

RECEIVED: 08/01/2017	REVIEWER: LRL	TYPE: NSL	APP NO: 11EL172/431140
-----------------------------	----------------------	------------------	-------------------------------

ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & 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

Applicant: EOG Resources**OGRID Number:** 7377**Well Name:** Neptune 10 State Com No. 703H Well**API:** 30-025-43806**Pool:** WC-025 G-09 S243310P; Upper Wolfcamp**Pool Code:** 98135

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION
 INDICATED BELOW**

NSL-7572**1) TYPE OF APPLICATION:** Check those which apply for [A]

A. Location - Spacing Unit - Simultaneous Dedication

☒ NSL☐ NSP (PROJECT AREA)☐ NSP (PRORATION UNIT)☐ SD

B. Check one only for [I] or [II]

[I] Commingling - Storage - Measurement

☐ DHC☐ CTB☐ PLC☐ PC☐ OLS☐ OLM

[II] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX☐ PMX☐ SWD☐ IPI☐ EOR☐ PPR**2) NOTIFICATION REQUIRED TO:** Check those which apply.A. ☒ Offset operators or lease holdersB. ☐ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☐ Notification and/or concurrent approval by SLOE. ☒ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☒ For all of the above, proof of notification or publication is attached, and/or,H. ☐ No notice required**FOR OCD ONLY**

Notice Complete

Application
Content
Complete

3) 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 L. Kessler

Print or Type Name

Signature

August 1, 2017

Date

505-988-4421

Phone Number

jlkessler@hollandhart.com

e-mail Address

HOLLAND & HART^{LLP}



Jordan L. Kessler

Associate

Phone (505) 954-7286

Fax (505) 983-6043

JLKessler@hollandhart.com

August 1, 2017

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

RECEIVED
2017 AUG - 1 P 2:25 PM

Re: Application of EOG Resources, Inc. for administrative approval of an unorthodox well location for its Neptune 10 State Com No. 703H Well in the W/2 W/2 of Section 3 and Section 10, Township 24 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 **Neptune 10 State Com No. 703H Well** to be completed within the WC-025 G-09 S243310P; Upper Wolfcamp (Pool Code 98135) underlying Sections 3 and 10, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico. This well will be drilled from a surface location 164 feet from the South line and 1,217 feet from the West line (Unit M) of Section 10. The upper most perforation will be located 330 feet from South line and 1,170 feet from the West line (Unit M) of Section 10 and the lower most perforation will be 330 feet from the North line and 1,170 feet from the West line (Unit D) of Section 3. 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 eastern, southeastern, and northeastern boundaries of the project area.

EOG is the operator of the Neptune 10 State Com No. 701H Well, an existing Wolfcamp well located in the W/2 S/W and S/W N/W of Section 3 and the W/2 W/2 of Section 10. The working interest ownership is identical in the W/2 W/2 and the E/2 W/2 of Sections 3 and 10. 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 a draft Well Location and Acreage Dedication Plat (Form C-102), which shows that the completed interval of the proposed **Neptune 10 State Com No. 703H Well** encroaches on the spacing and proration units to the East, Northeast, and Southeast.

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}



Exhibit B is a land plat for Sections 3 and 10 and the surrounding sections that shows the proposed **Neptune 10 State Com No. 703H Well** in relation to adjoining units and existing wells.

Exhibit C is a list of the parties affected by the encroachment to the Northeast and Southeast. As described above, EOG is the operator in the spacing proration unit comprised of the E/2 W/2 of Sections 3 and 10 and ownership is identical to the proposed spacing unit. Accordingly, there are no affected parties in the spacing units to the East of the proposed well. 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 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

HOLLAND & HART LLP



Jordan L. Kessler

Associate

Phone (505) 954-7286

Fax (505) 983-6043

JLKessler@hollandhart.com

August 1, 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 Neptune 10 State Com No. 703H Well in the W/2 W/2 of Section 3 and Section 10, Township 24 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:

Paul Boland
EOG Resources, Inc.
(432) 686-3666
Paul_Boland@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. ☎

**NEPTUNE 10 STATE COM #703H UNORTHODOX LOCATION NOTICE TRACT PLAT
TOWNSHIP 24 SOUTH RANGE 33 EAST, LEA COUNTY, NM**



Exhibit C

Tract 1:

Murchison Bone Springs Drilling Program 1, LLC
7250 Dallas Parkway
Plano, Texas 75024
70171450000083775571

Khody Land and Minerals Company
as Nominee for RKI Exploration and Production, LLC
210 Park Avenue, Suite 900,
Oklahoma City, OK 73102
70171450000083775564

MEC Petroleum Corporation
414 W Texas Ave. #410
P.O. Box 11265
Midland, Texas 79701
70171450000083775557

Pickens Southwest Energy, LLC
8117 Preston Road, Suite 260
Dallas, Texas 75225
70171450000083775748

Mesa Southwest Energy, LLC
8117 Preston Road, Suite 260
Dallas, Texas 75225
70171450000083775731

Tract 3:

Devon Energy Production Company, L.P.
333 W. Sheridan Ave
Oklahoma City, OK 73102
70171450000083775724

ConocoPhillips Company
600 N. Dairy Ashford
Houston, TX 77079
70171450000083775717

EXHIBIT

C

Trainer Partners, Ltd.
P.O. Box 3788
Midland, TX 79702
7017145000083775700

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Thursday, August 24, 2017 8:48 AM
To: Martin, Ed; Holm, Anchor E.
Subject: FW: APPROVED NSL-7572_EOG Resources, Inc._Neptune 10 State Com Well No. 703H_SEC 10 24S 33E

Importance: High

FYI

From: Lowe, Leonard, EMNRD
Sent: Thursday, August 24, 2017 8:48 AM
To: 'Jordan L. Kessler' <JLKessler@hollandhart.com>
Cc: Brown, Maxey G, EMNRD <MaxeyG.Brown@state.nm.us>; McMillan, Michael, EMNRD <Michael.McMillan@state.nm.us>; Goetze, Phillip, EMNRD <Phillip.Goetze@state.nm.us>; Jones, William V, EMNRD <WilliamV.Jones@state.nm.us>; 'jglover@blm.gov' <jglover@blm.gov>; 'scaffey@blm.gov' <scaffey@blm.gov>; 'rjsanche@blm.gov' <rjsanche@blm.gov>; 'lisa@rwbyram.com' <lisa@rwbyram.com>; Kautz, Paul, EMNRD <paul.kautz@state.nm.us>
Subject: APPROVED NSL-7572_EOG Resources, Inc._Neptune 10 State Com Well No. 703H_SEC 10 24S 33E
Importance: High

Ms. Jordan L. 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-7572

EOG Resources, Inc.

API #: 30-025-43806

WELL: Neptune 10 State Com Well No. 703H

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/>