

NSL-7695

RECEIVED: 09/05/2018 6/4/2018	REVIEWER: LRL	TYPE: NSL	APP NO: PMA11809635938
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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: Bandit 29 State Com No. 504Y Well

API: ~~Pending~~ 30-025-44626

Pool: Triste Draw; Bone Spring, East Pool

Pool Code: 96682

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.

Adam G. Rankin

Print or Type Name

Signature

April 5, 2018

Date

505-988-4421

Phone Number

agrankin@hollandhart.com

e-mail Address

HOLLAND & HART LLP



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

April 5, 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

APR 05 2018 14:04:35

Re: Application of EOG Resources, Inc. for administrative approval of an unorthodox well location for its Bandit 29 State Com No. 504Y Well in the W/2 E/2 of Section 29 and the W/2 NE/4 of Section 32, Township 24 South, Range 33 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 **Bandit 29 State Com No. 504Y Well** (API number pending) to be completed within the Triste Draw; Bone Spring, East Pool (96682) underlying Sections 29 and 32, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico. This well will be drilled from a surface location 410 feet from the north line and 2,211 feet from the east line (Unit B) of Section 29. The upper most perforation will be located 330 feet from north line and 2,594 feet from the east line (Unit B) of Section 29 and the lower most perforation will be 2,309 feet from the north line and 2,589 feet from the east line (Unit G) of Section 32. 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 northwestern, western, and southwestern boundaries of the project area.

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. ☺

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 **Bandit 29 State Com No. 504Y Well** encroaches on the spacing and proration units to the northwest, west, and southwest.

Exhibit B is a land plat for Sections 29 and 32 and the surrounding sections that shows the proposed **Bandit 29 State Com No. 504Y Well** in relation to adjoining units and existing wells.

Exhibit C is a list of the parties affected by the encroachment to the northwest, west, and southwest. 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.

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

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

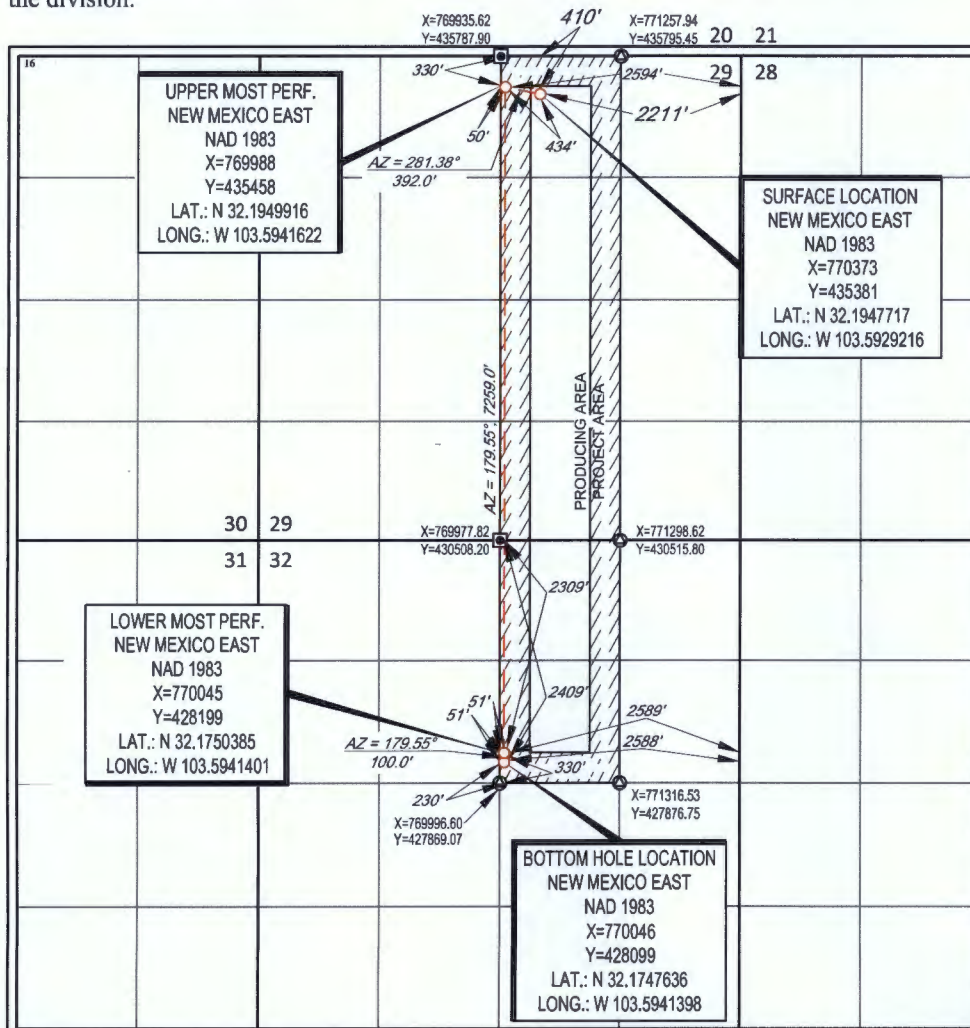
¹ API Number 30-025-44626	² Pool Code 96682	³ Pool Name
⁴ Property Code	⁵ Property Name BANDIT 29 STATE COM	⁶ Well Number #504Y
⁷ GRID No.	⁸ Operator Name EOG RESOURCES, INC.	⁹ Elevation 3533'

