

3/17/17

ABOVE THIS LINE FOR DIVISION USE ONLY

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



NSL-7515

2017 FEB 24

RECEIVED

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 API 30-025-43525

[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.

Jordan Kessler
 Print or Type Name

[Signature]
 Signature

Attorney
 Title

2/24/17
 Date

j.kessler@hollardhart.com
 e-mail Address

HOLLAND & HART^{LLP}



Jordan L. Kessler

Associate

Phone (505) 954-7286

Fax (505) 983-6043

JLKessler@hollandhart.com

February 24, 2017

NSL-7515

VIA HAND DELIVERY

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

API# 30-025-43525

Re: Application of EOG Resources, Inc. for administrative approval of an unorthodox well location for its Rattlesnake 28 Fed Com No. 707H Well in the E/2 W/2 of Section 28 and the E/2 W/2 of Irregular Section 33 (Lot 3 and NE/4 NW/4), Township 26 South, Range 33 East, N.M.P.M., Lea County, New Mexico.

Dear Mr. Catanach:

EOG Resources, Inc. (OGRID No. 7377) seeks administrative approval of an unorthodox well location for its **Rattlesnake 28 Fed Com No. 707H Well** to be completed within the WC-025 G-09 S263327G; Upper Wolfcamp (Pool Code 98097) underlying Section 28 and irregular section 33,¹ Township 26 South, Range 33 East, N.M.P.M., Lea County, New Mexico. While drilling, a portion of the wellbore deviated from the projected course. A portion of the completed interval will therefore be unorthodox, as set forth below.

This well was drilled from a surface location 759 feet from the North line and 1,965 feet from the West line (Unit C) of Section 28. The upper most perforation will be located 330 feet from North line and 1,662 feet from the West line (Unit C) of Section 28 and the lower most perforation will be 330 feet from the South line and 1,616 feet from the West line (Lot 3) of irregular Section 33. As illustrated on Exhibit A, a portion of the completed interval in Unit N of Section 28 and Unit C and Lot 3 of irregular Section 33 is outside of the producing area, and is therefore unorthodox. Since this acreage is governed by the Division's statewide rules which provides for wells to be located no closer than 330 feet to the outer boundary of the spacing unit, the completed interval for this well will be unorthodox because it is closer than 330 feet to the western and southwestern boundaries of the project area.

¹ Section 33 is along the Texas border and is an irregular section. The E/2 W/2 (Lot 3 and the NE/4 NW/4) is approximately 77.01 acres.

Holland & Hart LLP

Phone [505] 988-4421 Fax [505] 983-6043 www.hollandhart.com

110 North Guadalupe Suite 1 Santa Fe, New Mexico 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Boulder Carson City Colorado Springs Denver Denver Tech Center Billings Boise Cheyenne Jackson Hole Las Vegas Reno Salt Lake City Santa Fe Washington, D.C. ☉

HOLLAND & HART^{LLP}



EOG owns a leasehold in three federal leases covering the W/2 of Section 36. Ownership is common throughout the W/2 of Section 28 and 33; however, the working interest owners have a different percent working interest in the E/2 W/2 of Section 28 and 33 and the W/2 W/2 of Sections 28 and 33 due to the configuration of the leases. EOG is the operator of two wells dedicated to the W/2 W/2 of Sections 28 and 33: the Rattlesnake 28 Fed Com No. 708H Well and the Rattlesnake 28 Fed Com No. 709H Well. Both wells have been drilled but not yet completed. The location of this well is unorthodox due to the course of the wellbore having deviated during drilling; however, approval of the unorthodox completed interval will allow EOG to use their preferred well spacing plan for horizontal wells in this area and thereby prevent waste.

Exhibit A is an as-drilled Well Location and Acreage Dedication Plat (Form C-102), which shows that the completed interval of the **Rattlesnake 28 Fed Com No. 707H Well** encroaches on the spacing and proration units to the West and Southwest.

Exhibit B is a land plat for Sections 28 and 33 and the surrounding sections that shows the proposed **Rattlesnake 28 Fed Com No. 707H Well** in relation to adjoining units and existing wells.

Exhibit C shows the configuration of the three federal leases in the W/2 of Sections 28 and 33.

