

RECEIVED: <b>02/14/19</b>	REVIEWER: <b>LRL</b>	TYPE: <b>NSL</b>	APP NO: <b>pLEL1905048565</b>
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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

<b>Applicant:</b> <u>EOG Resources, Inc.</u>	<b>OGRID Number:</b> <u>7377</u>
<b>Well Name:</b> <u>Gem 36 State Com No. 502H Well</u>	<b>API:</b> <u>30-025-45524</u>
<b>Pool:</b> <u>Lower Bone Spring Pool</u>	<b>Pool Code:</b> <u>97903</u>

**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

<b>FOR OCD ONLY</b>	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	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

February 14, 2019  
 Date

505-988-4421  
 Phone Number

Adam Rankin  
 Signature

agrarkin@hollandhart.com  
 e-mail Address



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

February 15, 2019

**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

**Re: Application of EOG Resources, Inc. for administrative approval of an unorthodox well location for its Gem 36 State Com No. 502H Well in the E/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. 502H Well** (API No. 30-025-45524) to be completed within the WC-025 G-08 S253235G; Lower Bone Spring Pool (Pool Code 97903) underlying the E/2 E/2 of 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 597 feet from the north line and 1,208 feet from the east line (Unit A) of Section 36. The upper most perforation will be located 100 feet from the north line and 1,230 feet from the east line (Unit A) of Section 36 and the lower most perforation will be 100 feet from the south line and 1,230 feet from the east line (Unit P) of Section 36. Since this acreage is governed by the Division's statewide rules, the completed interval for this well will be unorthodox because it is approximately 96 feet to the western boundary of the spacing unit. 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.

**Exhibit A** is a Well Location and Acreage Dedication Plat (Form C-102), which shows that the completed interval of the proposed **Gem 36 State Com No. 502H Well** encroaches on the tracts to the west.

**Exhibit B** is a land plat for Section 36 that shows the proposed **Gem 36 State Com No. 502H Well** in relation to adjoining units and existing wells in Section 36. This exhibit also shows EOG's well spacing pattern for the subject area.



HOLLAND & HART<sup>LLP</sup>

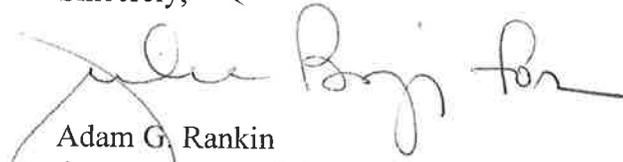


**Exhibit C** is a certification of the ownership in the W/2 E/2 of Section 36, the affected tract to the West. Because the E/2 E/2 and the W/2 E/2 of Section 36 have identical ownership, there are no affected parties. Each of the parties listed on Exhibit C have been provided notice of this application by certified mail. A copy of this application has been provided to the State Land Office.

**Exhibit D** is a statement from an engineer confirming that EOG's requested unorthodox location is necessary to optimize well spacing, thereby preventing waste.

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



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

February 14, 2019

**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. 502H Well in the E/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:

Charles Moran  
EOG Resources, Inc.  
(432) 686-3684  
Charles\_Moran@eogresources.com

Sincerely,



Adam G. Rankin  
**ATTORNEY FOR EOG RESOURCES, INC.**



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

<sup>1</sup> API Number		<sup>2</sup> Pool Code		<sup>3</sup> Pool Name	
<sup>4</sup> Property Code		<sup>5</sup> Property Name <b>GEM 36 STATE COM</b>			<sup>6</sup> Well Number <b>502H</b>
<sup>7</sup> OGRID No.		<sup>8</sup> Operator Name <b>EOG RESOURCES, INC.</b>			<sup>9</sup> Elevation <b>3426'</b>

