

**BEFORE THE OIL CONSERVATION DIVISION  
EXAMINER HEARING NOVEMBER 17, 2016**

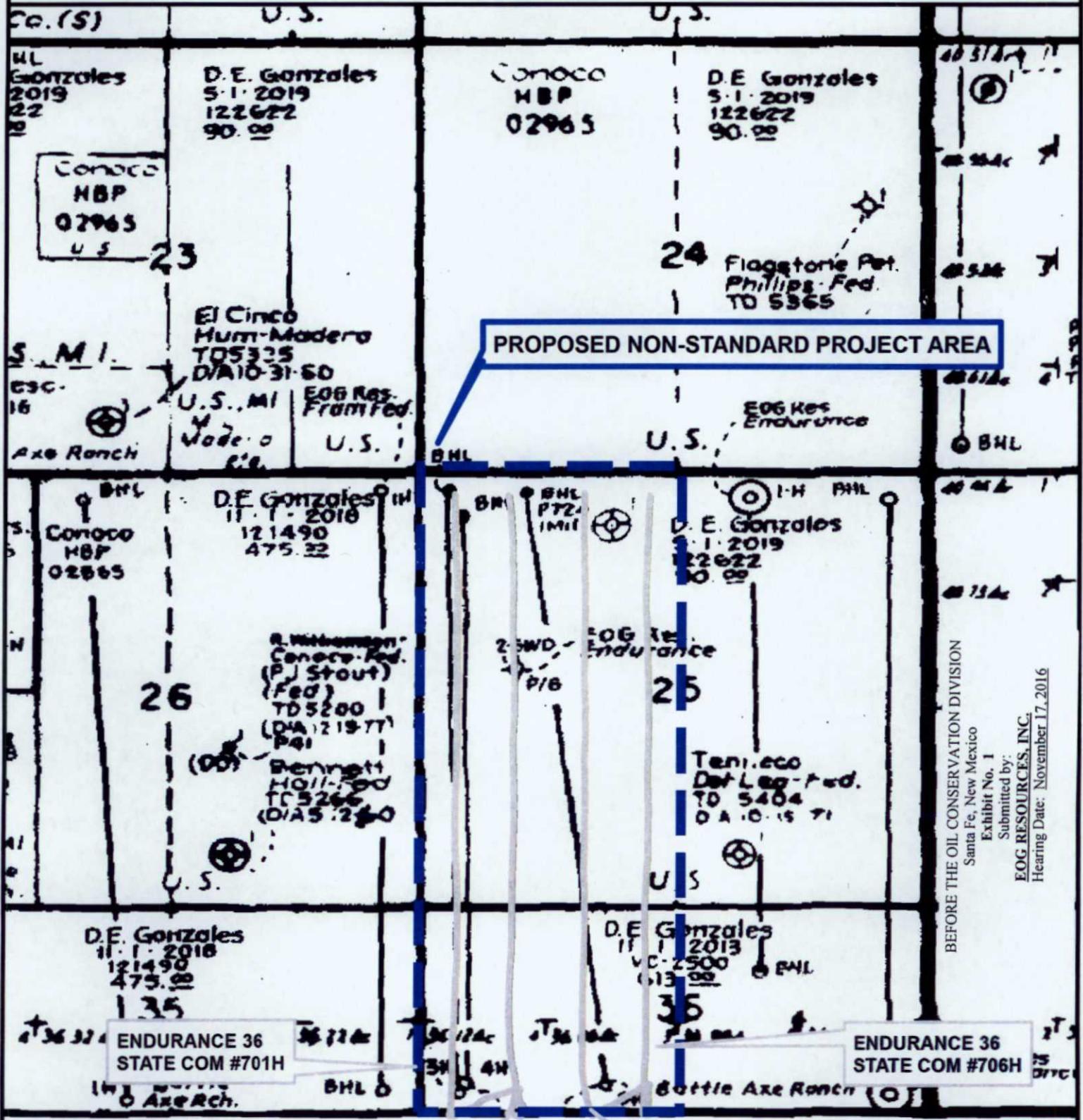
**CASE No. 15584**

**472-ACRE NON-STANDARD PROJECT AREA  
LEA COUNTY, NEW MEXICO**

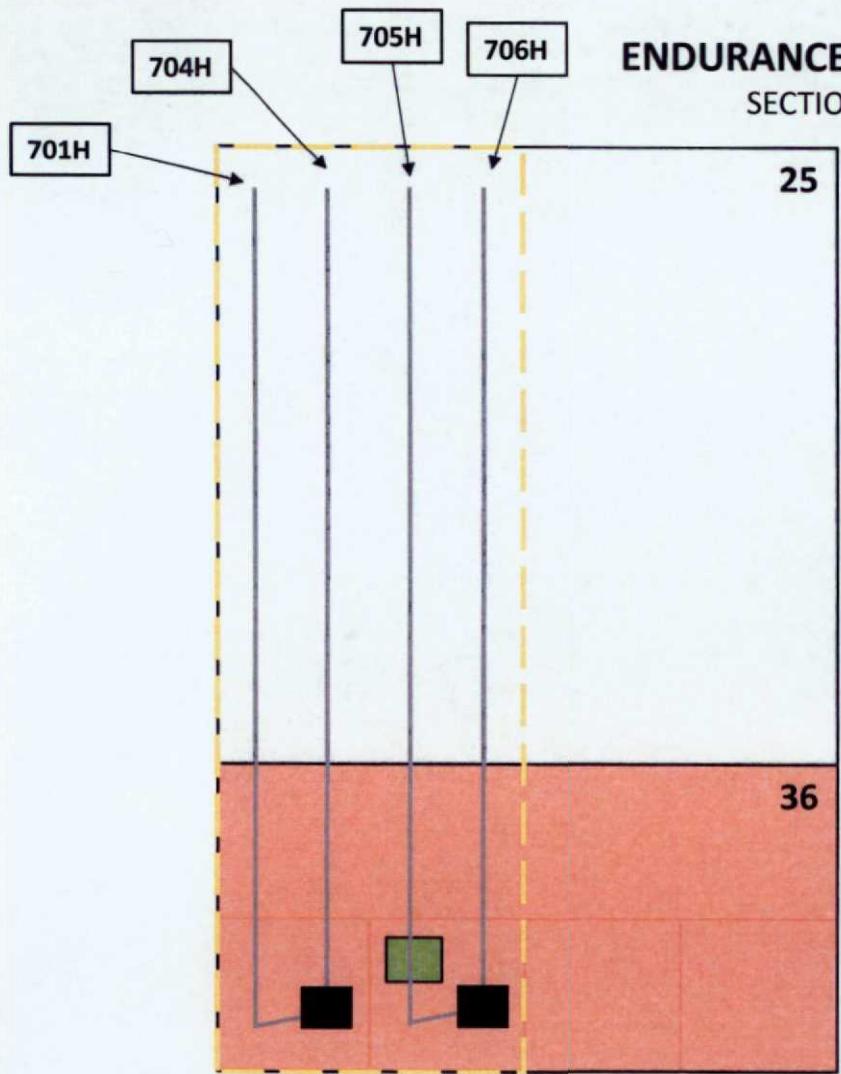


ENDURANCE NON-STANDARD PROJECT AREA

SECTION 36: N2NW, LOT 3 & LOT 4 & SECTION 25: W2 - T26S, R33E, N.M.P.M.  
LEA COUNTY, NEW MEXICO - WOLFCAMP FORMATION



BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. 1  
Submitted by:  
EOG RESOURCES, INC.  
Hearing Date: November 17, 2016



**ENDURANCE 36 STATE COM WELLS & CTB LOCATION**  
 SECTIONS 25 & 36, T26S, R33E, LEA COUNTY, NM

- CTB
- NM 122622
- VC-0025-0001
- Proposed Non-Standard Project Area

BEFORE THE OIL CONSERVATION DIVISION  
 Santa Fe, New Mexico  
**Exhibit No. 2**  
 Submitted by:  
**EOG RESOURCES, INC.**  
 Hearing Date: November 17, 2016

District I  
 3625 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 Ray Bracco 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) 476-3400 Fax: (505) 476-3442

State of New Mexico  
 Energy, Minerals & Natural Resources  
 Department  
**OIL CONSERVATION DIVISION**  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505

HOBBS OCC

FORM C-102

Revised August 1, 2011

DEC 21 2015

Submit one copy to appropriate

District Office

RECEIVED

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number 30-025-42984		Pool Code 98097	Pool Name WC-025 G-09 S263327G; Upper Wolfcamp
Property Code 38129	Property Name ENDURANCE 36 STATE COM		Well Number #701H
OGRID No. 7377	Operator Name EOG RESOURCES, INC.		Elevation 3335'

