

# Initial Application Part I

Received: 08/19/2019

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

RECEIVED: 08/19/2019	REVIEWER: MAM	TYPE: PC	APP NO: pMAM1923152136
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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: Quail 2 State 594H & others API: 30-015-45788  
 Pool: Wildcat G-015 S263001O; Bone Spring Pool Code: 97814

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

**PC-1366**

- 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

<u>FOR OCD ONLY</u>	
<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.

Sarah Mitchell

Print or Type Name

*Sarah Mitchell*

Signature

8/19/19  
Date

432-848-9133  
Phone Number

Sarah\_mitchell@eogresources.com  
e-mail Address

Submit 1 Copy To Appropriate District Office  
 District I - (575) 393-6161  
 1625 N. French Dr., Hobbs, NM 88240  
 District II - (575) 748-1283  
 811 S. First St., Artesia, NM 88210  
 District III - (505) 334-6178  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV - (505) 476-3460  
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals and Natural Resources

Form C-103  
 Revised July 18, 2013

OIL CONSERVATION DIVISION  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505

WELL API NO. 30-015-45788
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VB-0839; VB-0850
7. Lease Name or Unit Agreement Name Quail 2 State
8. Well Number 594H
9. OGRID Number 7377
10. Pool name or Wildcat Wildcat G-015 S263001O; Bn Spr [97814]

**SUNDRY NOTICES AND REPORTS ON WELLS**  
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well  Gas Well  Other

2. Name of Operator  
EOG Resources, Inc.

3. Address of Operator  
P.O. Box 2267, Midland, Texas 79702

4. Well Location  
 Unit Letter C : 300 feet from the North line and 1596 feet from the West line  
 Section 2 Township 26S Range 30E NMPM Lea County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
3217'

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<p><b>NOTICE OF INTENTION TO:</b></p> <p>PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/></p> <p>TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/></p> <p>PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/></p> <p>DOWNHOLE COMMINGLE <input type="checkbox"/></p> <p>CLOSED-LOOP SYSTEM <input type="checkbox"/></p> <p>OTHER: Surface Commingle <input checked="" type="checkbox"/></p>	<p><b>SUBSEQUENT REPORT OF:</b></p> <p>REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/></p> <p>COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/></p> <p>CASING/CEMENT JOB <input type="checkbox"/></p> <p>OTHER: <b>PC-1366</b> <input type="checkbox"/></p>
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13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

EOG Resources, Inc. respectfully requests to surface pool/lease commingle production from the following wells into one central tank battery:

Quail 2 State 594H	API: 30-015-45788	Wildcat G-015 S263001O; Bone Spring [97814]
Quail 2 State Com 581H	API: 30-015-45787	Wildcat G-015 S263001O; Bone Spring [97814]
Quail 2 State Com 707H	API: 30-015-45793	Purple Sage; Wolfcamp [98220]

Please see attached supporting documentation. These wells have uniform ownership. State Land Office has received notice of this application

Spud Date:  Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Sarah Mitchell TITLE Regulatory Contractor DATE 8/19/19

Type or print name Sarah Mitchell E-mail address: sarah\_mitchell@eogresources.com PHONE: 432-848-9133

**For State Use Only**

APPROVED BY: \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

Conditions of Approval (if any): \_\_\_\_\_



P.O. Box 2267, Midland, Texas 79702  
Phone: (432) 686-3720

Date: August 14, 2019

To: State of New Mexico Oil Conservation Division  
New Mexico State Land Office

Re: Surface Pool Commingling Application; Quail 2 State CTB: Quail 2 State  
594H, Quail 2 State Com 581H, 707H

To whom it may concern:

This letter serves to notice you that the ownership of the following wells is identical in working, royalty, overriding royalty interest and percentages as defined in 19.15.12.7 NMAC:

Well Name	Location	API #	Pool	Status
QUAIL 2 STATE #594H	C-2-26S-30E	30-015-45788	Wildcat G-015 S263001O; Bone Spring [97814]	Permitted
QUAIL 2 STATE COM #581H	A-2-26S-30E	30-015-45787	Wildcat G-015 S263001O; Bone Spring [97814]	Permitted
QUAIL 2 STATE COM #707H	C-2-26S-30E	30-015-45793	Purple Sage; Wolfcamp [98220]	Permitted

