

RECEIVED: 11/22/17	REVIEWER: LRL	TYPE: NSL	APP NO: PLEL 1732659213
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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: Audacious BTL 19 Fed Com No. 3H Well **API:**
Pool: Upper Wolfcamp Pool **Pool Code:** 98180

**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

November 22, 2017

Date

505-988-4421

Phone Number

jlkessler@hollandhart.com

e-mail Address

November 22, 2017

VIA HAND DELIVERY

David Catanach
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Dr.
Santa Fe, New Mexico 87505

RECEIVED OCD
2017 NOV 22 P 3:06

Re: Application of EOG Resources, Inc. for an amendment of NSL-7602, Sections 19 and 30, Township 25 South, Range 33 East, NMPM, Lea County, New Mexico.
Audacious BTL 19 Fed Com No. 3H Well

Dear Mr. Catanach:

EOG Resources, Inc. (OGRID No. 7377) previously permitted **Audacious BTL 19 Fed Com No. 3H Well** as a horizontal well within a 240-acre project area in WC-025 G-09 S253309A; Upper Wolfcamp Pool (98180). The project area for this well is comprised of the W/2 E/2 of Section 30 and the W/2 SE/4 of Section 19. The Division issued Administrative Order NSL-7602 authorizing a first perforation 2,310 feet from South line and 1,484 feet from the East line (Unit J) of Section 19 and a final perforation 330 feet from the South line and 1,484 feet from the East line (Unit O) of Section 30.

EOG commenced drilling the well from a surface location 2590 feet from the South line and 990 feet from the East line (Unit I) of Section 19. However, in drilling the well, EOG deviated slightly from its planned well path. As reflected on the as-drilled C-102, portions of the well are now located 1441 feet from the East line. Accordingly, the **Audacious BTL 19 Fed Com No. 3H Well** is approximately 43 feet closer to the eastern boundary than is currently authorized by NSL-7602.

EOG respectfully requests that pursuant to 19.15.15.13.C NMAC, the Division amend NSL-7602 to reflect the as-drilled location of the wellbore. The unorthodox location encroaches only on the spacing and proration unit to the East.

As support for this application, EOG provides the following additional information and exhibits:

HOLLAND & HART^{LLP}



Exhibit A is the amended Well Location and Acreage Dedication Plat (Form C-102), which shows, as drilled, the non-standard location for the **Audacious BTL 19 Fed Com No. 3H Well**.

Exhibit B is a copy of NSL-7602.

Exhibit C is a list of the parties affected by the encroachment to the Southeast. As described in the original application EOG is the operator in the spacing proration unit comprised of the E/2 E/2 of Section 30 and the E/2 SE/4 of Section 19 and ownership is identical to the proposed spacing unit. Accordingly, there are no affected parties in the spacing units to the East of the proposed well. In addition, EOG is the 100 percent working interest owner of the forty-acre tract to the Northeast. Accordingly, there are no affected parties in the spacing unit to the Northeast. 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.

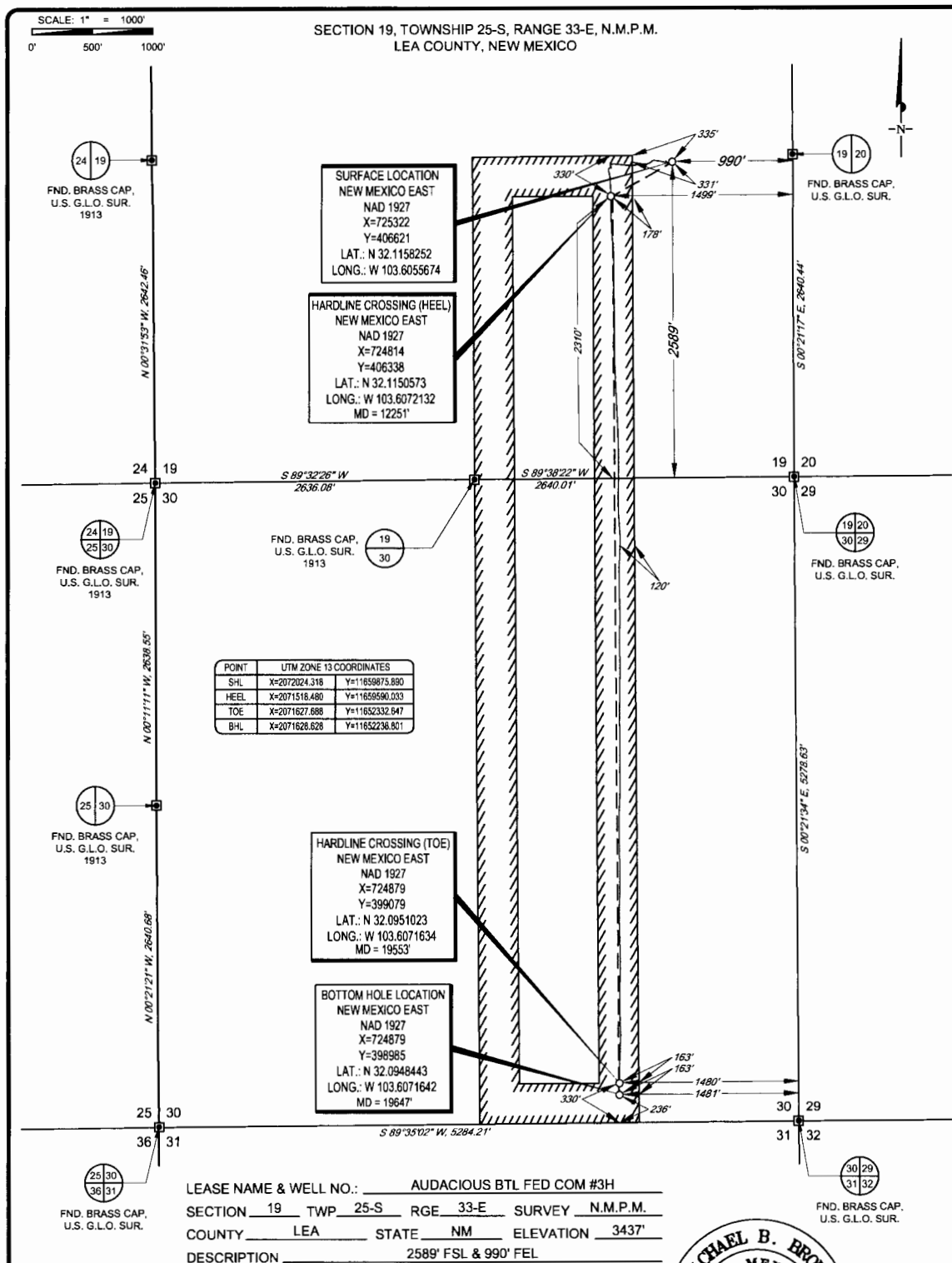
Your attention to this application is appreciated.