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
B	29	24-S	33-E	-	410'	NORTH	2211'	EAST	LEA

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	32	24-S	33-E	-	2409'	NORTH	2588'	EAST	LEA

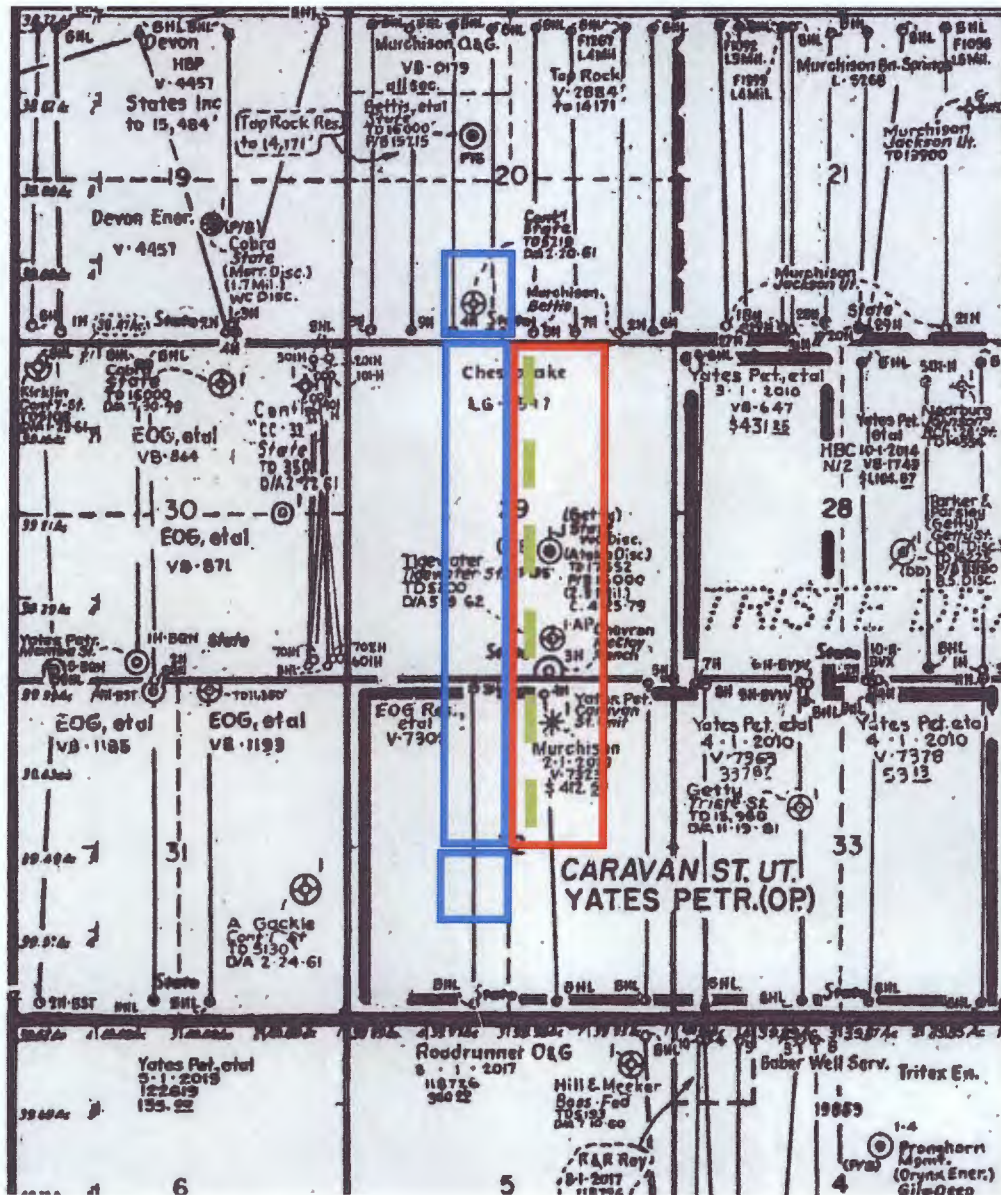
¹² Dedicated Acres 240.00	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



