From: Lowe, Leonard, EMNRD

To: <u>Jordan Kessler</u>

Subject: RE: [EXTERNAL] EOG NSL applications status and withdraw

Date: Wednesday, April 20, 2022 11:14:00 AM

Attachments: image001.png

Importance: High

Ms. Kessler,

Ms. Kessler,

OCD will with draw the two NSL applications stated below.

Thank you,

Leonard R. Lowe

Engineering Bureau OCD - EMNRD 5200 Oakland Ave. NE Albuquerque, N.M. 87113

C: 505-930-6717

http://www.emnrd.state.nm.us/ocd/

From: Jordan Kessler < Jordan_Kessler@eogresources.com>

Sent: Wednesday, April 20, 2022 11:01 AM

To: Lowe, Leonard, EMNRD < Leonard.Lowe@state.nm.us> **Subject:** [EXTERNAL] EOG NSL applications status and withdraw

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Hi Leonard,

I apologize for not sending this email earlier. EOG respectfully requests withdraw of the following NSL applications:

Fearless 23 Fed Com 725H (API 30-025-49689) Action ID 86172 Resolute 12 Fed Com No. 501H API No. 30-025-47596 Action ID 88383

We have a few remaining NSL applications that I would like to leave in place for your consideration, including:

Rattlesnake 742H: Action ID 87150 Rattlesnake 744H Action ID 87167

Merciless 13 Fed Com 508H Action ID 98435

Thank you! Please let me know if you have any questions, and have a nice (windy) day. Jordan

Jordan Kessler

Senior Regulatory Advisor



125 Lincoln Avenue, Suite 213 Santa Fe, NM 87501

Mobile: (432) 488-6108 Office: (575) 748-4158

jordan_kessler@eogresources.com

03/04/22	REVIEWER: LRL	TYPE: NSL	APP NO: pLEL2206343938

ABOVE THIS TABLE FOR OCD DIVISION USE ONLY



jordan_kessler@eogresources.com

e-mail Address

NEW MEXICO OIL CON	
- Geological & Engin 1220 South St. Francis Drive	
ADMINISTRATIVE APP	LICATION CHECKLIST
	E APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND
Applicant: EOG Resources, Inc.	OGRID Number: 7377
Well Name: Fearless 23 Fed Com 725H	API:30-025-49689
Pool: WC-025 G-09 S253309P; Upper Wolfcamp	Pool Code: 98180
	REQUIRED TO PROCESS THE TYPE OF APPLICATION DELOW
TYPE OF APPLICATION: Check those which apply A. Location – Spacing Unit – Simultaneous Dec NSL NSP(PROJECT AREA) B. Check one only for [1] or [1]	dication NSP(PRORATION UNIT)
[I] Commingling – Storage – Measuremen □ DHC □ CTB □ PLC □ PC [II] Injection – Disposal – Pressure Increase □ WFX □ PMX □ SWD □ IPI	OLS OLM - Enhanced Oil Recovery DEOR PPR
2) NOTIFICATION REQUIRED TO: Check those which A. Offset operators or lease holders B. Royalty, overriding royalty owners, revered concurrent approved to the province of the	Notice Complete Application Content Complete
 H. No notice required CERTIFICATION: I hereby certify that the informal administrative approval is accurate and complete understand that no action will be taken on this contifications are submitted to the Division. Note: Statement must be completed by an individual control of the division. 	ete to the best of my knowledge. I also
	3/4/22 Date
Jordan Kessler	Date
Print or Type Name	432-488-6108
	Phone Number



Jordan Lee Kessler Phone: (432) 488-6108 Email: jordan kessler@eogresources.com

March 4, 2022

VIA ONLINE FILING

Adrienne Sandoval, Director Oil Conservation Division New Mexico Department of Energy, Minerals, and Natural Resources 1220 South St. Francis Drive Santa Fe, New Mexico 87505

Re: Application of EOG Resources, Inc. for administrative approval of an unorthodox well location for its Fearless 23 Fed Com No. 725H well in the E/2W/2 of Section 23 and 26, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico.

Dear Director Sandoval,

EOG Resources, Inc. (OGRID No. 7377) seeks administrative approval of an unorthodox well location for its Fearless 23 Fed Com No. 725H well (API No. 30-025-49689). This well has been drilled but not yet completed. The spacing unit dedicated to the well is comprised of the E/2W/2 of Sections 23 and 26, Township 25 South, Range 32 East, Lea County, New Mexico and is within the WC-025-S253309P; Upper Wolfcamp pool.

