

NSL Initial Application

Received: [12/24/19](#)

Revised March 23, 2017

| | | | |
|---------------------------|----------------------|------------------|-------------------------------|
| RECEIVED: 12/24/19 | REVIEWER: LRL | TYPE: NSL | APP NO: pLEL1935829400 |
|---------------------------|----------------------|------------------|-------------------------------|

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: Neptune 10 State Com #102H Well **API:** 30-025-pending
Pool: Triplex; Bone Spring **Pool Code:** 59900

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 | |
| <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.

Kaitlyn A. Luck

Print or Type Name

Signature

12/20/2019
Date

505-954-7286
Phone Number

kaluck@hollandhart.com
e-mail Address



Kaitlyn A. Luck
Phone (505) 954-7286
kaluck@hollandhart.com

December 20, 2019

VIA ONLINE FILING

Adrienne Sandoval
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 Neptune 10 State Com #102H Well in the W/2 E/2 of Sections 3 and 10, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico.

Dear Ms. Sandoval:

EOG Resources, Inc. (OGRID No. 7377) seeks administrative approval of an unorthodox well location for its **Neptune 10 State Com #102H Well** (API No. 30-025-pending) to be completed within the Triplex; Bone Spring Pool (59900) underlying the W/2 E/2 of Section 3 and 10, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico.

This well will be drilled from a *surface location* 874 feet from the south line and 1690 feet from the east line (Lot 2) of Section 10. The *first take point* will be located 100 feet from the south line and 2393 feet from the east line (Unit O) of Section 10, and the *last take point* will be 100 feet from the north line and 2393 feet from the east line (Lot 2) of Section 3. 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 the standard offsets 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 **Neptune 10 State Com #102H Well** encroaches on the spacing units or tracts to the west.

Exhibit B is a land plat for Sections 3 and 10, and the surrounding spacing units, that shows the proposed **Neptune 10 State Com #102H Well** in relation to adjoining units and existing wells.

Exhibit C is EOG's Certification of Ownership listing the parties affected by the encroachment to the west. 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 New Mexico State Land Office since state lands are involved.

Exhibit D are copies of the waivers requested from each of the affected parties:

| OPERATOR | NAME | DATE SENT | WAIVER RECEIVED |
|----------|--|-----------|-----------------|
| 1 | EOG Resources, Inc. | N/A | N/A |
| 2 | Devon Energy Production Company, L.P. | 12/19/19 | |
| 3 | Canaan Resources Drilling Company, LLC | 12/19/19 | |
| 4 | CRP XII, LLC | 12/19/19 | |
| 5 | New Mexico State Land Office | 12/19/19 | |

Exhibit E is statement from a petroleum engineer providing justification for the needed exception.

Your attention to this matter is appreciated.

Sincerely,



Kaitlyn A. Luck
ATTORNEY FOR EOG RESOURCES, INC.



Kaitlyn A. Luck
Phone (505) 954-7286
kaluck@hollandhart.com

December 20, 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 Neptune 10 State Com #102H Well in the W/2 E/2 of Sections 3 and 10, 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:

Chloe Sawtelle
EOG Resources, Inc.
(432) 686-3660
Chloe_Sawtelle@eogresources.com

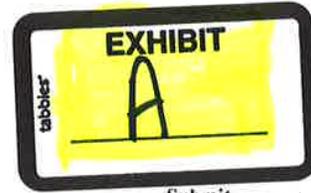
Sincerely,

A handwritten signature in blue ink, appearing to read "Kaitlyn Luck", written over a faint blue line.