¹⁷ 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 or unleased mineral interest in the land including the proposed bottom hole location 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	<div style="border: 2px solid black; padding: 5px; text-align: center;"> EXHIBIT A </div>
Printed Name	
E-mail Address	
¹⁸ 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.	
<div style="text-align: center;"> 03/30/2018 MICHAEL E. BROWN NEW MEXICO 18329 PROFESSIONAL SURVEYOR </div>	
Date of Survey	Certificate Number

NSL Application – Bandit 29 State Com #504H
 Township 24 South-Range 33 East, NMPM
 Sec. 29: W/2E/2 and Sec. 32: W/2NE/4, Lea County New Mexico



Project Area: W/2E/2 Sec. 29 and W/2NE/4 Sec. 32-T24S-R33E, Lea County, N.M.



Affected Parties



Well Bore

Exhibit C

EOG Y Resources, Inc.
Attention: Land Manager
P. O. Box 2267
Midland, TX 79702

EOG A Resources, Inc.
Attention: Land Manager
P. O. Box 2267
Midland, TX 79702

EOG M Resources, Inc.
Attention: Land Manager
P. O. Box 2267
Midland, TX 79702

Tap Rock Resources, LLC
Attention: Land Manager
602 Park Point Drive, Suite 200
Golden, CO 80401

Randall Capps
P. O. Box 6025
Midland, TX 79704

Murchison Oil and Gas, Inc.
Attention: Eric Buddenbohn, Land Manager
7520 Dallas Parkway, Suite 1400
Dallas, TX 75024

Highland (Texas) Energy Company
Attention: Steve Burr
7557 Rambler Road, Suite 918
Dallas, TX 75231

VEI Partners, L.P.
Attention: Austin Adams
P. O. Box 470788
Forth Worth, TX 76147-0788

MEC Petroleum Corp.
Attention: Marion Causey
P. O. Box 11265
Midland, TX 79702

Saguaro Resources, Inc.
5705 Pinehurst
Farmington, NM 87402

Malaga Royalty, LLC
P. O. Box 2064
Midland, TX 79702

CEMOF AIV, L.P.
Attention: Arleen Spangler
520 Madison Avenue, 38th Floor
New York, NY 10022

CEMOF-A AIV, L.P.
Attention: Arleen Spangler
520 Madison Avenue, 38th Floor
New York, NY 10022

Carlyle Energy Mezzanine Opportunities Fund-
Q, L.P.
Attention: Arleen Spangler
520 Madison Avenue, 38th Floor
New York, NY 10022

CEMOF Coinvestment, L.P.
Attention: Arleen Spangler
520 Madison Avenue, 38th Floor
New York, NY 10022

EOG Resources Assets LLC
Attention: Land Manager
P. O. Box 2267
Midland, TX 79702

Mickey Resources, LLC
500 N. Shoreline, Suite 322
Corpus Christi, TX 78401



HOLLAND & HART LLP



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

April 5, 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 Bandit 29 State Com No. 504Y Well in the W/2 E/2 of Section 29 and the W/2 NE/4 of Section 32, 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:

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. ☐



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

The unorthodox well location is requested by EOG for engineering reasons because it will provide EOG the opportunity to produce its just and equitable share of production from the pool. The proposed spacing is used to drill seven wells in the section evenly spaced. Based on recent production with only six wells per section we have decided to downspace in this section which we feel is necessary to prevent waste and will protect correlative rights.

