

NSL-7789

Revised March 23, 2017

PLE1833035175

RECEIVED: 11/21/18	REVIEWER: LRL	TYPE: NSL	APP NO: NOV 21 2018 AM 09:03
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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: EOG Resources, Inc.**OGRID Number:** 7377**Well Name:** Convoy 28 State Com No. 606H Well ← Name Δ**API:** 30-025-44259**Pool:** Triste Draw; Bone Spring East Pool**Pool Code:** 96682

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**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

November 21, 2018

Date

Print or Type Name

505-988-4421

Phone Number

Signature

jlkessler@hollandhart.com

e-mail Address



November 21, 2018

NOV 21 2018 4:08:03

VIA HAND DELIVERY

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

Re: Application of EOG Resources, Inc. for administrative approval of an unorthodox well location for its Convoy 28 State Com No. 606H Well in the W/2E/2 of Sections 28 and 33, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico.

Dear Ms. Riley:

EOG Resources, Inc. (OGRID No. 7377) seeks administrative approval of an unorthodox well location for its **Convoy 28 State Com No. 606H Well** (API No. 30-025-44259) to be completed within the Triste Draw; Bone Spring East Pool (Pool Code 96682) underlying the W/2E/2 of Sections 28 and 33, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico. This well will be drilled from a surface location 539 feet from the north line and 2,322 feet from the east line (Unit B) of Section 28. The upper most perforation will be located 100 feet from the north line and 2,537 feet from the east line (Unit B) of Section 28 and the lower most perforation will be 100 feet from the south line and 2,537 feet from the east line (Unit O) of Section 33. Since this acreage is governed by the Division's statewide rules, the completed interval for this well will be unorthodox because it is approximately 103 feet to the western boundary of the spacing unit. 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 Well Location and Acreage Dedication Plat (Form C-102), which shows that the completed interval of the proposed **Convoy 28 State Com No. 606H Well** encroaches on the tracts to the west.¹

Exhibit B is a land plat for Sections 28 and 33 and the surrounding sections that shows the proposed **Convoy 28 State Com No. 606H Well** in relation to adjoining units and existing wells. This exhibit also shows EOG's well spacing pattern for the subject area.

¹ A portion of the vertical wellbore has been drilled. Surface casing was set through the salt string to a depth of 5,095 feet. The lateral portion of this wellbore has not yet been drilled.



Exhibit C is a list of the parties affected by the encroachment to the West. The W/2E/2 and the E/2W/2 of Sections 28 and 33 are covered by a joint operating agreement. However, ownership is diverse between the subject spacing unit and the tracts to the West. 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 State Land Office.

Exhibit D is a statement from an engineer confirming that EOG's requested unorthodox location is necessary to optimize well spacing, thereby preventing waste.

Your attention to this matter is appreciated.

Sincerely,

Jordan L. Kessler
ATTORNEY FOR EOG RESOURCES, INC.

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

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., 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

¹ API Number		² Pool Code		³ Pool Name	
⁴ Property Code		⁵ Property Name CONVOY 28 STATE COM			⁶ Well Number #606H
⁷ OGRID No.		⁸ Operator Name EOG RESOURCES, INC.			⁹ Elevation 3521'

