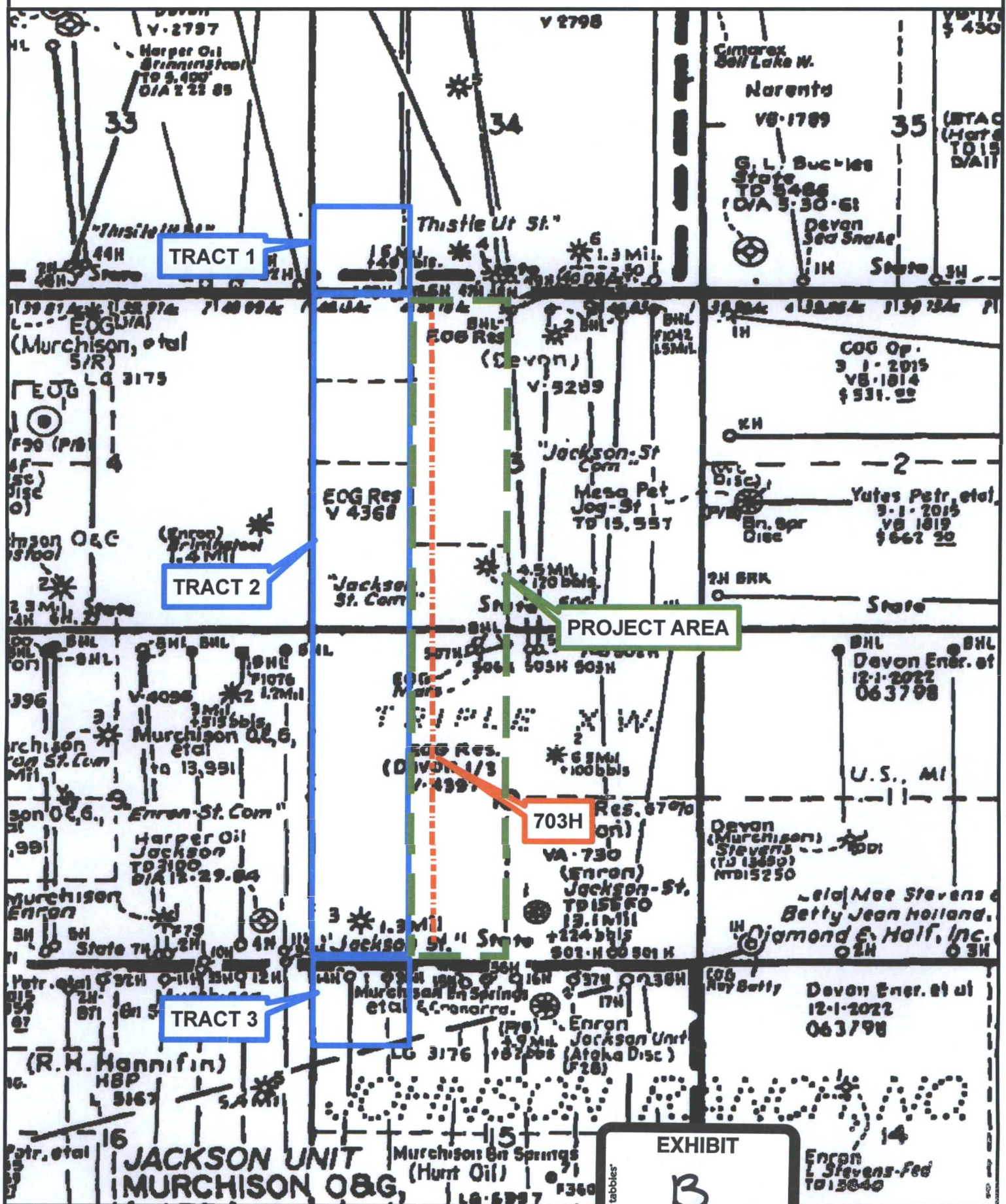


Exhibit C

Tract 1:

Murchison Bone Springs Drilling Program 1, LLC
7250 Dallas Parkway
Plano, Texas 75024
70171450000083775571

Khody Land and Minerals Company
as Nominee for RKI Exploration and Production, LLC
210 Park Avenue, Suite 900,
Oklahoma City, OK 73102
70171450000083775564

MEC Petroleum Corporation
414 W Texas Ave. #410
P.O. Box 11265
Midland, Texas 79701
70171450000083775557

Pickens Southwest Energy, LLC
8117 Preston Road, Suite 260
Dallas, Texas 75225
70171450000083775748

Mesa Southwest Energy, LLC
8117 Preston Road, Suite 260
Dallas, Texas 75225
70171450000083775731

Tract 3:

Devon Energy Production Company, L.P.
333 W. Sheridan Ave
Oklahoma City, OK 73102
70171450000083775724

ConocoPhillips Company
600 N. Dairy Ashford
Houston, TX 77079
70171450000083775717

Trainer Partners, Ltd.
P.O. Box 3788
Midland, TX 79702
70171450000083775700

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Thursday, August 24, 2017 8:51 AM
To: 'Jordan L. Kessler'
Cc: Brown, Maxey G, EMNRD; McMillan, Michael, EMNRD; Goetze, Phillip, EMNRD; Jones, William V, EMNRD; 'lisa@rwbyram.com'; Kautz, Paul, EMNRD; Martin, Ed; Holm, Anchor E.
Subject: APPROVED NSL-7573_EOG Resources, Inc._Neptune 10 State Com Well No. 704H_SEC 10 24S 33E
Importance: High

Ms. Jordan L. Kessler,

The following administrative order has been issued and will soon be available on the Division's web site: <http://ocdimage.emnrd.state.nm.us/Imaging/Default.aspx>

NSL-7573

EOG Resources, Inc.

API #: 30-025-43807

WELL: Neptune 10 State Com Well No. 704H

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/ocd/>