

|                               |                         |                     |                                   |
|-------------------------------|-------------------------|---------------------|-----------------------------------|
| RECEIVED:<br><b>2/16/2018</b> | REVIEWER:<br><b>MAM</b> | TYPE:<br><b>NSL</b> | APP NO:<br><b>PMAM18053365 99</b> |
|-------------------------------|-------------------------|---------------------|-----------------------------------|

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:** Gem 36 State Com No. 705H Well **API:** 30-025-44440  
**Pool:** Upper Wolfcamp Pool **Pool Code:** 98158

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

**NSL-7655**

**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

FEB 16 2018 PM03:59

**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.**

Adam G. Rankin

Print or Type Name

Signature

February 16, 2018

Date

505-988-4421

Phone Number

agrarkin@hollandhart.com

e-mail Address

## McMillan, Michael, EMNRD

---

**From:** Kautz, Paul, EMNRD  
**Sent:** Thursday, March 22, 2018 3:05 PM  
**To:** McMillan, Michael, EMNRD  
**Subject:** RE: Pool designation EOG Gem State Com Well No. 705H and Gem State Com Well No. 707H

Hi Mike,

The correct pool for both wells is WC-025 G-09 S253236A;UPR WOLFCAMP [98158]

Paul

**From:** McMillan, Michael, EMNRD  
**Sent:** Thursday, March 22, 2018 1:40 PM  
**To:** Kautz, Paul, EMNRD <paul.kautz@state.nm.us>  
**Subject:** Pool designation EOG Gem State Com Well No. 705H and Gem State Com Well No. 707H

Paul

I am doing NSL applications for EOG.

Can you check the pool designation for EOG Gem State Com Well No. 705H. API 30-025-44440. It is designated in E-Permitting to [98092] WC-025 G-09 S243336I; UPPER WOLFCAMP

Can you check the pool designation for EOG Gem State Com Well No. 707H. API 30-025-44265. It is designated in E-Permitting to [98158] WC-025 G-09 S253236A;UPR WOLFCAMP

I just want to make sure I have the correct pool designations for the NSL applications.

Is WC-025 G-09 S253236A; UPR WOLFCAMP the correct pool for both?

Thanks

Mike

Michael McMillan  
1220 South St. Francis  
Santa Fe, New Mexico  
505-476-3448  
[Michael.mcmillan@state.nm.us](mailto:Michael.mcmillan@state.nm.us)

HOLLAND & HART<sup>LLP</sup>



Adam G. Rankin  
Associate  
Phone (505) 954-7294  
Fax (505) 983-6043  
AGRankin@hollandhart.com

February 16, 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

FEB 16 2018 PM04:00

**Re: Application of EOG Resources, Inc. for administrative approval of an unorthodox well location for its Gem 36 State Com No. 705H Well in the E/2 W/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. 705H Well** (API No. 30-025-44440) to be completed within the WC-025 G-09 S253236A; Upper Wolfcamp Pool (98158) 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 420 feet from the south line and 2304 feet from the west line (Unit N). The upper most perforation will be located 330 feet from south line and 2474 feet from the west line (Unit N) and the lower most perforation will be 330 feet from the north line and 2460 feet from the west line (Unit C) 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 eastern, southeastern, and northeastern boundaries of the project area.

Ownership in the Wolfcamp is identical between the proposed spacing unit and the spacing unit in the W/2 E/2 of Section 36. EOG's affiliate, EOG Y Resources, Inc., is the operator of the spacing unit in SW/4 SE/4 of Section 25. 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<sup>LLP</sup>

Phone [505] 988-4421 Fax [505] 983-6043 [www.hollandhart.com](http://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. 705H Well** encroaches on the spacing and proration units to the east, southeast, and northeast.

**Exhibit B** is a land plat for Section 36 and the surrounding sections that shows the proposed **Gem 36 State Com No. 705H Well** in relation to adjoining units and existing wells.

**Exhibit C** is a list of the parties affected by the encroachment to the southeast. As described above, EOG is the operator in the spacing and proration unit comprised of the W/2 E/2 of Section 36 and ownership is identical to the proposed spacing unit and EOG's affiliate is the operator in the spacing and proration unit comprised of the SW/4 SE/4 of Section 25. Accordingly, there are no affected parties in the spacing units to the east and northeast of the proposed well. The only affected parties are in the spacing unit to the southeast. 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 W/2 E/2 of Section 36 and the subject spacing unit is identical.

Your attention to this matter is appreciated.

