

RECEIVED: <u>8/1/17</u>	REVIEWER: <u>LRL</u>	TYPE: <u>NSL</u>	APP NO: <u>PL&L 1721432943</u>
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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: <u>EOG Resources</u>	OGRID Number: <u>7377</u>
Well Name: <u>Dragon 36 State No. 707H</u>	API: <u>30-025-43715</u>
Pool: <u>WC- 025 G-09 S2433361;Upper Wolfcamp</u>	Pool Code: <u>98092</u>

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

- 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

NSL-7574

2017 AUG - 1 P 2017
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- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
- A. Offset operators or lease holders
- B. Royalty, overriding royalty owners, revenue owners
- C. Application requires published notice
- D. Notification and/or concurrent approval by SLO
- E. Notification and/or concurrent approval by BLM
- F. Surface owner
- G. For all of the above, proof of notification or publication is attached, and/or,
- H. No notice required

FOR OCD ONLY	
<input checked="" type="checkbox"/>	Notice Complete
<input checked="" type="checkbox"/>	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
JKessler@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 3:04

Re: Application of EOG Resources, Inc. for administrative approval of an unorthodox well location for its Dragon 36 State No. 707H Well in the E/2 E/2 of Section 36, 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 **Dragon 36 State No. 707H Well** to be completed within the WC-025 G-09 S243336I; Upper Wolfcamp (Pool Code 98092) underlying Section 36, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico. This well will be drilled from a surface location 235 feet from the South line and 1,380 feet from the East line (Unit O) of Section 36. The upper most perforation will be located 330 feet from South line and 1,210 feet from the East line (Unit P) and the lower most perforation will be 330 feet from the North line and 1,210 feet from the East line (Unit A) of Section 36. 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 100 percent working interest owner in the W/2 E/2 of Section 31. EOG is the operator of 4 wells dedicated to the W/2 E/2 of Section 36: Dragon 36 State #701H, Dragon 36 State #702H, Dragon 36 State #5H, Dragon 36 State #6H. 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 **Dragon 36 State No. 707H Well** encroaches on the spacing and proration units to the West, Northwest, and Southwest.

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 Section 36 and the surrounding sections that shows the proposed **Dragon 36 State No. 707H Well** in relation to adjoining units and existing wells.

Exhibit C is a list of the parties affected by the encroachment to the Northwest and Southwest. As described above, EOG is the 100 percent interest owner in the spacing proration unit comprised of the W/2 E/2 of Section 36 and the 40-acre tract to the Southeast. Accordingly, there are no affected parties in the spacing units to the West 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,

A handwritten signature in black ink, appearing to read 'J L Kessler', written in a cursive style.

Jordan L. Kessler

ATTORNEY FOR EOG RESOURCES, INC.

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

HOLLAND & HART



Jordan L. Kessler
Associate
Phone (505) 954-7286
Fax (505) 983-6043
JKessler@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 Dragon 36 State No. 707H Well in the E/2 E/2 of Section 36, 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

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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. ☉

EOG RESOURCES, INC.
DRAGON 36 STATE #707H UNORTHODOX LOCATION NOTICE TRACT PLAT
TOWNSHIP 24 SOUTH RANGE 33 EAST, LEA COUNTY, NM

