

DATE IN: 6/6/2017	SUSPENSE	ENGINEER: M Am	LOGGED IN: 6/6/2017	TYPE: PL	REF NO: M Am 171525682
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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



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.

Stan Wagner

Print or Type Name

Signature

Regulatory Analyst

Title

6/1/17

Date

Stan.Wagner@eogresources.com
 e-mail Address

RECEIVED 000
 JUN - 1 P

PL
 - EOG resources Inc
 7377
 Key
 - OS prorio
 6024
 30-025-43652
 - OS prorio
 7014
 30-025-43651
 Pool
 - WC-0256-09
 5253402W
 WORKAMP
 48116
 - Red Hills
 Burn
 Spring
 57365



EOG Resources, Inc.
5509 Champions Drive
Midland, Texas 79706
(432) 686-3600

Date: June 1, 2016
To: New Mexico Oil Conservation Division
Re: Surface Pool Commingling Application
Osprey 10 #701H & Osprey 10 #602H

To whom it may concern:

This letter serves to notice you that the ownership of the following wells is identical in working interest, royalty interest and overriding royalty interest percentages:

	API	WELL NAME	WELL #	LOCATION	POOL CODE/NAME
1	30-025-43651	OSPREY 10	#701H	M-10-25S-34E	[98116] WC-025-G-09-S253402N; WOLFCAMP
2	30-025-43650	OSPREY 10	#602H	M-10-25S-34E	[97369] Red Hills; BONE SPRING, EAST

I certify that this information is true and correct to the best of my knowledge.

EOG Resources, Inc.

By: Gavin Smith
Gavin Smith
Landman

APPLICATION FOR SURFACE POOL/LEASE COMMINGLING

EOG Resources, Inc. respectfully requests administrative approval to surface pool and lease commingle oil & gas from the following wells:

	WELL NAME	LOCATION	API	POOL CODE/NAME	OIL BOPD	GRAVITIES	MCFPD	BTU
1	Osprey 10 #701H	M-10-25S-34E	30-025-43650	[98116] WC-025-G-09-5253402N; WOLFCAMP	*1724	*46.28	*3279	*1357
2	Osprey 10 #602H	M-10-25S-34E	30-025-43651	[97369] Red Hills; BONE SPRING, EAST	*1724	*46.28	*3279	*1357

* Current values are estimated. EOG Resources, Inc. will provide actual Oil BOPD, Gravities, MCFPD and BTU upon completion of wells.

** EOG will provide actual API numbers upon approval of the drilling permits.

Multiple Fee leases cover 320.00 acres, being the S/2 Section 10, T25S, R34E, Lea County, New Mexico. 80 acres (W/2SW/4 Section 10) of this lease is included in the communitized are for both wells.

Multiple Fee leases cover 320.00 acres, being the N/2 Section 10, T25S, R34E, Lea County, New Mexico. 80 acres (W/2NW/4 Section 10) of this lease is included in the communitized are for both wells.

Multiple Fee leases cover 320.00 acres, being the S/2 Section 3, T25S, R34E, Lea County, New Mexico. 80 acres (W/2SW/4 Section 10) of this lease is included in the communitized are for both wells.

The central tank battery is located within the SW/4SW/4 of Section 10, T25S, R34E, Lea County, New Mexico.

The attached map shows the fee leases and well locations in Section 10 and Section 3, T25S, R34E, Lea County, NM.

Process and Flow Descriptions:

The production from each well will flow into a dedicated 3-phase separator. The production stream will be separated into 3 independent streams (gas, oil, and water) by the separator and each stream will be measured individually after it exits the separator.

The gas will be measured using a senior orifice meter and used to allocate total volume measured at the facility check meter, high pressure flare meter, and low pressure flare meter.

OSPREY 10 #701H gas allocation meter is an Emerson orifice meter

OSPREY 10 #702H gas allocation meter is an Emerson orifice meter

The oil from the separators will be measured using a Coriolis meter.