Kaitlyn A. Luck
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., Sante 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.
Sante Fe, NM 87505



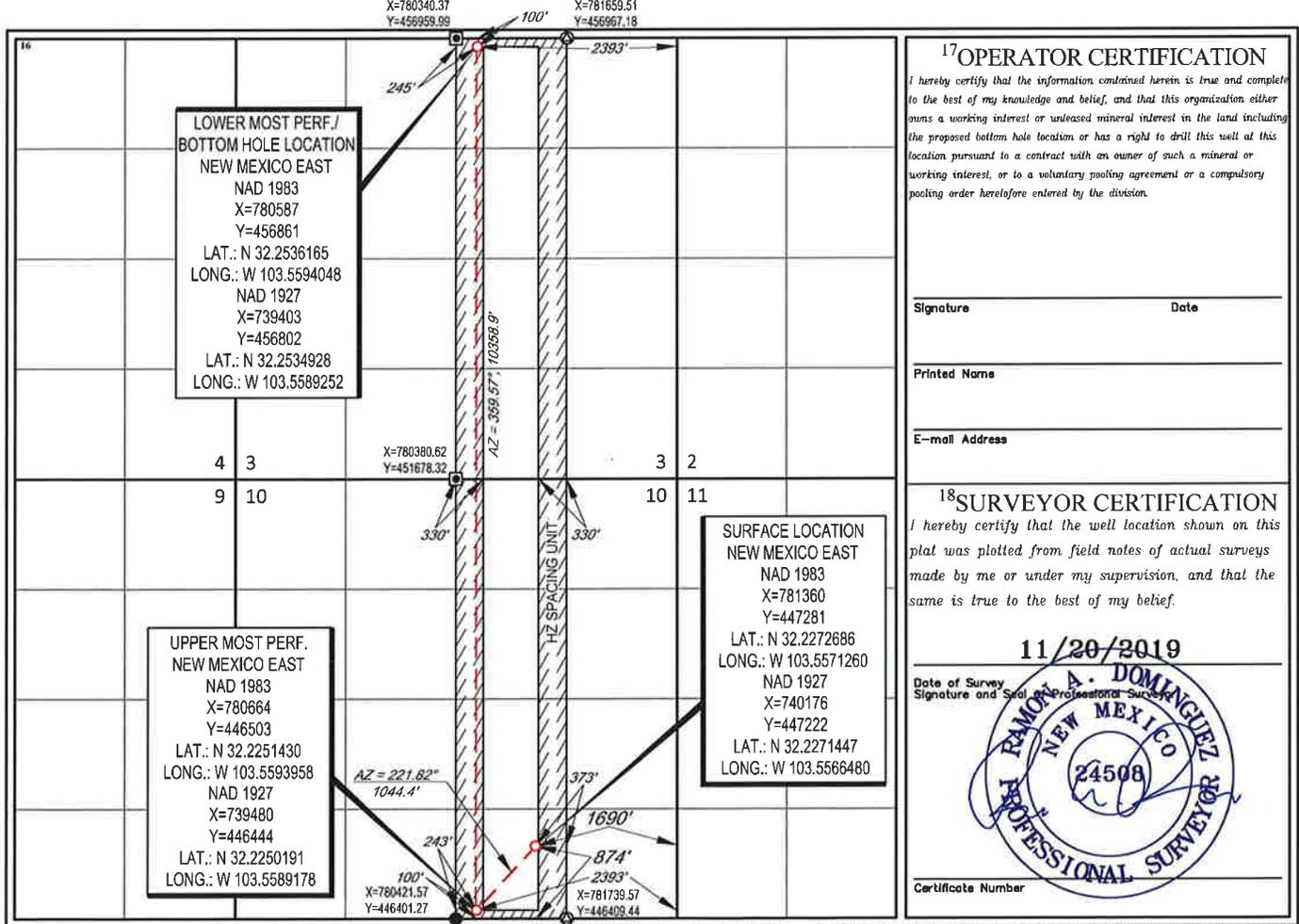
FORM C-102
August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | | | | | |
|--|---------------|--|---------------|----------------------------------|----------------------------------|---------------------------|------------------------|------------------------|---------------|
| ¹ API Number | | ² Pool Code | | ³ Pool Name | | | | | |
| ⁴ Property Code | | ⁵ Property Name NEPTUNE 10 STATE COM | | | ⁶ Well Number 102H | | | | |
| ⁷ OGRID No. | | ⁸ Operator Name EOG RESOURCES, INC. | | | ⁹ Elevation 3604' | | | | |
| ¹⁰ Surface Location | | | | | | | | | |
| UL or lot no. 0 | Section 10 | Township 24-S | Range 33-E | Lot Idn - | Feet from the 874' | North/South line SOUTH | Feet from the 1690' | East/West line EAST | County LEA |
| ¹¹ Bottom Hole Location If Different From Surface | | | | | | | | | |
| UL or lot no. 2 | Section 3 | Township 24-S | Range 33-E | Lot Idn - | Feet from the 100' | North/South line NORTH | Feet from the 2393' | East/West line EAST | County LEA |
| ¹² Dedicated Acres 320.08 | | ¹³ Joint or Infill | | ¹⁴ Consolidation Code | | ¹⁵ 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.





