

NSL - 8350

Revised March 23, 2017

RECEIVED: 04/29/22	REVIEWER: LRL	TYPE: NSL	APP NO: pLEL2211940186
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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: Almost Eddy 30 Fed Com No. 724H	API: 30-025-48876
Pool: WC 025 G-07 S253216D; Upper Wolfcamp	Pool Code: 98270

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 *waiver attached*
- 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.

Jordan Kessler

Print or Type Name

[Signature]
Signature

4/29/22

Date

432 488 6108

Phone Number

jordan_kessler@eogresources.com

e-mail Address



Jordan Lee Kessler
Phone: (432) 488-6108
Email: jordan_kessler@eogresources.com

April 29, 2022

VIA ONLINE FILING

Adrienne Sandoval, Director
Oil Conservation Division
New Mexico Department of Energy, Minerals, and Natural Resources
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Application of EOG Resources, Inc. for administrative approval of an unorthodox well location for its Almost Eddy 30 Fed Com No. 724H well in the SW/4 of Section 30 and W/2 of Section 31, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico.

Dear Director Sandoval,

EOG Resources, Inc. (OGRID No. 7377) seeks administrative approval of an unorthodox well location for its Almost Eddy 30 Fed Com No. 724H well (API No. 30-025-48876). This well has been drilled. The spacing unit dedicated to the well is comprised of the SW/4 of Section 30 and the W/2 of Section 31, Township 25 South, Range 32 East, Lea County, New Mexico and is within the WC-025 G-07 S253216D; Upper Wolfcamp pool (98270). The horizontal spacing unit for the well is approximately 484.21 acres, which includes proximity tracts. The defining well for the spacing unit is the Almost Eddy 30 Fed Com No. 722H well (API No. 30-025-48874).

The well has been drilled as follows:

- The surface location is located 2110 feet from the South line, 2438 feet from the West line (Unit K) of Section 30,
- The bottom hole location is located 110 feet from the South line, 2534 feet from the West line (Unit N) of Section 31,
- The first take point is located 2536 feet from the South line, 2610 feet from the West line (Unit K) of Section 30,
- The last take point is located 110 feet from the South line, 2534 feet from the West line (Unit N) of Section 1431

The acreage is governed by the Division's statewide rules. Accordingly, the proposed completed interval is unorthodox because, as drilled, it is closer than the 330 feet to the eastern boundary. It encroaches on the spacing units in the SE/4 of Section 30 and the E/2 of Section 31. Approval of

the unorthodox location will allow EOG to use its preferred well spacing plan for horizontal wells, which will prevent waste, and reflects the as-drilled location of the well.

Exhibit A shows the location of the as-drilled well, including the proposed unorthodox completed interval, of the Almost Eddy 30 Fed Com No. 724H well. The proposed completed interval encroaches on the spacing unit/tracts to the east.

Exhibit B is the Form C-102 filed with the Division.

Exhibit C is a plat that shows the Almost Eddy 30 Fed Com No. 724H well in relation to the adjoining spacing units/tracts to the east.

EOG is the operator of the spacing units to the east, however, ownership is diverse between the subject spacing unit and the affected spacing unit/tracts to the east. Overriding royalty owners are identical between the two spacing units, but the percentage of overriding royalty interest varies slightly. **Exhibit D** is a certification from the landman indicating that he has reviewed the tracts affected by this request. Exhibit D includes a list of the affected parties and proof that a copy. The overriding royalty interest owner, Sharbro, has waived objection of this application and notice period. Accordingly, EOG only provided notice to the BLM of this application with all attachments. This notice advises affected parties that any objection must be filed in writing with the Division within 20 days from the date the Division receives the application.

Exhibit E is a statement from a petroleum engineer providing justification for the requested non-standard location.

Thank you for your attention to this matter.

Very truly yours,



Jordan Kessler
Senior Regulatory Advisor



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: (505) 748-1283 Fax: (505) 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

¹ API Number 30-025-48876	² Pool Code 98270	³ Pool Name WC-025 G-07 S253216D;UPPER WOLFCMP
⁴ Property Code 330825	⁵ Property Name ALMOST EDDY 30 FED COM	⁶ Well Number 724H
⁷ OGRID No. 7377	⁸ Operator Name EOG RESOURCES, INC.	⁹ Elevation 3354'

