

9/26/2014 DATE IN	SUSPENSE	WAM ENGINEER	9/29/2014 LOGGED IN	NSL TYPE	PMAM1427232447 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]** - NSL-7177  
**[DHC-Downhole Commingling]** **[CTB-Lease Commingling]** **[PLC-Pool/Lease Commingling]** - EOG-RESOURCES  
**[PC-Pool Commingling]** **[OLS - Off-Lease Storage]** **[OLM-Off-Lease Measurement]** 7377  
**[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]** WCI

- [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 \_\_\_\_\_
- [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
- [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.

Gabrielle A. Gerholt	<i>Gabrielle A. Gerholt</i>	Attorney	9/26/14
Print or Type Name	Signature	Title	Date
		gagerholt@hollandhart.com	
		e-mail Address	



September 26, 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 Jolly Roger 16 State #503H Well to be located in Section 16, Township 24 South, Range 34 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 **Jolly Roger 16 State #503H Well** to be completed within the Red Hills; Bone Spring, North Pool (Pool Code 96434) underlying Section 16, Township 24 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This well will be drilled from a surface location 150 feet from the North line and 1016 feet from the West line of Section 16, Township 24 South, Range 34 East. The upper most perforation will be 330 feet from the North line and 1016 feet from the West line of Section 16 (Unit D) and the lower most perforation will be 330 feet from the South line and 1016 feet from the West line of Section 16 (Unit M). 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. Approval of the unorthodox completed interval will prevent waste of a productive 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 **Jolly Roger 16 State #503H Well** encroaches on the spacing and proration unit to the Northeast, East and Southeast.

**Exhibit B** is a land plat for Section 16 and the surrounding sections that shows the proposed **Jolly Roger 16 State #503H Well** in relation to adjoining units and existing wells.



**Exhibit C** is a list of affected parties by the encroachment to the Northeast. EOG is the sole operator and mineral lessee of the state lease covering the W/2 of Section 16 and of the federal lease covering the NW/4 of Section 21. A copy of this application with all attachments has been sent by certified mail to all affected parties to the Northeast and the Bureau of Land Management for the federal lease in the NW/4 of Section 21 advising them 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.

Your attention to this matter is appreciated.

Sincerely,

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

cc: 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) 393-0720  
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., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

HOBBS OGD

State of New Mexico  
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 <b>30-025-42159</b>		<sup>2</sup> Pool Code <b>96434</b>	<sup>3</sup> Pool Name <b>Red Hills, Bone Spring, North</b>
<sup>4</sup> Property Code <b>40398</b>	<sup>5</sup> Property Name <b>JOLLY ROGER 16 STATE</b>		<sup>6</sup> Well Number <b>#503H</b>
<sup>7</sup> GRID No. <b>7377</b>	<sup>8</sup> Operator Name <b>EOG RESOURCES, INC.</b>		<sup>9</sup> Elevation <b>3557'</b>

## <sup>10</sup>Surface Location

U/L or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>D</b>	<b>16</b>	<b>24-S</b>	<b>34-E</b>	<b>-</b>	<b>150'</b>	<b>NORTH</b>	<b>1016'</b>	<b>WEST</b>	<b>LEA</b>

U/L or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>M</b>	<b>16</b>	<b>24-S</b>	<b>34-E</b>	<b>-</b>	<b>230'</b>	<b>SOUTH</b>	<b>1016'</b>	<b>WEST</b>	<b>LEA</b>

<sup>11</sup> Dedicated Acres <b>160.00</b>	<sup>12</sup> Joint or Infill	<sup>13</sup> Consolidation Code	<sup>14</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.

	<b>SURFACE LOCATION</b> NEW MEXICO EAST NAD 1927 X=763982 Y=446362 LAT.: N 32.2242847 LONG.: W 103.4796822	<b><sup>17</sup>OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that the 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 under authority entered by the division.  <i>Renee Jarratt</i> 9/30/14 Signature Date Renee Jarratt Printed Name  E-mail Address	
	<b>UPPER MOST PERF.</b> NEW MEXICO EAST NAD 1927 X=763984 Y=446182 LAT.: N 32.2237888 LONG.: W 103.4796816		<b><sup>18</sup>SURVEYOR CERTIFICATION</b> 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 Signature  Certificate Number
	<b>LOWER MOST PERF.</b> NEW MEXICO EAST NAD 1927 X=764025 Y=441564 LAT.: N 32.2110945 LONG.: W 103.4796775		
	<b>BOTTOM HOLE LOCATION</b> NEW MEXICO EAST NAD 1927 X=764026 Y=441484 LAT.: N 32.2108197 LONG.: W 103.4796772		





**Exhibit C**

Concho Operating, LLC  
One Concho Center  
600 W. Illinois Ave.  
Midland, TX 79701

Roy G. Barton, Jr.  
1919 Turner St.  
Hobbs, NM 88240

Richard Lyons Moore  
P.O. Box 94077  
Southlake, TX 76092

Michael Harrison Moore  
P.O. Box 51570  
Midland, TX 79710

University of the Southwest Foundation  
6610 Lovington Hwy.  
Hobbs, NM 88240