

NSL Initial Application

Received: 03/22/19

This application is placed in file for record. It MAY or MAY NOT have been reviewed to be determined Administratively Complete

NSL-7870

Revised March 23, 2017

P/EL1809250344

RECEIVED: 3/22/19	REVIEWER: LRL	TYPE: NSL	APP NO: MAR 2 019 AM 08:10
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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: 7377

Well Name: Python 36 State Com No. 705H Well

API: 30-025-45697

Pool: Upper Wolfcamp Pool

Pool 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]

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☐ PPR2) **NOTIFICATION REQUIRED TO:** Check those which apply.A. ☒ Offset operators or lease holdersB. ☒ Royalty, overriding royalty owners, revenue owners - 14/17C. ☐ 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.

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. 705H Well in the E/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. 705H Well** (API No. 30-025-45697) to be completed within the WC-025 G-09 S253309P; Upper Wolfcamp Pool (98180) underlying the E/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 310 feet from the south line and 1,720 feet from the east line (Unit O) of Section 36. The upper most perforation will be located 100 feet from the south line and 2,590 feet from the east line (Unit O) of Section 36 and the lower most perforation will be 100 feet from the north line and 2,590 feet from the east line (Unit B) 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. 705H 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. 705H 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.



Exhibit C is a certification of the ownership identifying the affected parties in the E/2W/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 "Michael J. Feldman, 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. 705H Well in the E/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