¹⁰Surface Location

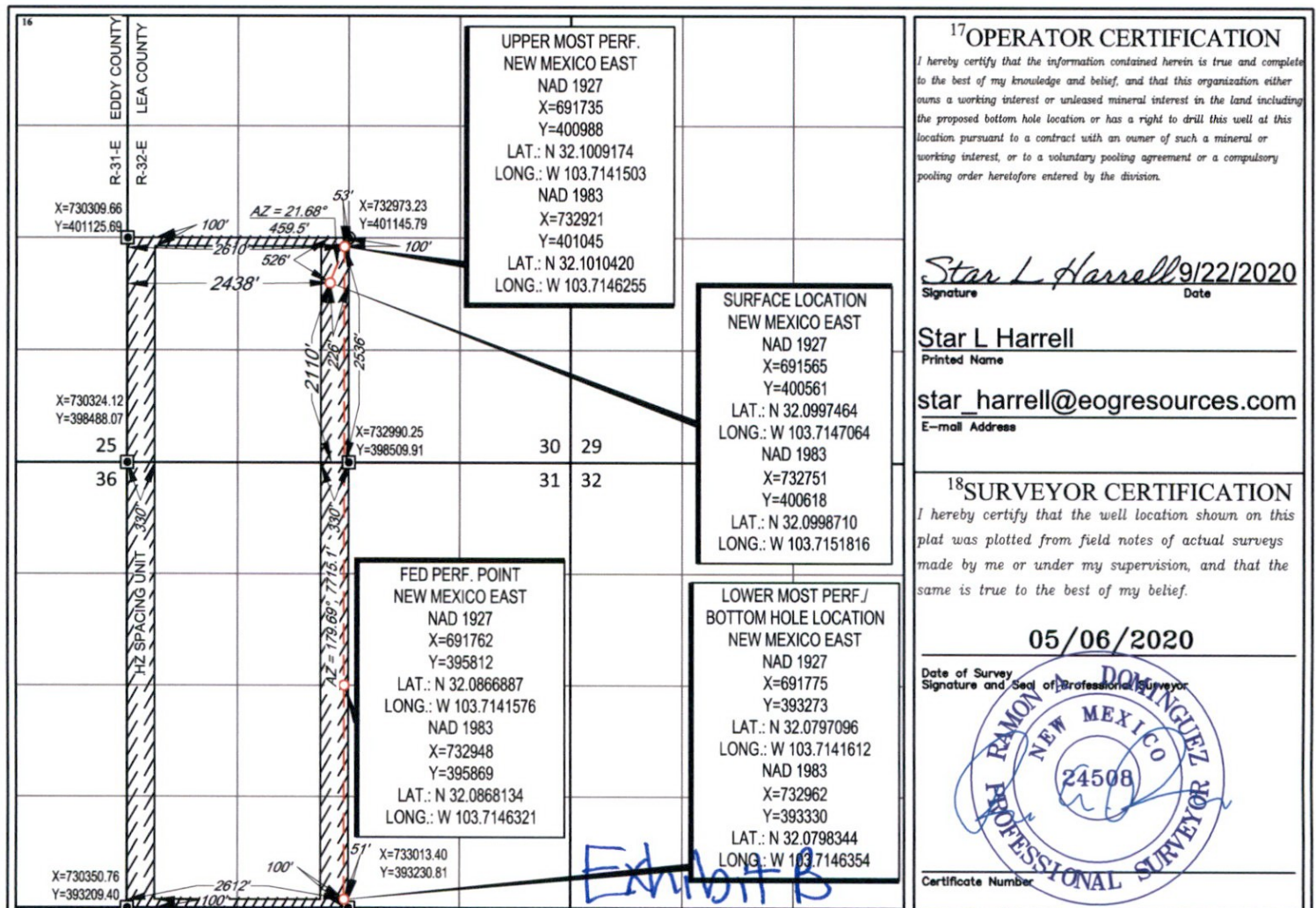
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	30	25-S	32-E	-	2110'	SOUTH	2438'	WEST	LEA

¹¹Bottom 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
N	31	25-S	32-E	-	100'	SOUTH	2612'	WEST	LEA

¹² Dedicated Acres 484.21	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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.