A handwritten signature in black ink, appearing to read "Shane Kelly", written over a horizontal line.

Shane Kelly
Reservoir Engineer II
EOG Resources



Shipment Confirmation Acceptance Notice

A. Mailer Action

Note to Mailer: The labels and volume associated to this form online, **must** match the labeled packages being presented to the USPS® employee with this form.

Bandit 29 State Com No. 504Y Well
EOG CM# 44497.0129

Shipment Date: 04/05/2018

Shipped From:

Name: HOLLAND & HART LLP

Address: 110 N GUADALUPE ST # 1

City: SANTA FE

State: NM ZIP+4® 87501

Type of Mail	Volume
Priority Mail Express®	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	17
Total	17

*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

B. USPS Action

Note to RSS Clerk:

1. Home screen > Mailing/Shipping > More
2. Select Shipment Confirm
3. Scan or enter the barcode/label number from PS Form 5630
4. Confirm the volume count message by selecting Yes or No
5. Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail.
Leave form with customer or in customer's mail receptacle.

USPS SCAN AT ACCEPTANCE



9275 0901 1935 6200 0007 8864 91



Firm Mailing Book For Accountable Mail

Name and Address of Sender		Check type of mail or service		Affix Stamp Here (if issued as an international certificate of mailing or for additional copies of this receipt). Postmark with Date of Receipt.												
USPS Tracking/Article Number		Addressee (Name, Street, City, State, & ZIP Code™)		Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee
1.	9214 8901 9403 8305 3563 92	Holland & Hart LLP 110 N Guadalupe St # 1 Santa Fe NM 87501		EOG Y Resources Inc Attention Land Manager PO BOX 2267 Midland TX 79702	0.49	3.45							1.50			
2.	9214 8901 9403 8305 3564 08	EOG A Resources Inc Attention Land Manager PO BOX 2267 Midland TX 79702		EOG A Resources Inc Attention Land Manager PO BOX 2267 Midland TX 79702	0.49	3.45							1.50			
3.	9214 8901 9403 8305 3564 15	EOG M Resources Inc Attention Land Manager PO BOX 2267 Midland TX 79702		EOG M Resources Inc Attention Land Manager PO BOX 2267 Midland TX 79702	0.49	3.45							1.50			
4.	9214 8901 9403 8305 3564 22	Tap Rock Resources LLC Attention Land Manager 602 Park Point Drive Suite 200 Golden CO 80401		Tap Rock Resources LLC Attention Land Manager 602 Park Point Drive Suite 200 Golden CO 80401	0.49	3.45							1.50			
5.	9214 8901 9403 8305 3564 39	Randall Capps PO BOX 6025 Midland TX 79704		Randall Capps PO BOX 6025 Midland TX 79704	0.49	3.45							1.50			
6.	9214 8901 9403 8305 3564 46	Murchison Oil and Gas Inc Attn Eric Buddenbohn Land Manager 7520 Dallas Parkway Suite 1400 Dallas TX 75204		Murchison Oil and Gas Inc Attn Eric Buddenbohn Land Manager 7520 Dallas Parkway Suite 1400 Dallas TX 75204	0.49	3.45							1.50			
7.	9214 8901 9403 8305 3564 53	Highland (Texas) Energy Company Attn Steve Barr 7557 Rambler Road Suite 98 Dallas TX 75231		Highland (Texas) Energy Company Attn Steve Barr 7557 Rambler Road Suite 98 Dallas TX 75231	0.49	3.45							1.50			
8.	9214 8901 9403 8305 3564 60	VEI Partners L P Attn Austin Adams PO BOX 470788 Fort Worth TX 76147		VEI Partners L P Attn Austin Adams PO BOX 470788 Fort Worth TX 76147	0.49	3.45							1.50			
Total Number of Pieces Listed by Sender 17		Total Number of Pieces Received at Post Office		Postmaster, Per (Name of receiving employee)												