¹⁰Surface Location

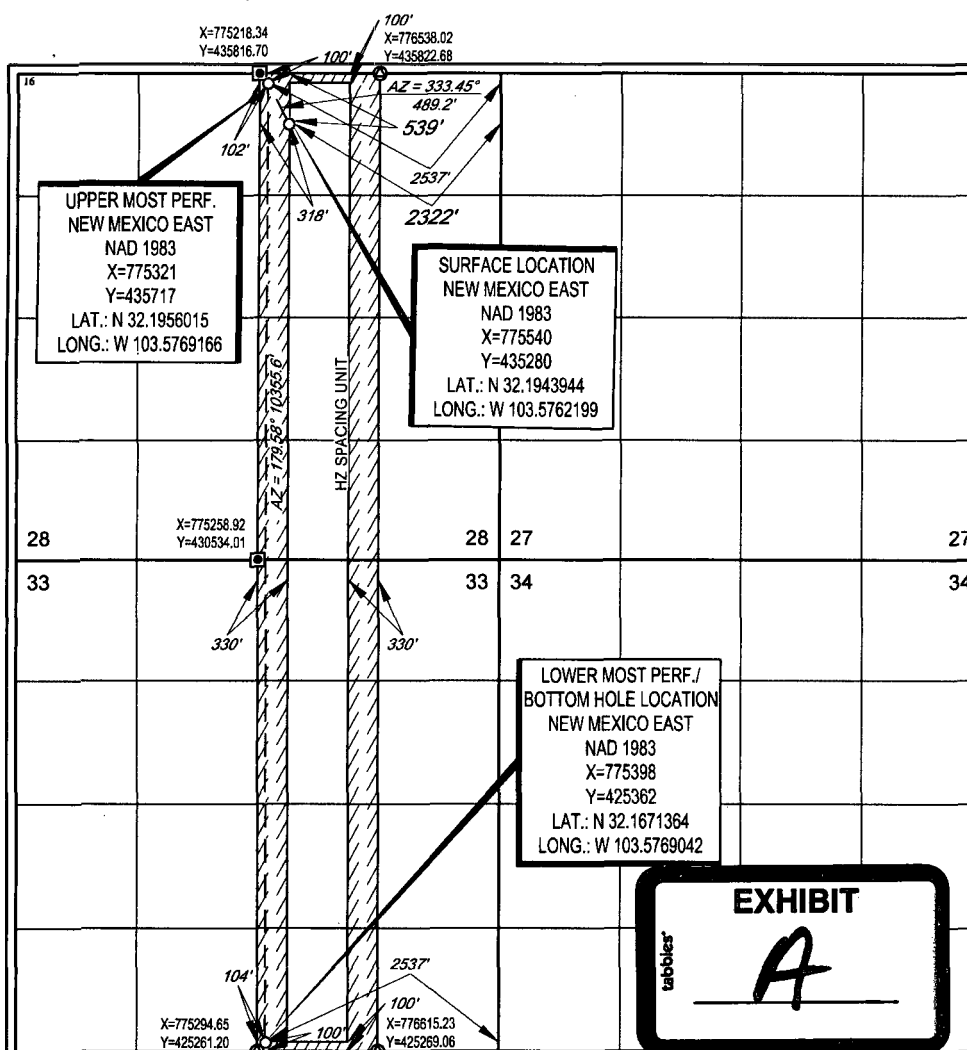
UL or lot no. B	Section 28	Township 24-S	Range 33-E	Lot Idn -	Feet from the 539'	North/South line NORTH	Feet from the 2322'	East/West line EAST	County LEA
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¹¹Bottom Hole Location If Different From Surface

UL or lot no. 0	Section 33	Township 24-S	Range 33-E	Lot Idn -	Feet from the 100'	North/South line SOUTH	Feet from the 2537'	East/West line EAST	County LEA
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¹² Dedicated Acres 320	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.



¹⁷OPERATOR 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 released 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 _____

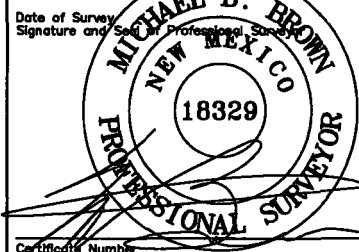
Printed Name _____

E-mail Address _____

¹⁸SURVEYOR 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.

