

RECEIVED: 01/30/2018	REVIEWER: LRL	TYPE: NSL	APP NO: PLEK 1803842370
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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

NSL-7637

Applicant: EOG Resources, Inc.**OGRID Number:** 7377**Well Name:** Gem 36 State Com No. 5H Well**API:** 30-025-44263**Pool:** Jennings; Upper Bone Spring Shale Pool**Pool Code:** 97838

**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 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

January 30, 2018

Date

505-988-4421

Phone Number

jlkessler@hollandhart.com

e-mail Address



Jordan L. Kessler
Associate
Phone (505) 954-7286
Fax (505) 983-6043
JLKessler@hollandhart.com

January 30, 2018

VIA HAND DELIVERY

Heather Riley
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

RECEIVED OGD
2018 JAN 30 P 3:31

Re: Application of EOG Resources, Inc. for administrative approval of an unorthodox well location for its Gem 36 State Com No. 5H Well in the W/2 E/2 of Section 36, Township 25 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Dear Ms. Riley:

EOG Resources, Inc. (OGRID No. 7377) seeks administrative approval of an unorthodox well location for its **Gem 36 State Com No. 5H Well** (API No. 30-025-44263) to be completed within the Jennings; Upper Bone Spring Shale Pool (97838) underlying Section 36, Township 25 South, Range 32 East, N.M.P.M., Lea County, New Mexico. This well will be drilled from a surface location 220 feet from the South line and 2309 feet from the West line (Unit N). The upper most perforation will be located 330 feet from South line and 2543 feet from the East line (Unit O) and the lower most perforation will be 330 feet from the North line and 2463 feet from the East line (Unit B) of Section 36. 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.

Ownership in the Wolfcamp is identical between the proposed spacing unit and the spacing unit in the E/2 W/2 of Section 36. 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. ☎



Exhibit A is a draft Well Location and Acreage Dedication Plat (Form C-102), which shows that the completed interval of the proposed **Gem 36 State Com No. 5H Well** encroaches on the spacing and proration units to the West, Northwest, and Southwest.

Exhibit B is a land plat for Section 36 and the surrounding sections that shows the proposed **Gem 36 State Com No. 5H Well** in relation to adjoining units and existing wells.

Exhibit C is a list of the parties affected by the encroachment to the Southwest. As described above, EOG is the operator in the spacing proration unit comprised of the E/2 W/2 of Section 36 and ownership is identical to the proposed spacing unit. Accordingly, there are no affected parties in the spacing units to the West of the proposed well. EOG is also the operator of the spacing and proration unit to the Southwest. Accordingly, the only affected parties are in the spacing unit to the Northwest. 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 State Land Office.

Exhibit D is an affidavit from the landman verifying that ownership in the E/2 W/2 of Section 36 and the subject spacing unit is identical.

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 87504-1148
70171450000216973232

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) 748-1283 Fax: (575) 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		² Pool Code		³ Pool Name		
⁴ Property Code		⁵ Property Name GEM 36 STATE COM				⁶ Well Number #5H
⁷ OGRID No.		⁸ Operator Name EOG RESOURCES, INC.				⁹ Elevation 3369'

