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

RECEIVED: REVIEWER: APP NO: 03/08/22 LRL **NSL** pLEL2207360157

ABOVE THIS TABLE FOR OCD DIVISION USE ONL

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: Resolute 12 Fed Com No. 501H **API:** 30-025-47596 Pool: WC-02 G-08 S2532356; Lower Bone Spring Pool Code: 97903 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 NSP (PROJECT AREA) NSP (PRORATION UNIT) NSL □SD. B. Check one only for [1] or [1] [1] Commingling – Storage – Measurement DHC CTB PLC PC LOIS OIM [II] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery □ WFX □ PMX □ SWD □ IPI EOR FOR OCD ONLY 2) NOTIFICATION REQUIRED TO: Check those which apply. Notice Complete A. Offset operators or lease holders B. Royalty, overriding royalty owners, revenue owners Application C. Application requires published notice Content D. Notification and/or concurrent approval by SLO Complete 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 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. 03/08/22 Date Jordan L Kessler Print or Type Name 4324886108 Phone Number

jordan_kessler@eogresources.com

e-mail Address



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

March 8, 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 Resolute 12 Fed Com No. 501H well in the W/2W/2 of Sections 1 and 12, 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 Resolute 12 Fed Com No. 501H well (API No. 30-025-47596). This well has been drilled but not yet completed. The spacing unit dedicated to the well is comprised of the W/2W/2 of Sections 1 and 12, Township 25 South, Range 32 East, Lea County, New Mexico and is within the WC-025 G-08 S2532356; Lower Bone Spring pool. The horizontal spacing unit for the well is approximately 640.63 acres, which includes proximity tracts. The defining well for the spacing unit is the Resolute 12 Fed Com No. 503H well (API No. 30-025-47598).

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

- The <u>surface location</u> is located 836 feet from the South line, 553 feet from the West line (Unit M) of Section 12,
- The <u>bottom hole location</u>, as drilled, is located 110 feet from the North line, 295 feet from the West line (Lot 4) of Section 1,
- The <u>first take point</u> is located 248 feet from the South line, 280 feet from the West line (Unit M) of Section 12,
- The <u>last take point</u> is located 110 feet from the North line, 295 feet from the West line (Lot 4) of Section 1.

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 western boundary. It encroaches on the spacing units in the E/2E/2 of Sections 2 and 11. 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 Resolute 12 Fed Com No. 501H well. The proposed completed interval encroaches on the spacing unit/tracts to the west.

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

Exhibit C is a plat that shows the proposed Resolute 12 Fed Com No. 501H well in relation to the adjoining spacing units/tracts to the west.

EOG is the operator of the spacing units to the west, however, ownership is diverse between the subject spacing unit and the affected spacing unit/tracts to the west. **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.

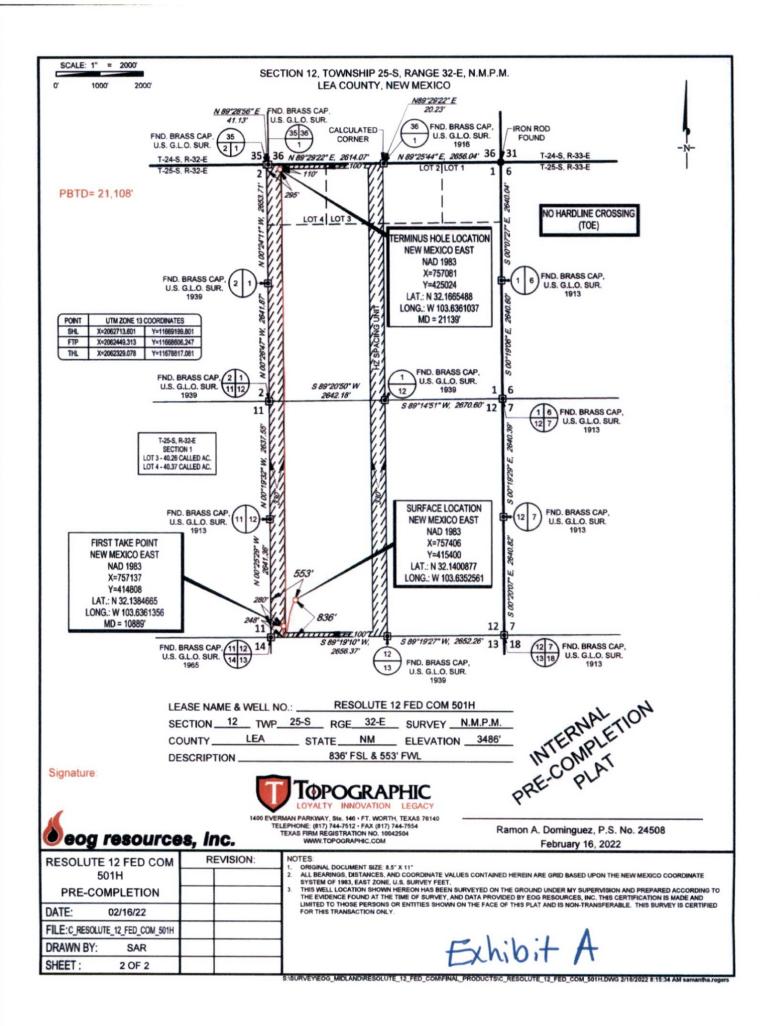
Exhibit E is a statement from a petroleum engineer providing justification for the requested non-standard location.