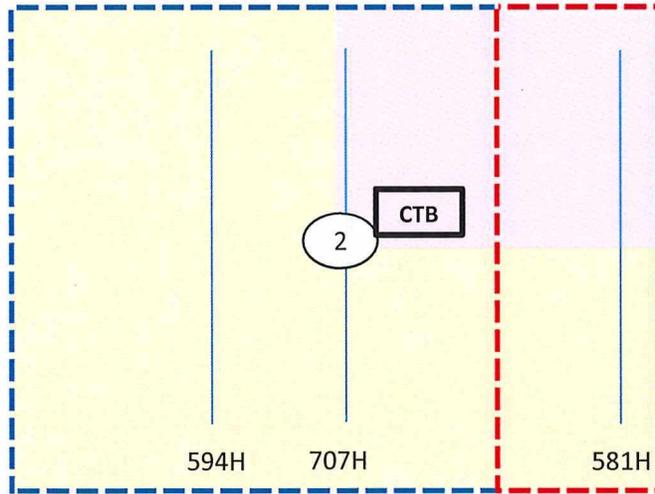
I certify that this information is true and correct to the best of my knowledge.

Sincerely,

**EOG Resources, Inc.**

By:   
Katie McBryde  
Landman II

Township 26 South, Range 30 East, NMPM



 ST NM VB-0850 - W2, SE4

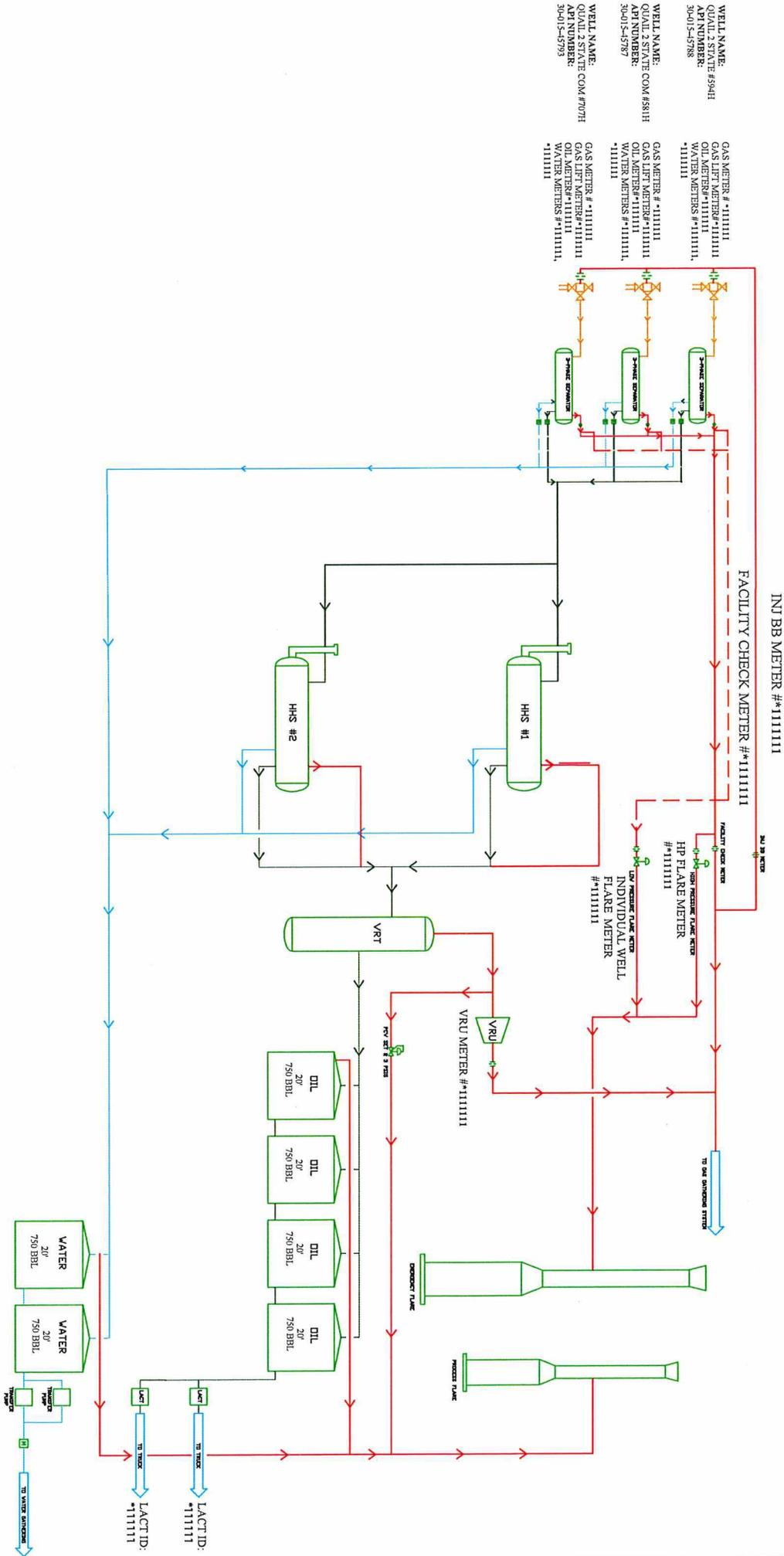
 ST NM VB-0839 - NE4

 Consolidation Agreement **Pending** - E2E2, Bone Spring Formation

 Consolidation Agreement **Pending** - Entire Section, Wolfcamp Formation

API	Well Name	Mineral Owner	Status	Well Spacing Sec. 2-26S-30E
30-015-45788	Quail 2 State #594H	State	New	E/2 W/2
30-015-45787	Quail 2 State Com #581H	State	New	E/2 E/2
30-015-45793	Quail 2 State Com #707H	State	New	W/2 E/2

# FACILITY NAME: QUAIL 2 STATE CTB



WELL NAME: QUAIL 2 STATE COM #594H  
 API NUMBER: 30-015-5788  
 GAS METER # \*111111  
 GAS LIFT METERS # \*111111  
 OIL METERS # \*111111  
 WATER METERS # \*111111, \*111111

WELL NAME: QUAIL 2 STATE COM #531H  
 API NUMBER: 30-015-5787  
 GAS METER # \*111111  
 GAS LIFT METERS # \*111111  
 OIL METERS # \*111111  