Offset Tract Map

Section 30 and 31, Township 25 South, Range 32 East

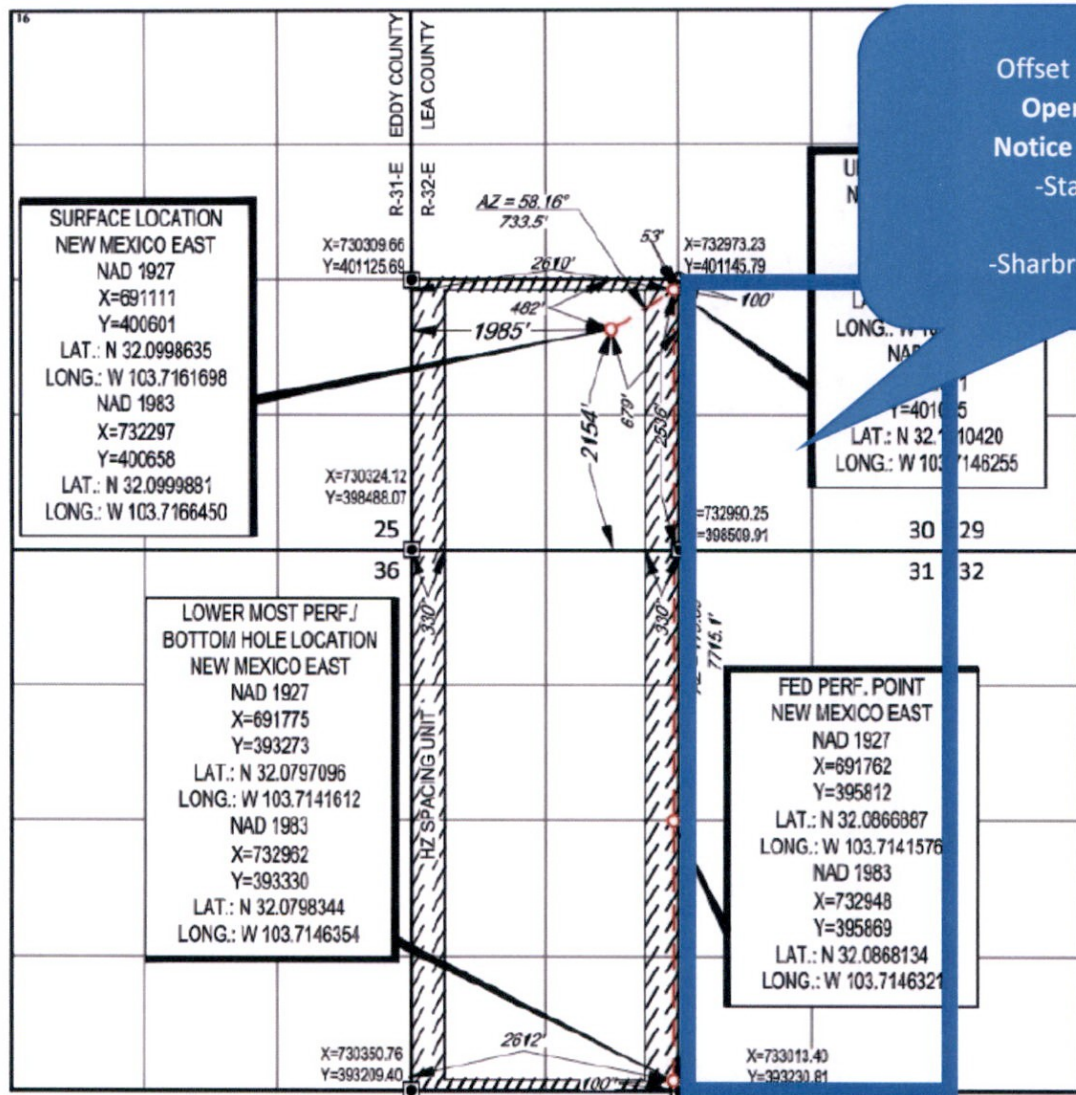


Exhibit C



EOG Resources, Inc.
P.O. Box 2267
Midland, TX 79702

Phone: (432) 686-3600
Fax: (432) 686-3773

April 28, 2022

Certification of Ownership

I have reviewed the ownership of the oil and gas leasehold in Section 30 & Section 31 of 25S-32E, Lea County, NM for purposes of the unorthodox location for EOG's Almost Eddy 30 Fed Com #724H well located in the SW4 of Sec 30 & W2 of Sec 31, 25S-32E. As of the date of this letter, the affected parties are:

1. EOG Resources, Inc. (Operator)
5509 Champions Dr.
Midland, TX 79706
1. Bureau of Land Management (Royalty Owner)
301 Dinosaur Tr.
Santa Fe, NM 87508
Tracking No: 7021 2720 0002 7469 4915
2. Sharbro Energy, LLC (Overriding Royalty Interest Owner)
P.O. BOX 840
Artesia, NM 88211
(See attached waiver of notice and protest)

Sincerely,

EOG Resources, Inc.

Chris Leyendecker, CPL
Landman

Exhibit D

Jordan Kessler

From: Chris Leyendecker
Sent: Friday, April 29, 2022 9:49 AM
To: Jordan Kessler
Subject: FW: Well Proposal: Almost Eddy 30 Fed Com #704H-#708H & #724H-#727H

From: Liz Baker <ebaker@sharbroenergy.com>
Sent: Friday, April 29, 2022 9:48 AM
To: Chris Leyendecker <Chris_Leyendecker@eogresources.com>; norma@sharbroenergy.com
Cc: Brian Pond <Brian_Pond@eogresources.com>; Matthew Gray <Matthew_Gray@eogresources.com>
Subject: RE: Well Proposal: Almost Eddy 30 Fed Com #704H-#708H & #724H-#727H

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Chris,

Yes I spoke with me team. We are in agreement that Sharbro will not protest and waive the notice period. Let me know if I need to sign something.