The well has been drilled and is proposed to be completed as follows:

- The <u>surface location</u> is located 745 feet from the North line, 1963 feet from the West line (Unit C) of Section 23,
- The <u>bottom hole location</u>, as drilled, is located 108 feet from the South line, 2345 feet from the West line (Unit N) of Section 26,
- The <u>first take point</u> is located 100 feet from the North line, 2200 feet from the West line (Unit C) of Section 23,
- The <u>last take point</u> is located 108 feet from the South line, 2345 feet from the West line (Unit N) of Section 26.

The acreage is governed by the Division's statewide rules. Accordingly, the proposed completed interval is unorthodox because, as drilled, it is closer than the 330 feet to the eastern boundary. It encroaches on the spacing unit in the W/2E/2 of Section 26. Approval of the unorthodox location will allow EOG to use its preferred well spacing plan for horizontal wells, which will prevent waste, and reflects the as-drilled location of the well.

Exhibit A shows the location of the as-drilled well, including the proposed unorthodox completed interval, of the its Fearless 23 Fed Com No. 725H well. The proposed completed interval encroaches on the spacing unit/tracts to the east, in Section 26.

Exhibit B is the Form C-102 filed with the Division.

Exhibit C is a plat for Sections 23 and 26 that shows the proposed Fearless 23 Fed Com No. 725H well in relation to the adjoining spacing units/tracts to the east.

Ownership is diverse between the subject spacing unit and the affected spacing unit/tracts to the east. **Exhibit D** is a certification from the landman indicating that he has reviewed the tracts affected by this request. Exhibit D includes a list of the affected parties and proof that a copy of this application with all attachments has been sent by certified mail to each affected party. This notice advises affected parties that any objection must be filed in writing with the Division within 20 days from the date the Division receives the application.

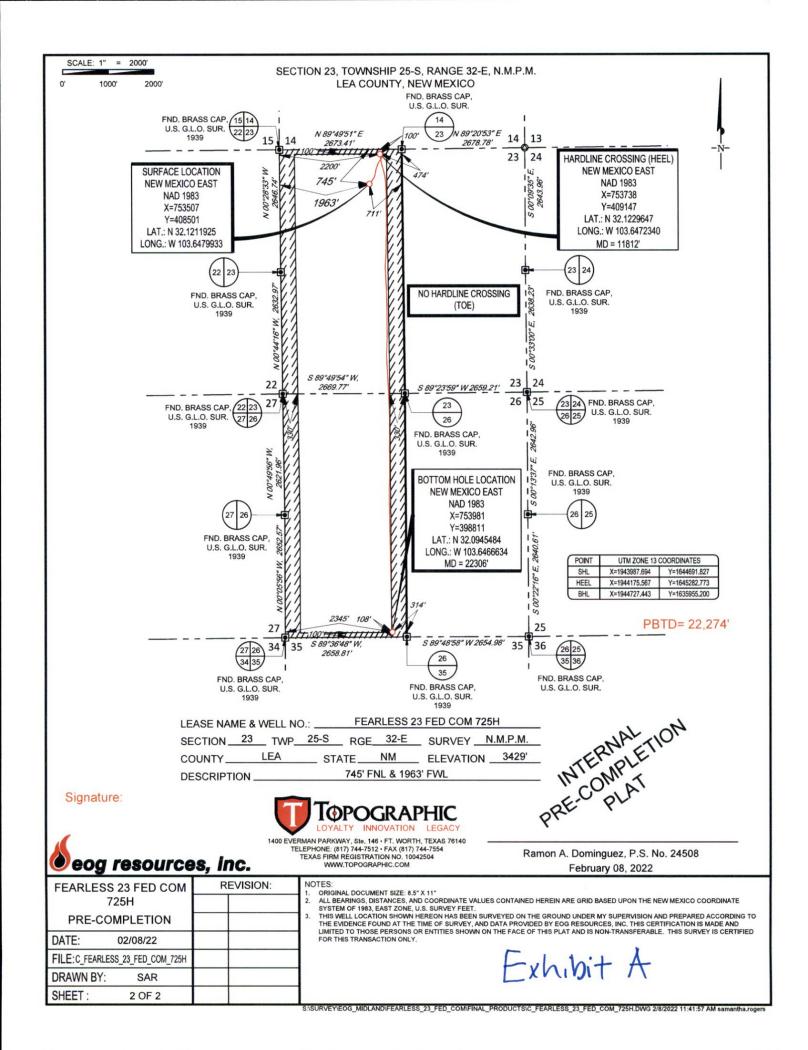
Exhibit E is a statement from a petroleum engineer providing justification for the requested non-standard location.

Thank you for your attention to this matter.

