

2/05/2014 DATE IN	SUSPENSE	MAM ENGINEER	2/06/2014 LOGGED IN	NSL TYPE	PMAM/1403235818 APP NO.
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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]

7032  
- NSL

#### [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 \_\_\_\_\_

- EOG Resources  
7377

#### [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

- Dragon 36 State  
#9H  
30-025-41465

- Red Hills, upper  
Bone Springs Shale  
97900

#### [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.

MICHAEL H. FELDEWERT

Print or Type Name

Signature

ATTORNEY

Title

m.feldewert@chvandnewt.com  
e-mail Address

01/31/14

Date

February 4, 2014

**VIA HAND DELIVERY**

Jami Bailey  
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 Dragon 36 State 9H well in the E/2W/2 of Section 36, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico.**

Dear Ms. Bailey:

EOG Resources, Inc. (OGRID No. 7377) seeks administrative approval of an unorthodox well location for its **Dragon 36 State 9H Well** to be completed within the Red Hills; Upper Bone Spring Shale Pool (Pool Code 97900) underlying Section 36, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico. This well will be drilled from a surface location 220 feet from the South line and 2428 feet from the West line of Section 36. The upper most perforation will be located 330 feet from the South line and 2390 feet from the West line of Section 36 (Unit N) and the lower most perforation will be 330 feet from the North line and 2390 feet from the West line of Section 36 (Unit C). 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 boundary of the project area. Approval of the unorthodox completed interval will prevent waste of a productive portion of the reservoir and improve well performance.

**Exhibit A** is the Well Location and Acreage Dedication Plat (Form C-102), which shows that the completed interval of the proposed **Dragon 36 State 9H Well** encroaches on the spacing and proration units to the Southeast, East and Northeast.

**Exhibit B** is a land plat for Section 36 and the surrounding sections that shows the proposed **Dragon 36 State 9H Well** in relation to adjoining units and existing wells.

**Exhibit C** is a list of the parties affected by the encroachment to the Southeast and Northeast. Each of these parties have been provided notice of this application by certified mail. EOG is the sole operator and mineral lessee of the state lease covering Section 36. Accordingly, there are no

HOLLAND & HART<sup>LLP</sup>



affected parties by the encroachment to the East. Nonetheless, a copy of this application has been provided to the New Mexico State Land Office.

Your attention to this matter is appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael H. Feldewert", written in a cursive style.

Michael H. Feldewert  
**ATTORNEY FOR EOG RESOURCES, INC.**

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

District I  
 1750 S. Francis Dr., Hobbs, NM 88210  
 Phone: (505) 393-6161 Fax: (505) 393-0720  
 District II  
 311 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  
 1750 S. St. Francis Dr., Santa Fe, NM 87505  
 Phone: (505) 476-3460 Fax: (505) 476-3162

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		<sup>2</sup> Pool Code		<sup>3</sup> Pool Name	
<sup>4</sup> Property Code		<sup>5</sup> Property Name <b>DRAGON 36 STATE</b>			<sup>6</sup> Well Number <b>#9H</b>
<sup>7</sup> GRID No.		<sup>8</sup> Operator Name <b>EOG RESOURCES, INC.</b>			<sup>9</sup> Elevation <b>3474'</b>

<sup>10</sup>Surface Location

TL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	36	24-S	33-E	-	220'	SOUTH	2428'	WEST	LEA