Thank you.

Liz Baker
Land Manager



Direct: 575-736-6606

Cell: 575-725-8191

ebaker@sharbroenergy.com

Sharbro Energy, LLC/Sharbro Holdings, LLC

Redeemed Holdings, LLC/Redeemed Holdings II, LLC

P.O. Box 840

Artesia, NM 88211

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From: Chris Leyendecker <Chris_Leyendecker@eogresources.com>
Sent: Friday, April 29, 2022 9:45 AM
To: Liz Baker <ebaker@sharbroenergy.com>; norma@sharbroenergy.com
Cc: Brian Pond <Brian_Pond@eogresources.com>; Matthew Gray <Matthew_Gray@eogresources.com>
Subject: RE: Well Proposal: Almost Eddy 30 Fed Com #704H-#708H & #724H-#727H

Hi Liz,

I apologize for the urgency on this, but since we're currently being penalized on a daily basis- I'm hoping to provide the NMOCD with your agreement to not protest and waive of the notice period so we can get a resolution sooner rather than later. Have you been able to run this issue by your team?

Thank You,

CHRIS LEYENDECKER, CPL
LANDMAN - DENVER DIVISION

EOG RESOURCES, INC.
600 17th St. #1000N
Denver, CO 80202
Cell: 303-552-6130

From: Chris Leyendecker
Sent: Thursday, April 28, 2022 3:19 PM
To: 'Liz Baker' <ebaker@sharbroenergy.com>; norma@sharbroenergy.com
Cc: Brian Pond <Brian_Pond@eogresources.com>; Matthew Gray <Matthew_Gray@eogresources.com>
Subject: RE: Well Proposal: Almost Eddy 30 Fed Com #704H-#708H & #724H-#727H

Hi Liz,

As I mentioned on the phone – It appears EOG has failed to submit an NSL for the Almost Eddy 30 Fed Com #724H which was brought to production appx 20 days ago. In an effort to reconcile this, we're urgently trying to get an NSL application submitted to the NMOCD. However, as the only affected party, I would greatly appreciate Sharbro's willingness to waive any notice period for the NSL application, along with your agreement not to protest the application.

Thank you so much for your help on this!

Sincerely,

CHRIS LEYENDECKER, CPL
LANDMAN - DENVER DIVISION

EOG RESOURCES, INC.
600 17th St. #1000N
Denver, CO 80202
Cell: 303-552-6130

From: Liz Baker <ebaker@sharbroenergy.com>
Sent: Monday, November 15, 2021 8:15 AM
To: Debbie Evans <Debbie_Evans@eogresources.com>; norma@sharbroenergy.com
Cc: Chris Leyendecker <Chris_Leyendecker@eogresources.com>
Subject: RE: Well Proposal: Almost Eddy 30 Fed Com #704H-#708H & #724H-#727H

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Jordan Lee Kessler
Phone: (432) 488-6108
Email: jordan_kessler@eogresources.com

April 29, 2022

VIA CERTIFIED MAIL

TO: BLM

Re: Application of EOG Resources, Inc. for administrative approval of an unorthodox well location for its Almost Eddy 30 Fed Com No. 724H well in the SW/4 of Section 30 and W/2 of Section 31, Township 25 South, Range 32 East, NMPM, 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:

Chris Leyendecker
EOG Resources, Inc.
(303) 552-6130
Chris_leyendecker@eogresources.com

Very truly yours,

A handwritten signature in blue ink, appearing to read "J. Kessler", written over a horizontal line.

Jordan Kessler
Senior Regulatory Advisor



EOG Resources, Inc.
5509 Champions Drive
Midland, TX 79706
(432) 686-3600

P.O. Box 2267
Midland, TX 79702

April 28, 2022

RE: EOG Resources NSL Application
Almost Eddy 30 Fed Com #724H

To Whom It May Concern:

A non-standard location is necessary to develop the Wolfcamp formation in these sections efficiently and in an economic manner. A non-standard location optimizes pressures related to the completion and production drawdown of the wells and is expected to yield a higher ultimate recovery than a standard location, thereby preventing waste and protecting correlative rights.

Sincerely,

EOG Resources, Inc.

Matthew Williamson

Matthew Williamson
Reservoir Engineer

energy opportunity growth

Exhibit E

District I

1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720

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811 S. First St., Artesia, NM 88210
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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

CONDITIONS

Action 102815

CONDITIONS

Operator: EOG RESOURCES INC P.O. Box 2267 Midland, TX 79702	OGRID: 7377
	Action Number: 102815
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Created By	Condition	Condition Date
llowe	NSL-8350 is approved. The order can be reviewed at the OCD Imaging web site: https://ocdimage.emnrd.nm.gov/imaging/AEOrderCriteria.aspx	4/29/2022