

RECEIVED: 02/14/19	REVIEWER: LRL	TYPE: NSL	APP NO: pLEL1905048262
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & 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

Applicant: EOG Resources, Inc. **OGRID Number:** 7377
Well Name: Gem 36 State Com No. 102H Well **API:** 30-025-45526
Pool: Upper Bone Spring Shale Pool **Pool Code:** 97838

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
 A. Location – Spacing Unit – Simultaneous Dedication
☒ NSL ☐ NSP (PROJECT AREA) ☐ NSP (PRORATION UNIT) ☐ SD
 B. Check one only for [I] or [II]
 [I] Commingling – Storage – Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM
 [II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
 A. ☐ Offset operators or lease holders
 B. ☐ Royalty, overriding royalty owners, revenue owners
 C. ☐ Application requires published notice
 D. ☒ Notification and/or concurrent approval by SLO
 E. ☐ Notification and/or concurrent approval by BLM
 F. ☐ Surface owner
 G. ☐ For all of the above, proof of notification or publication is attached, and/or,
 H. ☐ No notice required

FOR OCD ONLY

- ☐ Notice Complete
☐ Application Content Complete

- 3) **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.

Adam G. Rankin

Print or Type Name

Signature

February 14, 2019

Date

505-988-4421

Phone Number

agrarkin@hollandhart.com

e-mail Address



Adam G. Rankin
Associate
Phone (505) 954-7294
Fax (505) 983-6043
AGRRankin@hollandhart.com

February 14, 2019

VIA HAND DELIVERY

Heather Riley
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 Gem 36 State Com No. 102H Well in the W/2 E/2 of Section 36, Township 25 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Dear Ms. Riley:

EOG Resources, Inc. (OGRID No. 7377) seeks administrative approval of an unorthodox well location for its **Gem 36 State Com No. 102H Well** (API No. 30-025-45526) to be completed within the Jennings; Upper Bone Spring Shale Pool (Pool Code 97838) underlying the W/2 E/2 of Section 36, Township 25 South, Range 32 East, N.M.P.M., Lea County, New Mexico. This well will be drilled from a surface location 324 feet from the north line and 1,670 feet from the east line (Unit B) of Section 36. The upper most perforation will be located 100 feet from the north line and 1,460 feet from the east line (Unit B) of Section 36 and the lower most perforation will be 100 feet from the south line and 1,460 feet from the east line (Unit O) of Section 36. Since this acreage is governed by the Division's statewide rules, the completed interval for this well will be unorthodox because it is approximately 134 feet to the eastern boundary of the spacing unit. Approval of the unorthodox completed interval will allow EOG to use their preferred well spacing plan for horizontal wells in this area and thereby prevent waste.

Exhibit A is a Well Location and Acreage Dedication Plat (Form C-102), which shows that the completed interval of the proposed **Gem 36 State Com No. 102H Well** encroaches on the tracts to the east.

Exhibit B is a land plat for Section 36 that shows the proposed **Gem 36 State Com No. 102H Well** in relation to adjoining units and existing wells in Section 36. This exhibit also shows EOG's well spacing pattern for the subject area.



Exhibit C is a certification of the ownership in the E/2 E/2 of Section 36, the affected tract to the East. Because the W/2 E/2 and the E/2 E/2 of Section 36 have identical ownership, there are no affected parties. Each of the parties listed on Exhibit C have been provided notice of this application by certified mail. A copy of this application has been provided to the State Land Office.

Exhibit D is a statement from an engineer confirming that EOG's requested unorthodox location is necessary to optimize well spacing, thereby preventing waste.

Your attention to this matter is appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam G. Rankin".

Adam G. Rankin
ATTORNEY FOR EOG RESOURCES, INC.

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

HOLLAND & HART LLP



Adam G. Rankin

Associate

Phone (505) 954-7294

Fax (505) 983-6043

AGRankin@hollandhart.com

February 14, 2019

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 Gem 36 State Com No. 102H Well in the W/2E/2 of Section 36, Township 25 South, Range 32 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:

Charles Moran
EOG Resources, Inc.
(432) 686-3684
Charles_Moran@eogresources.com

Sincerely,

Adam G. Rankin

ATTORNEY FOR EOG RESOURCES, INC.

