

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] - NSL

7231

- [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

MICHIGAN STATE
 MICHIGAN STATE

- [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
#104
30-025-41464
-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		ATTORNEY	01/31/14
Print or Type Name	Signature	Title	Date
		m.feldewert@nolandhart.com	
		e-mail Address	



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 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

RECEIVED
FEB 10 2014
NEW MEXICO DEPARTMENT OF ENERGY
MINERALS AND NATURAL RESOURCES

Re: Application of EOG Resources, Inc. for administrative approval of an unorthodox well location for its Dragon 36 State 10H well in the W/2E/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 10H 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 2458 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 East line (Unit O) of Section 36 and the lower most perforation will be 330 feet from the North line and 2390 feet from the East line of Section 36 (Unit B). 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 western 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 10H Well** encroaches on the spacing and proration units to the Southwest, West and Northwest.

Exhibit B is a land plat for Section 36 and the surrounding sections that shows the proposed **Dragon 36 State 10H Well** in relation to adjoining units and existing wells.

Exhibit C is a list of the parties affected by the encroachment to the Southwest. 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 and is the sole operator and mineral

Holland & Hart LLP

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

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

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

HOLLAND & HART^{LLP}



lessee of the federal lease covering the W/2 of Section 25. Accordingly, there are no affected parties by the encroachment to the West and Northwest. Nonetheless, a copy of this application has been provided to the New Mexico State Land Office and the Bureau of Land Management.

Your attention to this matter is appreciated.

Sincerely,

Michael H. Feldewert
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) 393-9720
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
1226 S. St. Francis Dr., Santa Fe, NM 87503
Phone (505) 476-3460 Fax (505) 476-1162

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	² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name DRAGON 36 STATE	
⁷ OGRID No.	⁸ Operator Name EOG RESOURCES, INC.	⁶ Well Number #10H
		⁹ Elevation 3473'

¹⁰Surface Location

U.I. 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	2458'	WEST	LEA

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

¹² Dedicated Acres	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.

BOTTOM HOLE LOCATION
NEW MEXICO EAST
NAD 1927
X=750166
Y=430349
LAT: N 32.1895584
LONG: W 103.5247561

LOWER MOST PERF.
NEW MEXICO EAST
NAD 1927
X=750167
Y=430243
LAT: N 32.1902835
LONG: W 103.5247561

SURFACE LOCATION
NEW MEXICO EAST
NAD 1927
X=749767
Y=425517
LAT: N 32.1673395
LONG: W 103.5261619

UPPER MOST PERF.
NEW MEXICO EAST
NAD 1927
X=750201
Y=425630
LAT: N 32.1675894
LONG: W 103.5247560

¹⁷OPERATOR 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 unleased 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 unitary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____

Printed Name _____

E-mail Address _____

¹⁸SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat is plotted from field notes of actual surveys made by me or under my supervision, and that the same are true to the best of my belief.

Signature and Seal of Professional Surveyor

12/20/2012

18329

Certificate Number

EXHIBIT

A

U.S. U.S. MT McCloy(5) Madera State RUDERT MOON

16 Res. 1858 (HNG) Madera A. 202-F20 (Stock Disc) TD 15750 (AC Disc) (-5 Mil) B. 37 Disc F33
26
"Fed." U.S.

EOGR Res. 19858 103610 16500
12-1-2009
10H
Yates Pet et al 4-1-2010
13 651 307 81
25
"Rattlesnake Gulch-St" (TD 15,360) (DA 2 10 86)
U.S. BHL State 3H G

DE Gontz 12013, V 51.1 357 91
EOGR Res. HBP 28801 30
"Swiss"
U.S.
State

EOGR Res. HBP 28801
"Swiss"
U.S.
State

EOGR Res. HBP 28801
"HNG Overmark TD 1548 DIA"
Leta Dillon

3 Res. 1858
35
9 mil
P.R. Bass Fed-Muse TD 5332 DIA 9 5 61
U.S.

EOGR Res. LG 4738
36
Eriton Diamond-St TD 15550 (1 Mil) 2.5M (P/B)
BHL 22 2mil
State

1-6X
Kirklin LG-St TD 5345 DIA 10 24 59
"Diamond-St" 5M-26 TD 15,410 (HNG)
State

Landreth Gulf-Fed TD 5340 DIA 25-74
EOGR Res. 28801
TD 15360 (3M)
"Diamond-Fed"
UGX 7-1-2013
U.S. MI
MT McCloy(5)

EOGR Res.
"Dillon"
TD 15,275-38.8 Mil
Johnston
Leta Dillon

313506 Ac 113506 Ac

Francis) (L. OISE) Frank 1107
5114

EOG RESOURCES, INC. - DRAGON 36 STATE #10H

Wood EOG Res 108489
"Diamond 6" Fed "Marr Dis"
HNG Oil Diamond "6" Fed 37M TD 15,66

2 (HNG) Bell Lake -St. (3.4 Mil)
State

EOGR Res. 108502 107 (3) F358
"Red Hills No. Ut." (4)
BHL U.S.
210 (10) BHL 208

EOGR Res. HBP 108489
"Diamond 6" Fed
U.S. MI
M. McCloy
"Requiem No. Unit" F205 U.S. 606 H-WI
701(1) (Enron) (Diamo)

EXHIBIT B

Exhibit C

**Notification List for Application for approval of an unorthodox well location for the
Dragon 36 State 10H Well**

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

Roden Associated 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



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Resources - oil and gas law - New Mexico
Board of Legal Specialization
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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 10H well in the W/2E/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.