

3/6/17

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



NSL - 7509

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]

EDG RESOURCES, INC

[# 7377]

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

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

WELL: BLACK BEAR 36 STATE NO. 705H

API: 30-025-43585

Check One Only for [B] or [C]

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

POOL: WC-025 G-09 9253336 D: Upper

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

[D] Other: Specify _____

[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

2017 FEB 13 P 4:03

RECEIVED OCU

W.C. [#98094]

[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 E. Kessler
Print or Type Name

[Signature]
Signature

Attorney
Title

2/13/17
Date

jlkessler@hollandhart.com
e-mail Address

HOLLAND & HART^{LLP}



Jordan L. Kessler
Associate
Phone (505) 954-7286
Fax (505) 983-6043
JLKessler@hollandhart.com

February 13, 2017

VIA HAND DELIVERY

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

RECEIVED
2017 FEB 13 P 11:03

Re: Application of EOG Resources, Inc. for administrative approval of an unorthodox well location for its Black Bear 36 State No. 705H Well in the W/2 E/2 of Section 36, Township 25 South, Range 33 East, N.M.P.M., Lea County, New Mexico.

Dear Mr. Catanach:

EOG Resources, Inc. (OGRID No. 7377) seeks administrative approval of an unorthodox well location for its **Black Bear 36 State No. 705H Well** to be completed within the WC-025 G-09 S253336D; Upper Wolfcamp (Pool Code 98094) underlying Section 36, Township 25 South, Range 33 East, N.M.P.M., Lea County, New Mexico. This well will be drilled from a surface location 250 feet from the North line and 1,195 feet from the East line (Unit A) of Section 36. The upper most perforation will be located 330 feet from North line and 1,390 feet from the East line (Unit B) and the lower most perforation will be 330 feet from the South line and 1,390 feet from the East line (Unit O) of Section 36. Since this acreage is governed by the Division's statewide rules which provides 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 eastern, southeastern, and northeastern boundaries of the project area.

EOG owns 100% of the state lease covering the spacing unit in the E/2 E/2 of Section 36 and ownership is common throughout the E/2 of Section 36. EOG is the operator of two wells dedicated to the E/2 E/2 of Section 36: the Black Bear 36 State No. 703H Well and the Black Bear 36 State No. 704H Well. 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 draft Well Location and Acreage Dedication Plat (Form C-102), which shows that the completed interval of the proposed **Black Bear 36 State No. 705H Well** encroaches on the spacing and proration units to the East, Northeast, and Southeast.

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. ☪

HOLLAND & HART^{LLP}



Exhibit B is a land plat for Section 36 and the surrounding sections that shows the proposed **Black Bear 36 State No. 705H Well** in relation to adjoining units and existing wells.

Exhibit C is a list of the parties affected by the encroachment to the Northeast and Southeast. As described above, EOG is the 100% leasehold owner in the E/2 E/2 and ownership is common throughout the E/2 of Section 36. Accordingly, there are no affected parties in the spacing units to the East of the proposed well. 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 and the Bureau of Land Management-Carlsbad Office.

Your attention to this matter is appreciated.

Sincerely,

Jordan L. Kessler

ATTORNEY FOR EOG RESOURCES, INC.

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

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

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(575) 393-6161 Fax:(575) 363-0720
District II
 811 S. First St., Artesia, NM 88210
 Phone:(575) 748-1283 Fax:(575) 748-9720
District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

**State of New Mexico
 Energy, Minerals and Natural Resources
 Oil Conservation Division
 1220 S. St Francis Dr.
 Santa Fe, NM 87505**

Form C-102
 August 1, 2011
 Permit 231665

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-43585	2. Pool Code 98094	3. Pool Name WC-025 G-09 S253336D;UPPER WOLFCAMP
4. Property Code 38965	5. Property Name BLACK BEAR 36 STATE	6. Well No. 705H
7. OGRID No. 7377	8. Operator Name EOG RESOURCES INC	9. Elevation 3329

10. Surface Location

UL - Lot A	Section 36	Township 25S	Range 33E	Lot Idn A	Feet From 250	N/S Line N	Feet From 1195	E/W Line E	County Lea
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11. Bottom Hole Location If Different From Surface

UL - Lot O	Section 36	Township 25S	Range 33E	Lot Idn O	Feet From 230	N/S Line S	Feet From 1390	E/W Line E	County Lea	
12. Dedicated Acres 160.00			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