Very truly yours,

Jordan Kessler

Senior Regulatory Advisor



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 Numbe 30-025	[*] 30-025-4968	² Pool Code 98180	³ Pool Name WC-025 G-09 S253309P; U	pper Wolfcamp
⁴ Property Code 322428			operty Name S 23 FED COM	*Well Number 725H
70GRID №. 7377		The state of the s	erator Name OURCES, INC.	Selevation 3429'

¹⁰Surface Location

	C C	23	25-S	32-E	Lot Idn	745'	NORTH	1963'	WEST	LEA	
¹¹ Bottom Hole Location If Different From Surface											
	UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	1

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	26	25-S	32-E	-	100'	SOUTH	2079'	WEST	LEA
¹² Dedicated Acres 640.00	¹³ Joint or I	infill 14Co	ensolidation Co	de ¹⁵ Ord	ler 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.

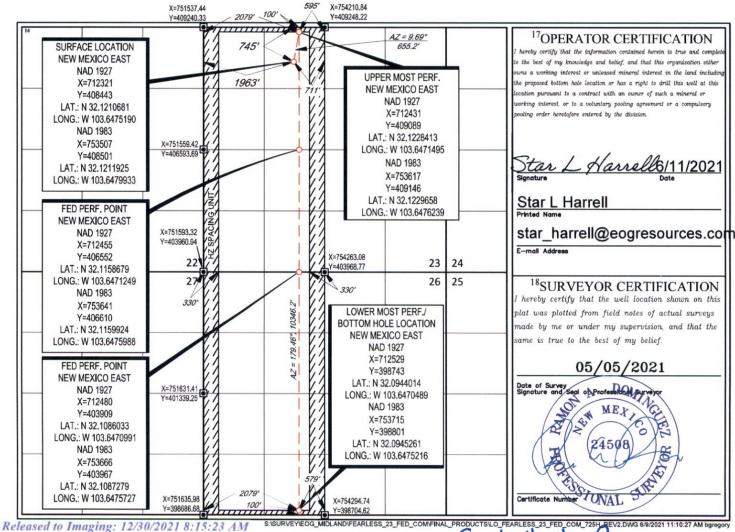
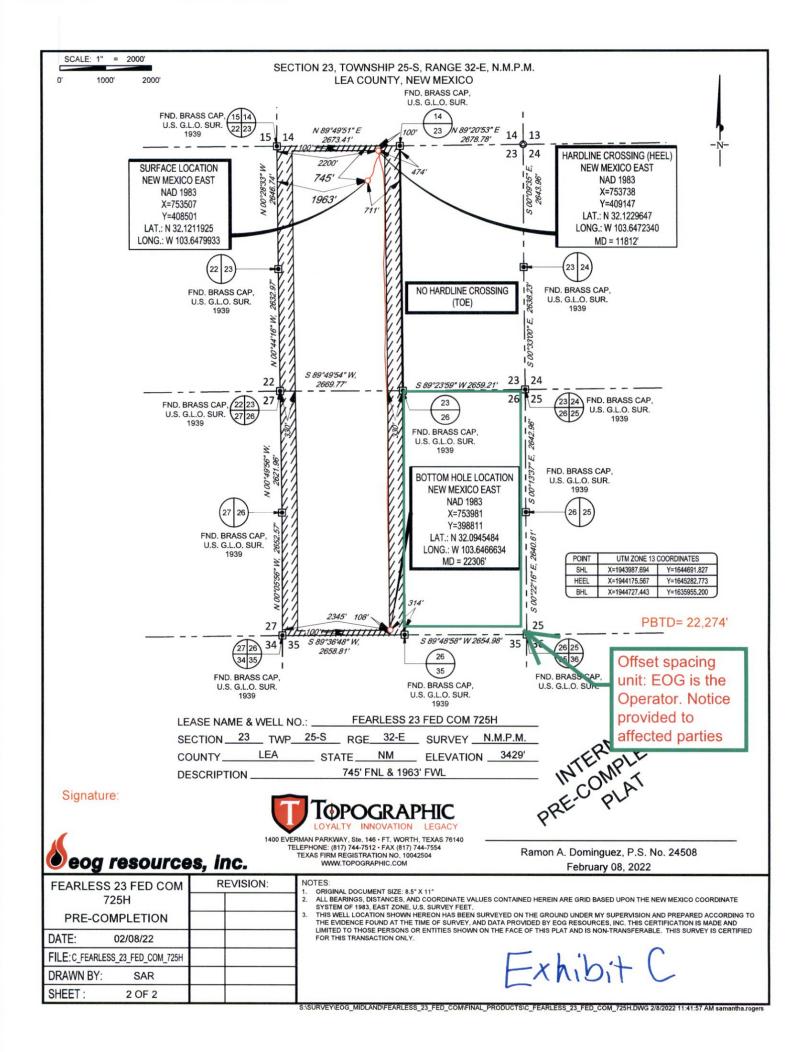