Exhibit D is a list of the parties affected by the encroachment to the West and Southwest. EOG has provided notice to the interest owner in the affected tract to the West, despite the interest in the W/2 being identical, because the interest owners each own different percent working interests. Each of the parties listed on Exhibit C have been provided notice of this application by certified mail. A copy of this application has been provided to the New Mexico State Land Office and the Bureau of Land Management-Carlsbad Office.

Your attention to this matter is appreciated.

Sincerely,

Jordan L. Kessler
ATTORNEY FOR EOG RESOURCES, INC.

cc: Bureau of Land Management
620 E. Green Street
Carlsbad, NM 88220

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 RATTLESNAKE 28 FED COM			⁶ Well Number #707H
⁷ OGRID No.		⁸ Operator Name EOG RESOURCES, INC.			⁹ Elevation 3243'

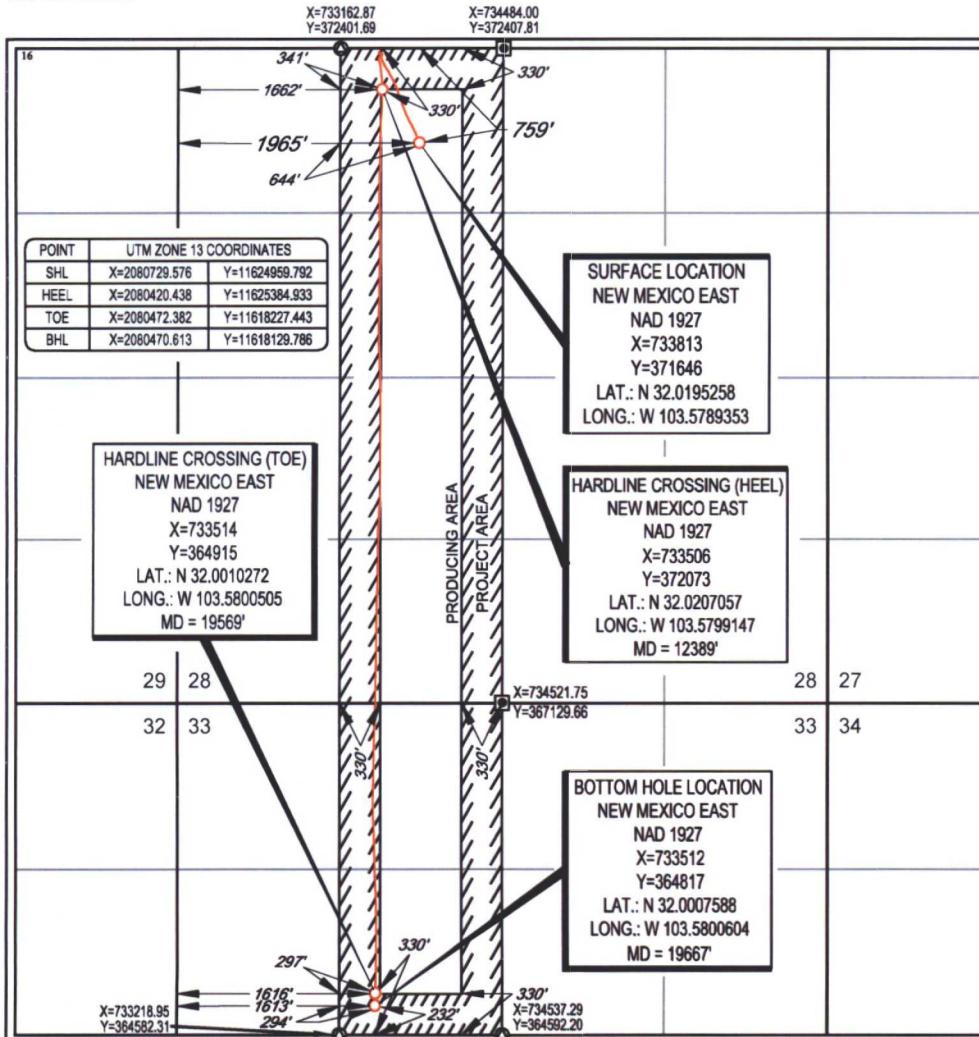
¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	28	26-S	33-E	-	759'	NORTH	1965'	WEST	LEA

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F (3)	33	26-S	33-E	3	232'	SOUTH	1613'	WEST	LEA

¹² Dedicated Acres 237.01	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.