	OPERATOR CERTIFICATION	
	<i>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 unleased mineral interest in the land including the proposed bottom hole location(s) 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 voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i>	
	E-Signed By:	Stan Wagner
	Title:	Regulatory Analyst
Date:	2/7/2017	
	SURVEYOR CERTIFICATION	
<i>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 and correct to the best of my belief.</i>		
Surveyed By:	Michael Brown	
Date of Survey:	2/2/2017	
Certificate Number:	18329	

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
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-43585	Pool Code 98094	Pool Name WC-025 G-09 525336 D; U.W.C.
Property Code 38965	Property Name BLACK BEAR 36 STATE	Well Number #705H
OGRID No. 7377	Operator Name EOG RESOURCES, INC.	Elevation 3329'

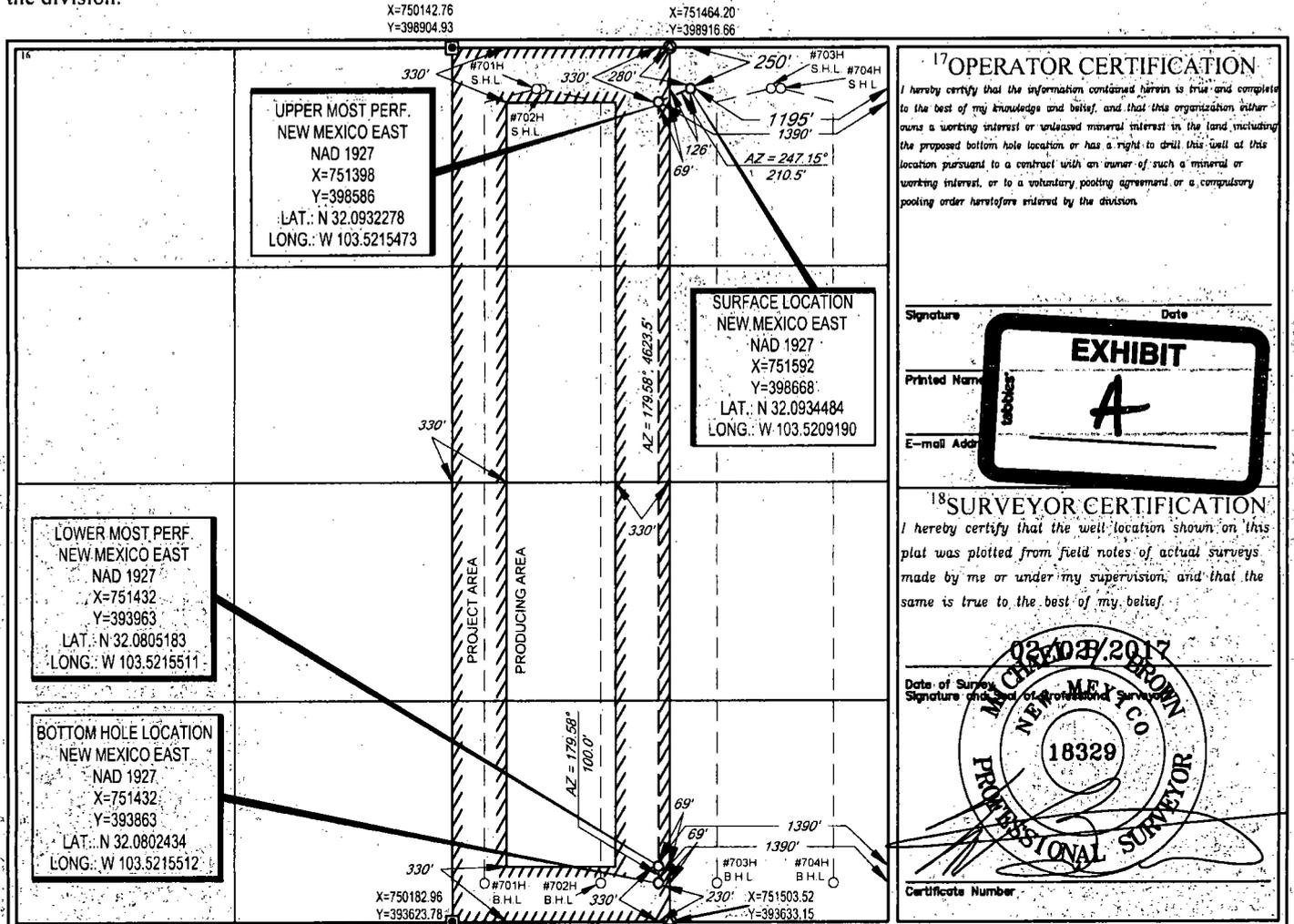
Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	36	25-S	33-E	-	250'	NORTH	1195'	EAST	LEA