Firm Mailing Book For Accountable Mail

Name and Address of Sender		Check type of mail or service		Affix Stamp Here (if issued as an international certificate of mailing or for additional copies of this receipt). Postmark with Date of Receipt.												
USPS Tracking/Article Number		Addressee (Name, Street, City, State, & ZIP Code™)		Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee
9.	9214 8901 9403 8305 3564 77	MEC Petroleum Corp Attn Marion Causey PO BOX 11265 Midland TX 79702		0.49	3.45								1.50			
10.	9214 8901 9403 8305 3564 84	Saguaro Resources Inc 5705 Pinehurst Farmington NM 87402		0.49	3.45								1.50			
11.	9214 8901 9403 8305 3564 91	Malaga Royalty LLC PO BOX 2064 Midland TX 79702		0.49	3.45								1.50			
12.	9214 8901 9403 8305 3565 07	CEMOF AIV L P Attn Arlene Spangler 520 Madison Ave 38th floor New York NY 10022		0.49	3.45								1.50			
13.	9214 8901 9403 8305 3565 14	CEMOF-A AIV L P Attn Arleen Spangler 520 Madison Ave 38th floor New York NY 10022		0.49	3.45								1.50			
14.	9214 8901 9403 8305 3565 21	Carlisle Energy Mezzanine Opportunities Fund-Q L P Attn Arlene Spangler 520 Madison Ave 38th floor New York NY 10022		0.49	3.45								1.50			
15.	9214 8901 9403 8305 3565 38	CEMOF Coinvestment L P Attn Arlene Spangler 520 Madison Ave 38th floor New York NY 10022		0.49	3.45								1.50			
16.	9214 8901 9403 8305 3565 45	EOG Resources Assels LLC Attn Land Manager PO BOX 2267 Midland TX 79702		0.49	3.45								1.50			
Total Number of Pieces Listed by Sender 17		Total Number of Pieces Received at Post Office		Postmaster, Per (Name of receiving employee)												



Firm Mailing Book For Accountable Mail

[illegible]

Lowe, Leonard, EMNRD

From: Adam Rankin <AGRankin@hollandhart.com>
Sent: Monday, April 23, 2018 3:53 PM
To: Lowe, Leonard, EMNRD
Cc: Jones, William V, EMNRD
Subject: RE: NSL application EOG, Bandit 29 State Com Well No. 504Y
Attachments: 20180423160947.pdf

Leonard,

Attached please find a signed statement from EOG's engineer in response to the Division's request.

From: Lowe, Leonard, EMNRD [mailto:Leonard.Lowe@state.nm.us]
Sent: Tuesday, April 17, 2018 1:21 PM
To: Adam Rankin <AGRankin@hollandhart.com>
Cc: Jones, William V, EMNRD <WilliamV.Jones@state.nm.us>
Subject: RE: NSL application EOG, Bandit 29 State Com Well No. 504Y

Adam Rankin,

The engineering statement needs to be a letter signed by an engineer, stating the engineering reason.

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: Adam Rankin <AGRankin@hollandhart.com>
Sent: Tuesday, April 17, 2018 11:16 AM
To: Lowe, Leonard, EMNRD <Leonard.Lowe@state.nm.us>
Cc: Jones, William V, EMNRD <WilliamV.Jones@state.nm.us>
Subject: RE: NSL application EOG, Bandit 29 State Com Well No. 504Y

Leonard,

The requested unorthodox location is for engineering reasons so EOG can achieve their preferred well spacing for horizontal wells in this area and thereby prevent waste. Please let me know if you have any further questions.

Also, do you know the status of the application to amend NSL-7625 for the Barlow 34 Fed Com Well No. 704Y? I don't think I have seen an order for that yet. Does the Division have any questions about it?

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Monday, April 16, 2018 12:07 PM
To: 'Adam Rankin'
Cc: Jones, William V, EMNRD
Subject: NSL application EOG, Bandit 29 State Com Well No. 504Y

Importance: High

Mr. Adam Rankin,

Good afternoon.

Upon review of you above stated NSL application.

It appears you are encroaching within a distance of less than 100 feet to the west, 46 feet at the First Take Point and 51 feet at the Last Take Point.

Being that you are encroaching less than 100 feet. The OCD requires an Engineering statement as to the reason why this Unorthodox location is needed pertaining to this NSL, "preferred well spacing" is not good enough.

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/oecd/>