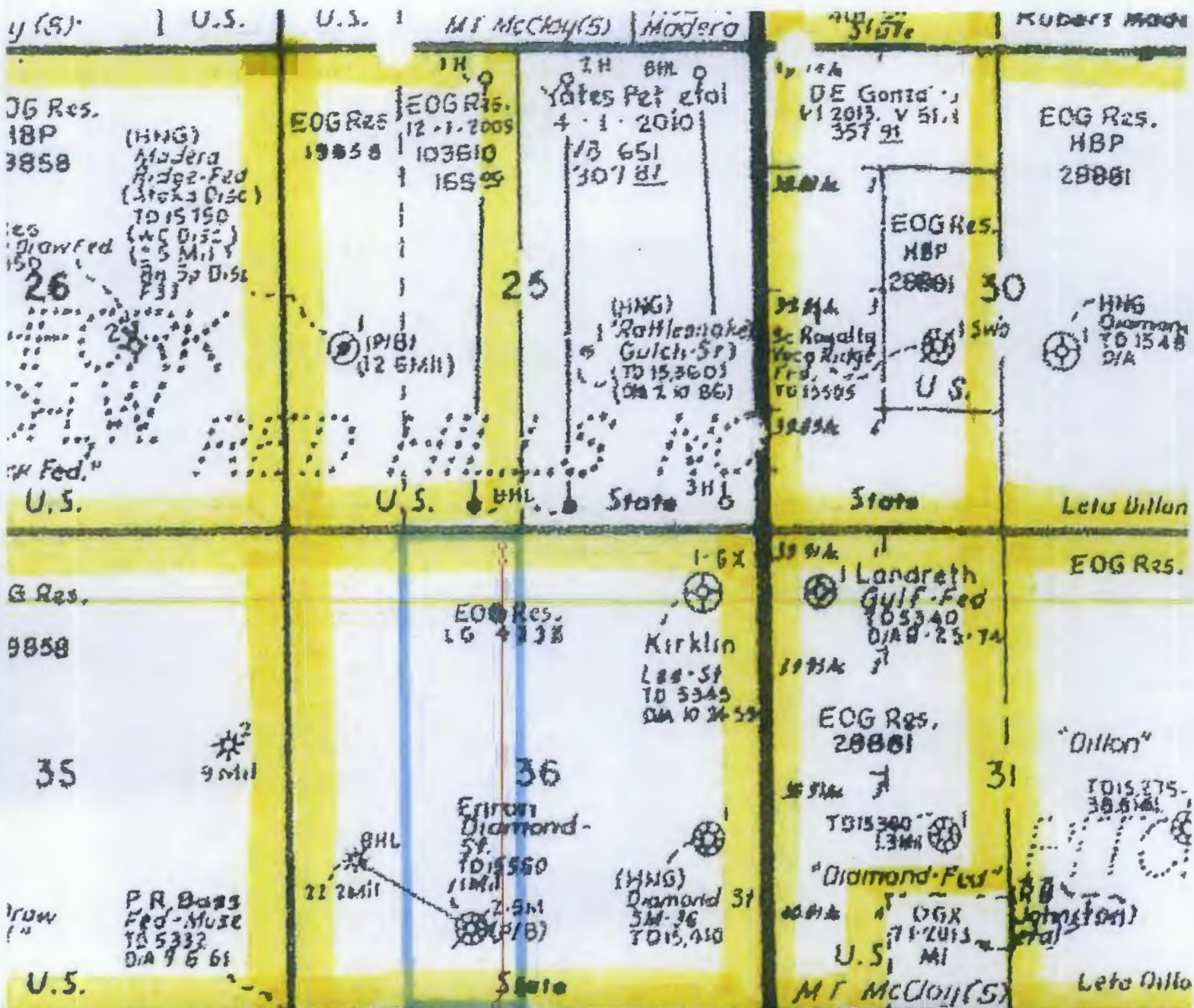
TL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	36	24-S	33-E	-	230'	NORTH	2390'	WEST	LEA

<sup>11</sup> Dedicated Acres	<sup>12</sup> Joint or Infill	<sup>13</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.

		<p><b><sup>17</sup>OPERATOR CERTIFICATION</b></p> <p>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.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p>
<p><b><sup>18</sup>SURVEYOR CERTIFICATION</b></p> <p>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.</p>		<p>8/29/2013</p> <p><b>PROFESSIONAL SURVEYOR</b></p> <p>NEW MEXICO</p> <p>18329</p> <p>Certificate Number</p>





EOG RESOURCES, INC. -  
DRAGON 36 STATE #9H

EXHIBIT

B

**Exhibit C**

**Notification List for Application for approval of an unorthodox well location for the  
Dragon 36 State 9H Well**

Yates Petroleum Corporation  
ATTN: Land Manager  
105 S. 4th Street  
Artesia, NM 88210.

Kaiser-Francis Oil Company  
PO Box 21468  
Tulsa, OK 74121-1468

Roden Associates Ltd.  
2603 Augusta Dr. Ste 740  
Houston, TX 77057-5677

Roden Participants, Ltd.  
2603 Augusta Dr. Ste 740  
Houston, TX 77057-5677

Estate of Sol West III, deceased, and Judith West  
c/o West Oil Company  
40 NE Loop 410 Suite 200  
San Antonio, TX 78216-0000

Endeavor Energy Resources, LP  
Suite 200  
110 North Marienfeld Street  
Midland, TX 79701-4421

Sydhan LP  
PO Box 92349  
Austin, TX 78709-0000

**HOLLAND & HART** LLP



**Michael H. Feldewert**  
Recognized Specialist in the Area of Natural  
Resources - oil and gas law - New Mexico  
Board of Legal Specialization  
mfeldewert@hollandhart.com

February 4, 2014

**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 Dragon 36 State 9H well in the E/2W/2 of Section 36, 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:

Dan McCright  
EOG Resources, Inc.  
T 432-686-3741  
F 432-686-3773  
dan\_mccright@eogresources.com

Sincerely,

Michael H. Feldewert  
ATTORNEY FOR EOG RESOURCES, INC.