Sincerely,

Adam G. Rankin  
ATTORNEY FOR EOG RESOURCES, INC.

cc: New Mexico State Land Office  
P.O. Box 1148  
Santa Fe, NM 87504-1148  
70172620000113600884

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) 748-4720  
District III  
1000 Rio Brazos Road, Artesia, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6179  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-4462

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

|                                    |   |                    |   |
|------------------------------------|---|--------------------|---|
| API Number<br>30-025- <b>44440</b> |   | Pool Code<br>98158 | Pool Name<br>WC-025 G-09 S253236A; Upper Wolfcamp |
| Property Code<br><b>313191</b>     | Property Name<br><b>GEM 36 STATE COM</b>    |                    | Well Number<br><b>#705H</b>                       |
| OGRID No.<br>7377                  | Operator Name<br><b>EOG RESOURCES, INC.</b> |                    | Elevation<br><b>3369'</b>                         |

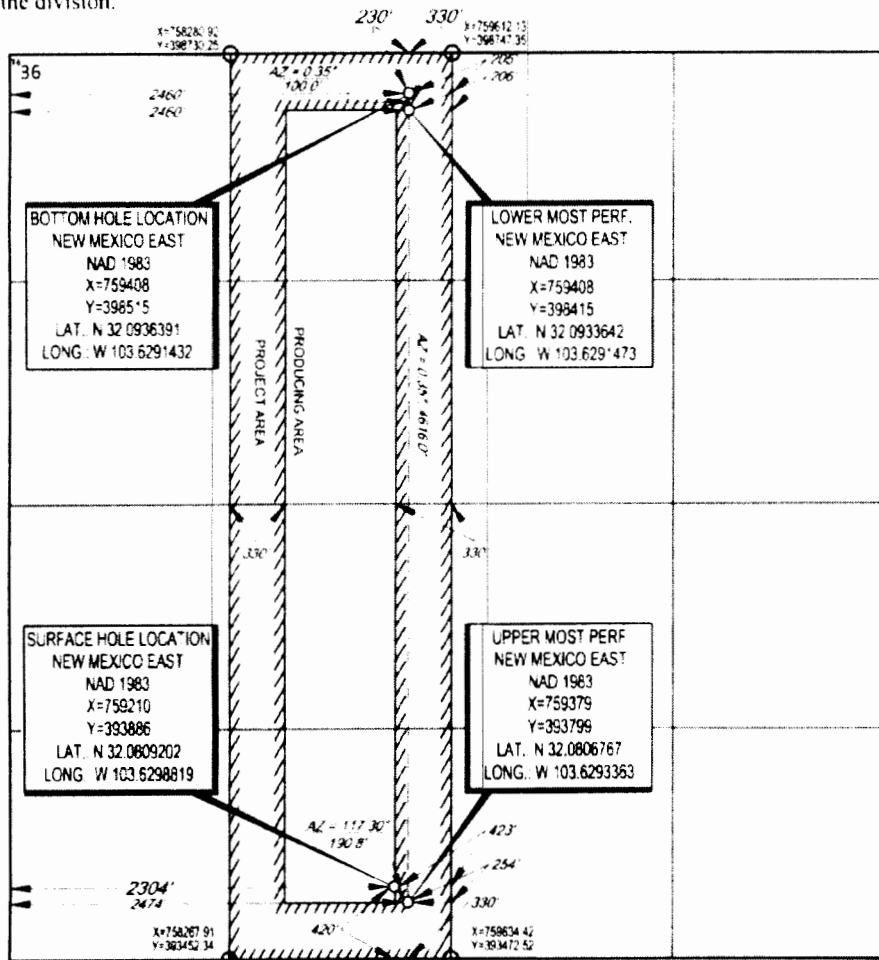
<sup>10</sup>Surface Location

| 11. 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  | -       | 420'          | SOUTH            | 2304'         | WEST           | LEA    |

| 11. or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|----------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| C              | 36      | 25-S     | 32-E  | -       | 230'          | NORTH            | 2460'         | WEST           | LEA    |

| <sup>12</sup> Dedicated Acres | <sup>13</sup> Joint or Infill | <sup>14</sup> Consolidation Code | <sup>15</sup> Order No. |
|-------------------------------|-------------------------------|----------------------------------|-------------------------|
| 160.00                        |                               |                                  |                         |

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.



<sup>17</sup>OPERATOR 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 in, 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: 2/6/18

Printed Name: Stan Wagner

E-mail Address:

<sup>18</sup>SURVEYOR 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: 11/15/2017  
Signature and Seal of Professional Surveyor: *Michael Brown*  
Certificate Number: 18329

S SURVEY EOG MIDLAND GEM 36 STATE FINAL PRODUCTS SLO GEM 36 STATE COM 705H REV2 DWG 2/1/2018 5:39:42 PM istewart

EXHIBIT

**A**



114



**Affected Parties.**



**Exhibit C**

BTA Oil Producers, LLC  
Attention: Willis Price  
104 South Pecos  
Midland, TX 79701  
70172620000113601744





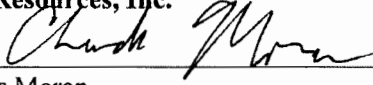
5509 Champions Dr., Midland, Texas 79706  
Phone: (432) 686-3600 Fax: (432) 686-3773

### 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<br>#705H | N-36-25S-32E     | 30-25-44440 | Anticipate: WC-025<br>G-09 S253236A;<br>Upper Wolfcamp | TBD, spud<br>2/2018 |

EOG Resources, Inc.

  
Charles Moran  
Land Advisor  
February 14, 2018



HOLLAND & HART<sup>LLP</sup>



**Adam G. Rankin**  
**Associate**  
**Phone** (505) 954-7294  
**Fax** (505) 983-6043  
AGRankin@hollandhart.com

February 16, 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. 705H Well in the E/2 W/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,

Adam G. Rankin  
**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. ☎