17 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 _____

E-mail Address _____

18 SURVEYOR CERTIFICATION
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.

07/26/2016

Date of Survey
Signature and Seal of Professional Surveyor

EXHIBIT

A

Certificate Number _____

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0730
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) 334-6171
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 **HOBBS OCD**
Department
OIL CONSERVATION DIVISION · JAN 03 2017
1220 South St. Francis Dr.
Sante Fe, NM 87505

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

RECEIVED AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025- 43525		Pool Code 98097	Pool Name WC-025 G-09 S263327G; Upper Wolfcamp
Property Code 315317	Property Name RATTLESNAKE 28 FED COM		Well Number #707H
OCRID No. 7377	Operator Name EOG RESOURCES, INC.		Elevation 3243'

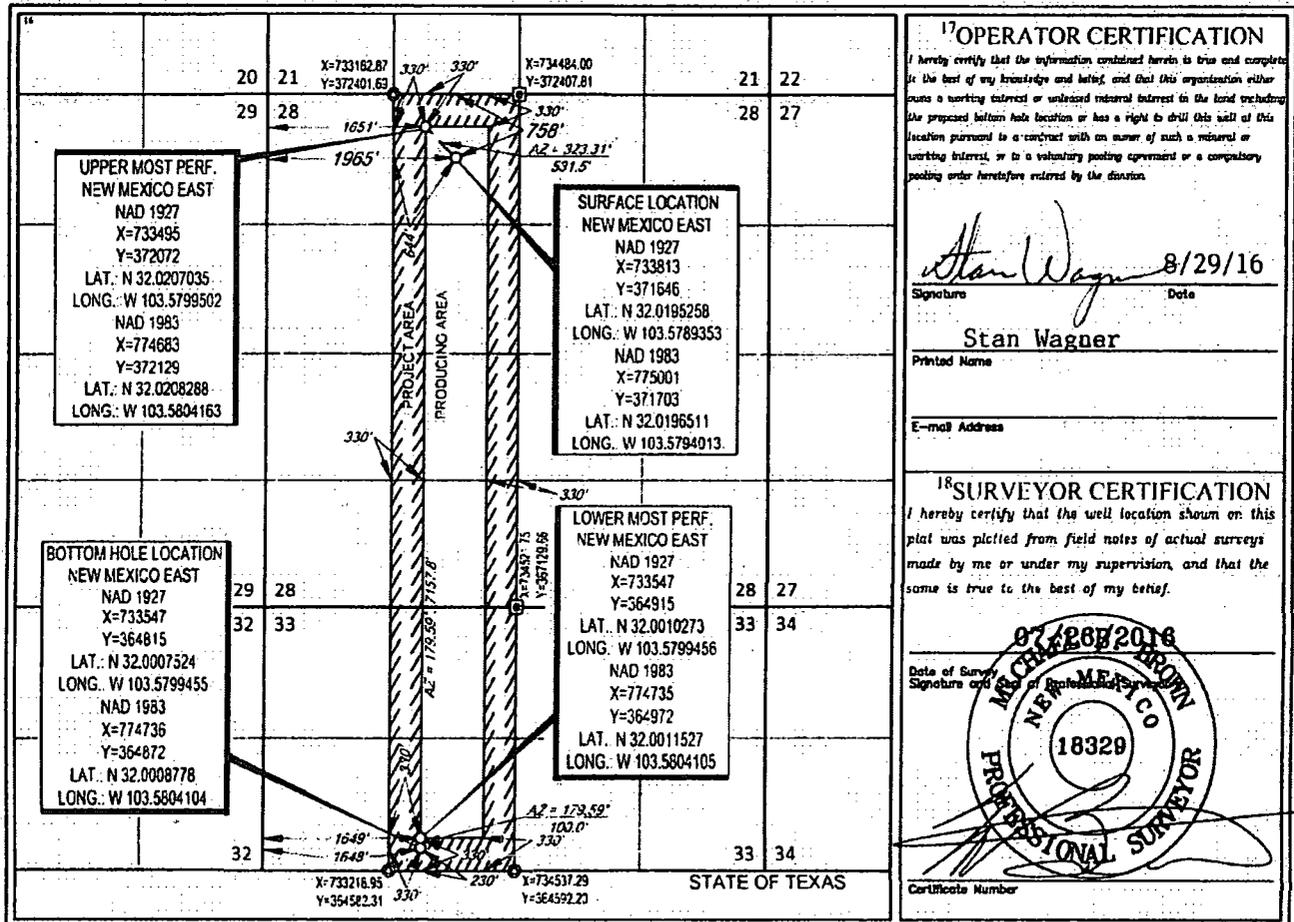
10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	28	26-S	33-E	-	758'	NORTH	1965'	WEST	LEA