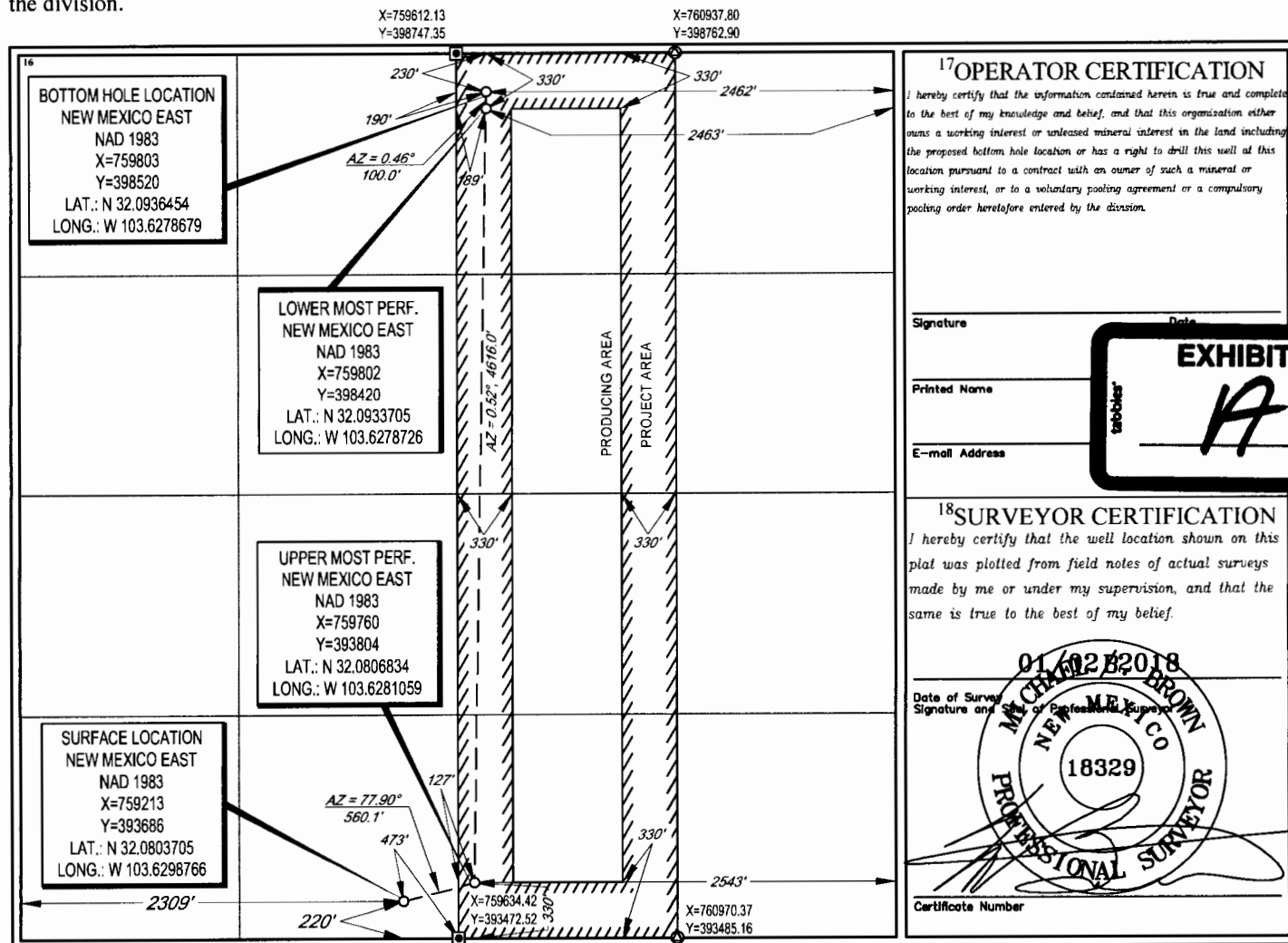
¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	36	25-S	32-E	-	220'	SOUTH	2309'	WEST	LEA

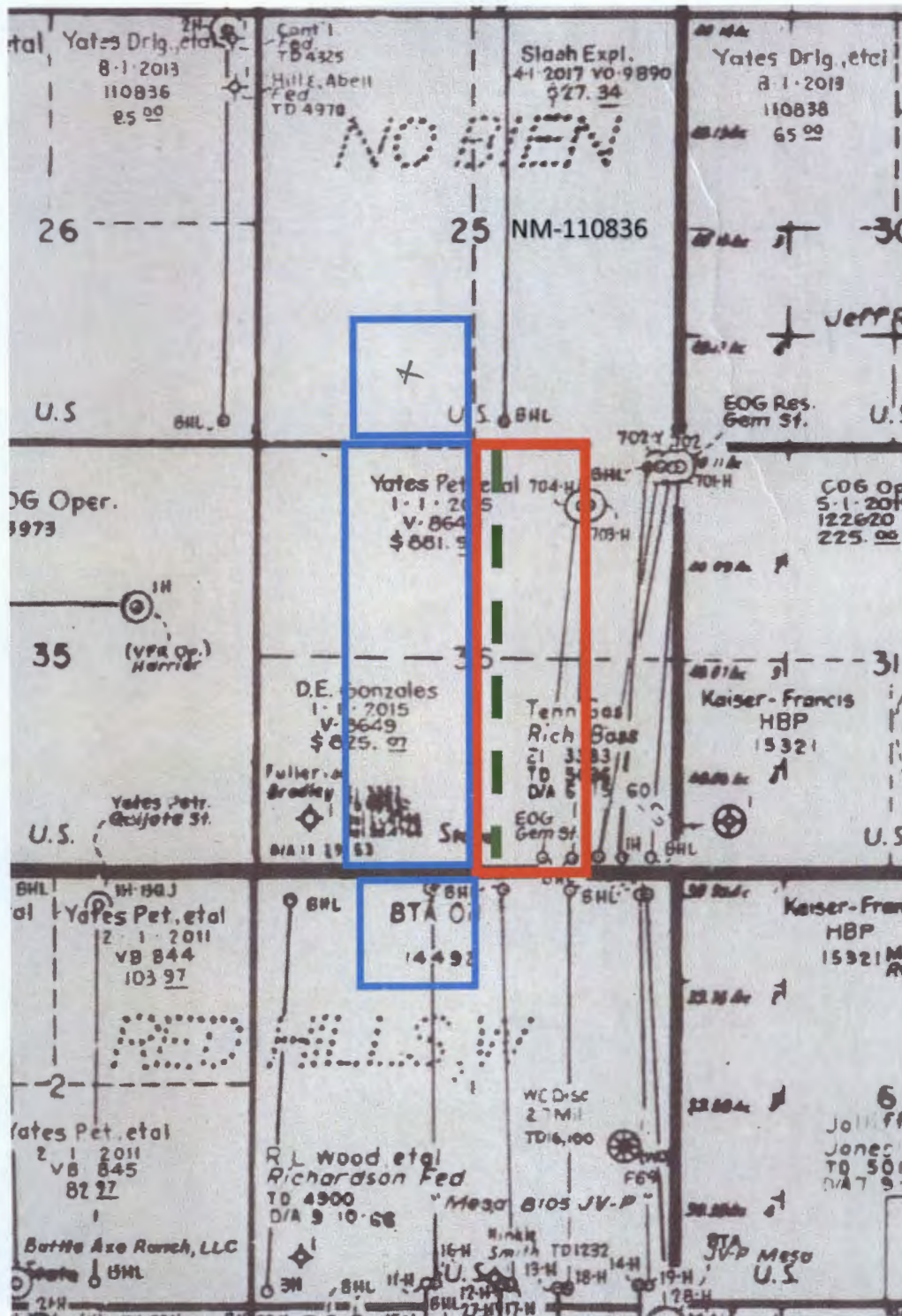
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	36	25-S	32-E	-	230'	NORTH	2462'	EAST	LEA