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

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 GEM 36 STATE COM		⁶ Well Number 102H
⁷ OGRID No.	⁸ Operator Name EOG RESOURCES, INC.		⁹ Elevation 3426'

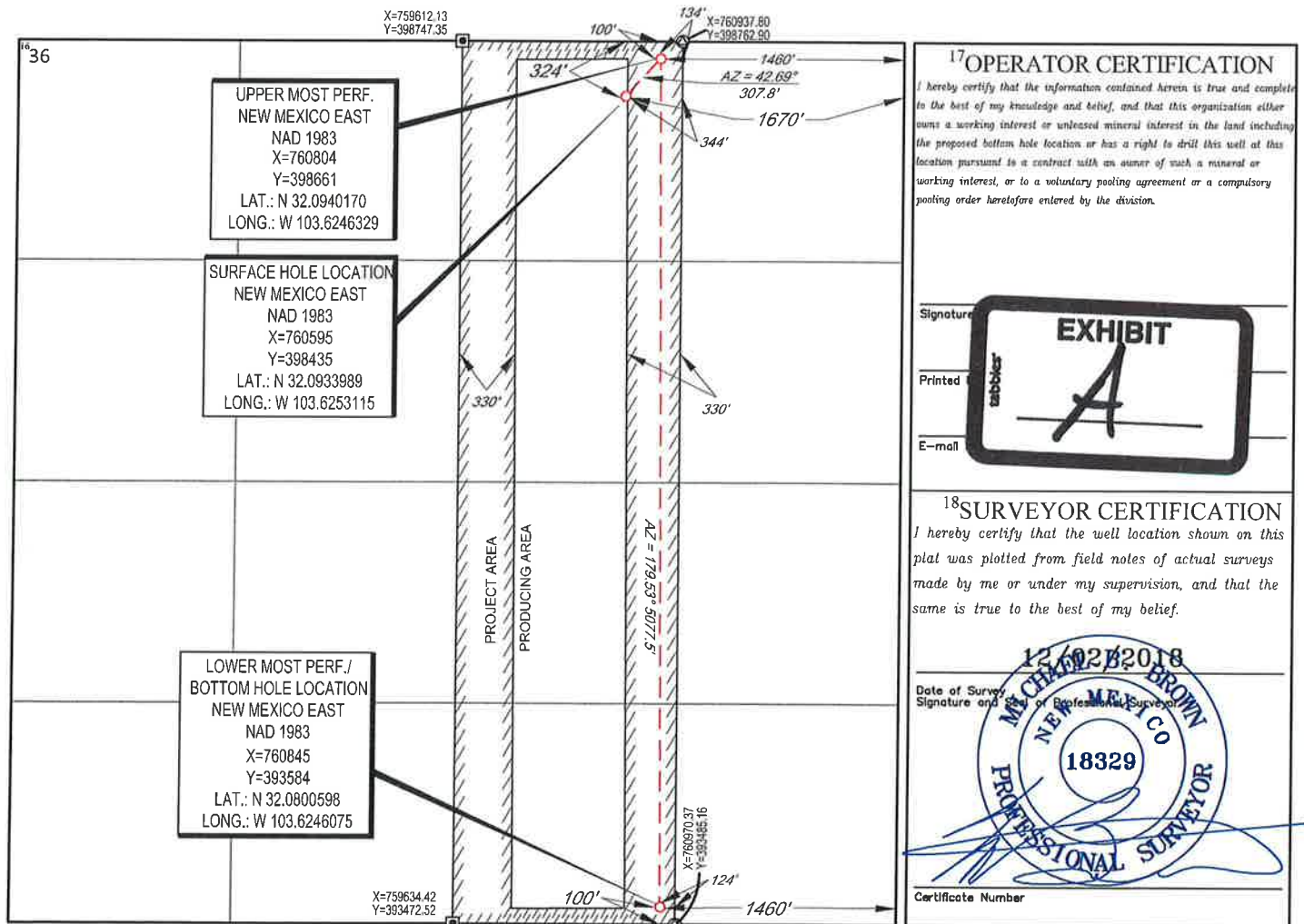
¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	36	25-S	32-E	-	324'	NORTH	1670'	EAST	LEA

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	36	25-S	32-E	-	100'	SOUTH	1460'	EAST	LEA

