

DATE <u>06/25/13</u>	SUSPENSE	ENGINEER <u>DB</u>	LOGGED IN <u>06/25/13</u>	TYPE <u>NSL</u>	APP NO <u>PAYC 1317 133242</u>
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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



E OG
Diamond 5 Fed Com
#814

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]

[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.

[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 G. Rankin
Print or Type Name

[Signature]
Signature

Attorney
Title

6/25/13
Date

agrankin@hollandhart.com
e-mail Address

RECEIVED OGD
JUN 25 PM 1:25



June 25, 2013

VIA HAND DELIVERY

Jami Bailey
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

RECEIVED OGD
2013 JUN 25 P 4:25

Re: Application of EOG Resources, Inc. for administrative approval of an unorthodox well location for its Diamond 5 Fed Com 8H Well in Sections 5 and 8, Township 25 South, Range 34 East, N.M.P.M., Lea County, New Mexico.

Dear Ms. Bailey:

EOG Resources, Inc. (OGRID No. 7377) hereby seeks administrative approval pursuant to the provisions of Division Rule 19.15.15.13 NMAC for an unorthodox well location for its **Diamond 5 Fed Com 8H Well** to be located in Section 8, Township 25 South, Range 34 East, N.M.P.M., Lea County, New Mexico. The proposed well is to be drilled horizontally at a surface location in Section 5, 110 feet from the South line and 1790 feet from the East line of said Section. The first perforations will be within Section 8, Township 25 South, Range 34 East, at a location 330 feet from the south line and 1369 feet from the East line of said Section. The last perforation in this proposed well will be 330 feet from the South line and 1370 feet from the East line of Section 8 with the bottom hole location 230 feet from the South line and 1370 feet from the East line of said Section. A 160-acre project area has been dedicated to this horizontal well comprised of the W/2 E/2 of Section 8.

Exhibit A is a land plat for Section 14 and surrounding sections showing the proposed non-standard location of the **Diamond 5 Fed Com 8H Well** in relation to adjoining units and existing wells. This location is unorthodox because the formation under this acreage is governed by the Division's statewide rules which provide for wells to be located no closer than 330 feet to the outer boundary of the spacing unit. The location of this well will be unorthodox because the well path will be closer than 330 feet to the boundary of the project area for engineering reasons, and is, therefore, unorthodox under the Division rules.

Exhibit B is the Well Location and Acreage Dedication Plat (Form C-102), which shows that the proposed **Diamond 5 Fed Com 8H Well** encroaches on the spacing and proration units to the East, Northeast and Southeast.

* Red Hills
Lower
Bone Spring
Pool#
51020
R-10109
R-10109-A
R-10109-B



Pursuant to 19.15.4.12(A)(2)(c) NMAC, affected parties are those toward whom the non-standard location encroaches. Here, the entire E/2 of Section 8 is covered by two federal leases (NMNM-19625 and NMNM 14497). The operator of the spacing and proration units in the E/2 of Section 8 is EOG Resources Inc., the applicant for this non-standard location. Ownership within the E/2 of Section 8 is common and therefore, under the Rules, no notice is required. The working interests to the northeast and southeast this case, however, are not common. The working interests requiring notice in the encroached-upon spacing and proration units are Roden Associates, Ltd. and Roden Participants, Ltd.

Exhibit C is a list of the encroached-upon interest owners in Sections 5 and 17, to the northeast and Southeast, respectively. Each of these affected parties have been provided notice of this application by certified mail and informed that if they have an objection to this application, it must be filed with the Division within twenty days of the date of this application.

Your attention to this application is appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam G. Rankin", with a large, stylized initial "A" and a trailing flourish.

Adam G. Rankin

ATTORNEY FOR EOG RESOURCES, INC.

Enclosures

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 793-4161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-0720
District III
1000 Rio Brazos Road, Artesia, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3466 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 Number	² Pool Code 51020	³ Pool Name Red Hills; Bone Spring
⁴ Property Code	⁵ Property Name DIAMOND 5 FED COM	⁶ Well Number #8H
⁷ GRID No.	⁸ Operator Name EOG RESOURCES, INC.	⁹ Elevation 3376'

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	5	25-S	34-E	-	110'	SOUTH	1790'	EAST	LEA

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	8	25-S	34-E	-	230'	SOUTH	1370'	EAST	LEA

¹¹ Dedicated Acres	¹² Joint or Infill	¹³ Consolidation Code	¹⁴ 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.

	<p>¹⁷OPERATOR CERTIFICATION</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 undivided mineral interest in the land including the proposed bottom hole location or has a right to drill the well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a subsidiary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p>
	<p>¹⁸SURVEYOR CERTIFICATION</p> <p>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 same is true to the best of my belief.</p> <p>5/15/2013</p> <p>Date of Survey Signature and Seal of Professional Surveyor</p> <p>Certificate Number _____</p>



EXHIBIT C

**EOG RESOURCES, INC. – NSL Application
Diamond 5 Fed Com 8H Well**

Roden Associates, Ltd.
2603 Augusta Drive, Suite 740
Houston, Texas 77057

Roden Participants, Ltd.
2603 Augusta Drive, Suite 740
Houston, Texas 77057