

NSL-7871

Revised March 23, 2017

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RECEIVED: 3/22/19	REVIEWER: LRL	TYPE: NSL	APP NO: MAR 22 13 4008:10
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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: 7377Well Name: Python 36 State Com No. 723H WellAPI: PENDINGPool: Upper Wolfcamp PoolPool 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] or [B]
- A. Location - Spacing Unit - Simultaneous Dedication
☒ NSL ☐ NSP (PROJECT AREA) ☐ NSP (RORATION UNIT) ☐ SD
- B. Check one only for [I] or [II]
 [I] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ OLS ☐ OLM
 [II] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ MPI ☐ EOR ☐ PRX

- 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 LLO
 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.

Michael H. Feldewert

Print or Type Name

Signature

March 22, 2019

Date

505-988-4421

Phone Number

mfeldewert@hollandhart.com

e-mail Address

March 22, 2019

VIA HAND DELIVERY

Gabriel Wade
Acting Director
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 Python 36 State Com No. 723H Well in the E/2 W/2 of Section 36, Township 24 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Dear Mr. Wade:

EOG Resources, Inc. (OGRID No. 7377) seeks administrative approval of an unorthodox well location for its **Python 36 State Com No. 723H Well** (API No. Pending) to be completed within the WC-025 G-09 S253309P; Upper Wolfcamp Pool (98180) underlying the E/2 W/2 of Section 36, Township 24 South, Range 32 East, N.M.P.M., Lea County, New Mexico. This well will be drilled from a surface location 568 feet from the south line and 1,741 feet from the west line (Unit N) of Section 36. The upper most perforation will be located 100 feet from the south line and 1,485 feet from the west line (Unit N) of Section 36 and the lower most perforation will be 100 feet from the north line and 1,485 feet from the west line (Unit C) 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 closer than 330 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 **Python 36 State Com No. 723H Well** encroaches on the drilling and spacing unit to the west.

Exhibit B is a land plat for Section 36 that shows the proposed **Python 36 State Com No. 723H 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^{LLP}



Exhibit C is a certification of the ownership identifying the affected parties in the W/2 W/2 of Section 36, the drilling and spacing unit to the west. Each of the parties listed on Exhibit C have been provided notice of this application by certified mail.

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,

A handwritten signature in blue ink, appearing to read 'Adam G. Rankin, for'.

Adam G. Rankin

ATTORNEY FOR EOG RESOURCES, INC.

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

AGRankin@hollandhart.com

March 22, 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 Python 36 State Com No. 723H Well in the E/2W/2 of Section 36, Township 24 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