 WATER METERS # \*111111, \*111111

WELL NAME: QUAIL 2 STATE COM #707H  
 API NUMBER: 30-015-5793  
 GAS METER # \*111111  
 GAS LIFT METERS # \*111111  
 OIL METERS # \*111111  
 WATER METERS # \*111111, \*111111

Gas Orifice Meter  
 Liquid Meter

\*Test meter numbers will be provided upon installation of meters and completion of the facility.

BLANK CTB PROCESS FLOW	
EAG RESOURCES	
MIDLAND DIVISION	
BY: EPF	rev. 00
	7/15/2019

**APPLICATION FOR SURFACE POOL/LEASE COMMINGLING**

EOG Resources, Inc. (“EOG”) respectfully requests approval to surface pool/lease commingle oil & gas from the following wells:

Well Name	Location	API #	Pool	Status	Oil BPD	Gravities	MSCFPD	BTU
QUAIL 2 STATE #594H	C-2-26S-30E	30-015-45788	Wildcat G-015 S263001O; Bone Spring [97814]	Permitted	*1320	*46	*650	*1333
QUAIL 2 STATE COM #581H	A-2-26S-30E	30-015-45787	Wildcat G-015 S263001O; Bone Spring [97814]	Permitted	*1320	*46	*650	*1333
QUAIL 2 STATE COM #707H	C-2-26S-30E	30-015-45793	Purple Sage; Wolfcamp [98220]	Permitted	*1320	*46	*650	*1333