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	36	25-S	33-E	-	230'	SOUTH	1390'	EAST	LEA

Dedicated Acres 160.00	Joint or Infill	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.



17 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 voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____
Printed Name: **EXHIBIT A**
E-mail Address: _____

18 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.

Date of Survey: **03/03/2017**
Signature of Professional Surveyor: _____
Professional Surveyor Seal: **NEW MEXICO PROFESSIONAL SURVEYOR 18329**
Certificate Number: _____

Exhibit C

Tract 1:

Endeavor Energy Resources, LP
a Texas limited partnership
110 N. Marienfeld St., Ste. #200
Midland, TX 79701
7015 0640 0001 7532 3983

Concho Oil and Gas LLC
600 W. Illinois Ave.
Midland, TX 79701
7015 0640 0001 7532 3969

WBA Resources, Ltd.
a Texas limited partnership
110 W. Louisiana Ave., Ste. #300
Midland, TX 79701
7015 0640 0001 7532 3945

RSC Resources, LP
a Texas limited partnership
6824 Island Circle
Midland, TX 79707
7015 0640 0001 7532 3921

Petras Energy, LP
Box 4127
Midland, TX 79704
7015 0640 0001 7532 3990

COG Operating, LLC
a Delaware limited liability company
600 W. Illinois Ave.
Midland, TX 79701
7015 0640 0001 7532 3976

Bradley S. Bates
101 Blackberry Court
Midland, TX 79705
7015 0640 0001 7532 3952

Sagebrush Interests, LLC
2450 Fondren Rd., Ste. #112
Houston, TX 77063
7015 0640 0001 7532 3938

Newkumet Exploration, Inc.
Box 11330
Midland, TX 79702
7015 0640 0001 7532 3914

MECO IV, LLC
1600 Broadway, Ste. 1360
Denver, CO 80202
7015 1520 0002 0439 2502

Tract 3:

Chevron USA, Inc.
1400 Smith St.
Houston, TX 77002
7015 1520 0002 0438 5047

Devon Energy Production, LP
333 W. Sheridan Ave.
Oklahoma City, OK 73102
7015 1520 0002 0438 5030



HOLLAND & HART^{LLP}



Jordan L. Kessler
Associate

Phone (505) 954-7286

Fax (505) 983-6043

JLKessler@hollandhart.com

February 13, 2017

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 Black Bear 36 State No. 705H Well in the W/2 E/2 of Section 36, Township 25 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:

Paul Boland
EOG Resources, Inc.
(432) 686-3666
Paul_Boland@eogresources.com

Sincerely,

Jordan L. Kessler
ATTORNEY FOR EOG RESOURCES, INC.

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Friday, March 10, 2017 10:18 AM
To: 'Jordan Kessler'
Cc: Brown, Maxey G, EMNRD; Kautz, Paul, EMNRD; McMillan, Michael, EMNRD; Goetze, Phillip, EMNRD; Jones, William V, EMNRD; Martin, Ed; Holm, Anchor E.; 'lisa@rwbyram.com'
Subject: APPROVED NSL-7508 & NSL-7509_EOG RESOURCES, INC
Importance: High

Ms. Jordan Kessler,

The following administrative orders have been issued and will soon be available on the Division's web site: <http://ocdimage.emnrd.state.nm.us/Imaging/Default.aspx>

NSL-7508

EOG Resources, Inc.

API #: 30-025-43603

WELL: Nervosa 24 State Com Well No. 504H, Lea County

NSL-7509

EOG Resources, Inc.

API #: 30-025-43585

WELL: Black Bear 36 State Well No. 705H, Lea County

Leonard Lowe

Engineering Bureau

Oil Conservation Division

Energy Minerals and Natural Resources Department

1220 South St. Francis

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/>