

NSL

Initial

Application

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|---------------------------|----------------------|------------------|-------------------------------|
| RECEIVED: 03/25/21 | REVIEWER: LRL | TYPE: NSL | APP NO: pLEL2108440386 |
|---------------------------|----------------------|------------------|-------------------------------|

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: Driver 14 Fed Com #503H Well **API:** 30-025-pending
Pool: Bell Lake; Bone Spring, North **Pool Code:** 5150

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 | |
|--------------------------|------------------------------|
| <input type="checkbox"/> | Notice Complete |
| <input type="checkbox"/> | 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.

Kaitlyn A. Luck
Date

Print or Type Name

Signature

3/25/2021
Date

505-954-7286
Phone Number

kaluck@hollandhart.com
e-mail Address



March 25, 2021

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 Driver 14 Fed Com #503H well in the E/2 W/2 and the W/2 E/2 of Sections 11 and 14, Township 23 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 **Driver 14 Fed Com #503H well** (API No. 30-025-pending) to be completed within the Bell Lake; Bone Spring, North Pool [5150s], underlying the E/2 W/2 and the W/2 E/2 of Sections 11 and 14, Township 23 South, Range 33 East, N.M.P.M., Lea County, New Mexico.

This well is to be drilled and completed at a surface location 979 feet from the south line and 2,464 feet from the west line (Unit N) of Section 14. The first take point is located 100 feet from the south line and 1,950 feet from the west line (Unit N) of Section 14, and the last take point is located 100 feet from the north line and 1,335 feet from the west line (Unit C) of Section 11.

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 Form C-102 showing the completed interval of the proposed **Driver 14 Fed Com #503H well** encroaches on the spacing unit/tracts to the west in the W/2 W/2 of said Sections 11 and 14.

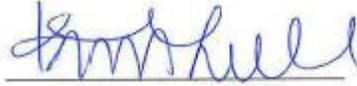
Exhibit B is a plat for Sections 11 and 14 that shows the proposed **Driver 14 Fed Com #503H well** in relation to adjoining spacing unit/tracts to the west.

Ownership is diverse between the subject spacing unit and the affected spacing unit/tracts to the west. **Exhibit C** is a list of the “affected parties” to this application and proof that a copy of this application with all attachments has been sent by certified mail to each affected party advising that any objections must be filed in writing with the Division within 20 days from the date the Division receives the application.

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

Your attention to this matter is appreciated.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kaitlyn Luck", is written over a horizontal line.

Kaitlyn A. Luck
ATTORNEY FOR EOG RESOURCES, INC.