\*projected, pending completion

**GENERAL INFORMATION :**

- State of New Mexico lease VB-0839-0001 covers 160.00 acres, being the NE/4 of Section 2 in Township 26 South, Range 30 East, Eddy County, New Mexico
- State of New Mexico lease VB-0850-0001 covers 480.00 acres being the W/2 and SE/4 of Section 2 in Township 26 South, Range 30 East, Eddy County, New Mexico
- The central tank battery to service the subject wells is located in the SW/4 NE/4 (Unit G) of Section 2-26S-30E on State of New Mexico Lease VB-0839-0001.
- An application to commingle production from the subject wells is being submitted to the NMOCD and the New Mexico State Land Office.
- Enclosed herewith is (1) a map that displays the leases, the location of the subject wells, and the proposed CTB, (2) a process flow diagram, (3) and the C-102 plat for each of the wells.

**FUTURE ADDITIONS**

Pursuant to Statewide rule 19.15.12.10(C)(4)(g) EOG Resources, Inc. respectfully requests the option to include additional pools or leases within the defined parameters set forth in the order for future additions.

**PROCESS AND FLOW DESCRIPTIONS:**

The production from each well will flow into a dedicated 3-phase separator. The production stream will be separated into 3 independent streams (gas, oil, and water) by the separator and each stream will be measured individually after it exits the separator. The gas will be measured using a senior orifice meter before flowing into a common header. Process gas used is allocated to the wells on a mass balance basis based on this measurement. The remaining residue gas is allocated to the wells by energy balance

based off of routine gas sampling at the meter. *Gas measurements on the high pressure separator are aligned with API MPMS 20.1*

QUAIL 2 STATE #594H gas allocation meter is an Emerson orifice meter (S/N \*1111111)

QUAIL 2 STATE COM #581H gas allocation meter is an Emerson orifice meter (S/N \*1111111)

QUAIL 2 STATE COM #707H gas allocation meter is an Emerson orifice meter (S/N \*1111111)

The oil from the separators will be measured using a Coriolis meter. *Oil measurements on the high pressure separator are aligned with API MPMS 20.1*

QUAIL 2 STATE #594H oil allocation meter is a FMC Coriolis meter (S/N \*1111111)

QUAIL 2 STATE COM #581H oil allocation meter is a FMC Coriolis meter (S/N \*1111111)

QUAIL 2 STATE COM #707H oil allocation meter is a FMC Coriolis meter (S/N \*1111111)

The water will be measured using a vortex meter. The water from each separator is combined in a common header and flows into (2) 750 barrel internally coated steel tanks. Guided wave radar is used to measure water volumes in these tanks. The oil from each separator will be combined into a common header and flow into a heated 3-phase separator to aid separation of water entrained in the oil.

Water from the heated separator flows into the common water header connected to the (2) 750 barrel water tanks. The water is then pumped and/or trucked to water reuse or disposal well.

The oil from the heated 3-phase separator flows through a vapor recovery tower (VRT) where gas is allowed to breakout at a lower pressure, and then the oil flows into (4) 750 barrel coated steel tanks. Guided wave radar is used to measure oil volumes in these tanks and can be used for volume verification during diagnosis of upset conditions. Oil is pumped out of the tanks through a LACT with Coriolis measurement into a truck or a pipeline. The LACT is the custody transfer point and the measurement point for oil sales. After the gas from each separator is measured it is combined into a common header. The gas from the heated 3-phase separator also flows into this header. The gas flows through the header to a custody transfer senior orifice meter (#\*1111111) that serves as the lease gas production meter. If the pipeline is experiencing problems and gas takeaway rates are reduced, the gas will flow through the produced gas emergency flare meter (#\*1111111) to the flare. If an individual well is required to be flared for any safety or operational reason it will be manually routed through the individual well flare meter (#\*1111111) to the flare. The overhead gas from the vapor recovery tower is compressed by an electric drive vapor recovery compressor and then measured by a custody transfer senior orifice meter (#\*1111111). The gas from the vapor recovery system combines with the gas from the lease production meter and flows into the gas gathering pipeline system.

