

ABOVE THIS LINE FOR DIVISION USE ONLY

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



NSL-7484-A

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]
- EOG RESOURCES INC
7377

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD

NEPTUNE 10 STATE COM NO. 504H
 API# 30-025-43455
 POOL: TRIPLE X; B.S. [#59900]

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

2017 JAN 31 P 1:42
 RECEIVED 000

[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.

Jordan Kessler for PK
 Print or Type Name Signature

Attorney 1/31/17
 Title Date

jkessler@hollandhart.com
 e-mail Address



January 31, 2017

VIA HAND DELIVERY

David Catanach
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Dr.
Santa Fe, New Mexico 87505

**Re: Application of EOG Resources, Inc. for an amendment of NSL-7484,
Sections 3 and 10, Township 24 South, Range 33 East, NMPM, Lea County,
New Mexico.
Neptune 10 State Com No. 504H**

Dear Mr. Catanach:

EOG Resources, Inc. (OGRID No. 7377) previously permitted the **Neptune 10 State Com No. 504H** as a horizontal well within a 320-acre project area in the ~~Triple X, Bone Spring Pool (59900)~~ comprised of the E/2 W/2 of Section 3 and the E/2 W/2 of Section 10. The Division issued Administrative Order NSL-7484 authorizing a first perforation 330 feet from the South line, 1,480 feet from the West line (Unit N) of Section 10 with a final perforation 330 feet from the North line, 1,480 feet from the West line (Lot 3) of Section 3.

*See
reference*

EOG commenced drilling the well from a surface location 330 feet from the South line and 1,480 feet from the West line of Section 10 (Unit N). However, in drilling the well, EOG deviated slightly from its planned well path. The first perforation will occur at 442 feet from the South line, 1,467 feet from the West line (Unit N) of Section 10 and the final perforation will occur at 445 feet from the North line and 1,465 feet from the West line (Lot 3) of Section 3. Accordingly, the **Neptune 10 State Com No. 504H** is approximately 13 feet closer to the western boundary than is currently authorized by NSL-7484.

EOG respectfully requests that pursuant to 19.15.15.13.C NMAC, the Division amend NSL-7484 to reflect the as-drilled location of the wellbore. The unorthodox location encroaches only on the spacing and proration unit to the West.

As support for this application, EOG provides the following additional information and exhibits:

Exhibit A is the amended Well Location and Acreage Dedication Plat (Form C-102), which shows, as drilled, the non-standard location for the **Neptune 10 State Com No. 504H**.

HOLLAND & HART^{LLP}



Exhibit B is a copy of NSL-7484.

As described in the original application, EOG is the operator in the spacing unit in the W/2 W/2 of Sections 3 and 10 and ownership is identical with that of the subject spacing unit. For these reasons, there are no affected parties in the spacing unit to the West. A copy of this application has also been provided to the New Mexico State Land Office.

Your attention to this application is appreciated.

Sincerely,

Jordan L. Kessler

ATTORNEY FOR EOG RESOURCES, INC.

cc: New Mexico State Land Office
P.O. Box 1148
Santa Fe, NM 87504

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., Sante 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.
Sante 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		³ Pool Name		
⁴ Property Code		⁵ Property Name NEPTUNE 10 STATE COM			⁶ Well Number #504H	
⁷ OGRID No.		⁸ Operator Name EOG RESOURCES, INC.			⁹ Elevation 3610'	