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 Sections 3 & 10, T24S-R33E, Lea County, New Mexico, for purposes of the unorthodox location for EOG Resources, Inc.'s Neptune 10 State Com #102H Well in the W/2 E/2 of Sections 3 & 10. The affected parties are:

| |
|--|
| EOG Resources, Inc. 5509 Champions Drive Midland, Texas 79706 |
| Devon Energy Production Company, L.P. 333 West Sheridan Avenue Oklahoma City, Oklahoma 73102 |
| Canaan Resources Drilling Company, LLC 1101 N. Broadway Suite 300 Oklahoma City, Oklahoma 73103 |
| CRP XII, LLC 1101 N. Broadway Suite 300 Oklahoma City, Oklahoma 73103 |
| New Mexico State Land Office P. O. Box 1148 Santa Fe, New Mexico 87504 |

EOG Resources, Inc.

Chloe Sawtelle
Landman II
December 19, 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 - Neptune 102H
CM# 44497.0001

Shipment Date: 12/20/2019
 Shipped From:
 Name: HOLLAND & HART LLP (1)
 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 | 2 |
| Total | 2 |

*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 0019 1515 94



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 - Neptune 102H, 203H, 205H
CM# 44497.0001

Shipment Date: 12/20/2019
 Shipped From:
 Name: HOLLAND & HART LLP (1)
 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 | 2 |
| Total | 2 |

*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:
- Home screen > Mailing/Shipping > More
 - Select Shipment Confirm
 - Scan or enter the barcode/label number from PS Form 5630
 - Confirm the volume count message by selecting Yes or No
 - 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 0019 1516 24



December 19, 2019

Via Email

New Mexico State Land Office
 Attn: Niranjana Khalsa
 P.O. Box 1148
 Santa Fe, NM 87504

Re: Application of EOG Resources, Inc. for Administrative Approval of an Unorthodox Well Location: Neptune 10 State Com #102H Well, W/2 E/2 of Section 3 and Section 10, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico

Dear Ms. Khalsa:

EOG Resources, Inc. has submitted the above-referenced application to the New Mexico Oil Conservation Division for an unorthodox well location for its Neptune 10 State Com #102H Well (API No. pending) to be completed within the Bone Spring Leonard Shale A formation (Triplex; Bone Spring - 59900) underlying the W/2 E/2 of Section 3 and 10, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico. Division rules provide that the completed interval for such wells are to be located no closer than 330 feet to the outer boundary of the horizontal spacing unit in which the well is located. The proposed first take point will be located 100 feet from the south line and 2393 feet from the east line (Unit O) of Section 10, and the last take point will be 100 feet from the north line and 2393 feet from the east line (Lot 2) of Section 3 and will be drilled pursuant to the horizontal well rules of the Division. The proposed location for this well, therefore, encroaches on the western boundary of the spacing unit and requires Division approval for an unorthodox well location.

