NSL

Initial

Application

Received: 12/24/19

Revised March 23, 2017

RECEIVED: 12/24/19 REVIEWER: L	LRL	TYPE: NSL		EL1935829400
- Ge	MEXICO OIL C eological & Er	THIS TABLE FOR OCD DIVISION USE OC CONSERVATION ngineering Bure rive, Santa Fe, I	au –	· · · · · · · · · · · · · · · · · · ·
ADM		APPLICATION C	HECKLIST	
THIS CHECKLIST IS MANDATOR REGULATIONS V		RATIVE APPLICATIONS FO CESSING AT THE DIVISION		DIVISION RULES AND
Applicant: EOG Resources, Inc.				Number:
Well Name: Neptune 10 State Com #102H W	/ell		API : <u>30-02</u>	
Pool: Triplex; Bone Spring				ode: 59900
 SUBMIT ACCURATE AND COMPLE TYPE OF APPLICATION: Check A. Location – Spacing Unit – 	INDIC those which a Simultaneous	ATED BELOW pply for [A] Dedication		
B. Check one only for [1] or [1] Commingling – Storag	ge – Measuren PLC Pressure Incre	PC LOLS ase – Enhanced		FOR OCD ONLY
 2) NOTIFICATION REQUIRED TO: C A. Offset operators or lea B. Royalty, overriding roy C. Application requires p D. Notification and/or co E. Notification and/or co F. Surface owner G. For all of the above, p H. No notice required 	ise holders valty owners, re published notic oncurrent appr oncurrent appr	evenue owners e roval by SLO roval by BLM	on is attache	 Notice Complete Application Content Complete
3) CERTIFICATION: I hereby certify administrative approval is acc understand that no action will notifications are submitted to t	urate and con be taken on th	nplete to the bes	st of my know	ledge. I also
Note: Statement must be	completed by an i	ndividual with manage	erial and/or superv	isory capacity.
Kaitlyn A. Luck		12/2 Da	20/2019 te	
Print or Type Name				
HARALL		-	-954-7286 one Number	
1.112.0000	£		luck@hollandhart.co	om
Signature		e-r	nail Address	

Signature



Kaitlyn A. Luck Phone (505) 954-7286 kaluck@hollandhart.com

December 20, 2019

VIA ONLINE FILING

Adrienne Sandoval 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 Neptune 10 State Com #102H Well in the W/2 E/2 of Sections 3 and 10, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico.

Dear Ms. Sandoval:

EOG Resources, Inc. (OGRID No. 7377) seeks administrative approval of an unorthodox well location for its **Neptune 10 State Com #102H Well** (API No. 30-025-pending) to be completed within the Triplex; Bone Spring Pool (59900) underlying the W/2 E/2 of Section 3 and 10, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico.

This well will be drilled from a *surface location* 874 feet from the south line and 1690 feet from the east line (Lot 2) of Section 10. The *first take point* will be located 100 feet from the south line and 2393 feet from the east line (Unit O) of Section 10, and the *last take point* will be 100 feet from the north line and 2393 feet from the east line (Lot 2) of Section 3. Since this acreage is governed by the Division's statewide rules, the completed interval for this well will be unorthodox because it is closer than the standard offsets to the western 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 **Neptune 10 State Com #102H Well** encroaches on the spacing units or tracts to the west.

Exhibit B is a land plat for Sections 3 and 10, and the surrounding spacing units, that shows the proposed **Neptune 10 State Com #102H Well** in relation to adjoining units and existing wells.

Exhibit C is EOG's Certification of Ownership listing the parties affected by the encroachment to the west. 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 New Mexico State Land Office since state lands are involved.

OPERATOR	NAME	DATE SENT	WAIVER RECEIVED
1	EOG Resources, Inc.	N/A	N/A
2	Devon Energy Production	12/19/19	
	Company, L.P.		
3	Canaan Resources Drilling	12/19/19	_
	Company, LLC		
4	CRP XII, LLC	12/19/19	
5	New Mexico State Land	12/19/19	and the second second second
	Office		

Exhibit D are copies of the waivers requested from each of the affected parties:

Exhibit E is statement from a petroleum engineer providing justification for the needed exception.