Exhibit R





P.O. Box 2267, Midland, Texas 79702 Phone: (432) 686-3600 Fax: (432) 686-3773

February 24, 2022

Certification of Ownership

I have reviewed the ownership of the oil and gas leasehold in Sections 23 & 26-25S-32E, Lea County, New Mexico, for purposes of the unorthodox location for EOG's Fearless 23 Fed Com #725H well located in the E/2W/2 of Sections 23 & 26-25S-32E. As of the date of this letter, the affected parties are:

- 1. EOG RESOURCES INC 5509 CHAMPIONS DR. MIDLAND, TX 79706
- BUREAU OF LAND MANAGEMENT 301 DINOSAUR TR. SANTA FE, NM 87508
- 3. SHARBRO ENERGY LLC P O BOX 840 ARTESIA,NM 88211-0840

Sincerely,

EOG Resources, Inc.

Matthew Gray

Matthew Gray Landman

Exhibit D



Jordan Lee Kessler Phone: (432) 488-6108 Email: jordan kessler@eogresources.com

March 4, 2022

VIA CERTIFIED MAIL

TO: ALL AFFECTED PERSONS

Re: Application of EOG Resources, Inc. for administrative approval of an unorthodox well location for its Fearless 23 Fed Com No. 725H well in the E/2W/2 of Section 23 and 26, Township 25 South, Range 32 East, NMPM, 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:

Matthew Gray EOG Resources, Inc. (432) 686-3633 Matthew gray@eogresources.com

Jordan Kessler

Very truly yours,

Senior Regulatory Advisor

Well Name Fearless 23 Fed Com #725H **Date NSL Sent** 3/4/2022

Owners NSL Sent to Sharbro Energy LLC Bureau of Land Management 7021 0950 0000 5467 3739

Certified Mail Tracking # 7021 0950 0000 5467 3746

Sent - March 4, 2022		
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON D	DELIVERY
 Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. 	A. Signature X	☐ Agent ☐ Addressee
Attach this card to the back of the mailpiece, or on the front if space permits.	B. Received by (Printed Name)	C. Date of Delivery
1. Article Addressed to: Sharbro Energy, LLC PO BOX 840 arteria, Nm 88211-084	D. Is delivery address different from If YES, enter delivery address because of the property of the prope	
9590 9402 7013 1225 0932 74 2. Article Number (Transfer from service label) 7021 0950 0000 5467 374	3. Service Type Adult Signature Adult Signature Restricted Delivery Certified Mail® Certified Mail Restricted Delivery Collect on Delivery Collect on Delivery Collect on Delivery Restricted Delivery fail fail Restricted Delivery 0)	☐ Priority Mail Express®☐ Registered Mail™☐ Registered Mail Restricte Delivery ☐ Signature Confirmation ☐ Signature Confirmation Restricted Delivery
PS Form 3811, July 2020 PSN 7530-02-000-9053		Domestic Return Receipt

Sent - March 4th, 2022		
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DE	LIVERY
 Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	A. Signature X B. Received by (Printed Name)	☐ Agent ☐ Addressee C. Date of Delivery
1. Article Addressed to: Bureau Of Land Managema 301 Dinusau Ivail Santa Fe, NM 87508	D. Is delivery address different from in If YES, enter delivery address be	
9590 9402 7013 1225 0932 98 Article Number (Transfer from service label) 7021 0950 0000 5467 373	☐ Adult Signature ☐ Adult Signature Restricted Delivery ☐ Certified Mail® ☐ Certified Mail Restricted Delivery ☐ Collect on Delivery ☐ Collect on Delivery Restricted Delivery ☐ Insured Mail	☐ Priority Mail Express®☐ Registered Mail™☐ Registered Mail Restriction Delivery☐ Signature Confirmation Restricted Delivery
S Form 3811, July 2020 PSN 7530-02-000-9053		omestic Return Rece



February 24th, 2022

Re:

EOG Resources, Inc. NSL Application Fearless 23 Fed Com #725H (Well)

NE/NW Section 23 & SE/SW Section 26, T25S-R32E

Lea County, New Mexico

To Whom It May Concern:

Considering the distance between wells in the development plan for the Upper Wolfcamp formation in Sections 23 & 26, T25S-R32E, EOG believes this non-standard location is necessary to develop the Upper Wolfcamp resource in an economic fashion. The non-standard location also reflects the as-drilled location of the well. Based on analog Upper Wolfcamp wells along with geologic analysis, EOG believes placing the well at this location maintains optimal spacing to continue development of resources in the formation. 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.

Matthew Williamson Sr. Reservoir Engineer

Exhibit E