Sincerely,

Jordan L. Kessler

ATTORNEY FOR EOG RESOURCES, INC.

cc: Bureau of Land Management—Carlsbad



EOG resources, Inc.

TOPOGRAPHIC
LOYALTY INNOVATION LEGACY
1400 EVERMAN
PARKWAY, Ste. 197 • FT. WORTH, TEXAS 76140 TELEPHONE:
(817) 744-7512 • FAX (817) 744-7518
2903 NORTH BIG SPRING • MIDLAND, TEXAS 79705
TELEPHONE: (432) 682-1653 OR (800) 767-1653 • FAX (432) 682-1743
WWW.TOPOGRAPHIC.COM

MICHAEL B. BROWN
NEW MEXICO
18329
PROFESSIONAL SURVEYOR
Michael Blake Brown, P.S. No. 18329
NOVEMBER 13, 2017

AUDACIOUS BTL FED COM #3H PRE-COMPLETION	REVISION:
DATE: 11/13/2017	
FILE: C:\AUDACIOUS_BTL_FED_COM_3H	
DRAWN BY: A.V.F.	
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

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



October 25, 2017

EOG Resources, Inc.
Attn: Ms. Jordan L. Kessler

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL-7602

EOG Resources, Inc.
OGRID 7377
Audacious BTL 19 Federal Com Well No. 3H
API No. 30-025-43864

Non-Standard Location

Proposed Location:

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	2590' FSL & 990' FEL	I	19	25S	33E	Lea
Penetration Point	2310' FSL & 1484' FEL	J	19	25S	33E	Lea
Final perforation	330' FSL & 1484' FEL	O	30	25S	33E	Lea
Terminus	230' FSL & 1484' FEL	O	30	25S	33E	Lea

Proposed Project Area:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
W/2 SE/4 of Section 19 W/2 E/2 of Section 30	240	WC-025 G-09 S253309A; Upper Wolfcamp	98180

Reference is made to your application received on October 2, 2017.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. This location is governed by statewide Rule 19.15.15.9.A NMAC, which provide for 40-acre units with wells to be located at least 330 feet from outer unit boundaries, and Rule 19.15.16.14.B (2) NMAC concerning directional wells in designated project areas. This surface location is outside the project area, and is permitted by Rule 19.15.16.15.B (4) NMAC which allows for surface locations outside project area. This location is unorthodox because portions of the proposed completed interval are closer to outside boundaries of the proposed project area than any location that would be a standard location under the applicable pool rules.

EXHIBIT

B

Administrative Order NSL-7602
EOG Resources, Inc.
October 25, 2017
Page 2 of 2

Your application has been duly filed under the provisions of Division Rules 19.15.15.13 NMAC and 19.15.4.12.A (2) NMAC.

It is our understanding that the Applicant is seeking this location as a preferred well spacing plan for horizontal wells and thereby preventing waste.

Pursuant to the authority conferred by Division Rule 19.15.15.13 (B) NMAC, the above-described unorthodox location is hereby approved.

The above approvals are subject to your being in compliance with all other applicable Division rules.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.