¹² Dedicated Acres 160.00	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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.



NSL Application – Gem 36 State Com #5H
 Township 25 South-Range 32 East, NMPM
 Sec. 36: W/2E/2, Lea County New Mexico



Project area: W/2E/2 Sec. 36-T25S-R32E LE



Wellbore



Affected Parties.



Exhibit C

BTA Oil Producers, LLC
Attention: Willis Pirce.
104 South Pecos
Midland, TX 79701
70171450000216973249





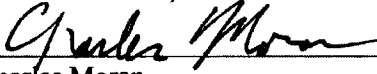
5509 Champions Dr., Midland, Texas 79706
Phone: (432) 686-3600 Fax: (432) 686-3773

Certification of Ownership

I have reviewed the ownership of the oil and gas leasehold in Section 36, T25S-R32E, Lea County, New Mexico, for purposes of the Application for Nonstandard Location for the wells identified below. The E/2W/2 and the W/2E/2 of Section 36-T25S-R32E are covered by an operating agreement; accordingly, owners and percent ownership in the proposed spacing units are identical to the adjacent spacing units in Section 36. As of this date below, the ownership in the east and west offset spacing unit/project area to each of the wells is identical ownership as defined in 19.15.12.7 B. NMAC:

	Well Name	Surface Location	API	Pool Code/Name	Status
1	Gem 36 State Com. #5H	N-36-25S-32E	30-025-44263	Anticipate: 97838 / Jennings, Upper Bone Spring Shale	TBD, spud 1/2018
2	Gem 36 State Com. #6H	N-36-25S-32E	30-025-44264	Anticipate: 97838 / Jennings, Upper Bone Spring Shale	TBD, spud 2/2018

EOG Resources, Inc.


Charles Moran
Land Advisor
January 24, 2018



HOLLAND & HART^{LLP}



Jordan L. Kessler

Associate

Phone (505) 954-7286

Fax (505) 983-6043

JLKessler@hollandhart.com

January 30, 2018

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 Gem 36 State Com No. 5H Well in the W/2 E/2 of Section 36, Township 25 South, Range 32 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:

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. ☼

From: [Lowe, Leonard, EMNRD](#)
To: ["Jordan L. Kessler"; "Michael Feldewert"](#)
Cc: [Brown, Maxey G, EMNRD](#); [Kautz, Paul, EMNRD](#); [McMillan, Michael, EMNRD](#); [Goetze, Phillip, EMNRD](#); [Jones, William V, EMNRD](#); ["lisa@rwbyram.com"](#); [Holm, Anchor E.](#); [Martin, Ed](#)
Subject: APPROVED NSL-7636 AND NSL-7637_EOG RESOURCES, INC_Gem 36 State Com Well No. 6H & 5H_SEC 36 25S 32E
Date: Thursday, February 22, 2018 4:35:00 PM
Importance: High

Ms. Jordan L. Kessler,

The following Administrative Orders have been issued, for: **OPERATOR: EOG RESOURCES, INC.**

ORDER: NSL-7636
WELL: Gem 36 State Com Well No. 6H
API NO: 30-025-44264

ORDER: NSL-7637
WELL: Gem 36 State Com Well No. 5H
API NO: 30-025-44263

The Orders will soon be available on the Division's web site:
<http://ocdimage.emnrd.state.nm.us/Imaging/Default.aspx>

Thank you!

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/>