

DATE IN 3/18/09	SUSPENSE	ENGINEER D. Brooks	LOGGED IN 3/18/09	TYPE NSL	APP NO. DKAA0907750597
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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



30-015-32215
Chc Chipped¹⁹ Com ODI
EDG Resources
7377

ADMINISTRATIVE APPLICATION CHECKLIST

6025

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.

Ocean Monds-Dry Ocean Monds-Dry a Harney 3-18-09
 Print or Type Name Signature Title Date
 omondsdry@hollandhart.com
 e-mail Address

2009 MAR 18 AM 10 28
 RECEIVED



March 18, 2009

HAND DELIVERY

Mr. Mark Fesmire, Director
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. ("EOG"), Inc., for administrative approval of an unorthodox well location for its Chocolate Chip 19 Fed Com Well No. 1, to be re-completed to the Cisco formation (Upper Penn) at a location 1113 feet from the West line and 1262 feet from the South line of Section 19, Township 18 South, Range 30 East, N.M.P.M., Eddy County, New Mexico.

Dear Mr. Fesmire:

EOG Resources, Inc. ("EOG") hereby seeks administrative approval pursuant to the provisions of Division Rule 19.15.15.13 of an unorthodox well location for its Chocolate Chip 19 Fed Com Well No. 1, in the Cisco (Upper Penn) formation, to be re-completed 1113 feet from the West line and 1262 feet from the South line of Section 19, Township 18 South, Range 30 East, N.M.P.M., Eddy County, New Mexico.

This proposed location in the Cisco formation is unorthodox because it is governed by the Division's statewide rules which provides for wells on 40-acre spacing units to be located no closer than 330 feet to the outer boundary of the spacing unit. The proposed location is 207 feet from the east boundary and 58 feet from the north boundary of the spacing unit. A standard 40-acre spacing unit comprised of the SW/4 SW/4 (Unit M) of Section 19 will be dedicated to the well.

This location was originally completed in the Morrow formation. EOG now plans to re-complete in the Cisco (Upper Penn) formation. When this well was drilling, a drill stem test revealed potential oil and gas in this zone. The proposed location is the most efficient and reasonable way to develop these reserves. It would not be economic to drill a new well to test this zone. is needed for geologic reasons.

Holland & Hart LLP

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

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

Aspen Billings Boise Boulder Cheyenne Colorado Springs Denver Denver Tech Center Jackson Hole Salt Lake City Santa Fe Washington, D.C. ♻️



This location encroaches on the spacing units to the north and the east. EOG is the designated operator of the south-half of this section under a joint operating agreement. All working interest owners are common. Therefore, no notice of this application is required.

Your attention to this application is appreciated.

Sincerely,

Ocean Munds-Dry

ATTORNEY FOR EOG RESOURCES, INC.

Enclosures

cc: Doug Hurlbut
Oil Conservation Division – Hobbs/Artesia

Brooks, David K., EMNRD

From: Ocean Munds-Dry [Omundsdry@hollandhart.com]
Sent: Monday, April 06, 2009 2:43 PM
To: Brooks, David K., EMNRD
Subject: Fw: 204941983.pdf
Attachments: 204941983.pdf

David - will this work?

Sent from my BlackBerry Wireless Handheld

From: Doug_Hurlbut@eogresources.com <Doug_Hurlbut@eogresources.com>
To: Ocean Munds-Dry
Sent: Mon Apr 06 14:22:45 2009
Subject: 204941983.pdf

Ocean: Here is the surveyors plat that was done. DOUG

Douglas W. "Doug" Hurlbut
432.686.3610 office
432.686.3773 fax
doug_hurlbut@eogresources.com

This inbound email has been scanned by the MessageLabs Email Security System.

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Monday, April 06, 2009 10:47 AM
To: 'Ocean Munds-Dry'
Subject: EOG - Chocoate Chip Fed #1, NSL Application

Dear Ocean

Please furnish a completed C-102 for this application. Although this is a very simple one, I like to have the C-102s routinely submitted with NSL applications, because it makes it much easier to see what is going on. Rule 15.13.C requires a plat.

Thanks

David