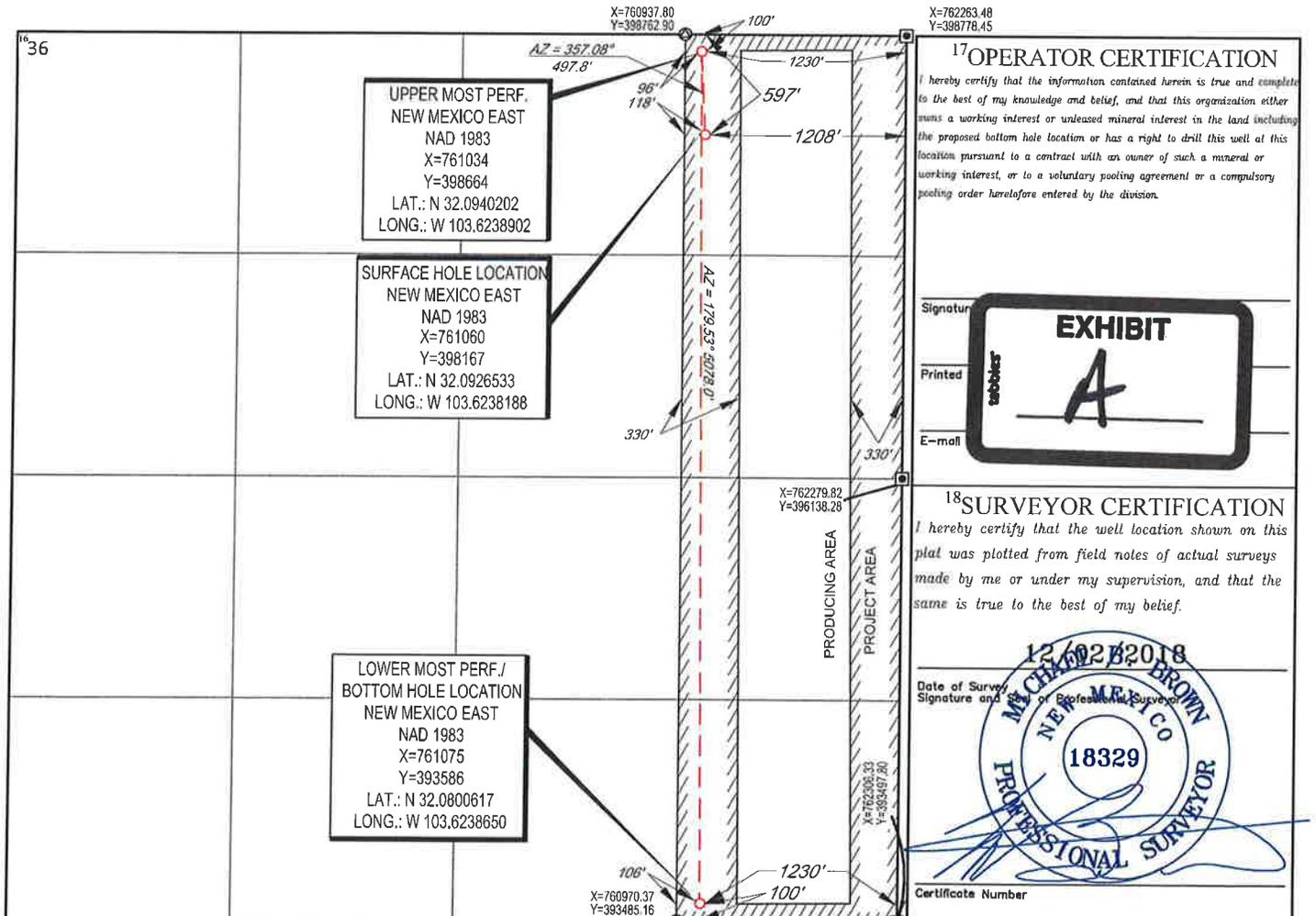
<sup>10</sup>Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>A</b>	<b>36</b>	<b>25-S</b>	<b>32-E</b>	<b>-</b>	<b>597'</b>	<b>NORTH</b>	<b>1208'</b>	<b>EAST</b>	<b>LEA</b>

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>P</b>	<b>36</b>	<b>25-S</b>	<b>32-E</b>	<b>-</b>	<b>100'</b>	<b>SOUTH</b>	<b>1230'</b>	<b>EAST</b>	<b>LEA</b>

<sup>12</sup> Dedicated Acres <b>160.00</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.



