

DATE IN <b>10.19.11</b>	SUSPENSE	ENGINEER <b>DKB</b>	LOGGED IN <b>10.19.11</b>	TYPE <b>NSL</b>	APP NO. <b>1129254545</b>
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ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505



**EOG Resources**

**3 wells**

**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

**Application Acronyms:**

**[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]**  
**[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]**  
**[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]**  
**[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]**  
**[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]**  
**[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]**

**ELK Wallow "11" STATE #**  
**7H, 8H, 9H**

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]  
 [A] Location - Spacing Unit - Simultaneous Dedication  
☒ NSL ☐ NSP ☐ SD  
 Check One Only for [B] or [C]  
 [B] Commingling - Storage - Measurement  
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM  
 [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR  
 [D] Other: Specify \_\_\_\_\_
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or ☒ Does Not Apply  
 [A] ☐ Working, Royalty or Overriding Royalty Interest Owners  
 [B] ☐ Offset Operators, Leaseholders or Surface Owner  
 [C] ☐ Application is One Which Requires Published Legal Notice  
 [D] ☐ Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office  
 [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,  
 [F] ☐ Waivers are Attached
- [3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

2011 OCT 19 P 3:19

RECEIVED OOD

**M-11-255-29E**

**306142**  
**properties**

[4] **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 RANKIN**

Print or Type Name

Signature

**agrankin**

Title

**10/19/11**

Date

**agrankin@hollandhart.com**  
 e-mail Address



October 19, 2011

**HAND DELIVERY**

Jami Bailey, Director  
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. ("EOG"), Inc., for administrative approval of unorthodox well locations for the Elk Wallow "11" State Wells Nos. 7H, 8H and 9H, in Section 11, Township 25 South, Range 29 East, N.M.P.M., Eddy County, New Mexico.

Dear Ms. Bailey:

EOG Resources, Inc. ("EOG") seeks administrative approval pursuant to Division Rule 19.15.15.13 of unorthodox well locations for its Elk Wallow "11" State Wells Nos. 7H, 8H, and 9H. These wells are located in Section 11, Township 25 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, and are to be drilled in the East Pierce Crossing, Bone Spring Pool formation at the following locations:

- under as to 7H & 8H*
- 96473
- Well No. 7H: Surface location 190 feet from the North line, penetration point 520 feet from the North line and 1220 feet from the West line and a bottomhole location 330 feet from the South line and 1220 feet from the West line of Section 11, Eddy County, New Mexico. This well will be dedicated to an existing 160-acre project area comprised of the W/2 W/2 of Section 11.
  - Well No. 8H: Surface location 170 feet from the North line, penetration point 500 feet from the North line and 2640 feet from the East line and a bottomhole location 330 feet from the South line and 2540 feet from the East line of Section 11, Eddy County, New Mexico. This well will be dedicated to an existing 160-acre project area comprised of the W/2 E/2 of Section 11.
  - Well No. 9H: Surface location 435 feet from the South line, penetration point 765 feet from the South line and 1220 feet from the East line and a bottomhole location 330 feet from the North line and 1220 feet from the East line of Section 11, Eddy County, New Mexico.



October 19, 2011

Page 2

Mexico. This well will be dedicated to a 160-acre project area comprised of the E/2 E/2 of Section 11.

Enclosed please find a land plat for the nine section area surrounding Section 11 that shows the existing wells in this section and has highlighted each of the proposed additional wells.

These proposed locations are unorthodox because they are governed by the Division's statewide rules which provides for wells on 40-acre spacing units to be located no closer than 330 feet to the outer boundary of the spacing unit. As demonstrated on the enclosed Well Location and Acreage Dedication Plats (C-102s) the proposed 7H well encroaches on the spacing unit to the East, the proposed 8H well encroaches on the spacing unit to the West, and the proposed 9H well encroaches on the spacing unit to the West.

These unorthodox locations are chosen to ensure the most efficient and effective fracture stimulations and drainages for the targeted producing zones. The proposed wells target two productive zones, denoted as Zone A and Zone B, within the Leonard shale portion of the East Pierce Crossing, Bone Spring Pool formation. In developing these zones, EOG's objective is to contain the fracture stimulations within each zone to maximize the efficiency and effectiveness of the stimulations and drainage of the zones. To achieve this EOG must stagger the B Zone wells so they are approximately equidistant between the A Zone wells wherever possible and remain approximately 1,320 feet apart in each zone. The unorthodox locations are necessary to achieve this optimum spacing pattern and thereby ensure the most efficient and effective fracture stimulations to maximize drainage and avoid waste.