11/16/2017
Date of Survey
Signature and Seal of Professional Surveyor



Certificate Number _____

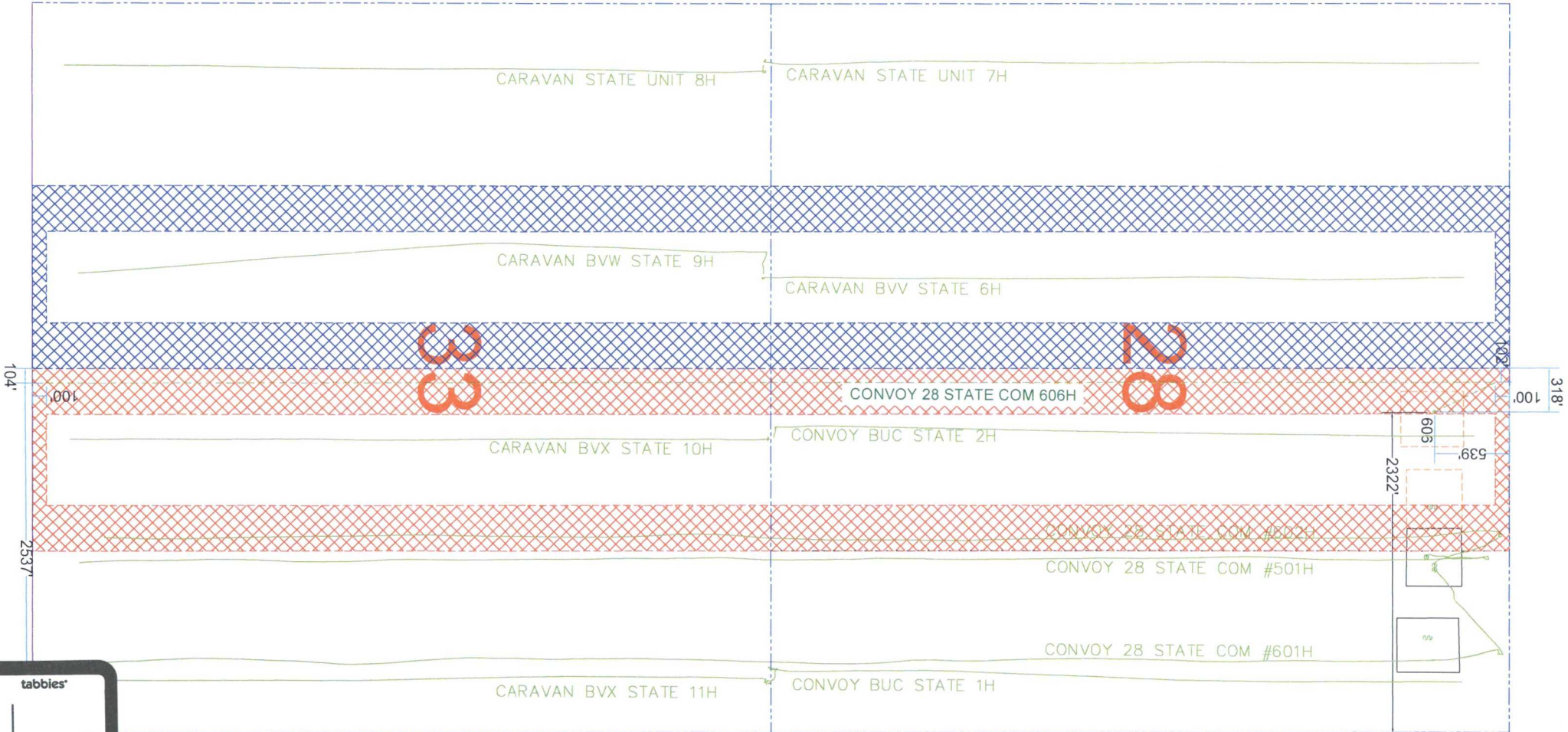
T24S-R33E

H2 SPACING UNIT
FOR PROPOSED WELL

AFFECTED PARTIES

EXISTING WELL

PROPOSED WELL



tabbies®

EXHIBIT
B

EXHIBIT C

Murchison Oil and Gas, Inc.
Attention: Eric Buddenbohn, Land Manager
7520 Dallas Parkway, Suite 1400
Plano, TX 75024

Highland (Texas) Energy Company
Attention: Steve Burr
7557 Rambler Road, Suite 918
Dallas, TX 75231

VEI Partners, L.P.
Attention: Austin Adams
201 Foch Street
Forth Worth, TX 76107

MEC Petroleum Corp.
Attention: Marion Causey
P. O. Box 11265
Midland, TX 79702

Tap Rock Resources, LLC
Attention: Land Manager
602 Park Point Drive, Suite 200
Golden, CO 80401

Sharbro Energy, LLC
Attention: Elizabeth Baker
P. O. Box 840
Artesia, NM 88211-0840

