

10/22/07	SUSPENSE	ENGINEER	10/26/07	LOGGED IN	NSA	PRUR 0729944496
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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



2007 OCT 22 PM 4 06

EXG Resources
LOSK Feb '22
#1

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.

William F. Carr
Print or Type Name

William F. Carr
Signature

Attorney
Title

Oct. 22, 2007
Date

wcarr@hollandhant.com
e-mail Address



October 22, 2007

HAND-DELIVERED

Mark E. Fesmire, P.E.
Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

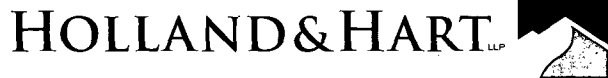
Re: Application of EOG Resources, Inc. for administrative approval of an unorthodox well location for its Lusk "22" Federal Well No. 1, **(API No. 30-025-35590)** located 715 feet from the North line and 1330 feet from the West line of Section 22, Township 19 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Dear Mr. Fesmire:

EOG Resources, Inc. hereby seeks administrative approval pursuant to the provisions of Division Rule 104 F (2)-(4) adopted on August 12, 1999, of an unorthodox well location in the Bone Spring formation for its Lusk "22" Federal Well No. 1 located 715 feet from the North line and 1330 feet from the West line of Section 22 Township 19 South, Range 32 East, N.M.P.M., Lea County, New Mexico. This well was drilled to the to test the Morrow formation in 2001 and completed in the East Lusk-Morrow Gas Pool. A standard 320-acre spacing and proration unit comprised of the N/2 of Section 22 was dedicated to the well in the Morrow formation. At that time and the location was standard for a deep gas well drilled on this 320-acre spacing unit. EOG now proposes to recomplate the well in the Delaware formation, Undesignated West Lusk-Delaware Pool.

This well location in the Delaware formation is now unorthodox because it is governed by the Division's general rules which provide for oil wells to be drilled on 40-acre spacing units and to be located no closer than 330 feet to the outer boundary of the quarter-quarter section on which the well is located.

and no closer than 10 feet to any quarter-quarter section line or subdivision inner boundary. The proposed unorthodox well location is unorthodox because it is only 10 feet from the outer boundary of a quarter section on which it is located.



Attached hereto as Exhibit A is a plat which shows the subject area, the 40-acre spacing unit comprised of the NE/4 NW/4 of Section 22 and the proposed unorthodox location. Attached As Exhibit B is a copy of the Acreage Dedication plat for the well (Division Form C-102). Endeavor Energy Resources, Inc. is the offset operator to the West of the proposed location. A copy of this application, including a copy of the plat described above, has been sent to Endeavor Energy Resources, Inc. by certified mail-return receipt requested in accordance with Rule 1210. Endeavor has been advised that if it has an objection to this application it must be filed in writing with the Division's Santa Fe office within twenty days from the date this notice was sent.

Enclosed in hard copy and disc is a proposed administrative order of the Division.

Your attention to this application is appreciated.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr".

William F. Carr
Attorney for EOG Resources, Inc.

Enclosures

cc: Patrick J. Tower
Doug Hurlbutt
EOG Resources, Inc.
Post Office Box 2267
Midland, Texas 79702

District I
PO Box 1930, Hobbs, NM 88241-1930
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number		*Pool Code		*Pool Name	
				Lusk, Morrow	
*Property Code	*Property Name				*Well Number
	LUSK FED. "22"				1
*OGRID No.	*Operator Name				*Elevation
7377	EOG RESOURCES INC.				3610

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	22	19	32		715	NORTH	1330	WEST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
*Dedicated Acres		*Joint or Infill		*Consolidation Code		*Order No.			
320									

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

<p>¹⁶</p> <p>EOG RESOURCES INC. LUSK FEDERAL "22" No. 1 ELEV. 3610' Y: 801050.0 X: 877115.8 LAT: 32°34'03.85" LONG: 103°45'28.39"</p>	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Mike Francis</i> Signature Mike Francis Printed Name Agent Title 4/2/01 Date</p>
	<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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 and correct to best of my belief.</p> <p>MARCH 15, 2001 Date of Survey Signature and Seal of Registered Surveyor: <i>James E. Tompkins</i> JAMES E. TOMPKINS NEW MEXICO REGISTERED PROFESSIONAL LAND SURVEYOR 14729 Certificate Number</p>

EXHIBIT

B