All of Section 11 is subject to a single state lease (Lease No. V-3633) and EOG is the leasehold operator. Accordingly, there are no affected parties as defined in 19.15.4.12(A)(2) NMAC. However, a copy of this application has been sent to the New Mexico State Land Office.

Your attention to this application is appreciated.

Sincerely,

Michael H. Feldewert

ATTORNEY FOR EOG RESOURCES, INC.

Enclosures

cc: Doug Hurlbut, EOG Resources, Inc.  
Kurt McFall, New Mexico State Land Office

District I  
1825 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

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 October 12, 2005  
Submit to Appropriate District Office  
State Lease- 4 Copies  
Fee Lease- 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <b>30-015-39655</b>		Pool Code <b>0</b>	Pool Name <b>0</b>
Property Code <b>0</b>	Property Name <b>ELK WALLOW "11" STATE</b>		Well Number <b>7H</b>
OCRD No. <b>0</b>	Operator Name <b>EOG RESOURCES, INC.</b>		Elevation <b>3048.9'</b>

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>D</b>	<b>11</b>	<b>25 SOUTH</b>	<b>29 EAST, N.M.P.M.</b>		<b>190'</b>	<b>NORTH</b>	<b>1220'</b>	<b>WEST</b>	<b>EDDY</b>

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
<b>M</b>	<b>11</b>	<b>25 SOUTH</b>	<b>29 EAST, N.M.P.M.</b>		<b>330'</b>	<b>SOUTH</b>	<b>1220'</b>	<b>WEST</b>	<b>EDDY</b>

Dedicated Acres	Joint or Infill	Consolidation Code	Order 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.

	<p><b>SURFACE LOCATION</b> NEW MEXICO EAST NAD 1927 Y=618971.4 X=615753.6 LAT.: N 32.1513164° LONG.: W 103.9593138°</p>	<p><b>PENETRATION POINT</b> NEW MEXICO EAST NAD 1927 Y=618951.8 X=615754.6 LAT.: N 32.1504093° LONG.: W 103.9593144°</p>	<p><b>BOTTOM HOLE LOCATION</b> NEW MEXICO EAST NAD 1927 Y=614180.4 X=615787.2 LAT.: N 32.1381459° LONG.: W 103.9593237°</p>	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p>
	<p><b>SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was located from field notes and actual survey made by me or under my supervision and that the same is true and correct to the best of my belief.</p> <p><b>15079</b> <b>SEPTEMBER 29 2011</b> Date of Survey</p> <p>Signature _____ Professional Surveyor</p> <p><i>Ferny J. Paul</i> 10/12/2011 Certificate Number 15079</p> <p>WOL 110929WL-b (KA)</p>			

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

Form C-402  
Revised October 12, 2005  
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <b>30-015-39648</b>		Pool Code	Pool Name
Property Code	Property Name <b>ELK WALLOW "11" STATE</b>		Well Number <b>8H</b>
OGRI No.	Operator Name <b>EOG RESOURCES, INC.</b>		Deviation <b>3056.4'</b>

Surface Location									
UL or lot no.	Section	Township	Range	Lot	Feet from the	North/South line	Feet from the	East/West line	County
<b>B</b>	<b>11</b>	<b>25 SOUTH</b>	<b>29 EAST, N.M.P.M.</b>	<b>170'</b>	<b>NORTH</b>	<b>2640'</b>	<b>EAST</b>	<b>EDDY</b>	

Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot	Feet from the	North/South line	Feet from the	East/West line	County
<b>O</b>	<b>11</b>	<b>25 SOUTH</b>	<b>29 EAST, N.M.P.M.</b>	<b>330'</b>	<b>SOUTH</b>	<b>2540'</b>	<b>EAST</b>	<b>EDDY</b>	
Dedicated Acres		Joint or Infill	Consolidation Code	Order 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.

<p><b>SURFACE LOCATION</b> NEW MEXICO EAST NAD 1927 Y=418993.8 X=617182.8 LAT.: N 32.1513641° LONG.: W 103.9546533°</p> <p><b>PENETRATION POINT</b> NEW MEXICO EAST NAD 1927 Y=418663.8 X=617205.2 LAT.: N 32.1504573° LONG.: W 103.9546272°</p> <p><b>BOTTOM HOLE LOCATION</b> NEW MEXICO EAST NAD 1927 Y=414183.2 X=617330.6 LAT.: N 32.1381387° LONG.: W 103.9542728°</p> <p>GRID AZ = 178°24' 4812.6' IN ALT</p> <p>PRODUCING AREA PROJECT AREA</p> <p>330'</p> <p>2540'</p>	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p>
	<p><b>SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was placed from field notes of a professional survey made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p><b>15079</b></p> <p><b>SEPTEMBER 29, 2011</b></p> <p>Date of Sign</p> <p>Signature and Seal of Professional Surveyor</p> <p><i>Jerry J. Paul</i> 10/12/2011</p> <p>Certificate Number 15079</p> <p>WOL 110929WL-c (KA)</p>