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 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

Revised August 1, 2011 Submit one copy to appropriate

District Office

FORM C-102

OCD - HOBBS OIL CONSERVATION DIVISION 1220 South St. Francis Dr. 08/18/2020

AMENDED REPORT RECEIVED

WELL LOCATION AND ACREAGE DEDICATION PLAT

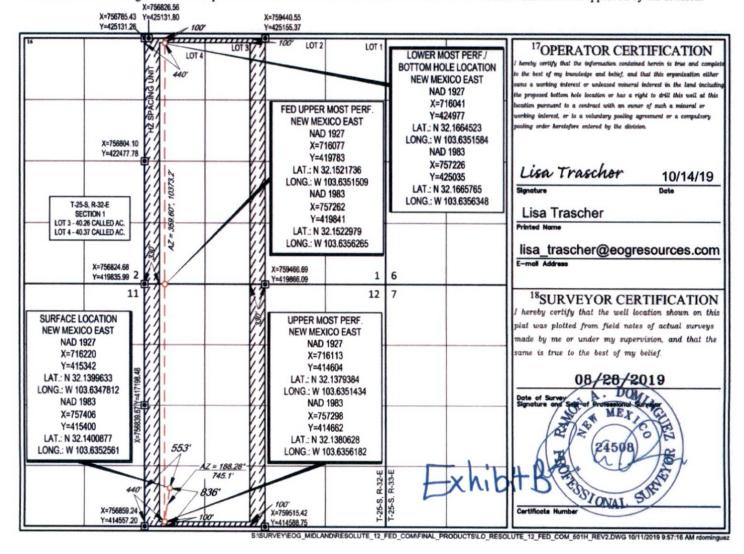
Santa Fe, NM 87505

30-025- 30-025-47596		² Pool Code 97903	³ Pool Name WC-025 G-08 S2532356; LOWER BONE SPRING		
⁴ Property Code 329310		ър.	roperty Name E 12 FED COM	Well Number 501H	
70GRID №. 7377			perator Name SOURCES, INC.	Elevation 3486'	

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	12	25-S	32-E	-	836'	SOUTH	553'	WEST	LEA
11Bottom 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
4	1	25-S	32-E	-	100'	NORTH	440'	WEST	LEA
¹² Dedicated Acres	13 Joint or 1	nfill 14Co	nsolidation Co	de 15Ord	er No.				
640.63									

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.



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

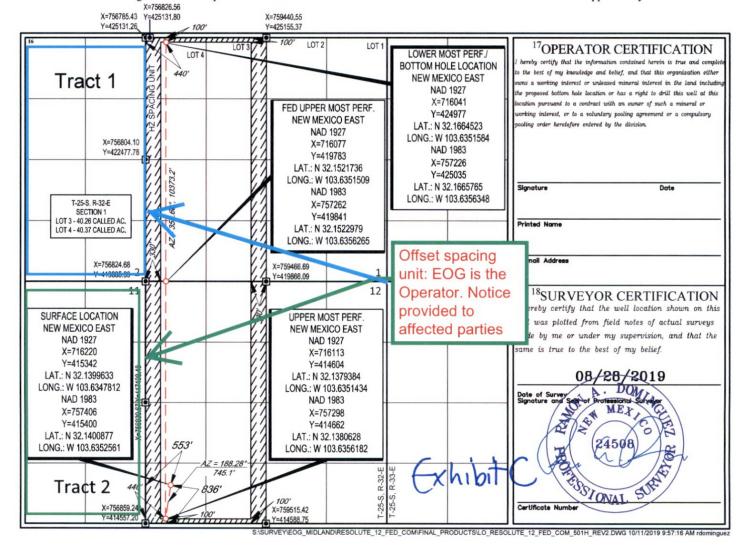
State of New Mexico
Energy, Minerals & Natural Resources
Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