Your attention to this matter is appreciated.

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Sincerely,

Kaitlyn A. Luck ATTORNEY FOR EOG RESOURCES, INC.



Kaitlyn A. Luck Phone (505) 954-7286 kaluck@hollandhart.com

December 20, 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 Neptune 10 State Com #102H Well in the W/2 E/2 of Sections 3 and 10, 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:

Chloe Sawtelle EOG Resources, Inc. (432) 686-3660 Chloe_Sawtelle@eogresources.com

Sincerely,

kaitlyn A. Luck ATTORNEY FOR EOG RESOURCES, INC.

District 1 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. K. Francis Dr., Sante 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. Sante Fe, NM 87505



FORM C-102

Page 5 of 20

August 1, 2011

Submit one copy to appropriate

District Office

AMENDED REPORT

		W	ELL LO	OCATIO	N AND AC	REAGE DEDIC	ATION PLA	Т		
	API Number			² Pool Code			³ Pool Na	ame		
-					50	N)			6.	Vell Number
⁴ Property C	Code			NEF	³ Propert PTUNE 10	STATE COM				102H
70GRID N	No.			EC	⁸ Operate DG RESOU	Pr Name IRCES, INC.				⁹ Elevation 3604'
2.84					¹⁰ Surface	Location				
UL or lot no.	Section	Township	Range	Lot Idn		he North/South line	Feet from the	Ea	st/West line	County
0	10	24-S	33-E	-	874'	SOUTH	1690'	EAS	ST	LEA
	· · · · · ·		11	Bottom Ho	le Location I	f Different From Su	rface			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from t	he North/South line		Ea	st/West line	County
2	3	24-S	33-E	-	100'	NORTH	2393'	EAS	ST	LEA
¹² Dedicated Acres 320.08	¹³ Joint or I	nfill ¹⁴ Cons	solidation Co	de ¹⁵ Ord	er 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.

			X=780340.37 Y=456959.99	 100'		X=781659.51 Y=456967.18				
16.)	LAT.	R MOST PERF./ M HOLE LOCATIC MEXICO EAST NAD 1983 X=780587 Y=456861 : N 32.2536165 : W 103.5594048			ALL	2393'				¹⁷ OPERATOR CERTIFICATION I haveby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either runns a working interest or unleased mineral interest in the land including the proposed belief hole becalism or has a right to drill this well at this location pursuant to a contract with an ouncer of such a mineral or working interest, or to a voluntary puoling agreement or a compulsory pooling order hereisfore entered by the division.
	LAT	NAD 1927 X=739403 Y=456802 .: N 32.2534928 .: W 103.5589252 3	X=760380.62 Y=451678.32	AZ = 359.57°, 10358.9'		• 3	2			Signature Date Printed Nome E-mail Address
	9	10	330'	10	SCING UNIT	10 330'	11	SURFACE LOCAT NEW MEXICO E/ NAD 1983 X=781360		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
	NEW MEX NAC X=7 Y=4 LAT.: N 3 LONG.: W NAC X=7 Y=4 LAT.: N 3	OST PERF. XICO EAST) 1983 80664 46503 82.2251430 103.5593958 0 1927 '39480 146444 22.2250191 103.5589178	AZ = 221.82* 1044.4' 243' X=780421.57 Y=46401.27		and the second s	373' 1690' 874' 2393' ×-781'39.57 ×-486499.44		X-761300 Y=447281 LAT.: N 32.22721 LONG.: W 103.557 NAD 1927 X=740176 Y=447222 LAT.: N 32.2271 LONG.: W 103.556	447	same is true to the best of my belief. 11/20/2019 Dote of Survey Signature and Stale environmentation Survey ME 4508 Certificate Number

SISURVEYLEOG_MIDLANDINEPTUNE_10_STATE_COMIFINAL_PRODUCTSILO_NEPTUNE10STATE_COM_102H.DWG 12/20/2019 11:11:44 AM rdominguez