\*Meter numbers will be provided upon installation of meters and completion of the facility.

APPLICATION FOR, COMMINGLING AT A COMMON CENTRAL TANK BATTERY

Proposal for QUAIL 2 STATE CTB:

EOG Resources, Inc. is requesting approval to commingle the following wells in a common central tank battery:

State of New Mexico Leases VB-0839; VB-0850

Well Name	Location	API #	Pool	HSU	Status	Oil BPD	Gravities	MSCFPD	BTU
QUAIL 2 STATE #594H	C-2-26S-30E	30-015-45788	Wildcat G-015 S263001O; Bone Spring [97814]	E/2 Section 2 T26S-R30E	Permitted	*1320	*46	*650	*1333
QUAIL 2 STATE COM #581H	A-2-26S-30E	30-015-45787	Wildcat G-015 S263001O; Bone Spring [97814]	E/2 E/2 Section 2 T26S-R30E	Permitted	*1320	*46	*650	*1333
QUAIL 2 STATE COM #707H	C-2-26S-30E	30-015-45793	Purple Sage; Wolfcamp [98220]	All of Section 2 T26S-R30E	Permitted	*1320	*46	*650	*1333

\* Estimated numbers for these wells; will provide actual numbers once these wells are producing.

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

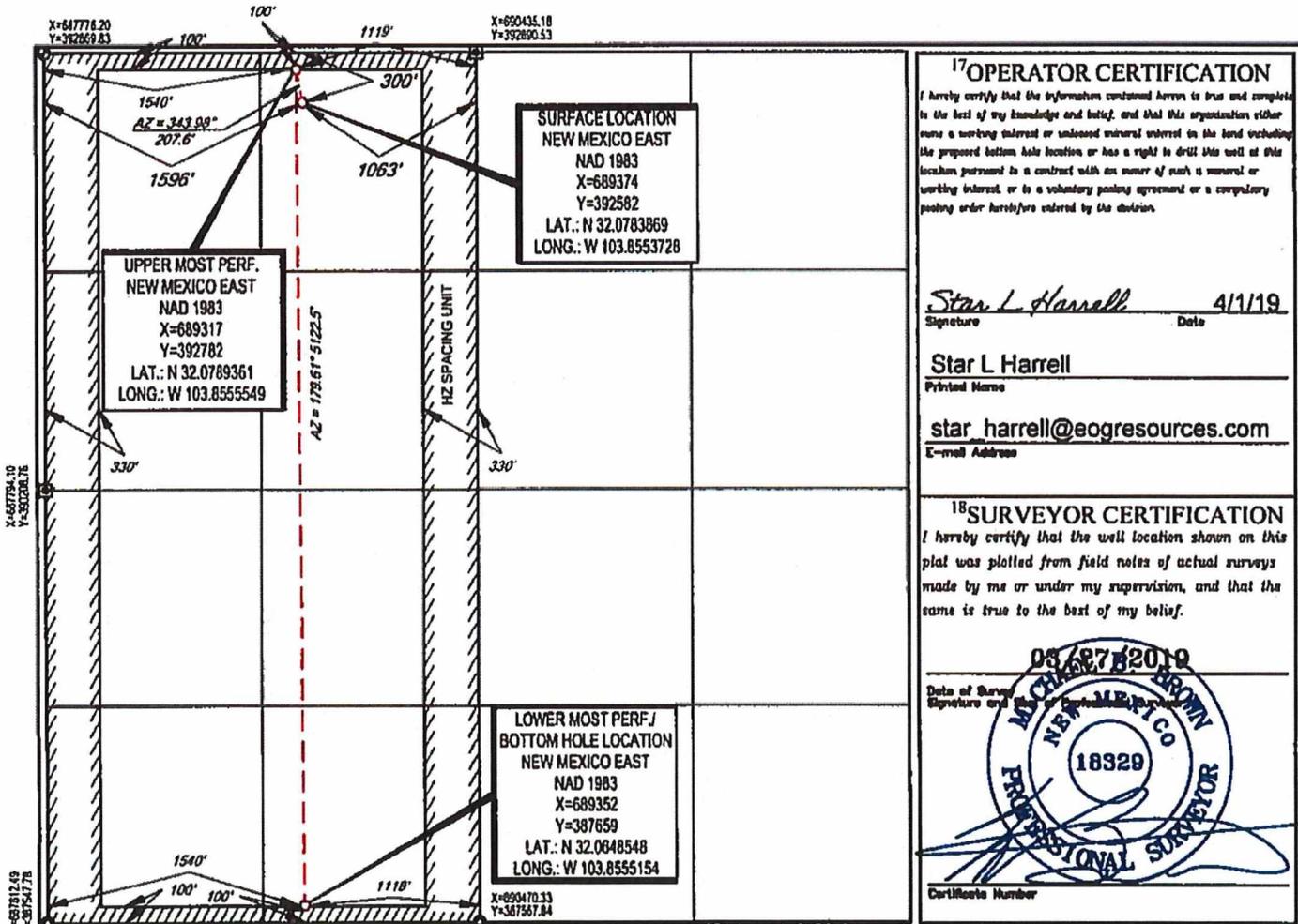
FORM C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-015-45788		<sup>2</sup> Pool Code 97814		<sup>3</sup> Pool Name Wildcat G-05 S2630010; Bone Spring					
<sup>4</sup> Property Code 325170		<sup>5</sup> Property Name QUAIL 2 STATE				<sup>6</sup> Well Number 594H			
<sup>7</sup> OGRID No. 7377		<sup>8</sup> Operator Name EOG RESOURCES, INC.				<sup>9</sup> Elevation 3215'			
<sup>10</sup> Surface Location									
UL or lot no. C	Section 2	Township 28-S	Range 30-E	Lot Idn -	Feet from the 300'	North/South line NORTH	Feet from the 1596'	East/West line WEST	County EDDY
<sup>11</sup> Bottom Hole Location If Different From Surface									
UL or lot no. N	Section 2	Township 28-S	Range 30-E	Lot Idn -	Feet from the 100'	North/South line SOUTH	Feet from the 1540'	East/West line WEST	County EDDY
<sup>12</sup> Dedicated Acres 320.00		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> Order No.			