OSPREY 10 #701H oil allocation meter is a FMC Coriolis meter

OSPREY 10 #702H oil allocation meter is a FMC Coriolis meter

The water will be measured using a turbine meter. The water from each separator is combined in a common header and flows into (4) 400 barrel coated steel tanks. Guided wave radar is used to measure water volumes in these tanks. The oil from each separator will be combined into a common header and flow into a heated horizontal separator (HHS) to aid separation of water entrained in the oil. Water from the heated separator flows into the common water header connected to the (4) 400 barrel water tanks. The water is then pumped and/or trucked to a salt water disposal well. The oil from the heated separator flows through a vapor recovery tower (VRT) where gas is allowed to breakout at a lower pressure, and then the oil flows into (8) 400 barrel coated steel tanks. Guided wave radar is used to measure water and oil volumes in these tanks. Oil is pumped out of the tanks through a Coriolis meter into a truck or a pipeline. Every tank utilizes a guided wave radar to determine the volume of product in each. After the gas from each separator is measured it is combined into a common header. The gas from the heated separator also flows into this header. The gas flows through the header to a custody transfer Emerson orifice meter that serves as our lease production meter. If the pipeline is experiencing problems and cannot take any gas, the gas will flow through the high pressure and low pressure flare meters to the flare. The overhead gas from the vapor recovery tower is compressed by a vapor recovery compressor and then measured by a custody transfer Emerson orifice meter. The gas from the vapor recovery system combines with the gas from the lease production meter and flows into our gas gathering pipeline system.

ECONOMIC JUSTIFICATION

Single Well Production

	Well Name	*Oil BPD	*Gravity	*Value/BBL	*MCFPD	*BTU	*Value/MCF
1	Osprey 10 #701H	1,724	46.28	\$53.82	3,279	1,357	\$2.79
2	Osprey 10 #602H	1,724	46.28	\$53.82	3,279	1,357	\$2.79

Combined Production

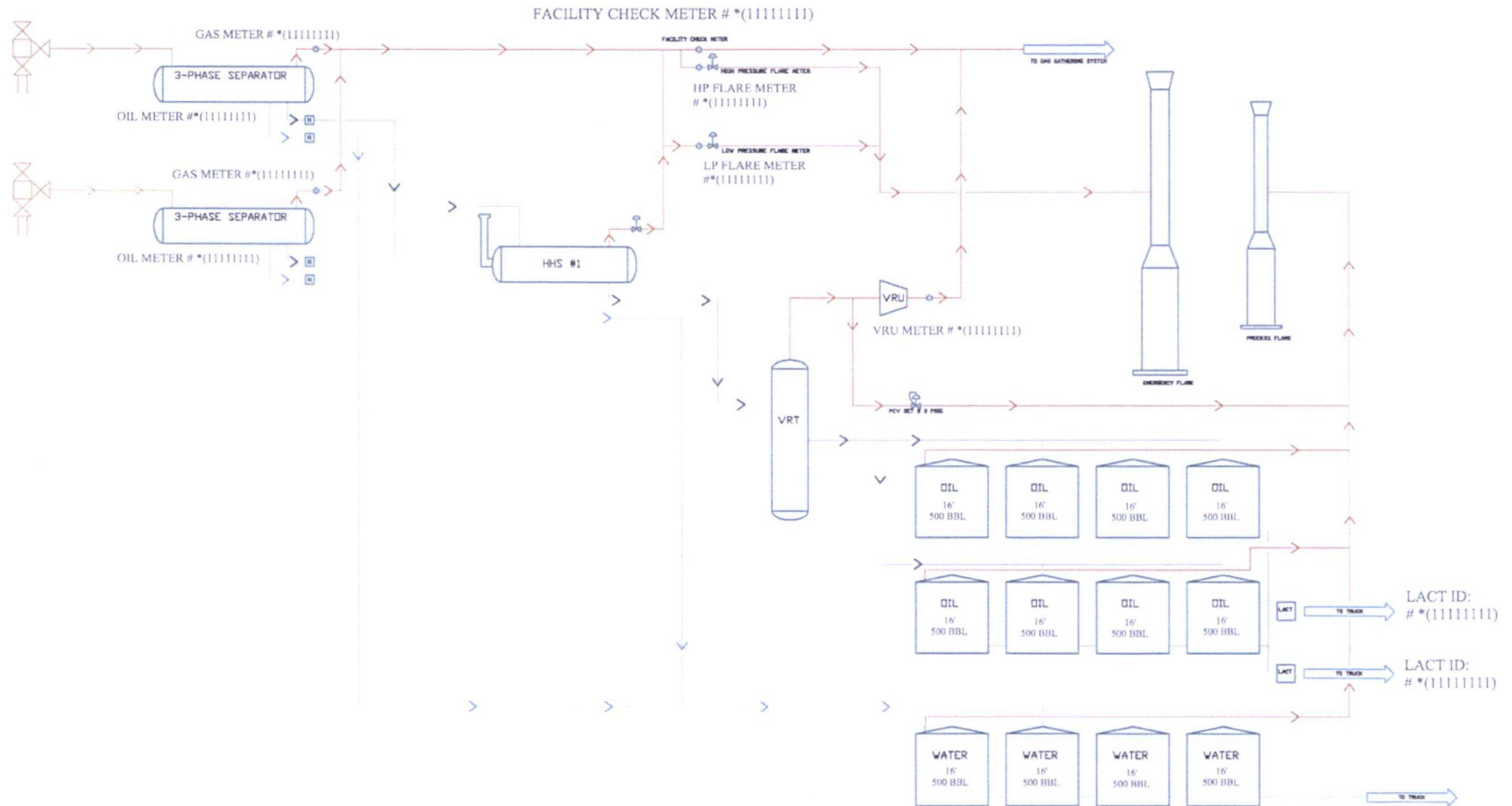
	Well Name	*Oil BPD	*Gravity	*Value/BBL	*MCFPD	*BTU	*Value/MCF
1	Osprey 10 CTB	3,448	46.28	\$53.82	6,558	1,357	\$2.79

