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|----------------------|----------|-------------------|------------------------|-------------|---------------------------|
| 9/26/2014 DATE IN | SUSPENSE | M A M ENGINEER | 9/29/2014 LOGGED IN | NSL TYPE | PMA41427232987 APP NO. |
|----------------------|----------|-------------------|------------------------|-------------|---------------------------|

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 7176
- EDG Resources
7377
Well
- Jolly Boyen
16 State #5024
30-025-Redding
Pool 42158
- Red Hills, Bowe
Springs, north
96434

- [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.

Gabriel A. Gerholt *Gabriel A. Gerholt* 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

SEP 29 2014
11:23 AM
NEW MEXICO
DEPT OF ENERGY

Re: Application of EOG Resources, Inc. for administrative approval of an unorthodox well location for its Jolly Roger 16 State #502H 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 #502H 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 1046 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 1631 feet from the West line of Section 16 (Unit C) and the lower most perforation will be 330 feet from the South line and 1631 feet from the West line of Section 16 (Unit N). 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 #502H Well** encroaches on the spacing and proration unit to the Northwest, West and Southwest.

Exhibit B is a land plat for Section 16 and the surrounding sections that shows the proposed **Jolly Roger 16 State #502H Well** in relation to adjoining units and existing wells.



September 26, 2014
Page 2

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. Concho Operating, LLC is the only party affected by the encroachment to the Northwest. A copy of this application with all attachments has been sent by certified mail to Concho and the Bureau of Land Management 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

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

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (505) 393-6161 Fax: (505) 393-0720
District II
511 S. First St., Artesia, NM 88210
Phone: (505) 748-1283 Fax: (505) 748-9720
District III
1000 Rio Brazos Road, Artec, 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 OCD

SEP 30 2014

RECEIVED

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 30-025-42158 | ² Pool Code 96434 | ³ Pool Name Red Hills, Bone Spring, North |
| ⁴ Property Code 40398 | ⁵ Property Name JOLLY ROGER 16 STATE | ⁶ Well Number #502H |
| ⁷ GRID No. 7377 | ⁸ Operator Name EOG RESOURCES, INC. | ⁹ Elevation 3557' |

¹⁰Surface Location

| U.L. or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|-----------------|-----------|-------------|-------------|----------|---------------|------------------|---------------|----------------|------------|
| D | 16 | 24-S | 34-E | - | 150' | NORTH | 1046' | WEST | LEA |

| U.L. or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|-----------------|-----------|-------------|-------------|----------|---------------|------------------|---------------|----------------|------------|
| N | 16 | 24-S | 34-E | - | 230' | SOUTH | 1631' | WEST | LEA |

| | | | |
|--|-------------------------------|----------------------------------|-------------------------|
| ¹¹ Dedicated Acres 160.00 | ¹² Joint or Infill | ¹³ Consolidation Code | ¹⁴ Order No. |
|--|-------------------------------|----------------------------------|-------------------------|

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.

| | | | |
|--|--|---|---|
| | ¹⁶ SURFACE LOCATION NEW MEXICO EAST NAD 1927 X=784012 Y=446363 LAT.: N 32.2242846 LONG.: W 103.4799952 | ¹⁷ OPERATOR 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 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 is a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. <i>Renee Jarratt</i> 9/30/14 Signature Date Renee Jarratt Printed Name E-mail Address | |
| | ¹⁸ UPPER MOST PERF. NEW MEXICO EAST NAD 1927 X=784599 Y=446186 LAT.: N 32.2237863 LONG.: W 103.4777030 | | ¹⁸ SURVEYOR CERTIFICATION 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 and Seal of Professional Surveyor Certificate Number |
| | ¹⁹ LOWER MOST PERF. NEW MEXICO EAST NAD 1927 X=784640 Y=441568 LAT.: N 32.2110921 LONG.: W 103.4776892 | | |
| | ²⁰ BOTTOM HOLE LOCATION NEW MEXICO EAST NAD 1927 X=784641 Y=441468 LAT.: N 32.2108172 LONG.: W 103.4776889 | | |

S:\SURVEY\EOG_MIDLAND\JOLLY_ROGER_16_STATE\FINAL_PRODUCTS\EOG_JOLLY ROGER 16 STATE_502H.DWG 9/12/2014 6:17:01 AM pjo

Exhibit A

OCT 01 2014

McMillan, Michael, EMNRD

From: Kautz, Paul, EMNRD
Sent: Monday, September 29, 2014 8:36 AM
To: McMillan, Michael, EMNRD
Subject: RE: EOG Jolly Roger 16 State 503H and 502H pools

Mike,

[96434] RED HILLS;BONE SPRING, NORTH

Paul

From: McMillan, Michael, EMNRD
Sent: Monday, September 29, 2014 8:16 AM
To: Kautz, Paul, EMNRD
Subject: EOG Jolly Roger 16 State 503H and 502H pools

Paul:
Can you tell me the pool for the EOG Jolly Roger 16 State **503H**. Initial Perf 330 FNL, 1016 FWL. Lower perf 330 FSL 1016 FSL. Sec 16 TS24S R34E?
502H perf: 330FNL, 1631 FWL. Lower perf 330 FNL, 1631 FWL. Sec 16 TS24S R34E
Thank You
Mike