SEC. 11 & 14, T-23-S, R-33-E, LEA COUNTY

UNORTHODOX LOCATION APPLICATION

DRIVER 14 FED COM # 503H

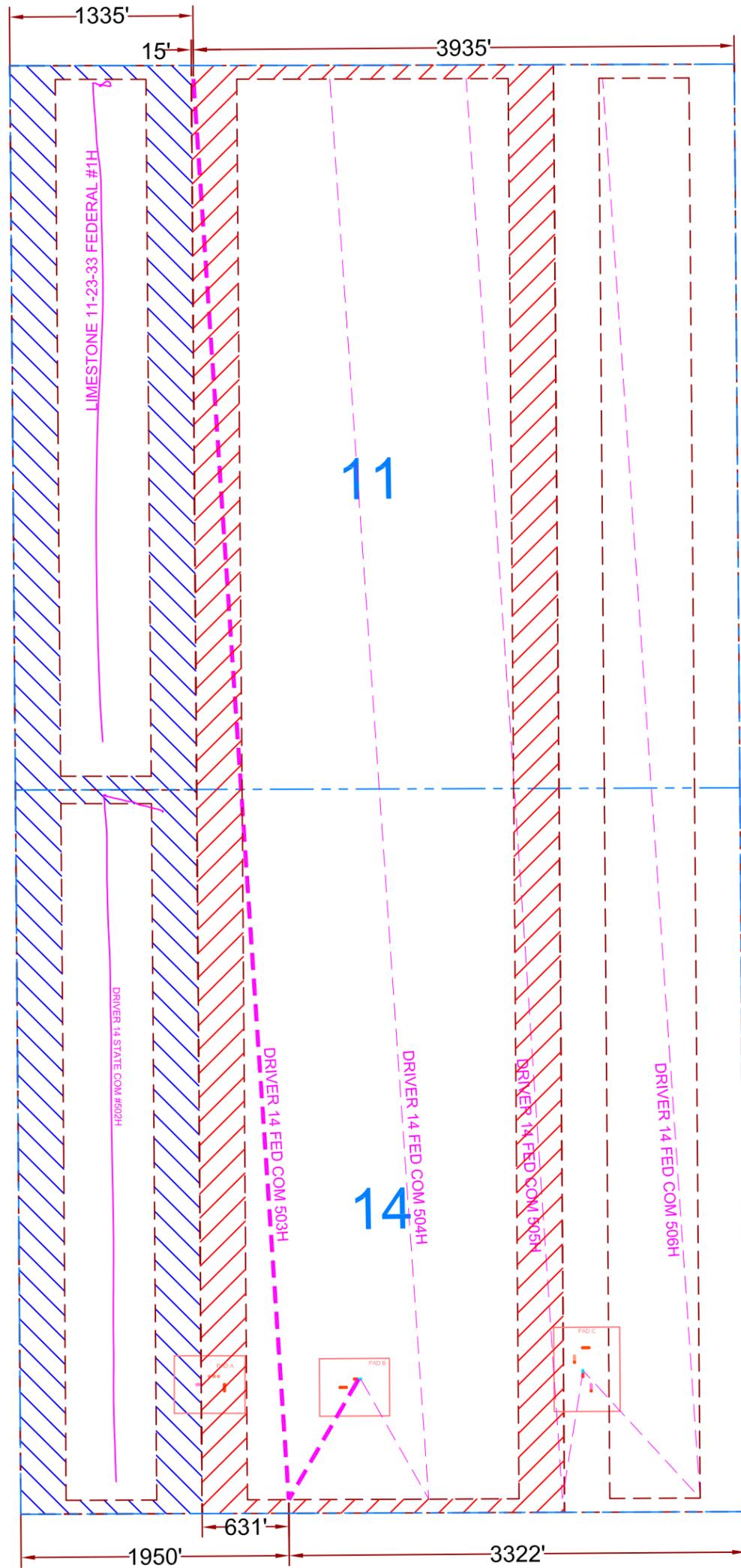


EXHIBIT B

HZ SPACING UNIT
FOR PROPOSED WELL



AFFECTED PARTIES



BONE SPRING

PROPOSED WELL
EXISTING WELL



5509 Champions Dr., Midland, Texas 79706
Phone: (432) 686-3600 Fax: (432) 686-3773

Certification of Ownership

I have reviewed the ownership of the oil and gas leasehold in Sections 11 & 14, T23S-R33E, Lea County, New Mexico, for purposes of the unorthodox location for EOG Resources, Inc.'s Driver 14 Fed Com #503H Well in the E/2 W/2 of Sections 11 & 14. The affected parties are:

| |
|---|
| EOG Resources, Inc. 5509 Champions Drive Midland, Texas 79706 |
| Chevron U.S.A. Inc. 1400 Smith Street Houston, Texas 77002 |
| Bureau of Land Management 301 Dinosaur Trail Santa Fe, New Mexico 87508 |
| New Mexico State Land Office P. O. Box 1148 Santa Fe, New Mexico 87504 |

EOG Resources, Inc.

Chloe Sawtelle
Sr. Landman
March 22, 2021

EXHIBIT C



March 24, 2021

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: ALL AFFECTED PERSONS

Re: Application of EOG Resources, Inc. for administrative approval of an unorthodox well location for its Driver 14 Fed Com #503H well in the E/2 W/2 and the W/2 E/2 of Sections 11 and 14, Township 23 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) 208-2391
chloe_sawtelle@eogresources.com

Sincerely,

A handwritten signature in blue ink, appearing to read "Kaitlyn Luck", written over a horizontal line.

Kaitlyn A. Luck
ATTORNEY FOR EOG RESOURCES, INC.



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 - Driver 503H & 505H NSL

Shipment Date: 03/24/2021

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 | 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 0027 8199 74



5509 Champions Dr., Midland, Texas 79706
Phone: (432) 686-3600 Fax: (432) 686-3773

Driver 14 Fed Com #503H

A non-standard location is necessary to develop the Second Bone Spring Sand in this section efficiently and in an economic manner. A non-standard location optimizes drainage area location as it relates to regions of pressure depletion created by existing production. Orientation increases the angle between the wellbore and the maximum horizontal stress within the earth, which improves stimulation effectiveness. Overall, a non-standard location is expected to yield a higher ultimate recovery than a standard location, thereby preventing waste and protecting correlative rights.

A handwritten signature in black ink that reads "DAVID CARLOS SONKA".

EOG Resources
David Carlos Sonka
Reservoir Engineer

EXHIBIT D