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F(3)	33	26-S	33-E	3	230'	SOUTH	1648'	WEST	LEA

12 Dedicated Acres 237.01	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.



EOG RESOURCES, INC.

RATTLESNAKE 28 FED COM #707H UNORTHODOX LOCATION NOTICE TRACT PLAT
TOWNSHIP 26 SOUTH RANGE 33 EAST, LEA COUNTY, NM

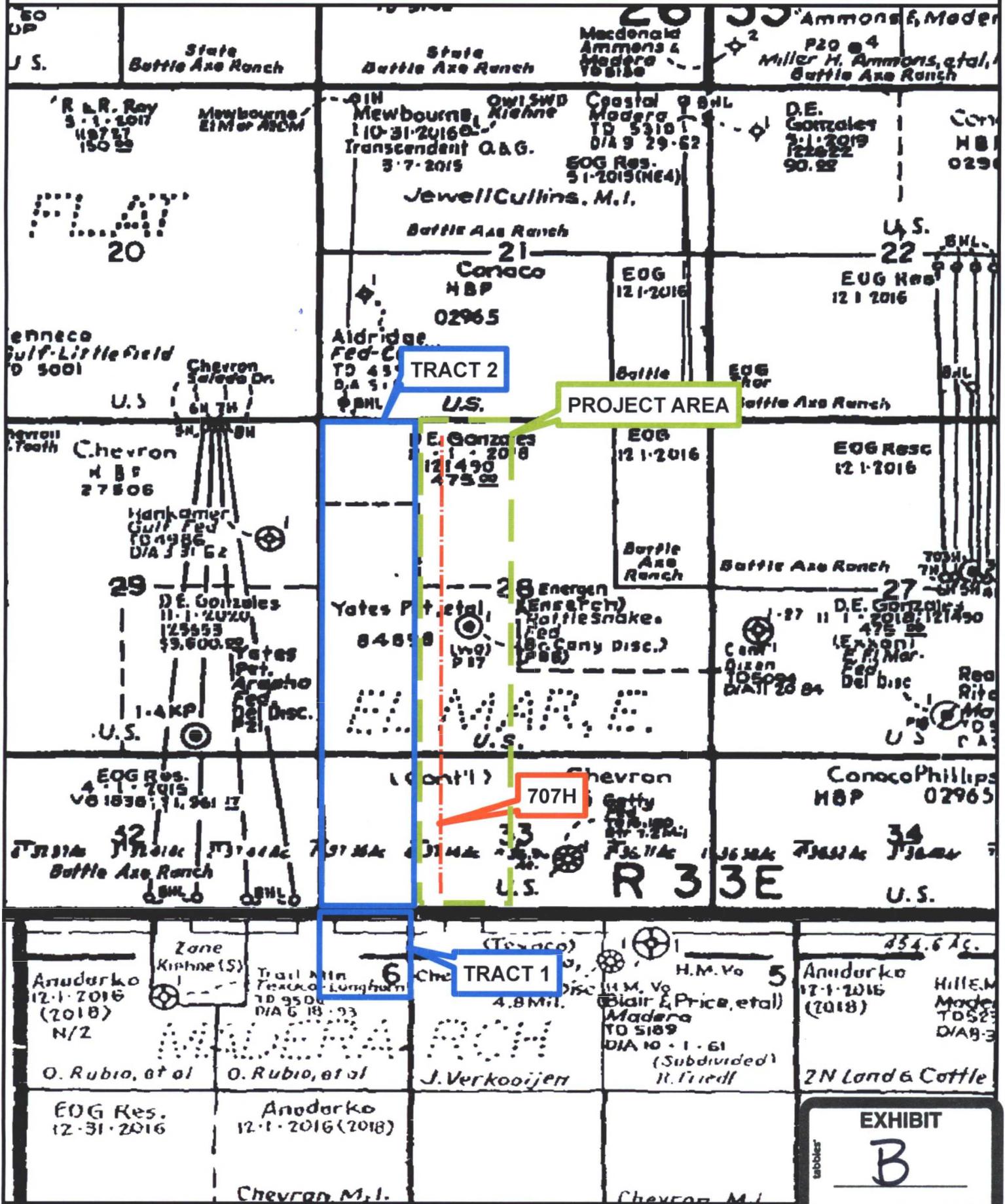


EXHIBIT
B

Exhibit A

To Communitization Agreement dated November 20, 2016 embracing the E2W2 Section 28 and NENW, Lot 3 Section 33, Township 26 South, Range 33 East, N.M.P.M, Lea County, New Mexico