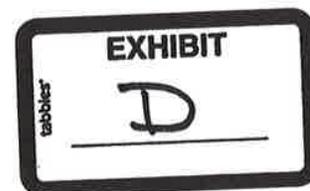
Division Rules provide that an application may be approved sooner if the applicant obtains waivers from affected parties. We therefore request your waiver of objection to this administrative application. We respectfully request you that you sign this letter and return it as soon as possible.

Thank you for your consideration of this matter. Should you wish to discuss this further, please feel free to contact me at the information listed below.

Sincerely,

Chloe Sawtelle
 Landman II
 (432) 686-3660
 Chloe_Sawtelle@eogresources.com

energy opportunity growth



Re: Application of EOG Resources, Inc. for Administrative Approval of an Unorthodox Well Location: Neptune 10 State Com #102H Well, W/2 E/2 of Section 3 and Section 10, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico

New Mexico State Land Office agrees to waive objection to EOG Resources application for an unorthodox well location for its **Neptune 10 State Com #102H Well**.

NEW MEXICO STATE LAND OFFICE

By: _____

Printed Name: _____

Title: _____

Date: _____



December 19, 2019

Via Email

Devon Energy Production Company, L.P.
333 West Sheridan Avenue
Oklahoma City, Oklahoma 73102

Re: Application of EOG Resources, Inc. for Administrative Approval of an Unorthodox Well Location: Neptune 10 State Com #102H Well, W/2 E/2 of Section 3 and Section 10, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico

Dear New Mexico Land Department:

EOG Resources, Inc. has submitted the above-referenced application to the New Mexico Oil Conservation Division for an unorthodox well location for its Neptune 10 State Com #102H Well (API No. pending) to be completed within the Bone Spring Leonard Shale A formation (Triplex; Bone Spring - 59900) underlying the W/2 E/2 of Section 3 and 10, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico. Division rules provide that the completed interval for such wells are to be located no closer than 330 feet to the outer boundary of the horizontal spacing unit in which the well is located. The proposed first take point will be located 100 feet from the south line and 2393 feet from the east line (Unit O) of Section 10, and the last take point will be 100 feet from the north line and 2393 feet from the east line (Lot 2) of Section 3 and will be drilled pursuant to the horizontal well rules of the Division. The proposed location for this well, therefore, encroaches on the western boundary of the spacing unit and requires Division approval for an unorthodox well location.

Division Rules provide that an application may be approved sooner if the applicant obtains waivers from affected parties. We therefore request your waiver of objection to this administrative application. We respectfully request you that you sign this letter and return it as soon as possible.

Thank you for your consideration of this matter. Should you wish to discuss this further, please feel free to contact me at the information listed below.

Sincerely,



Chloe Sawtelle
Landman II
(432) 686-3660
Chloe_Sawtelle@eogresources.com

Re: Application of EOG Resources, Inc. for Administrative Approval of an Unorthodox Well Location: Neptune 10 State Com #102H Well, W/2 E/2 of Section 3 and Section 10, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico

New Mexico State Land Office agrees to waive objection to EOG Resources application for an unorthodox well location for its **Neptune 10 State Com #102H Well**.

DEVON ENERGY PRODUCTION COMPANY, L.P.

By: _____

Printed Name: _____

Title: _____

Date: _____



December 19, 2019

Via Email

Canaan Resources Drilling Company, LLC
1101 N. Broadway
Suite 300
Oklahoma City, Oklahoma 73103

Re: Application of EOG Resources, Inc. for Administrative Approval of an Unorthodox Well Location: Neptune 10 State Com #102H Well, W/2 E/2 of Section 3 and Section 10, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico

Dear New Mexico Land Department:

EOG Resources, Inc. has submitted the above-referenced application to the New Mexico Oil Conservation Division for an unorthodox well location for its Neptune 10 State Com #102H Well (API No. pending) to be completed within the Bone Spring Leonard Shale A formation (Triplex; Bone Spring - 59900) underlying the W/2 E/2 of Section 3 and 10, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico. Division rules provide that the completed interval for such wells are to be located no closer than 330 feet to the outer boundary of the horizontal spacing unit in which the well is located. The proposed first take point will be located 100 feet from the south line and 2393 feet from the east line (Unit O) of Section 10, and the last take point will be 100 feet from the north line and 2393 feet from the east line (Lot 2) of Section 3 and will be drilled pursuant to the horizontal well rules of the Division. The proposed location for this well, therefore, encroaches on the western boundary of the spacing unit and requires Division approval for an unorthodox well location.

