MAIN

9/29/2014

NSL

PMAM14272-32447

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-7/77 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling] - EOGHESOUNCE [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] - JOLLY ROJER 16 State #503H [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A] Location - Spacing Unit - Simultaneous Dedication NSL ☐ NSP ☐ SD Check One Only for [B] or [C] 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 Working, Royalty or Overriding Royalty Interest Owners [A] Offset Operators, Leaseholders or Surface Owner [B] [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 For all of the above, Proof of Notification or Publication is Attached, and/or, [E] [F] Waivers are Attached [3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE. 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. Servill attends attorney 9/26/14

Title 9 Date

gagerholt@hollardhart.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

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

<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax (575) 393-0720 District II 811 5 First St., Artesia, NM 88210 Phone, (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Azrec, NM 87410 Phone: (505) 334-6178 Fax. (505) 334-6170 District IV 1220 S St Francis Dr., Same Fe, NM 87505

Phone: (505) 476-3460 Fax. (505) 476-3462

HOBBS OCD State of New Mexico SEP 3 Greeky, 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

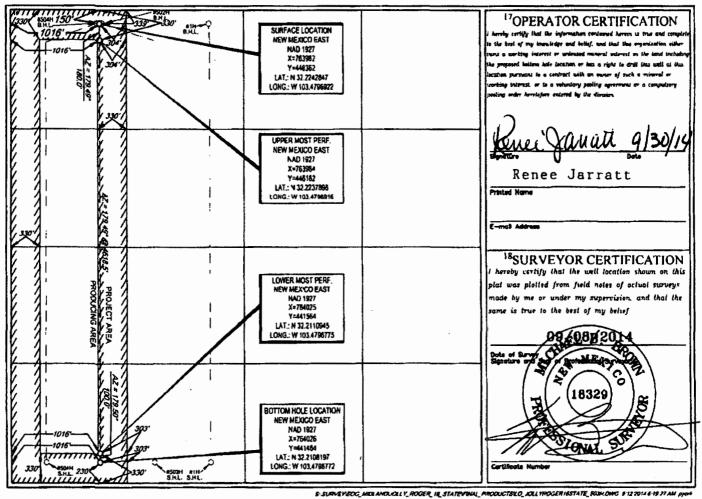
AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number				² Pool Code Paol Name							
30-025-42159			96434			ed Hills,	d Hills, Bone SPring,			North	
Property Code		⁵ Property Name								Well Number	
40398		JOLLY ROGER 16 STATE							#503H		
OGRID No.		Operator Name							Elevation		
7377				EOG RESOURCES, INC.						3557'	
¹⁰ Surface Location											
L'L or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	Ea	st/West line		County
D	16	24-S	34-E	-	150'	NORTH	1016'	WE	ST	LEA	

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	16	24-S	34-E	-	230'	SOUTH	1016'	WEST	LEA
12 Dedicated Acres	13 Joint or 1	nfill ''Ct	ensolidation Co	de 15Ord	ler No.				
160.00	1	- 1		ı					

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.



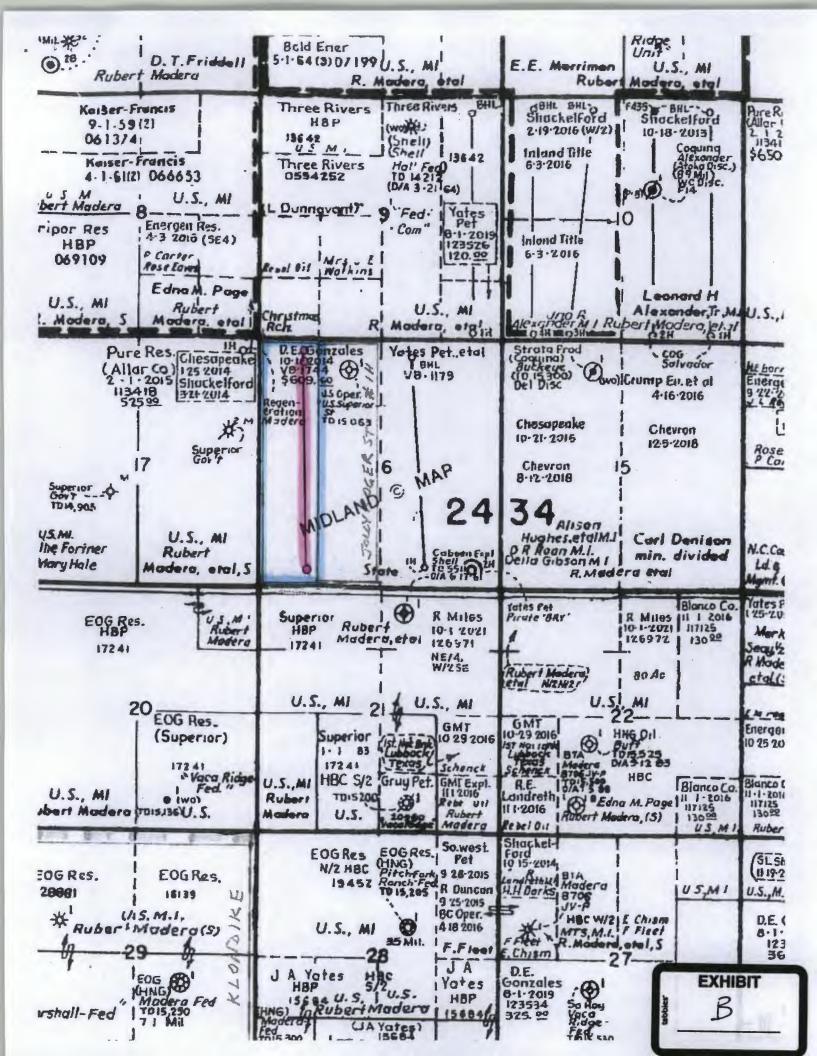


Exhibit C

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