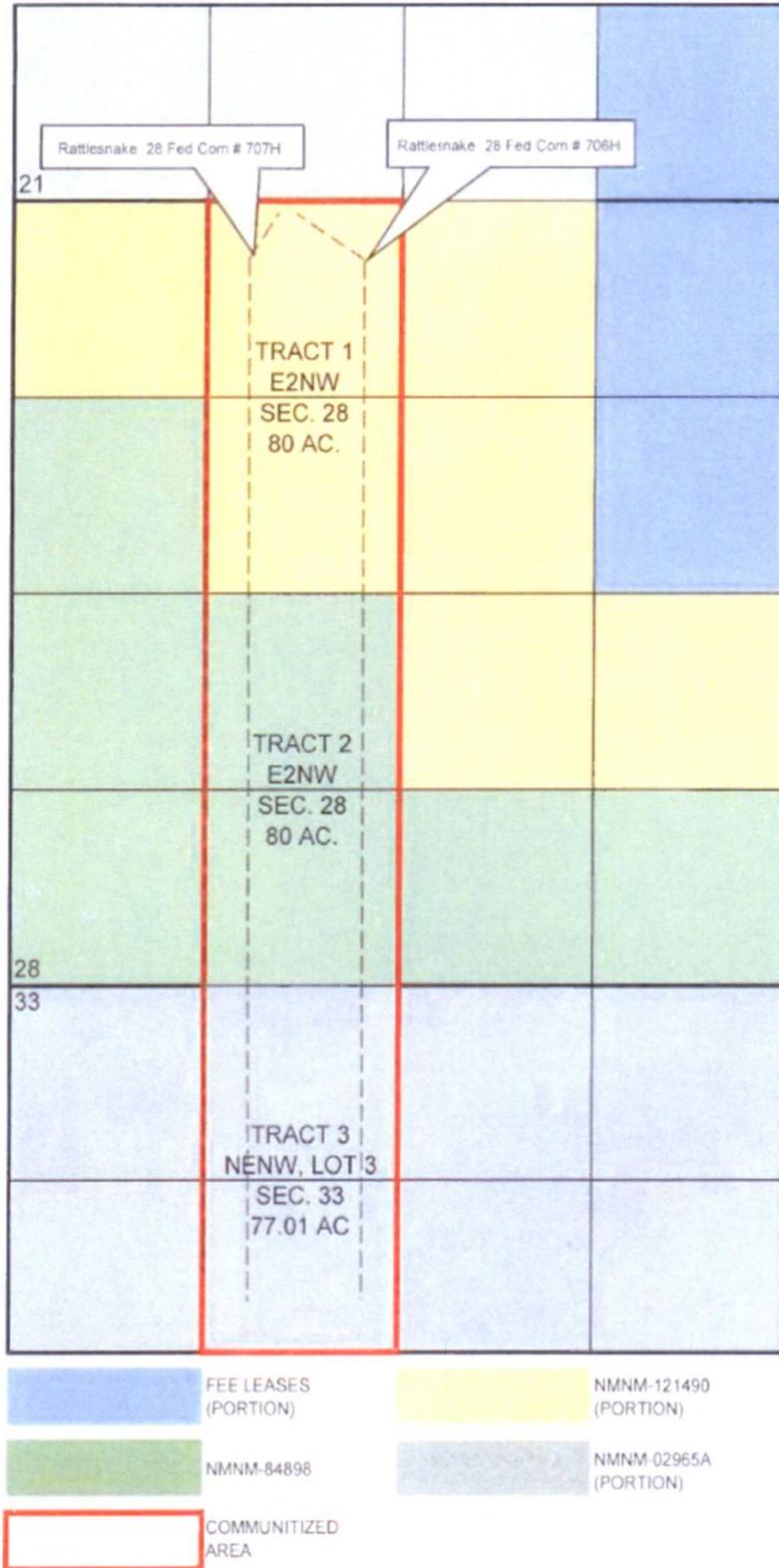


Exhibit D

Tract 1:

RSC Resources, L.P.
6824 Island Circle
Midland, Texas 79707
7015 3010 0001 8827 0973

Tract 2:

Bennett Easterling
P.O. Box 188
Quemado, NM 87829
7015 0640 0003 5400 7376

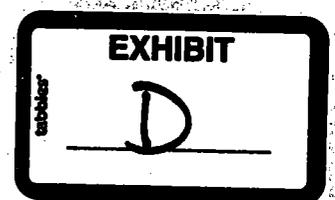
Lance Sears Easterling
522 Harbart St
Columbus, TX 78934
7015 0640 0003 5400 7383

Susan Easterling Swaim
P.O. Box 1014
Truth or Consequences, NM 87901
7015 0640 0003 5400 7390

Elizabeth Lucille Rectenwald
5320 Sandywood Court
Carmichael, CA 95608
7015 0640 0003 5400 7406

Ross Easterling Mineral Holdings, LLC
c/o: Ross Easterling
1625 Wagon Train Dr, SE
Albuquerque, NM 87123
7015 0640 0003 5400 7413

Exxon Moblie Corp.
c/o: XTO Energy, Inc
810 Houston St.
Fort Worth, TX 76102
7015 0640 0003 5400 7420



HOLLAND & HART ^{LLP}



Jordan L. Kessler
Associate
Phone (505) 954-7286
Fax (505) 983-6043
JKessler@hollandhart.com

February 24, 2017

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO AFFECTED PARTIES

Re: Application of EOG Resources, Inc. for administrative approval of an unorthodox well location for its Rattlesnake 28 Fed Com No. 707H Well in the E/2 W/2 of Section 28 and the E/2 W/2 of Irregular Section 33, Township 26 South, Range 33 East, N.M.P.M., 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:

Gavin Smith
EOG Resources, Inc.
(432) 686-3720
Gavin_Smith@eogresources.com

Sincerely,

Jordan L. Kessler
ATTORNEY FOR EOG RESOURCES, INC.

Holland & Hart LLP

Phone (505) 988-4421 Fax (505) 983-6043 www.hollandhart.com

110 North Guadalupe Suite 1 Santa Fe, New Mexico 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Boulder Carson City Colorado Springs Denver Denver Tech Center Billings Boise Cheyenne Jackson Hole Las Vegas Reno Salt Lake City Santa Fe Washington, D.C. ☪

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Monday, April 17, 2017 4:37 PM
To: Jordan Kessler
Cc: Brown, Maxey G, EMNRD; Kautz, Paul, EMNRD; 'lisa@rwbyram.com'; 'jglover@blm.gov'; McMillan, Michael, EMNRD; Jones, William V, EMNRD; Goetze, Phillip, EMNRD
Subject: APPROVED NSL-7515_Rattlesnake 28 Federal Com Well No. 707H, API #: 30-025-43525
Importance: High

Ms. Jordan Kessler,

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

NSL-7515

EOG Resources, Inc.

API #: 30-025-43525

WELL: Rattlesnake 28 Federal Com Well No. 707H, Lea County

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/>