Division Rules provide that an application may be approved sooner if the applicant obtains waivers from affected parties. We therefore request your waiver of objection to this administrative application. We respectfully request you that you sign this letter and return it as soon as possible.

Thank you for your consideration of this matter. Should you wish to discuss this further, please feel free to contact me at the information listed below.

Sincerely,

Chloe Sawtelle
Landman II
(432) 686-3660
Chloe_Sawtelle@eogresources.com

Re: Application of EOG Resources, Inc. for Administrative Approval of an Unorthodox Well Location: Neptune 10 State Com #102H Well, W/2 E/2 of Section 3 and Section 10, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico

New Mexico State Land Office agrees to waive objection to EOG Resources application for an unorthodox well location for its **Neptune 10 State Com #102H Well**.

CANAAN RESOURCES DRILLING COMPANY, LLC

By: _____

Printed Name: _____

Title: _____

Date: _____



December 19, 2019

Via Email

CRP XII, LLC
1101 N. Broadway
Suite 300
Oklahoma City, Oklahoma 73103

Re: Application of EOG Resources, Inc. for Administrative Approval of an Unorthodox Well Location: Neptune 10 State Com #102H Well, W/2 E/2 of Section 3 and Section 10, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico

Dear New Mexico Land Department:

EOG Resources, Inc. has submitted the above-referenced application to the New Mexico Oil Conservation Division for an unorthodox well location for its Neptune 10 State Com #102H Well (API No. pending) to be completed within the Bone Spring Leonard Shale A formation (Triplex; Bone Spring - 59900) underlying the W/2 E/2 of Section 3 and 10, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico. Division rules provide that the completed interval for such wells are to be located no closer than 330 feet to the outer boundary of the horizontal spacing unit in which the well is located. The proposed first take point will be located 100 feet from the south line and 2393 feet from the east line (Unit O) of Section 10, and the last take point will be 100 feet from the north line and 2393 feet from the east line (Lot 2) of Section 3 and will be drilled pursuant to the horizontal well rules of the Division. The proposed location for this well, therefore, encroaches on the western boundary of the spacing unit and requires Division approval for an unorthodox well location.

Division Rules provide that an application may be approved sooner if the applicant obtains waivers from affected parties. We therefore request your waiver of objection to this administrative application. We respectfully request you that you sign this letter and return it as soon as possible.

Thank you for your consideration of this matter. Should you wish to discuss this further, please feel free to contact me at the information listed below.

Sincerely,



Chloe Sawtelle
Landman II
(432) 686-3660
Chloe_Sawtelle@eogresources.com

Re: Application of EOG Resources, Inc. for Administrative Approval of an Unorthodox Well Location: Neptune 10 State Com #102H Well, W/2 E/2 of Section 3 and Section 10, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico

New Mexico State Land Office agrees to waive objection to EOG Resources application for an unorthodox well location for its **Neptune 10 State Com #102H Well**.

CRP XII, LLC

By: _____

Printed Name: _____

Title: _____

Date: _____



Neptune 10 State Com #102H

A non-standard location is necessary to develop the Avalon Shale in this section efficiently and in an economic manner. A non-standard location optimizes pressures related to the completion of the wells and is expected to yield a higher ultimate recovery than a standard location, thereby preventing waste and protecting correlative rights.

A handwritten signature in black ink that reads "David Carlos Sonka". The signature is written in a cursive style with a large, stylized 'D' and 'S'.

EOG Resources
David Carlos Sonka
Reservoir Engineer

energy opportunity growth