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.



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 CONSERVATION  
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

RECEIVED

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-45767		<sup>2</sup> Pool Code 96403 97814		<sup>3</sup> Pool Name Wildcat; Bone Spring	
<sup>4</sup> Property Code 325165	<sup>5</sup> Property Name QUAIL 2 STATE COM			<sup>6</sup> Well Number 581H	
<sup>7</sup> OGRID No. 7377	<sup>8</sup> Operator Name EOG RESOURCES, INC.			<sup>9</sup> Elevation 3243'	

<sup>10</sup>Surface Location

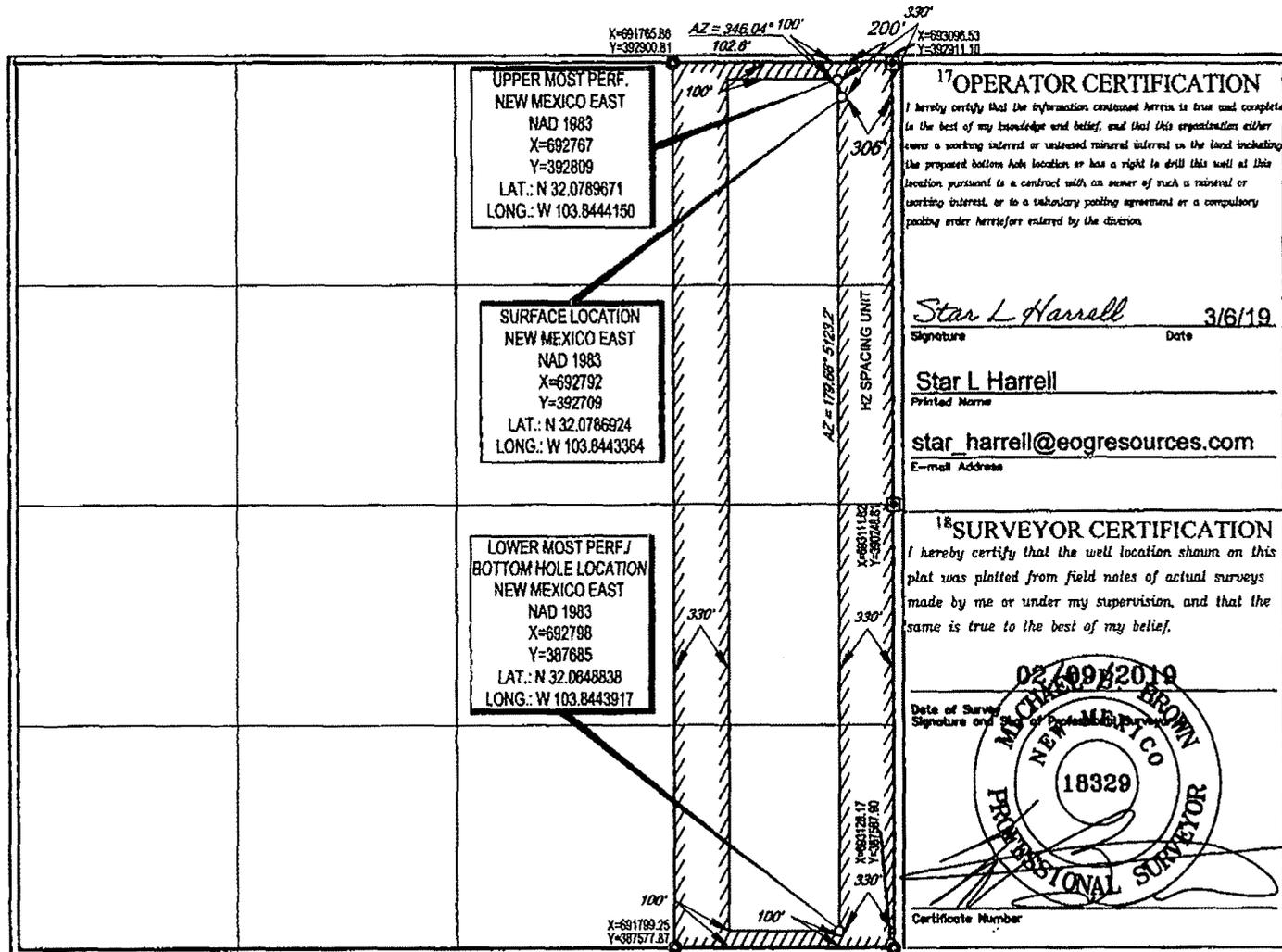
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	2	26-S	30-E	-	200'	NORTH	306'	EAST	EDDY

<sup>11</sup>Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	2	26-S	30-E	-	100'	SOUTH	330'	EAST	EDDY

<sup>12</sup> Dedicated Acres 160.00	<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 undivided 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 secondary pooling agreement or a compulsory pooling order heretofore entered by the division.

Star L Harrell 3/6/19  
Signature Date

Star L Harrell  
Printed Name

star\_harrell@eogresources.com  
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.

02/09/2019  
Date of Survey

MICHAEL BROWN  
NEW MEXICO  
18329  
PROFESSIONAL SURVEYOR

Certificate Number

RWP 3-19-19

RECEIVED

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  
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District III  
1000 Rio Brazos Road, Aztec, NM 87410  
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State of New Mexico  
Energy, Minerals & Natural Resources  
Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

APR 02 2019

FORM C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

DISTRICT II-ARTESIA O.C.D.

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-45793		Pool Code 98220	Pool Name Purple Sage; Wolfcamp
Property Code 325165	Property Name QUAIL 2 STATE COM		Well Number 707H
OGRID No. 7377	Operator Name EOG RESOURCES, INC.		Elevation 3215'

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
C	2	26-S	30-E	-	300'	NORTH	1629'	WEST	EDDY

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	2	26-S	30-E	-	230'	SOUTH	2610'	EAST	EDDY

Dedicated Acres 640.00	Joint or Taffil	Consolidation Code	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.