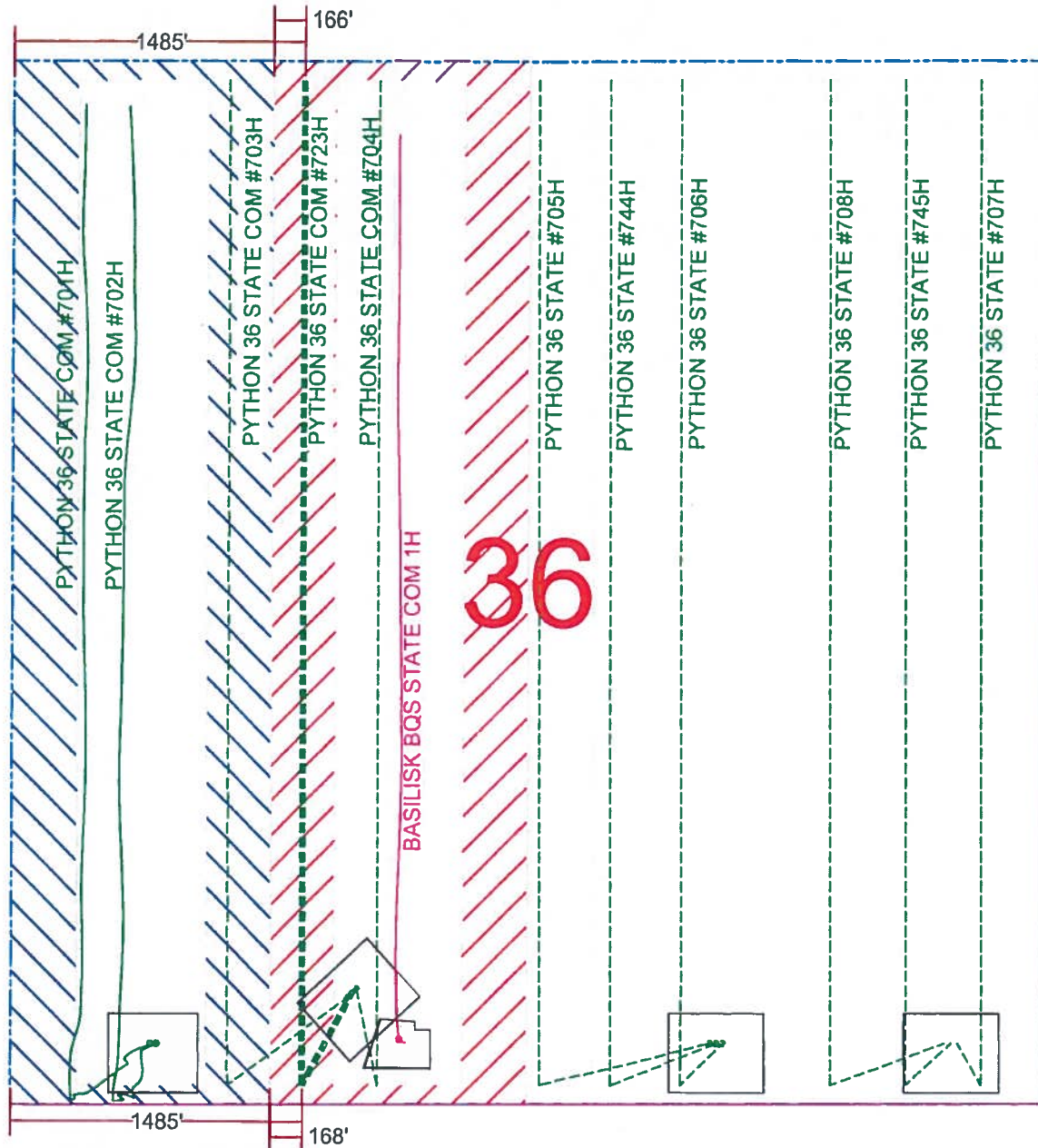
Sincerely,

Adam G. Rankin
ATTORNEY FOR EOG RESOURCES, INC.

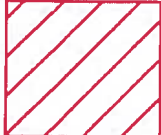
T-24-S, R-32-E, LEA COUNTY

UNORTHODOX LOCATION APPLICATION

PYTHON 36 STATE COM # 723H



HZ SPACING UNIT
FOR PROPOSED WELL



AFFECTED PARTIES



WOLFCAMP

PROPOSED WELL
EXISTING WELL

BONE SPRING

PROPOSED WELL
EXISTING WELL





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, T24S-R32E, Lea County, New Mexico, for purposes of the unorthodox location for EOG Resources, Inc.'s Python 36 State Com #723H in the E/2W/2 of Section 36. As of this date below, the affected parties are:

EOG Resources, Inc. 5509 Champions Drive Midland, Texas 79706
Sharbro Energy, LLC Attention: Land Manager P. O. Box 840 Artesia, New Mexico 88211-0840
Oxy Y-1 Company Attn: Permian Land Manager – New Mexico P. O. Box 4294 Houston, Texas 77210-4294
Oxy USA, Inc. 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.

A handwritten signature in blue ink, appearing to read "Charles Moran", written over a horizontal line.