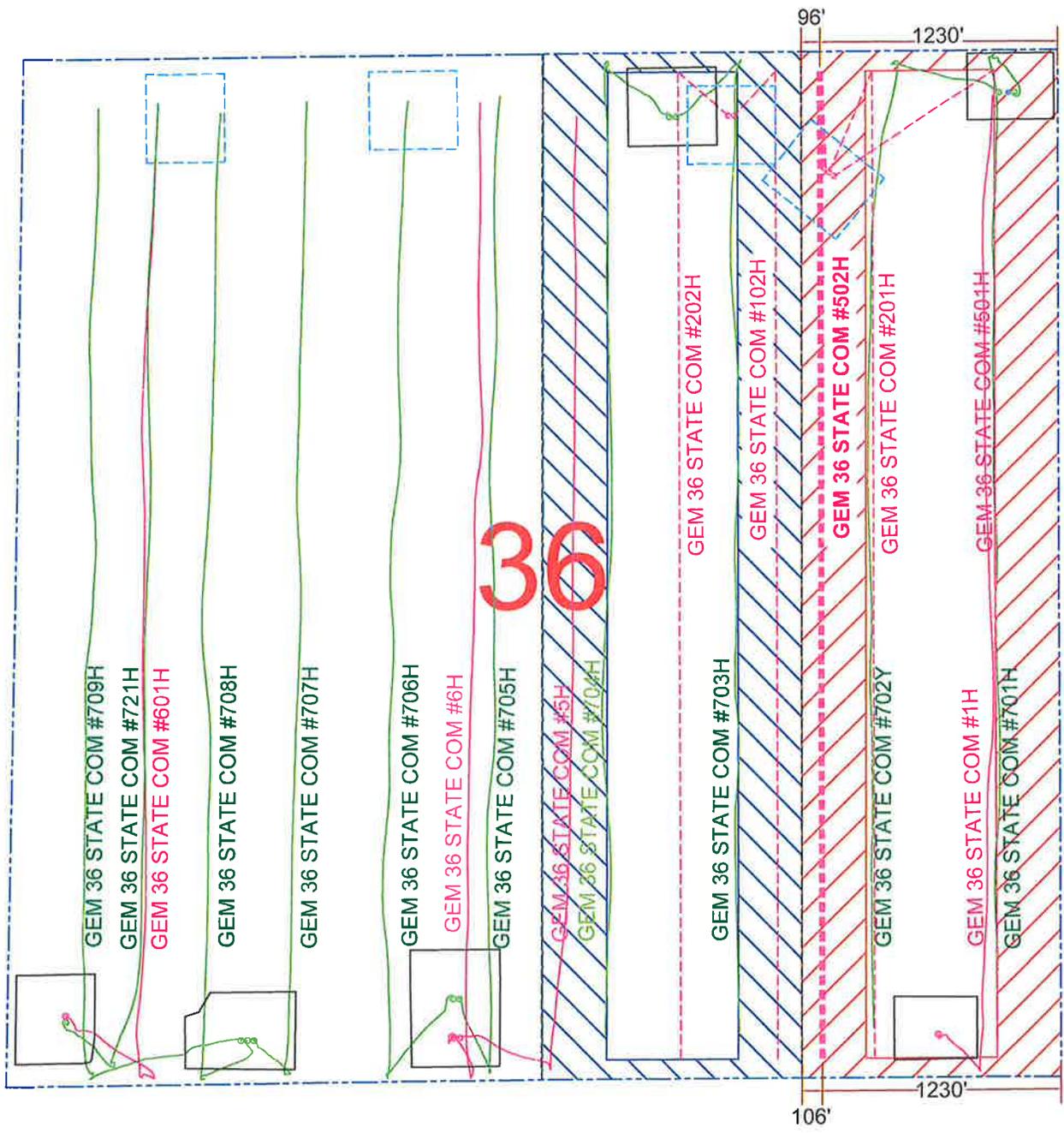
<sup>17</sup>OPERATOR CERTIFICATION  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has 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: \_\_\_\_\_  
 Printed: **EXHIBIT A**  
 E-mail: \_\_\_\_\_