SEC. 10, T-24-S, R-33-E, LEA COUNTY UNORTHODOX LOCATION APPLICATION NEPTUNE 10 STATE COM # 102H







BONE SPRING PROPOSED WELL EXISTING WELL





Certification of Ownership

I have reviewed the ownership of the oil and gas leasehold in Sections 3 & 10, T24S-R33E, Lea County, New Mexico, for purposes of the unorthodox location for EOG Resources, Inc.'s Neptune 10 State Com #102H Well in the W/2 E/2 of Sections 3 & 10. The affected parties are:

EOG Resources, Inc.
5509 Champions Drive
Midland, Texas 79706
Devon Energy Production Company, L.P.
333 West Sheridan Avenue
Oklahoma City, Oklahoma 73102
Canaan Resources Drilling Company, LLC
1101 N. Broadway
Suite 300
Oklahoma City, Oklahoma 73103
CRP XII, LLC
1101 N. Broadway
Suite 300
Oklahoma City, Oklahoma 73103
New Mexico State Land Office
P. O. Box 1148
Santa Fe, New Mexico 87504

EOG Resources, Inc.

mitte Chloe Sawtelle

Landman II December 19, 2019

	EXHIBIT
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EOG - Neptune 102H

CM# 44497.0001

Shipment Confirmation Acceptance Notice

Shipment Date: 12/20/2019

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.

Shipped From:

Name: HOLLAND & HART LLP (1)

Address: 110 N GUADALUPE ST # 1

City: SANTA FE

ZIP+4® 87501 State: NM

Type of Mail	Volume
Priority Mail Express ^{®∗}	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	2
Total	2

*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:

- Home screen > Mailing/Shipping > More
 Select Shipment Confirm
 Scan or enter the barcode/label number from PS Form 5630
 Confirm the volume count message by selecting Yes or No
 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.



POSTAL SERVICE «

Firm Mailing Book For Accountable Mail

Name and Address of Sender	Check type of mail or service											Ĩ
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Shipment Confirmation Acceptance Notice

Shipment Date: 12/20/2019

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 - Neptune 102H, 203H, 205H CM# 44497.0001

Shipped From: Name: HOLLAND & HART LLP (1)

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	2
Total	2

*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 pumpter
- Scan or enter the barcode/label number from PS Form 5630
 Confirm the volume count message by selecting Yes or No
 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.



POSTAL SERVICE «

Firm Mailing Book For Accountable Mail

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December 19, 2019

Via Email

New Mexico State Land Office Attn: Niranjan Khalsa P.O. Box 1148 Santa Fe, NM 87504

Re: <u>Application of EOG Resources, Inc. for Administrative Approval of an Unorthodox</u> <u>Well Location</u>: Neptune 10 State Com #102H Well, W/2 E/2 of Section 3 and Section 10, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico

Dear Ms. Khalsa:

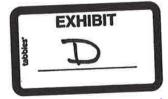
EOG Resources, Inc. has submitted the above-referenced application to the New Mexico Oil Conservation Division for an unorthodox well location for its Neptune 10 State Com #102H Well (API No. pending) to be completed within the Bone Spring Leonard Shale A formation (Triplex; Bone Spring - 59900) underlying the W/2 E/2 of Section 3 and 10, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico. Division rules provide that the completed interval for such wells are to be located no closer than 330 feet to the outer boundary of the horizontal spacing unit in which the well is located. The proposed first take point will be located 100 feet from the south line and 2393 feet from the east line (Unit O) of Section 10, and the last take point will be 100 feet from the north line and 2393 feet from the east line (Lot 2) of Section 3 and will be drilled pursuant to the horizontal well rules of the Division. The proposed location for this well, therefore, encroaches on the western boundary of the spacing unit and requires Division approval for an unorthodox well location.

Division Rules provide that an application may be approved sooner if the applicant obtains waivers from affected parties. We therefore request your waiver of objection to this administrative application. We respectfully request you that you sign this letter and return it as soon as possible.

Thank you for your consideration of this matter. Should you wish to discuss this further, please feel free to contact me at the information listed below.