Vladin, LLC
Attention: Jim Ball
105 S. 4th Street
Artesia, NM 88210

Oxy Y-1 Company
Attention: John Schnieder, Team Lease Lead
P. O. Box 4294
Houston, TX 77210-4291

Saguaro Resources, Inc.
Attention:
5705 Pinehurst
Farmington, NM 87402

CEMOF AIV, L.P.
Attention: Arleen Spangler
520 Madison Avenue, 38th Floor
New York, NY 10022

CEMOF-A AIV, L.P.
Attention: Arleen Spangler
520 Madison Avenue, 38th Floor
New York, NY 10022

Carlyle Energy Mezzanine Opportunities Fund-
Q, L.P.
Attention: Arleen Spangler
520 Madison Avenue, 38th Floor
New York, NY 10022

CEMOF Coinvestment, L.P.
Attention: Arleen Spangler
520 Madison Avenue, 38th Floor
New York, NY 10022

New Mexico State Land Office
Attention: Commissioner of Public Lands
P. O. Box 1148
Santa Fe, NM 87504



November 19, 2018

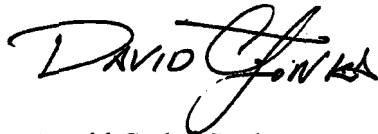
Re: EOG Resources, Inc. NSL Application
Convoy 28 State Com #606H (herein "Well")
W/2E/2 Sec. 28 & 33, T24S-R33E
Lea County, New Mexico

To whom it may concern:

Based on current wells in Section 28 & 33-T24S-R33E and anticipated wells, EOG believes the non-standard location is necessary to develop the 3rd Bone Spring resource in an economic fashion. Placing the Well at this location avoids negative impacts to the Well's production associated with completion energy being lost to a region of lower pressure caused by offset depletion. Granting the exception will allow for more total production from the section and more efficient development of the asset, therefore protecting correlative rights.

Sincerely

EOG Resources, Inc.



David Carlos Sonka
Reservoir Engineer II



energy opportunity growth

HOLLAND & HART^{LLP}



Jordan L. Kessler
Associate

Phone (505) 954-7286

Fax (505) 983-6043

JLKessler@hollandhart.com

November 21, 2018

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 Convoy 28 State Com No. 606H Well in the W/2E/2 of Sections 28 and 33, 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:

Charles Moran
EOG Resources, Inc.
(432) 686-3684
Charles_Moran@eogresources.com

Sincerely,

Jordan L. Kessler
ATTORNEY FOR EOG RESOURCES, INC.

Lowe, Leonard, EMNRD

From: Jordan L. Kessler <JLKessler@hollandhart.com>
Sent: Monday, November 26, 2018 11:11 AM
To: Lowe, Leonard, EMNRD
Subject: [EXT] RE: NSL Application

Good morning! The 706H well is being sundried to target the Bone Spring instead of the Wolfcamp, and the name will be changed to the Convoy 28 State Com Well No. 606H. So the API number for the 706H will actually be for the 606H.

Thanks!

From: Lowe, Leonard, EMNRD <Leonard.Lowe@state.nm.us>
Sent: Monday, November 26, 2018 9:55 AM
To: Jordan L. Kessler <JLKessler@hollandhart.com>
Subject: NSL Application

Dear Jordan Kessler,

Good Monday Morning!

Question:

We received an NSL Application from you on behalf of EOG Resources [7377]

Is this request for the Convoy 28 State Com Well No. 606H?

Or for API No. 30-025-44259? This API No. is assigned to a Well No. 706H

Which one?

Please clarify.

Have a nice day!

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: Wednesday, December 12, 2018 4:47 PM
To: 'Jordan L. Kessler'
Cc: Brown, Maxey G, EMNRD; Kautz, Paul, EMNRD; 'lisa@rwbyram.com'; Jones, William V, EMNRD; McMillan, Michael, EMNRD; Dawson, Scott, EMNRD; Goetze, Phillip, EMNRD; Martin, Ed; Holm, Anchor E.
Subject: APPROVED NSL-7789_EOG Resources, Inc._Convoy 28 State Com Well No. 606H_SEC 28 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-7789

EOG Resources, Inc.

API #: 30-025-44259

WELL: Convoy 28 State Com Well No. 606H

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/>