¹² Dedicated Acres 160.00	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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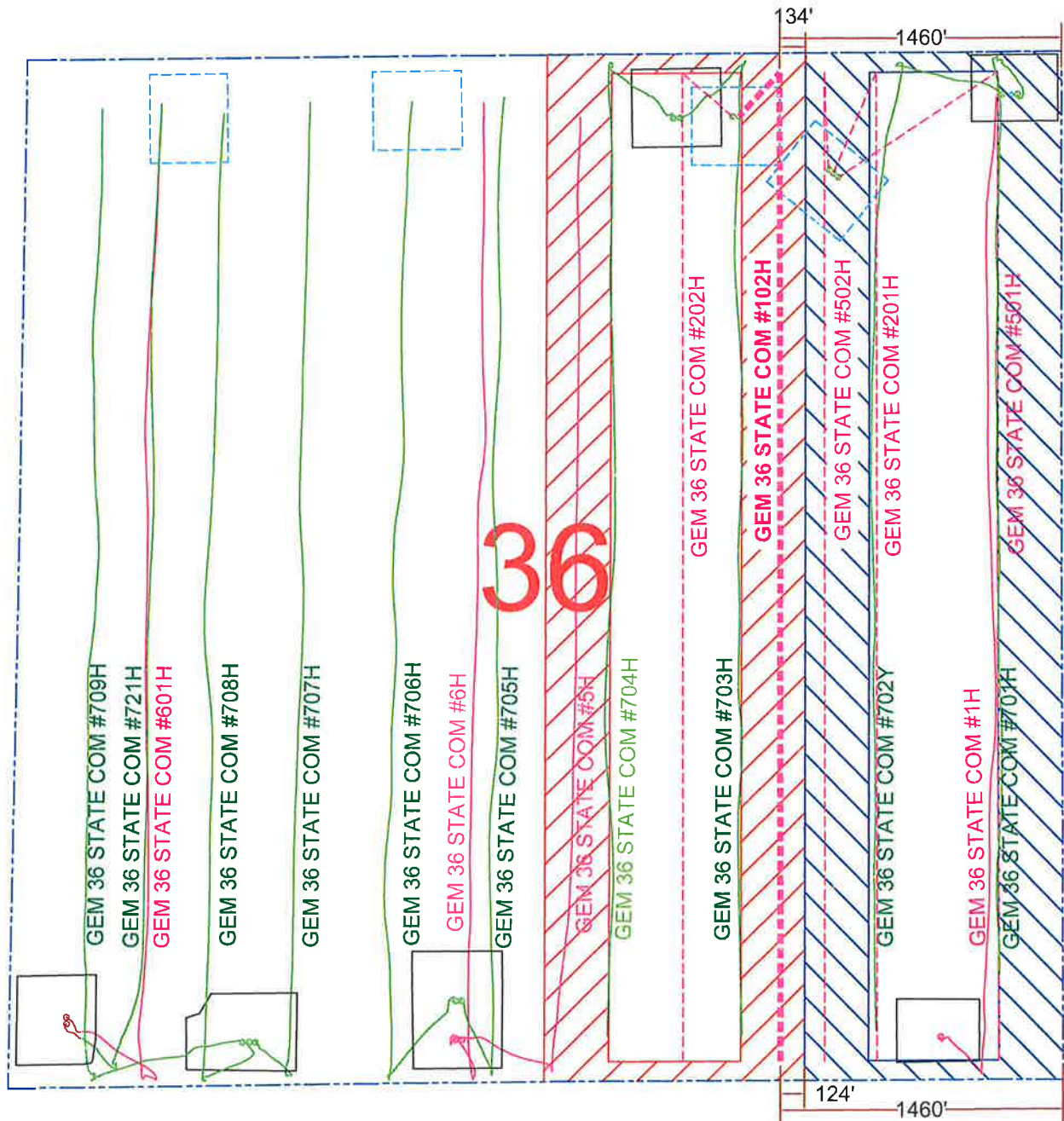
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



T-25-S, R-32-E, LEA COUNTY

UNORTHODOX LOCATION APPLICATION

GEM 36 STATE COM # 102H



HZ SPACING UNIT
FOR PROPOSED WELL



AFFECTED PARTIES



WOLFCAMP

PROPOSED WELL

EXISTING WELL

BONE SPRING

PROPOSED WELL

EXISTING WELL

EXHIBIT

B

Weller

Certification of Ownership

I have reviewed the ownership of the oil and gas leasehold in Section 36, T25S-R32E, Lea County, New Mexico, for purposes of the unorthodox location for EOG Resources, Inc.'s Gem 36 State Com #102H in the W/2E/2 of Section 36. As of this date below, the affected parties are:

EOG Resources, Inc. 5509 Champions Drive Midland, Texas 79706
Oxy Y-1 Company Attn: Permian Land Manager – New Mexico P. O. Box 4294 Houston, Texas 77210-4294
New Mexico State Land Office P. O. Box 1148 Santa Fe, New Mexico 87504

EOG Resources, Inc.