*Current values are estimates. EOG will provide actual Gravities, Oil BOPD, BTU, and MCFPD upon completion of the wells.

FACILITY NAME: OSPREY 10 STATE CTB

WELL NAME:
OSPREY 10 #701H
API NUMBER:
30-025-42383

WELL NAME:
OSPREY 10 #702H
API NUMBER:
30-025-42382



Gas Orifice Meter

Liquid Meter

* Actual meter numbers will be provided once they are available. #*(11111111)

OSPREY 10 CTB PROCESS FLOW

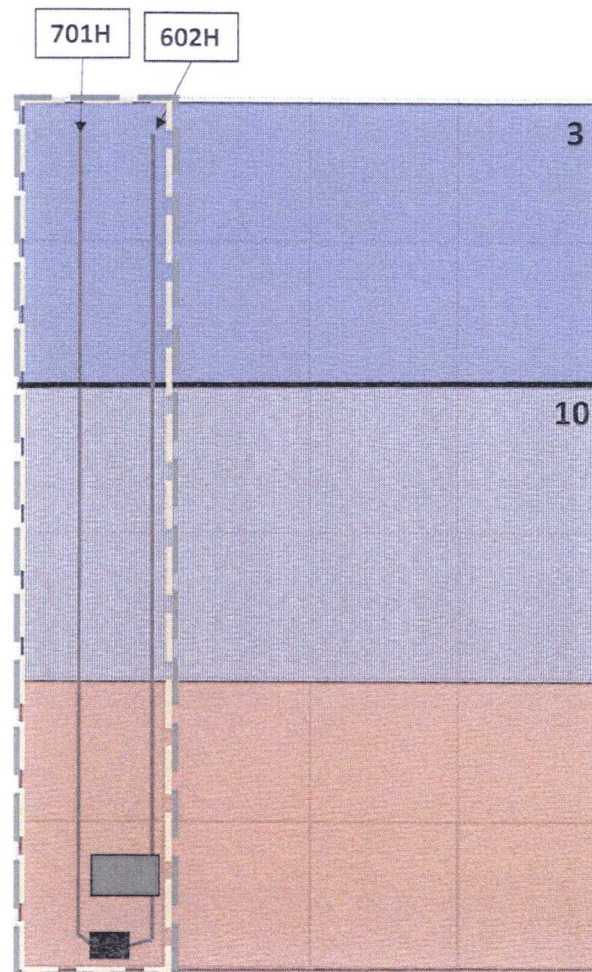
EDG RESOURCES
MIDLAND DIVISION

BY: BKM

rev. 02
2/22/2017

**OSPREY 10 WELLS &
CTB LOCATION**
SECTIONS 3 & 10
T25S, R34E, LEA COUNTY, NM

-  CTB
-  Fee Leases S/2 Sec. 3
-  Fee Leases – N/2 Sec. 10
-  Fee Leases – S/2 Sec. 10
-  *701H Unit
-  *602H Unit



District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (505) 393-6161 Fax: (505) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (505) 748-1283 Fax: (505) 748-0720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 N. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-1462