<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: **12/02/2018**  
 Signature and Seal of Professional Surveyor:  
  
 Certificate Number: \_\_\_\_\_

# T-25-S, R-32-E, LEA COUNTY UNORTHODOX LOCATION APPLICATION GEM 36 STATE COM # 502H



HZ SPACING UNIT  
FOR PROPOSED WELL



AFFECTED PARTIES



WOLFCAMP

PROPOSED WELL  
EXISTING WELL

BONE SPRING

PROPOSED WELL  
EXISTING WELL

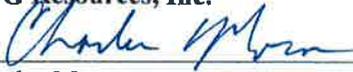


**Certification of Ownership**

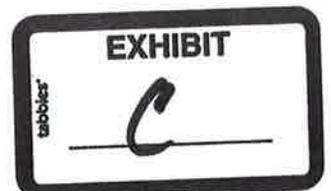
I have reviewed the ownership of the oil and gas leasehold in Section 36, T25S-R32E, Lea County, New Mexico, for purposes of the unorthodox location for EOG Resources, Inc.'s Gem 36 State Com #502H in the E/2E/2 of Section 36. As of this date below, the affected parties are:

EOG Resources, Inc. 5509 Champions Drive Midland, Texas 79706
Oxy Y-1 Company Attn: Permian Land Manager – New Mexico P. O. Box 4294 Houston, Texas 77210-4294
New Mexico State Land Office P. O. Box 1148 Santa Fe, New Mexico 87504

**EOG Resources, Inc.**



Charles Moran  
Land Advisor  
February 12, 2019





# 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.

EOG Resources - Gem 36 State 502H Well  
CM# 44497.0001 NSL  
Notice list w/ SLO

Shipment Date: 02/14/2019

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	3
Total	3

\*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.

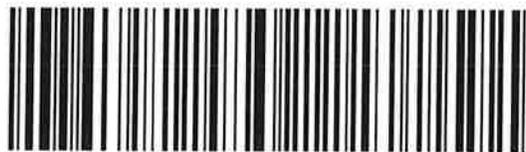
## B. USPS Action

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 0012 7408 49



February 11, 2019

Re: EOG Resources, Inc. NSL Application  
Gem 36 State Com #502H (Well)  
E/2E/2 Sec. 36, T25S-R32E  
Lea County, New Mexico

To Whom it may concern:

Considering the distance between wells in the development plan for the Bone Spring formation in Section 36-T25S-R32E, EOG believes the non-standard location is necessary to develop the 2<sup>nd</sup> Bone Spring resource in an economic fashion. Based on analog 2<sup>nd</sup> Bone Spring wells in the area along with Geologic analysis, EOG believes this is the optimal spacing to begin to develop the resources in the formation. Granting the exception will allow for more total production from the section and more efficient development of the asset therefore protecting correlative rights.

Sincerely

**EOG Resources, Inc.**



Matt Mason  
Reservoir Engineer I



# 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.

EOG Resources - Gem 36 State 502H Well  
CM# 44497.0001 NSL  
Notice list w/ SLO

Shipment Date: 02/14/2019

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	3
Total	3

\*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
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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 0012 7408 49



## **Lowe, Leonard, EMNRD**

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**From:** Lowe, Leonard, EMNRD  
**Sent:** Tuesday, February 26, 2019 5:18 PM  
**To:** 'Adam Rankin'  
**Cc:** Brown, Maxey G, EMNRD; Kautz, Paul, EMNRD; Holm, Anchor E.; 'lisa@rwbyram.com'; Jones, William V, EMNRD; McMillan, Michael, EMNRD; Goetze, Phillip, EMNRD; Dawson, Scott, EMNRD; Murphy, Kathleen A, EMNRD; Warnell, Terry G, EMNRD  
**Subject:** APPROVED NSL-7832\_EOG Resources, INC\_Gem 36 State Com Well No. 502H\_SEC 36 25S 32E

Mr. Adam Rankin,

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-7832**

EOG Resources, Inc.

API #: 30-025-45524

WELL: Gem 36 State Com Well No. 502H

### **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](mailto:leonard.lowe@state.nm.us)

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