Charles Moran

Land Advisor

February 12, 2019

EXHIBIT





Shipment Confirmation Acceptance Notice

A. Mailer Action

Note to Mailer: The labels and volume associated to this form online, **must** match the labeled packages being presented to the USPS® employee with this form.

EOG Resources - Gem 36 102H Well
CM# 44497.0001 NSL
Notice List w/ SLO

Shipment Date: 02/14/2019

Shipped From:

Name: HOLLAND & HART LLP

Address: 110 N GUADALUPE ST # 1

City: SANTA FE

State: NM ZIP+4® 87501

Type of Mail	Volume
Priority Mail Express®*	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	3
Total	3

*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

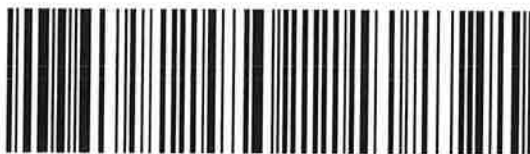
B. USPS Action

Note to RSS Clerk:

1. Home screen > Mailing/Shipping > More
2. Select Shipment Confirm
3. Scan or enter the barcode/label number from PS Form 5630
4. Confirm the volume count message by selecting Yes or No
5. Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail.
Leave form with customer or in customer's mail receptacle.

USPS SCAN AT ACCEPTANCE



9275 0901 1935 6200 0012 7403 68



Firm Mailing Book For Accountable Mail

[illegible]

February 11, 2019

Re: EOG Resources, Inc. NSL Application
Gem 36 State Com #102H (Well)
W/2E/2 Sec. 36, T25S-R32E
Lea County, New Mexico

To Whom it may concern:

Considering the spacing of existing wells in the Leonard portion of the Bone Spring formation and production in the section, EOG believes the non-standard location is necessary to develop the Leonard A resource in an economic fashion. Based on current Leonard wells in Section 36-T25S-R32E, placing the well at this location prevents completion energy distribution to be skewed into a region of lower pressure caused by offset depletion, negatively impacting well's production. Granting the exception will allow for more total production from the section and more efficient development of the asset therefore protecting correlative rights.

Sincerely

EOG Resources, Inc.



Matt Mason
Reservoir Engineer I



Shipment Confirmation Acceptance Notice

A. Mailer Action

Note to Mailer: The labels and volume associated to this form online, **must** match the labeled packages being presented to the USPS® employee with this form.

EOG Resources - Gem 36 102H Well
CM# 44497.0001 NSL
Notice List w/ SLO

Shipment Date: 02/14/2019

Shipped From:

Name: HOLLAND & HART LLP

Address: 110 N GUADALUPE ST # 1

City: SANTA FE

State: NM ZIP+4® 87501

Type of Mail	Volume
Priority Mail Express®	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	3
Total	3

*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

B. USPS Action

Note to RSS Clerk:

1. Home screen > Mailing/Shipping > More
2. Select Shipment Confirm
3. Scan or enter the barcode/label number from PS Form 5630
4. Confirm the volume count message by selecting Yes or No
5. Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail.
Leave form with customer or in customer's mail receptacle.

USPS SCAN AT ACCEPTANCE



9275 0901 1935 6200 0012 7403 68



Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Tuesday, February 26, 2019 5:18 PM
To: 'Adam Rankin'
Cc: Brown, Maxey G, EMNRD; Kautz, Paul, EMNRD; Holm, Anchor E.; 'lisa@rwbyram.com'; Jones, William V, EMNRD; McMillan, Michael, EMNRD; Goetze, Phillip, EMNRD; Dawson, Scott, EMNRD; Murphy, Kathleen A, EMNRD; Warnell, Terry G, EMNRD
Subject: APPROVED NSL-7832_EOG Resources, INC_Gem 36 State Com Well No. 102H_SEC 36 25S 32E
Importance: High

Mr. Adam Rankin,

The following administrative order has been issued and will soon be available on the Division's web site:
<http://ocdimage.emnrd.state.nm.us/Imaging/Default.aspx>

NSL-7831

EOG Resources, Inc.

API #: 30-025-45526

WELL: Gem 36 State Com Well No. 102H

Leonard Lowe

Engineering Bureau

Oil Conservation Division

Energy Minerals and Natural Resources Department

1220 South St. Frances

Santa Fe, New Mexico 87004

Office: 505-476-3492

Cell: 505-930-6717

Fax: 505-476-3462

E-mail: leonard.lowe@state.nm.us

Website: <http://www.emnrd.state.nm.us/ocd/>