DAVID R. CATANACH
Director

DRC/lrl

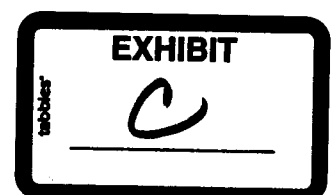
cc: Oil Conservation Division – Hobbs District Office
Bureau of Land Management – Carlsbad Field Office

Exhibit C

Tract 3:

COG Operating, LLC
One Concho Center
600 W. Illinois Avenue
Midland, TX 79701
7017145000022976

Concho Oil & Gas LLC
One Concho Center
600 W. Illinois Ave.
Midland, TX 79701-4882
70171450000216972969



HOLLAND & HART LLP



Jordan L. Kessler

Associate

Phone (505) 954-7286

Fax (505) 983-6043

JLKessler@hollandhart.com

November 22, 2017

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO AFFECTED PARTIES

Re: Application of EOG Resources, Inc. for an amendment of NSL-7602, Sections 19 and 30, Township 25 South, Range 33 East, NMPM, Lea County, New Mexico.
Audacious BTL 19 Fed Com No. 3H Well

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:

Chuck Moran
EOG Resources, Inc.
(432) 686-3684
Charles_Moran@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. ♻

NSL-7602-A

Lowe, Leonard, EMNRD

From: Jordan L. Kessler <JLKessler@hollandhart.com>
Sent: Friday, December 1, 2017 4:29 PM
To: Lowe, Leonard, EMNRD
Subject: RE: NSL application: Amended EOG Resources NSL-7602-A
Attachments: C_AUDACIOUS_BTL_FED_COM_3H_S.PDF

Hi Leonard,

As you can see from the attached as-drilled plats, only portions of the interval encroach to 1,441 feet from the East line. However, it is probably safest to put those post-drilling locations, as none of the interval is closer than 1,441 from the East line.

Thanks,
Jordan

From: Lowe, Leonard, EMNRD [mailto:Leonard.Lowe@state.nm.us]
Sent: Friday, December 1, 2017 4:14 PM
To: Jordan L. Kessler <JLKessler@hollandhart.com>
Subject: NSL application: Amended EOG Resources NSL-7602-A

Ms. Jordan Kessler,

Good afternoon.

In reference to your Amended NSL application request.

As the application stated the drilling is 43 feet closer to the east line.
So are these are the post drilling locations?

SL:	2590' FSL & 990' FEL	SECTION 19
FTP:	2310' FSL & 1441' FEL	SECTION 19
LTP:	330' FSL & 1441' FEL	SECTION 30
BH:	230' FSL & 1484' FEL	SECTION 30

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/>

From: [Lowe, Leonard, EMNRD](#)
To: ["Jordan L. Kessler"](#)
Cc: [Brown, Maxey G, EMNRD](#); [Kautz, Paul, EMNRD](#); [Sharp, Karen, EMNRD](#); [Jones, William V, EMNRD](#); [Goetze, Phillip, EMNRD](#); [McMillan, Michael, EMNRD](#); ["lisa@rwbyram.com"](#); ["jglover@blm.gov"](#); ["scaffey@blm.gov"](#); ["jstovall@blm.gov"](#)
Subject: APPROVED NSL-7602-A_EOG RESOURCES INC._Audacious BTL 19 Federal Com No. 3H_SEC 19 25S 33E
Date: Thursday, December 14, 2017 9:57:00 AM
Importance: High

Ms. Jordan L. Kessler,

The following **AMENDED** 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-7602-A

EOG RESOURCES INC.

WELL: Audacious BTL 19 Federal Com Well No. 3H, [API #: 30-025-43864]

Leonard Lowe

Engineering Bureau

Oil Conservation Division

Energy Minerals and Natural Resources Department

From: Lowe, Leonard, EMNRD
Sent: Thursday, October 26, 2017 10:24 AM
To: 'Jordan L. Kessler' <JLKessler@hollandhart.com>
Cc: Brown, Maxey G, EMNRD <MaxeyG.Brown@state.nm.us>; Kautz, Paul, EMNRD <paul.kautz@state.nm.us>; Sharp, Karen, EMNRD <Karen.Sharp@state.nm.us>; Jones, William V, EMNRD <WilliamV.Jones@state.nm.us>; Goetze, Phillip, EMNRD <Phillip.Goetze@state.nm.us>; McMillan, Michael, EMNRD <Michael.McMillan@state.nm.us>; 'lisa@rwbyram.com' <lisa@rwbyram.com>; 'jglover@blm.gov' <jglover@blm.gov>; 'scaffey@blm.gov' <scaffey@blm.gov>; 'jstovall@blm.gov' <jstovall@blm.gov>
Subject: APPROVED NSL-7602_EOG RESOURCES INC._Audacious BTL 19 Federal Com No. 3H_SEC 19 25S 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-7602

EOG RESOURCES INC.

WELL: Audacious BTL 19 Federal Com Well No. 3H, [API #: 30-025-43864]

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

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Fax: 505-476-3462

E-mail: leonard.lowe@state.nm.us

Website: <http://www.emnrd.state.nm.us/ocd/>