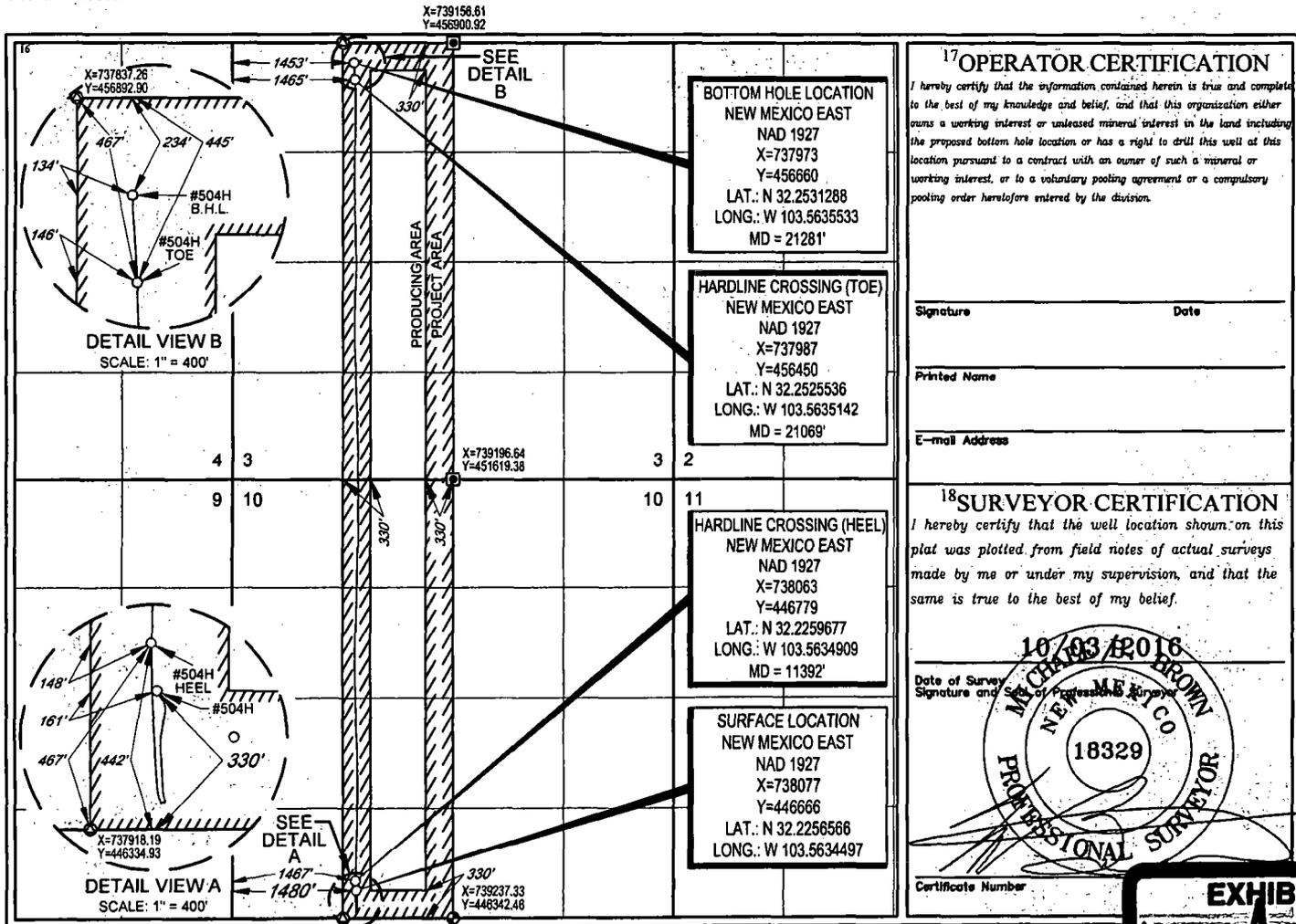
¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	10	24-S	33-E	-	330'	SOUTH	1480'	WEST	LEA

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	3	24-S	33-E	-	234'	NORTH	1453'	WEST	LEA

¹² Dedicated Acres 320.00	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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.



State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Tony Delfin
Acting Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



November 15, 2016

EOG Resources, Inc.
Attn: Mr. Michael Feldewert

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL-7484

EOG Resources, Inc.
OGRID 7377
Neptune 10 State Com Well No. 504H
API No. 30-025-43455

Non-Standard Location

Proposed Location:

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	330' FSL & 1480' FWL	N	10	24S	33E	Lea
Penetration Point	330' FSL & 1480' FWL	N	10	24S	33E	Lea
Final perforation	330' FNL & 1480' FWL	3	3	24S	33E	Lea
Terminus	230' FNL & 1480' FWL	3	3	24S	33E	Lea

Proposed Project Area:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E/2 W/2 of Section 3	160.1	Triple X; Bone Spring	59900
E/2 W/2 of Section 10	160		

Reference is made to your application received on October 21, 2016.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. This location is governed by statewide Rule 19.15.15.9.A NMAC, which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary. This location is unorthodox because portions of the proposed completed interval are closer to outside boundaries of the proposed project area than any location that would be a standard location under the applicable pool rules.

Your application has been duly filed under the provisions of Division Rules 19.15.15.13 NMAC and 19.15.4.12.A (2) NMAC.