Form C-102  
Revised October 12, 2005  
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☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <b>30-015-39648</b>		Pool Code	Pool Name
Property Code	Property Name <b>ELK WALLOW "11" STATE</b>		Well Number <b>9H</b>
OGRIID No.	Operator Name <b>EOG RESOURCES, INC.</b>		Elevation <b>3121.0'</b>

### Surface Location

UL or lot no.	Section	Township	Range	Lot 1st	Feet from the	North/South line	Feet from the	East/West line	County
P	11	25 SOUTH	29 EAST, N.M.P.M.		435'	SOUTH	1220'	EAST	EDDY

## Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot 1st	Feet from the	North/South line	Feet from the	East/West line	County
A	11	25 SOUTH	29 EAST, N.M.P.M.		330'	NORTH	1220'	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	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.

**OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Printed Name \_\_\_\_\_

**SURVEYOR CERTIFICATION**

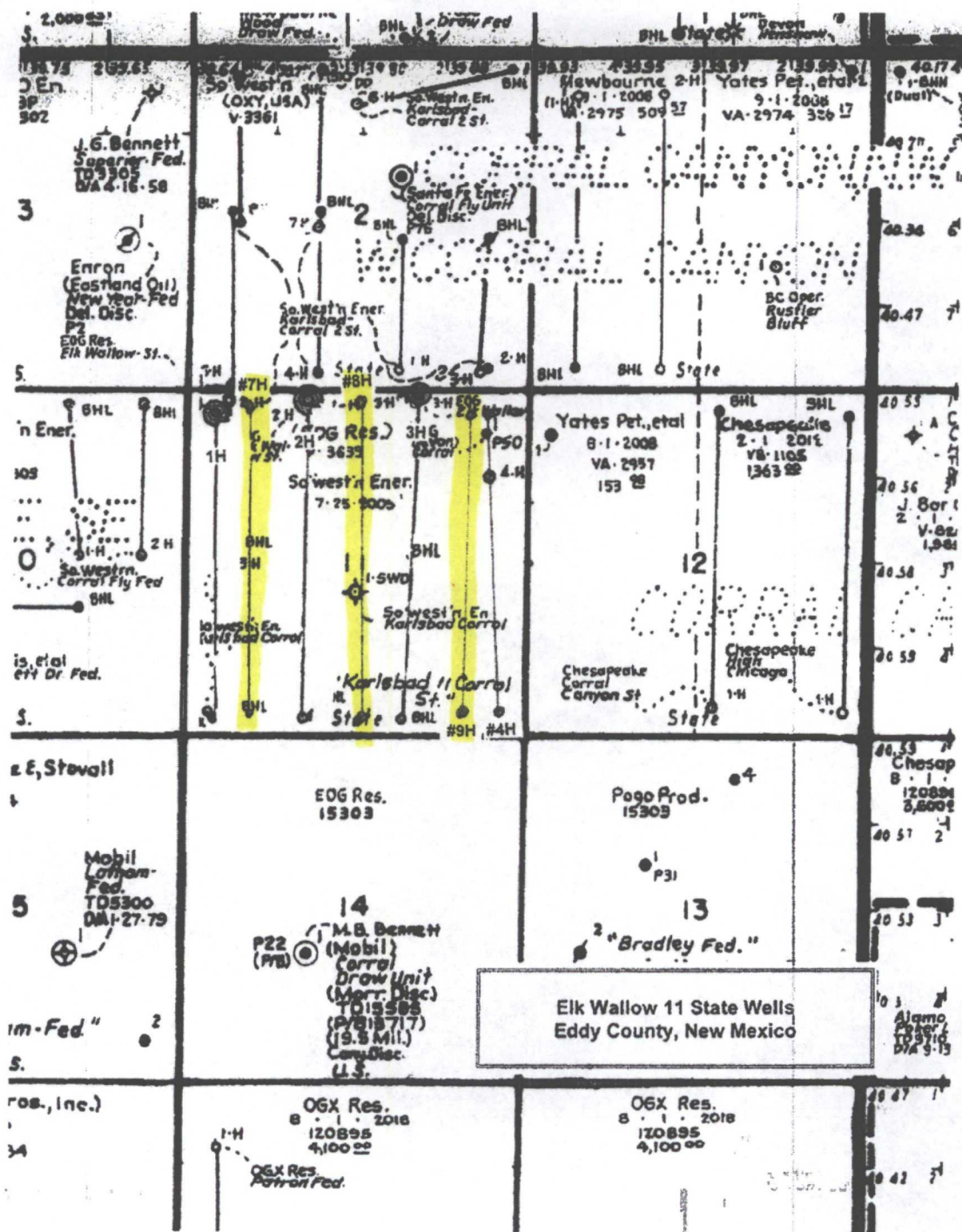
I hereby certify that the well location shown on this plat was plotted from field notes of a recent survey made by me or under my supervision and that the same is true and correct to the best of my belief.