Charles Moran
Land Advisor
March 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 Python 723H Well
CM# 44497.0001
Notice List

Shipment Date: 03/18/2019

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	4
Total	4

*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 0013 3281 45



Firm Mailing Book For Accountable Mail

[illegible]



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

February 26, 2019

Re: EOG Resources, Inc. NSL Application
Python 36 State Com #723H (Well)
E/2W/2 Sec. 36, T24S-R32E
Lea County, New Mexico

To Whom it may concern:

Considering the distance between wells in the development plan for the Wolfcamp formation as well as the location of the existing wells in Section 36-T24S-R32E, EOG believes the non-standard location is necessary to develop the Wolfcamp resource in an economic fashion. Based on current Wolfcamp wells in Section 36-T24S-R32E, placing the well at this location prevents completion energy distribution to be skewed into a region of lower pressure caused by offset depletion, negatively impacting well's production. 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.

A handwritten signature in blue ink that reads "Matt Mason".

Matt Mason
Reservoir Engineer I



Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Friday, April 5, 2019 2:55 PM
To: 'Adam Rankin'
Cc: Dave Hatch; Michael Feldewert
Subject: RE: EOG NSL Applications Python 723H and 703H

Importance: High

Adam Rankin,

Thank you for the updated information pertaining to this well's NSL application review.

The Application will be suspended until further notice is given.

At that time I will inquire with you on the status.

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/>

From: Adam Rankin <AGRankin@hollandhart.com>
Sent: Friday, April 5, 2019 2:00 PM
To: Lowe, Leonard, EMNRD <Leonard.Lowe@state.nm.us>
Cc: Dave Hatch <DBHatch@hollandhart.com>; Michael Feldewert <MFeldewert@hollandhart.com>
Subject: [EXT] EOG NSL Applications Python 723H and 703H

Leonard,

EOG has informed us of two last-minute changes to the plans for these wells for which administrative NSL applications were recently filed. As a consequence of the changes, we are asking the Division to hold off on further review of these applications.

The 723H well location is moving so it will no longer be at an unorthodox location. EOG is preparing revised plats; as soon as the plat is available for the 723H well we will submit it and this application can be dismissed at that time.

The 703H well also is moving, but it will be at a more unorthodox location. This application will therefore have to be

amended and notice updated because the well location will be closer than in the original application. We will submit the amended application with the revised plat and proof of updated notice as soon as can.

Thank you.

Adam G. Rankin

Holland & Hart LLP

110 North Guadalupe Suite 1

P.O. Box 2208

Santa Fe, NM 87504

Office: (505) 988-4421

Direct: (505) 954-7294

Cell: (505) 570-0377

Fax (505) 983-6043

E-mail: agrarkin@hollandhart.com

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[Web Bio](#)



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DISMISSED 4/5/19 NSL-7871

EOG Resources INC.; Python 36 State Com Well No. 723H; 025-

Wildcat; Wolfcamp [98/80]

3/22/19

HSU: E2 W2 SEC 36; 160 Acres

Michael Feldewert

OCD Permitting

Home OCD Only Land Searches Land Details

Section : 36-24S-32E

Type: Normal

Total Acres: 640

County: Lea (25) LTP = B.L.

D (D) State 1 State 2 (25) 40	C (C) State 1 State 2 (25) 40	B (B) State 1 State 2 (25) 40	A (A) State 1 State 2 (25) 40
E (E) State 1 State 2 (25) 40	F (F) State 1 State 2 (25) 40	G (G) State 1 State 2 (25) 40	H (H) State 1 State 2 (25) 40
L (L) State 1 State 2 (25) 40	K (K) State 1 State 2 (25) 40	J (J) State 1 State 2 (25) 40	I (I) State 1 State 2 (25) 40
M (M) State 1 State 2 (25) 40	N (N) State 1 State 2 (25) 40	O (O) State 1 State 2 (25) 40	P (P) State 1 State 2 (25) 40

S.L. = 508' FSL & 1741' FWL "N"

FTP = 100' FSL & 1485' FWL "N" $\Delta 165'$

LTP = 100' FNL & 1485' FWL "C" $\Delta 165'$

B.L. = 100' FNL & 1485' FWL "C"