1220 South St. Francis Drive • Santa Fe, New Mexico 87505
Phone (505) 476-3480 • Fax (505) 476-3482 • www.emnrd.state.nm.us/ocd

EXHIBIT

tabbles

B

Administrative Order NSL-7484
EOG Resources, Inc.
November 15, 2016
Page 2 of 2

It is our understanding that EOG Resources, Inc. is seeking this location to allow for their preferred wells spacing, thereby preventing waste.

It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 19.15.4.12 A (2) NMAC, in all adjoining units towards which the proposed location encroaches

Pursuant to the authority conferred by Division Rule 19.15.15.13 (B) NMAC, the above-described unorthodox location is hereby approved.

The above approvals are subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 19.15.5.9 NMAC.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.



DAVID R. CATANACH
Director

DRC/lrl

cc: Oil Conservation Division – Hobbs District Office
New Mexico State Land Office – Oil, Gas, and Minerals

Lowe, Leonard, EMNRD

From: Jordan L. Kessler <JLKessler@hollandhart.com>
Sent: Monday, March 6, 2017 4:03 PM
To: Lowe, Leonard, EMNRD
Subject: FW: EOG Resources NSL application: Neptune 10 State Com Well No. 5H

Hi Leonard,

The requested amended location is as follows:

- Surface location 330 feet from the South line and 1,480 feet from the West line of Section 10 (Unit N)
- The first perforation will occur at 442 feet from the South line, 1,467 feet from the West line (Unit N) of Section 10
- The final perforation will occur at 445 feet from the North line and 1,465 feet from the West line (Lot 3) of Section 3
- Bottomhole location is 234 feet from the North line, 1,453 feet from the West line of Section 3

Please let me know if you have any more questions. Thanks!

From: Lowe, Leonard, EMNRD [mailto:Leonard.Lowe@state.nm.us]
Sent: Monday, March 06, 2017 3:25 PM
To: Jordan L. Kessler
Subject: RE: EOG Resources NSL application: Neptune 10 State Com Well No. 5H

Jordan,

EOG Resources, WELL: Neptune 10 State Com No. 504H.; API # 30-025-43455
NSL -7484 - A

Sorry. One of those glorious Monday's.

Leonard Lowe

Engineering Bureau
Oil Conservation Division
Energy Minerals and Natural Resources Department
1220 South St. Frances
Santa Fe, New Mexico 87004
Office: 505-476-3492
Cell: 505-930-6717
Fax: 505-476-3462
E-mail: leonard.lowe@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/>

From: Lowe, Leonard, EMNRD [mailto:Leonard.Lowe@state.nm.us]
Sent: Monday, March 06, 2017 9:31 AM
To: Jordan L. Kessler
Subject: EOG Resources NSL application: Neptune 10 State Com Well No. 5H
Importance: High

First perforation point
Second perforation point
Bottom Hole location

Your submitted C-102, our online data for that well, and previously submitted C-102's show conflicting information.

Approval processing of this application is dependent on your submitted information.

llowe

Leonard Lowe

Engineering Bureau

Oil Conservation Division

Energy Minerals and Natural Resources Department

1220 South St. Frances

Santa Fe, New Mexico 87004

Office: 505-476-3492

Cell: 505-930-6717

Fax: 505-476-3462

E-mail: leonard.lowe@state.nm.us

Website: <http://www.emnrd.state.nm.us/ocd/>

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Tuesday, March 7, 2017 8:33 AM
To: 'Jordan Kessler'
Cc: Brown, Maxey G, EMNRD; Kautz, Paul, EMNRD; McMillan, Michael, EMNRD; Goetze, Phillip, EMNRD; Jones, William V, EMNRD; Martin, Ed; Holm, Anchor E.
Subject: APPROVED NSL-7484-A_EOG RESOURCES INC._Neptune 10 State Com Well No. 504H, Lea County

Importance: High

Ms. Jordan Kessler,

The following administrative orders have been issued and will soon be available on the Division's web site: <http://ocdimage.emnrd.state.nm.us/Imaging/Default.aspx>

NSL-7484-A

EOG Resources, Inc.

API #: 30-025-43455

WELL: Neptune 10 State Com Well No. 504H, Lea County

Leonard Lowe

Engineering Bureau

Oil Conservation Division

Energy Minerals and Natural Resources Department

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