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

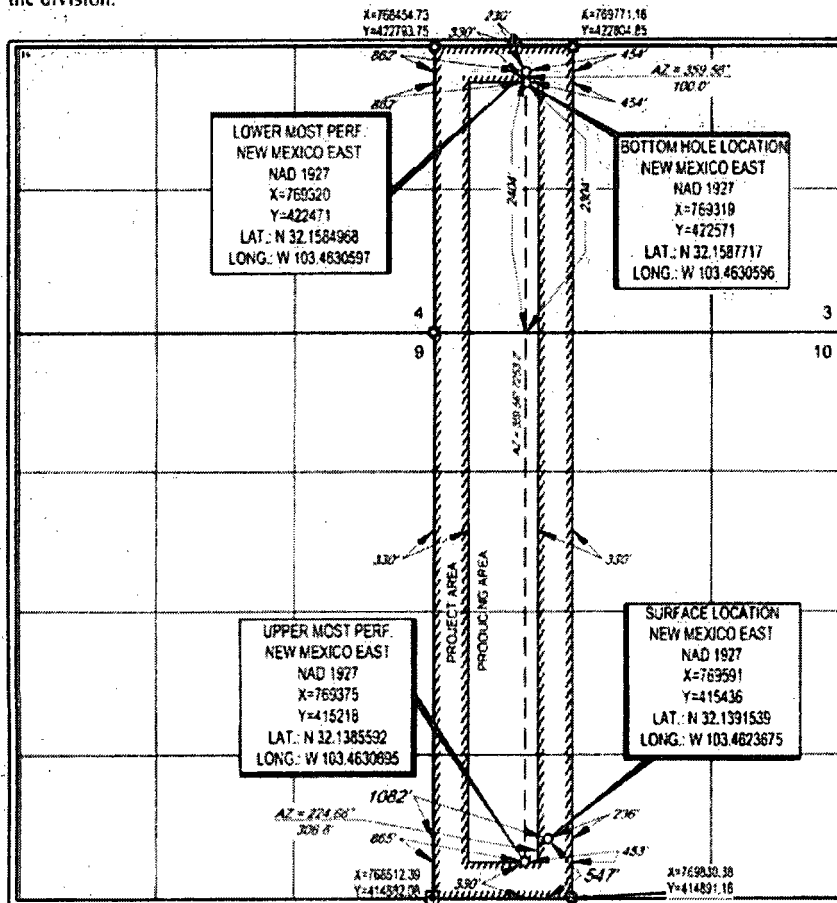
APN Number 30-025-43651		Pool Code 98116	Pool Name WC-025 G-09 S253402N; Wolfcamp
Property Code 313188	Property Name OSPREY 10		Well Number #701H
OGRID No. 7377	Operator Name EOG RESOURCES, INC.		Elevation 3333'

U/L or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	10	25-S	34-E	-	547'	SOUTH	1082'	WEST	LEA

U/L or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	3	25-S	34-E	-	2404'	SOUTH	862'	WEST	LEA

Dedicated Acres 240	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.



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 information either shows a working interest or undivided mineral interest in the land involved in 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: *Stan Wagner* Date: 2/28/17

Printed Name: Stan Wagner

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.

Date of Survey: 01/12/2017
Signature: *[Signature]*
Professional Surveyor
18329
Certificate Number

District I
1935 N. French Dr., Hobbs, NM 88240
Phone: (575) 293-6161 Fax: (575) 293-0720
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

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-43650		Pool Code 97369	Pool Name Red Hills; Bone Spring, East
Property Code 313188	Property Name OSPREY 10		Well Number #802H
OGRID No. 7377	Operator Name EOG RESOURCES, INC.		Elevation 3334'