FORM C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

AMENDED REPORT

		1	WELL LO	OCATIO	ON AND ACR	EAGE DEDIC	ATION PLA	T		
¹ API Number				² Pool Code		³ Pool Name				
⁴ Property Code				Property Name RESOLUTE 12 FED COM				5	⁶ Well Number 501H	
A CONTRACTOR OF THE CONTRACTOR						⁹ Elevation 3486				
					¹⁰ Surface L	ocation				
UL or lot no.	Section 12	Township 25-S	32-E	Lot Idn	Feet from the 836'	North/South line SOUTH	Feet from the 553'	East/West line WEST	LEA	
			11	Bottom H	ole Location If I	Different From Sur	rface			
UL or lot no.	Section 1	Township 25-S	32-E	Lot Idi	Feet from the 100'	North/South line NORTH	Feet from the	East/West line WEST	LEA County	
12Dedicated Acres	¹³ Joint or	Infill 14	Consolidation Co	ode 15Or	der 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.





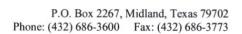
March 4, 2022

Certification of Ownership

I have reviewed the ownership of the oil and gas leasehold in Sections 2 & 11 -25S-32E, Lea County, New Mexico, for purposes of the unorthodox location for EOG's Resolute 12 Fed Com #501H well located in the W/2W/2 of Sections 1&12-25S-32E. As of the date of this letter, the affected parties are:

- EOG RESOURCES INC 5509 CHAMPIONS DR. MIDLAND, TX 79706
- BUREAU OF LAND MANAGEMENT 301 DINOSAUR TR. SANTA FE, NM 87508
- 3. MCCLELLAN OIL CORPORATION P O BOX 730 ROSWELL,NM 88202-0730
- 4. DAVID PETROLEUM CORPORATION 116 WEST FIRST STREET ROSWELL,NM 88201-0000
- 5. TOLES COMPANY
 P O BOX 1300
 ROSWELL,NM 88202-1300
- XTO ENERGY INC. AN EXXONMOBIL SUBSIDIARY 22777 SPRINGWOODS VILLAGE PKWAY, #115 SPRING, TX 77389
- 7. SHARBRO ENERGY LLC P O BOX 840 ARTESIA,NM 88211-0840
- 8. MAGNUM HUNTER PRODUCTION INC 600 N. MARIENFELD ST., SUITE 600 MIDLAND, TX 79701
- 9. OXY Y-1 COMPANY PO BOX 27570 HOUSTON, TX 77227







10. NEW MEXICO STATE LAND OFFICE P. O. BOX 1148 SANTA FE, NEW MEXICO 87504

Sincerely,

EOG Resources, Inc.

Matthew Gray

Matthew Gray Landman



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

March 8, 2022

VIA CERTIFIED MAIL

TO: ALL AFFECTED PERSONS

Re: Application of EOG Resources, Inc. for administrative approval of an unorthodox well location for its Resolute 12 Fed Com No. 501H well in the W/2W/2 of Sections 1 and 12, 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

Very truly yours,

Jordan Kessler

Senior Regulatory Advisor

Well Name	Date NSL Sent	Owners NSL Sent to	Certified Mail Tracking #
Resolute 12 Fed Com #501H	3/8/2022	Tract 1: New Mexico State Land Office	7021 0950 0000 5467 5856
		Tract 1: OXY Y-1 Company	7021 0950 0000 5467 5863
		Tract 2: Bureau of Land Management	7021 0950 0000 5467 5870
		Tract 2: McClellan Oil Corporation	7021 0950 0000 5467 5023
		Tract 2: David Petroleum Corporation	7021 0950 0000 5467 8987
		Tract 2: The Toles Company	7021 0950 0000 5467 8994
		Tract 2: XTO Energy Inc.	7021 0950 0000 5467 9007
		Tract 2: Sharbro Energy, LLC	7021 0950 0000 5467 9014
		Tract 2: Magnum Hunter Production Inc.	7021 0950 0000 5467 9021



March 4th, 2022

Re: E

EOG Resources, Inc. NSL Application Resolute 12 Fed Com #501H (Well)

SW/SW Section 12 & NW/NW Section 1, T25S-R32E

Lea County, New Mexico

To Whom It May Concern:

Considering the distance between wells in the development plan for the Lower Bone Spring formation in Sections 12 & 1, T25S-R32E, EOG believes this non-standard location is necessary to develop the Lower Bone Spring resource in an economic fashion. The non-standard location also reflects the as-drilled location of the well. Based on analog Lower Bone Spring 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