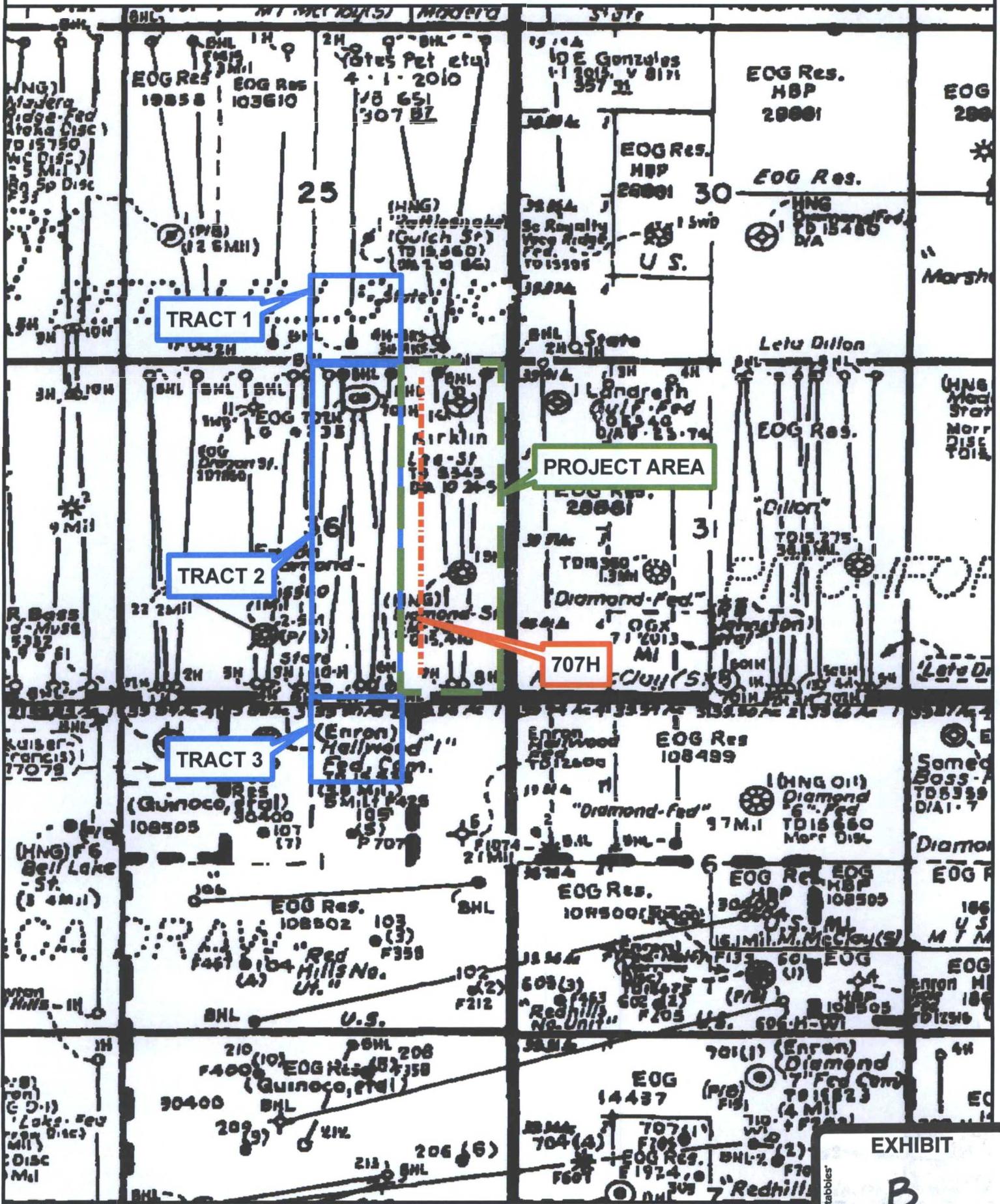


EXHIBIT
B

Exhibit C

Tract 1:

OXY Y-1 Company
5 Greenway Plaza, Suite 110
Houston, Texas 77046-0521
7010145000083775649

Tract 3:

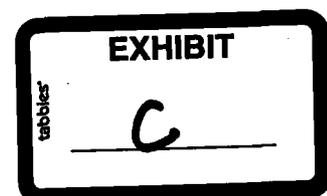
RODEN ASSOCIATES LTD2603
AUGUSTA DR STE 430
HOUSTON, TX77057-5677
7017145000083775632

RODEN PARTICIPANTS LTD
2603 AUGUSTA DR STE 430
HOUSTON, TX77057-5677
7017145000083775625

CHEVRON MIDCONTINENT LP
CHEVRON SERVICES CO
P O BOX 9043 SEC 732
CONCORD, CA9 4520-0552
7017145000083775618

SYDHAN LP
P O BOX 92349
AUSTIN, TX 78709-0000
7017145000083775601

JUDITH A WEST
P O BOX 1948
CULLMAN, AL35056-0000
7017145000083775595



Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Thursday, August 24, 2017 8:54 AM
To: 'Jordan L. Kessler'
Cc: Brown, Maxey G, EMNRD; McMillan, Michael, EMNRD; Goetze, Phillip, EMNRD; Jones, William V, EMNRD; 'lisa@rwbyram.com'; Kautz, Paul, EMNRD; Martin, Ed; Holm, Anchor E.
Subject: APPROVED NSL-7574_EOG Resources, Inc._Dragon 36 State Well No. 707H_SEC 36 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-7574

EOG Resources, Inc.

API #: 30-025-43715

WELL: Dragon 36 State Well No. 707H

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/>