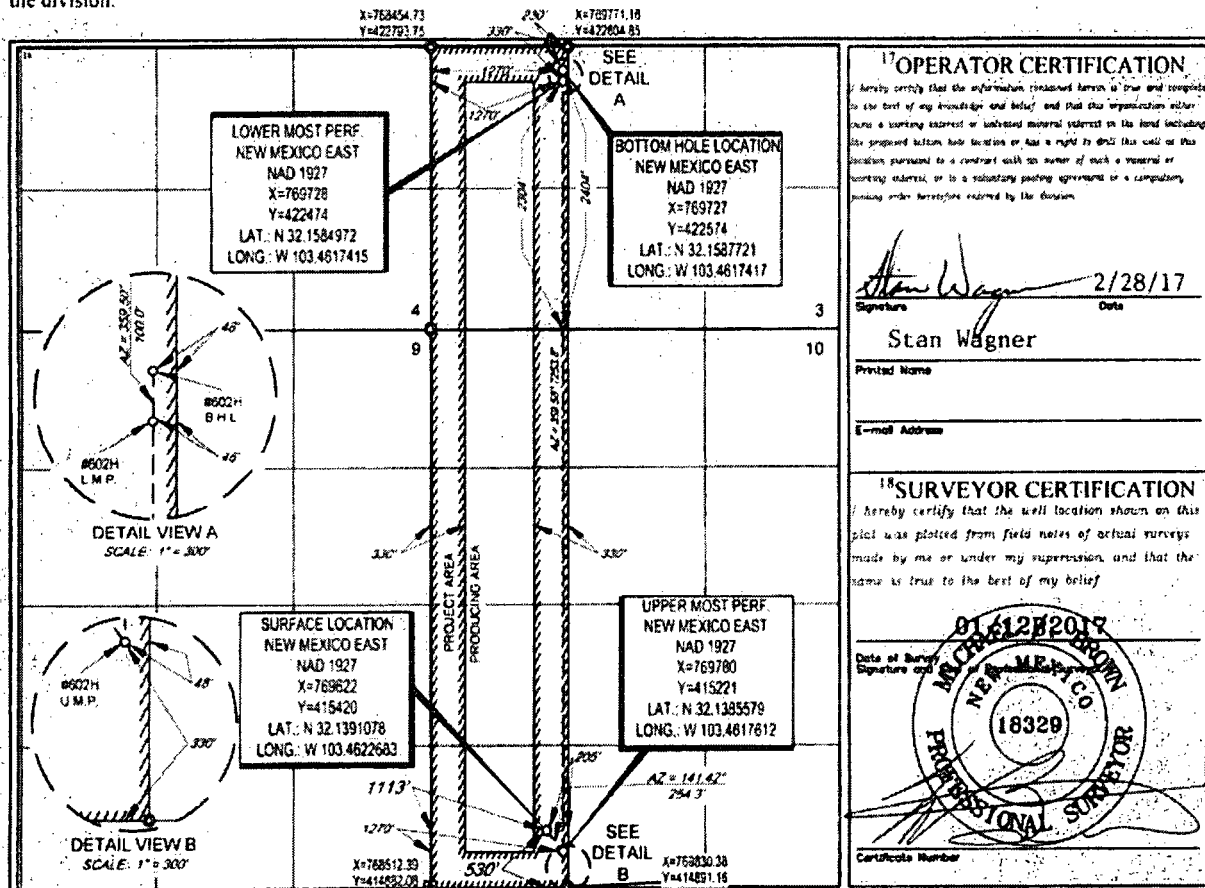
10 Surface Location

U.I. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	10	25-S	34-E	-	530'	SOUTH	1113'	WEST	LEA

U.I. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	3	25-S	34-E	-	2404'	SOUTH	1270'	WEST	LEA

Dedicated Acres 240	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.



McMillan, Michael, EMNRD

From: Stan Wagner <Stan_Wagner@eogresources.com>
Sent: Friday, June 2, 2017 7:31 AM
To: McMillan, Michael, EMNRD
Subject: FW: Osprey 10 Admin List

No fed.

From: Gavin Smith
Sent: Friday, June 02, 2017 7:52 AM
To: Stan Wagner
Subject: Re: Osprey 10 Admin List

No, all fee ownership in S/2 of Sec 3, 25S 34E

Sent from my iPhone

On Jun 2, 2017, at 7:43 AM, Stan Wagner <Stan_Wagner@eogresources.com> wrote:

??

From: McMillan, Michael, EMNRD [<mailto:Michael.McMillan@state.nm.us>]
Sent: Thursday, June 01, 2017 5:01 PM
To: Stan Wagner
Subject: RE: Osprey 10 Admin List

****External email. Use caution.****

Are there BLM leases in S/2 Section 3

From: Stan Wagner [mailto:Stan_Wagner@eogresources.com]
Sent: Thursday, June 1, 2017 3:49 PM
To: McMillan, Michael, EMNRD <Michael.McMillan@state.nm.us>
Subject: Osprey 10 Admin List