Sincerely,

Chloe Sawtelle Landman II (432) 686-3660 Chloe Sawtelle@eogresources.com



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Re: <u>Application of EOG Resources, Inc. for Administrative Approval of an Unorthodox</u> <u>Well Location</u>: Neptune 10 State Com #102H Well, W/2 E/2 of Section 3 and Section 10, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico

New Mexico State Land Office agrees to waive objection to EOG Resources application for an unorthodox well location for its **Neptune 10 State Com #102H Well**.

NEW MEXICO STATE LAND OFFICE

By: _____

Printed Name: _____

Title:

Date: _____



December 19, 2019

Via Email

Devon Energy Production Company, L.P. 333 West Sheridan Avenue Oklahoma City, Oklahoma 73102

Re: <u>Application of EOG Resources, Inc. for Administrative Approval of an Unorthodox</u> <u>Well Location</u>: Neptune 10 State Com #102H Well, W/2 E/2 of Section 3 and Section 10, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico

Dear New Mexico Land Department:

EOG Resources, Inc. has submitted the above-referenced application to the New Mexico Oil Conservation Division for an unorthodox well location for its Neptune 10 State Com #102H Well (API No. pending) to be completed within the Bone Spring Leonard Shale A formation (Triplex; Bone Spring - 59900) underlying the W/2 E/2 of Section 3 and 10, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico. Division rules provide that the completed interval for such wells are to be located no closer than 330 feet to the outer boundary of the horizontal spacing unit in which the well is located. The proposed first take point will be located 100 feet from the south line and 2393 feet from the east line (Unit O) of Section 10, and the last take point will be 100 feet from the north line and 2393 feet from the east line (Lot 2) of Section 3 and will be drilled pursuant to the horizontal well rules of the Division. The proposed location for this well, therefore, encroaches on the western boundary of the spacing unit and requires Division approval for an unorthodox well location.

Division Rules provide that an application may be approved sooner if the applicant obtains waivers from affected parties. We therefore request your waiver of objection to this administrative application. We respectfully request you that you sign this letter and return it as soon as possible.

Thank you for your consideration of this matter. Should you wish to discuss this further, please feel free to contact me at the information listed below.

Sincerely,

Chloe Sawtelle Landman II (432) 686-3660 Chloe_Sawtelle@eogresources.com

Re: <u>Application of EOG Resources, Inc. for Administrative Approval of an Unorthodox</u> <u>Well Location</u>: Neptune 10 State Com #102H Well, W/2 E/2 of Section 3 and Section 10, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico

New Mexico State Land Office agrees to waive objection to EOG Resources application for an unorthodox well location for its **Neptune 10 State Com #102H Well**.

DEVON ENERGY PRODUCTION COMPANY, L.P.

By: _____

Printed Name: _____

Title: ______

Date:



December 19, 2019

Via Email

Canaan Resources Drilling Company, LLC 1101 N. Broadway Suite 300 Oklahoma City, Oklahoma 73103

Re: <u>Application of EOG Resources, Inc. for Administrative Approval of an Unorthodox</u> <u>Well Location</u>: Neptune 10 State Com #102H Well, W/2 E/2 of Section 3 and Section 10, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico

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CANAAN RESOURCES DRILLING COMPANY, LLC

By: _____ Printed Name: _____

Title: _____

Date:



December 19, 2019

Via Email

CRP XII, LLC 1101 N. Broadway Suite 300 Oklahoma City, Oklahoma 73103

Re: <u>Application of EOG Resources, Inc. for Administrative Approval of an Unorthodox</u> <u>Well Location</u>: Neptune 10 State Com #102H Well, W/2 E/2 of Section 3 and Section 10, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico

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CRP XII, LLC

By: _____

Printed Name: _____

Title: _____

Date:



Neptune 10 State Com #102H

A non-standard location is necessary to develop the Avalon Shale in this section efficiently and in an economic manner. A non-standard location optimizes pressures related to the completion of the wells and is expected to yield a higher ultimate recovery than a standard location, thereby preventing waste and protecting correlative rights.

DAVIO JONKA

EOG Resources David Carlos Sonka Reservoir Engineer