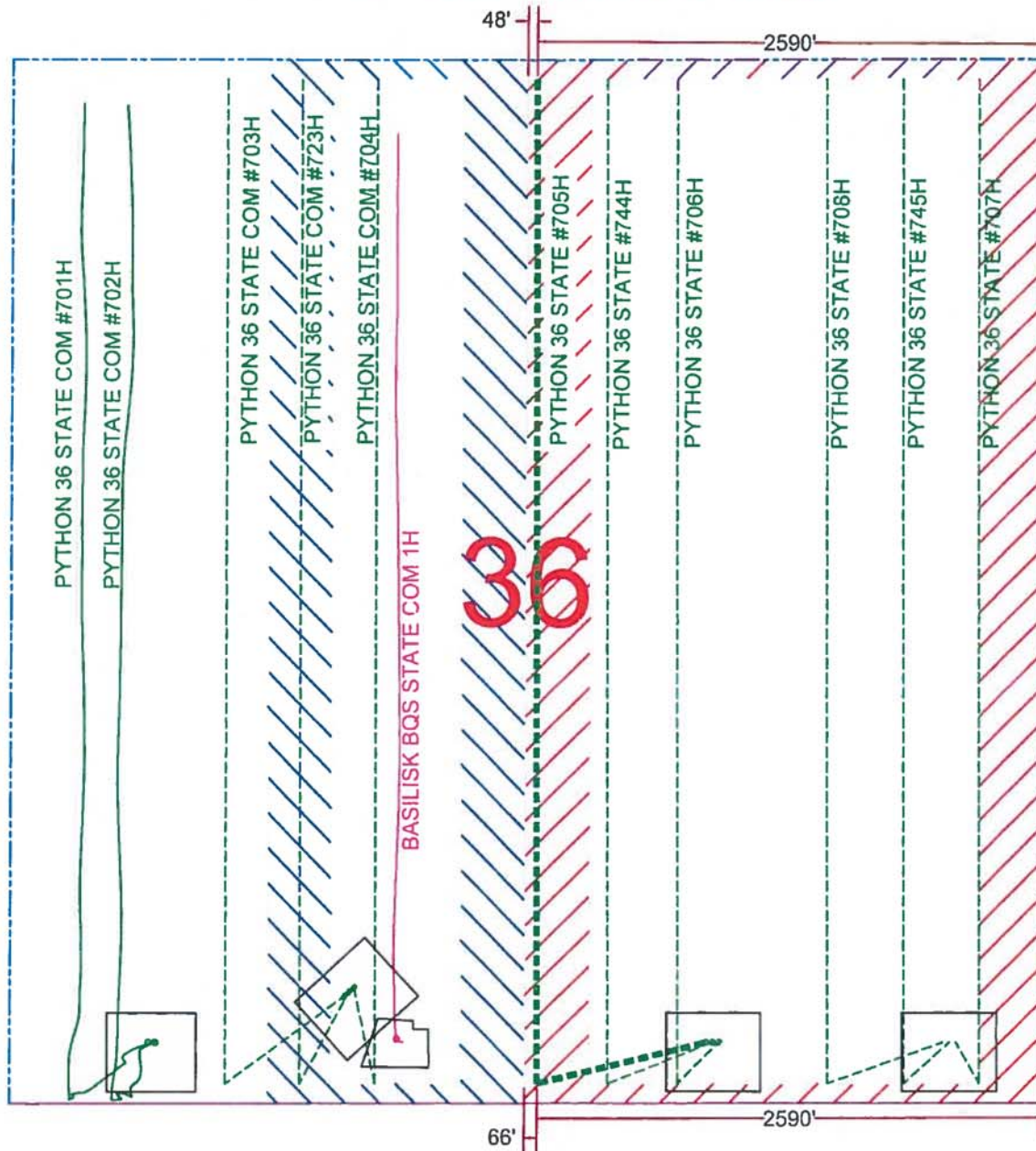
Sincerely,

Adam G. Rankin
ATTORNEY FOR EOG RESOURCES, INC.

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

UNORTHODOX LOCATION APPLICATION

PYTHON 36 STATE # 705H



EXHIBIT

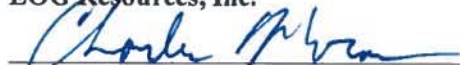
B

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 #705H in the E/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.



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 705H Well NSL
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 3264 55



Firm Mailing Book For Accountable Mail

Name and Address of Sender	USPS Tracking/Article Number	Check type of mail or service <input type="checkbox"/> Adult Signature Required <input type="checkbox"/> Priority Mail Express <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Collect on Delivery (COD) <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Insured Mail <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Priority Mail <input type="checkbox"/> Restricted Delivery	Affix Stamp Here <i>(if issued as an international certificate of mailing or for additional copies of this receipt).</i> Postmark with Date of Receipt.
Holland & Hart LLP 110 N Guadalupe St # 1 Santa Fe NM 87501	1. 9214 8901 9403 8380 2205 88	New Mexico State Land Office PO BOX 1148 Santa Fe NM 87504	
	2. 9214 8901 9403 8380 2205 95	Shabro Energy LLC Attn: Land Manager PO BOX 840 Artesia NM 88211	
	3. 9214 8901 9403 8380 2206 01	Oxy Y-1 Company Attn: NM Permian Land Manager PO BOX 4294 Houston TX 77210	
	4. 9214 8901 9403 8380 2206 18	Oxy USA Inc Attn: NM Permian Land Manager PO BOX 4294 Houston TX 77210	
Total Number of Pieces Listed by Sender	4	Total Number of Pieces Received at Post Office	
		Postmaster, Per (Name of receiving employee)	

March 13, 2019

Re: EOG Resources, Inc. NSL Application
Python 36 State #705H (Well)
E/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 analog Wolfcamp wells in the area along with Geologic analysis, EOG believes this is the optimal spacing 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

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Thursday, April 18, 2019 4:05 PM
To: Michael Feldewert
Cc: Sharp, Karen, EMNRD; Kautz, Paul, EMNRD; 'lisa@rwbyram.com'; Jones, William V, EMNRD; Goetze, Phillip, EMNRD; McMillan, Michael, EMNRD; Dawson, Scott, EMNRD; Murphy, Kathleen A, EMNRD; 'lisa@rwbyram.com'; Holm, Anchor E.
Subject: APPROVED NSL-7870_EOG Resources, Inc._Python 36 State Com Well No. 705H_SEC 36 24S 32E_Lea County

Importance: High

Mr. Michael Feldewert,

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-7870

EOG Resources, Inc. [7377]

30-025-45697

Python 36 State Com Well No. 705H

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/>