**15079**  
**SEPTEMBER 29, 2011**  
 Date of Survey

Signature and Seal of Professional Surveyor \_\_\_\_\_

*Jerry D. Paul* 10/12/2011  
 Certificate Number 15079

WO# 110929WL-e (KA)



**Brooks, David K., EMNRD**

---

**From:** Brooks, David K., EMNRD  
**Sent:** Monday, November 21, 2011 5:00 PM  
**To:** 'Adam Rankin'  
**Subject:** EOG - Elk Wallow 11 State Wells ## 7Hm 8H and 9H; NSL Application

Dear Adam,

This application states that notice is unnecessary because "all of Section 11 is subject to a single state lease and EOG is the leasehold operator."

However, in order to obviate the need for notice in such circumstances, it is also necessary that working interest ownership be uniform, which is not stated in this application.

Please advise if working interest ownership is uniform throughout this section.

Sincerely

David K. Brooks



**Brooks, David K., EMNRD**

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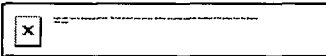
**From:** Adam Rankin [AGRankin@hollandhart.com]  
**Sent:** Monday, November 21, 2011 5:02 PM  
**To:** Brooks, David K., EMNRD  
**Subject:** RE: EOG - Elk Wallow 11 State Wells ## 7Hm 8H and 9H; NSL Application

Thanks David.

I will determine and advise.

Best,  
Adam

**Adam G. Rankin**  
Holland & Hart LLP  
110 North Guadalupe Suite 1  
Santa Fe, NM 87501  
Office: (505) 988-4421  
Direct: (505) 954-7294  
Cell: (505) 570-0377  
Fax (505) 983-6043  
E-mail: [agrankin@hollandhart.com](mailto:agrankin@hollandhart.com)  
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**From:** Brooks, David K., EMNRD [<mailto:david.brooks@state.nm.us>]  
**Sent:** Monday, November 21, 2011 5:00 PM  
**To:** Adam Rankin  
**Subject:** EOG - Elk Wallow 11 State Wells ## 7Hm 8H and 9H; NSL Application

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Sincerely

David K. Brooks

**Brooks, David K., EMNRD**

---

**From:** Michael Feldewert [MFeldewert@hollandhart.com]  
**Sent:** Tuesday, November 29, 2011 2:56 PM  
**To:** Brooks, David K., EMNRD  
**Cc:** Adam Rankin  
**Subject:** EOG - Elk Wallow 11 State Wells ## 7Hm 8H and 9H; NSL Application

David: As we discussed this afternoon, the E/2 E/2 of Section 11 ( upon which Well No. 9H is located) is the only portion of Section 11 subject to split ownership under a JOA. All of the remainder of Section 11 is owned entirely by EOG, the operator. Accordingly, all of the acreage upon which these wells encroach is owned 100% by EOG.

I trust that this answers your inquiry and demonstrates why there are no affected parties. If you have any other questions or issues, or need anything else, please let me know. Thanks.

*Michael H. Feldewert*  
*Santa Fe Office*  
*505-988-4421*  
*505-983-6043 (fax)*  
*[mfeldewert@hollandhart.com](mailto:mfeldewert@hollandhart.com)*



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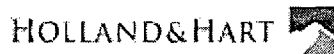
**From:** Adam Rankin  
**Sent:** Tuesday, November 22, 2011 2:52 PM  
**To:** Brooks, David K., EMNRD  
**Cc:** Michael Feldewert  
**Subject:** RE: EOG - Elk Wallow 11 State Wells ## 7Hm 8H and 9H; NSL Application

David,

I will have to get back to you early next week on this question.

Have a great Thanksgiving.

**Adam G. Rankin**  
Holland & Hart LLP  
110 North Guadalupe Suite 1  
Santa Fe, NM 87501  
Office: (505) 988-4421  
Direct: (505) 954-7294  
Cell: (505) 570-0377  
Fax (505) 983-6043  
E-mail: [agrarkin@hollandhart.com](mailto:agrarkin@hollandhart.com)  
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Sincerely

David K. Brooks