

DATE: 5/12/2015	SUSPENSE	ENGINEER	LOGGED IN: 5/14/2015	TYPE: NSL	APP NO: NSP PMAM1513457723 NSL PMAM1513446326
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - 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

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

- [D] Other: Specify non-standard project area

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 - NSL 7295
 - NSP 2033

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

- EOB resources
 7377
 - well
 - Lucky 13 Fed com
 3H
 30-025-Pending
 Pool
 - Red Hills
 Upper Bone
 Springs State
 9790V

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **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.

Jordan L. Kessler
 Print or Type Name

JL Kessler
 Signature

Attorney
 Title

5/12/15
 Date

jlkessler@hollandhart.com
 e-mail Address

May 12, 2015

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VIA HAND DELIVERY

David Catanach
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Dr.
Santa Fe, New Mexico 87505

**Re: Application of EOG Resources Inc. for administrative approval of a 200-acre non-standard project area in the Red Hills; Upper Bone Spring Shale Pool (97900) and approval of an unorthodox location, Sections 12 and 13, Township 25 South, Range 33 East, NMPM, Lea County, New Mexico.
Lucky 13 Fed Com No. 3H Well**

Dear Mr. Catanach:

EOG Resources, Inc. ("EOG") (OGRID 7377) seeks administrative approval of a non-standard project area and an unorthodox location for its **Lucky 13 Fed Com No. 3H Well** (API number pending) to be completed in the Red Hills; Upper Bone Spring Shale Pool (Pool Code 97900) underlying portions of Sections 12 and 13, Township 25 South, Range 33 East, NMPM, Lea County, New Mexico. This well will be drilled from a surface location 2100 feet from the South line, 750 feet from the West line (Unit L) of Section 13. The upper most perforation will be located 2587 feet from the North line, 1438 feet from the West line (Unit F) of Section 13 and the lower most perforation will be 1650 feet from the North line, 1435 feet from the West line (Unit F) of Section 12. Since this acreage is governed by the Division's statewide rules which provide for wells to be located no closer than 330 feet to the outer boundary of the spacing unit, the completed interval for this well will be unorthodox because it is closer than 330 feet to the western, northwestern, southern, and southwestern boundaries of the project area. Accordingly, the well encroaches on the spacing units to the West, Northwest, South, and Southwest of the 200-acre project area.

In addition, EOG seeks approval of a 200-acre non-standard project area comprised of the E/2 NW/4 of Section 13 (Units C and F) and the E/2 SW/4 and SE/4 NW/4 of Section 12 (Units F, K, N). Since this proposed project area excludes the NE/4 NW/4 (Unit C) of Section 12, it is a non-standard project area pursuant to NMAC 19.15.16.7(M). EOG plans to develop the NE/4 NW/4 of Section 12 with a 1.25 mile length horizontal well that will extend into the E/2 W/2 of Section 1 to the North. Approval of the unorthodox completed interval and the non-standard project area will allow efficient length and spacing of horizontal wells, thereby preventing waste.

Holland & Hart LLP

Phone [505] 988-4421 Fax [505] 983-6043 www.hollandhart.com

110 North Guadalupe Suite 1 Santa Fe, New Mexico 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Boulder Carson City Colorado Springs Denver Denver Tech Center Billings Boise Cheyenne Jackson Hole Las Vegas Reno Salt Lake City Santa Fe Washington, D.C. ☉



As support for this application, EOG provides the following additional information and exhibits:

Exhibit A is the Well Location and Acreage Dedication Plat (Form C-102), which shows the proposed non-standard project area and the non-standard location of the Lucky 13 Fed Com No. 3H Well.

Exhibit B is a land plat for Sections 12 and 13 and the surrounding sections that shows the Lucky 13 Fed Com No. 3H Well in relation to the adjoining units and existing wells.

Exhibit C is a list of the parties affected by EOG's request for a non-standard project area and an unorthodox location. Each of these parties has been provided a copy of this application and all attachments by certified mail, and has been advised that if they have an objection it must be filed in writing with the division within 20 days from the date the division receives this application. In addition, a courtesy copy of this application has been provided to the Bureau of Land Management-Carlsbad.

Your attention to this application is appreciated

Sincerely,

A handwritten signature in black ink, appearing to read "Jordan L. Kessler".

Jordan L. Kessler

ATTORNEY FOR EOG RESOURCES, INC.

cc: Bureau of Land Management- Carlsbad
620 E. Green Street
Carlsbad, NM 88220

Exhibit C

Non-standard location:

Yates Petroleum Corporation
ATTN: Land Manager
105 S. Fourth Street
Artesia, NM 88210

Chevron Mid-Continent, LP
ATTN: NOJV Group
P.O. Box 2100
Houston, TX 77252

Roden Associates, LTD
ATTN: Ben Kinney
2603 Augusta Drive, STE. 740
Houston, TX 77057

Roden Participants, LTD
ATTN: Ben Kinney
2603 Augusta Drive, STE. 740
Houston, TX 77057

Sydhan, LP
111 Congress Ave., Suite 1050
Austin, TX 78701

Judith A. West
P.O. Box 1948
Cullman, AL 35056

Non-standard project area:

Chevron Mid-Continent, LP
ATTN: NOJV Group
P.O. Box 2100
Houston, TX 77252

Roden Associates, LTD
ATTN: Ben Kinney
2603 Augusta Drive, STE. 740
Houston, TX 77057

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Rodan Participants, LTD
ATTN: Ben Kinney
2603 Augusta Drive, STE. 740
Houston, TX 77057

Sydhan, LP
111 Congress Ave., Suite 1050
Austin, TX 78701

Judith A. West
P.O. Box 1948
Cullman, AL 35056

HOLLAND & HART



Jordan L. Kessler

Associate

Phone (505) 988-4421

Fax (505) 983-6043

jkessler@hollandhart.com

May 12, 2015

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: AFFECTED PARTIES

Re: Application of EOG Resources Inc. for administrative approval of a 200-acre non-standard project area in the Red Hills; Upper Bone Spring Shale Pool (97900) and approval of an unorthodox location, Sections 12 and 13, Township 25 South, Range 33 East, NMPM, Lea County, New Mexico.
Lucky 13 Fed Com No. 3H Well

Ladies and Gentleman:

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:

Dan McCright
EOG Resources, Inc.
(432) 686-3741
Dan_McCright@eogresources.com

Sincerely,

Jordan L. Kessler

ATTORNEY FOR EOG RESOURCES, INC.

Holland & Hart LLP

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