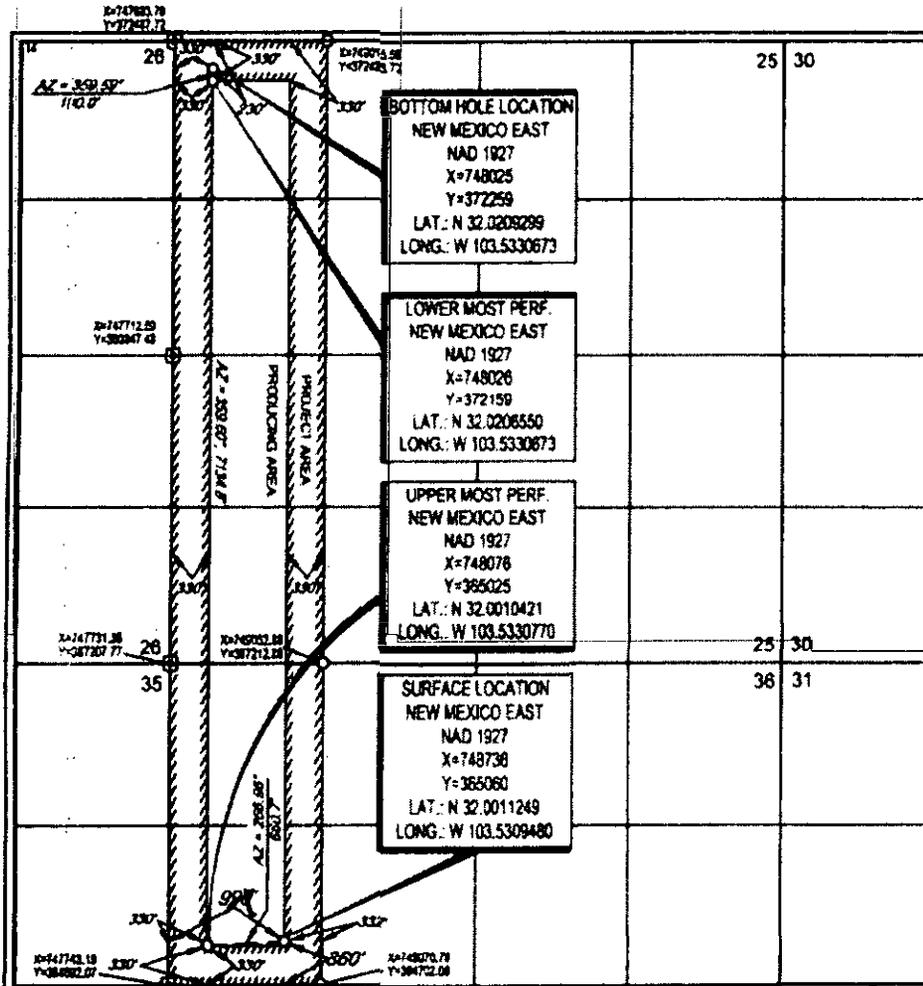
<sup>10</sup>Surface Location

UL or lot no.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
E	36	26-S	33-E	-	360'	SOUTH	990'	WEST	LEA

UL or lot no.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
D	25	26-S	33-E	-	230'	NORTH	330'	WEST	LEA

Dedicated Acres 236.50	Jobst or In/Out	Commodification 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.



<sup>17</sup>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 reflects a working interest or undivided 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 is a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*Stan Wagner* 8/24/15  
 Signature Date

Stan Wagner  
 Printed Name

\_\_\_\_\_  
 E-mail Address

<sup>18</sup>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.

8/20/2015  
 Date of Survey  
*Michael Brown*  
 Signature  
 MICHAEL BROWN  
 NEW MEXICO  
 18329  
 PROFESSIONAL SURVEYOR

BEFORE THE OIL CONSERVATION DIVISION  
 Santa Fe, New Mexico  
 Exhibit No. 3  
 Submitted by:  
**EOG RESOURCES, INC.**  
 Hearing Date: November 17, 2016

District I  
1625 N French Dr., Hobbs, NM 88240  
Phone (575) 393-6161 Fax (575) 393-0720  
District II  
871 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  
**HOBBS OCD**  
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

**RECEIVED**  AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 30-025-43015		<sup>2</sup> Pool Code 98097		<sup>3</sup> Pool Name WC-025 G-09 S263327G; Upper Wolfcamp	
<sup>4</sup> Property Code 38129		<sup>5</sup> Property Name ENDURANCE 36 STATE COM			<sup>6</sup> Well Number #704H
<sup>7</sup> GRID No. 7377		<sup>8</sup> Operator Name EOG RESOURCES, INC.			<sup>9</sup> Elevation 3334'

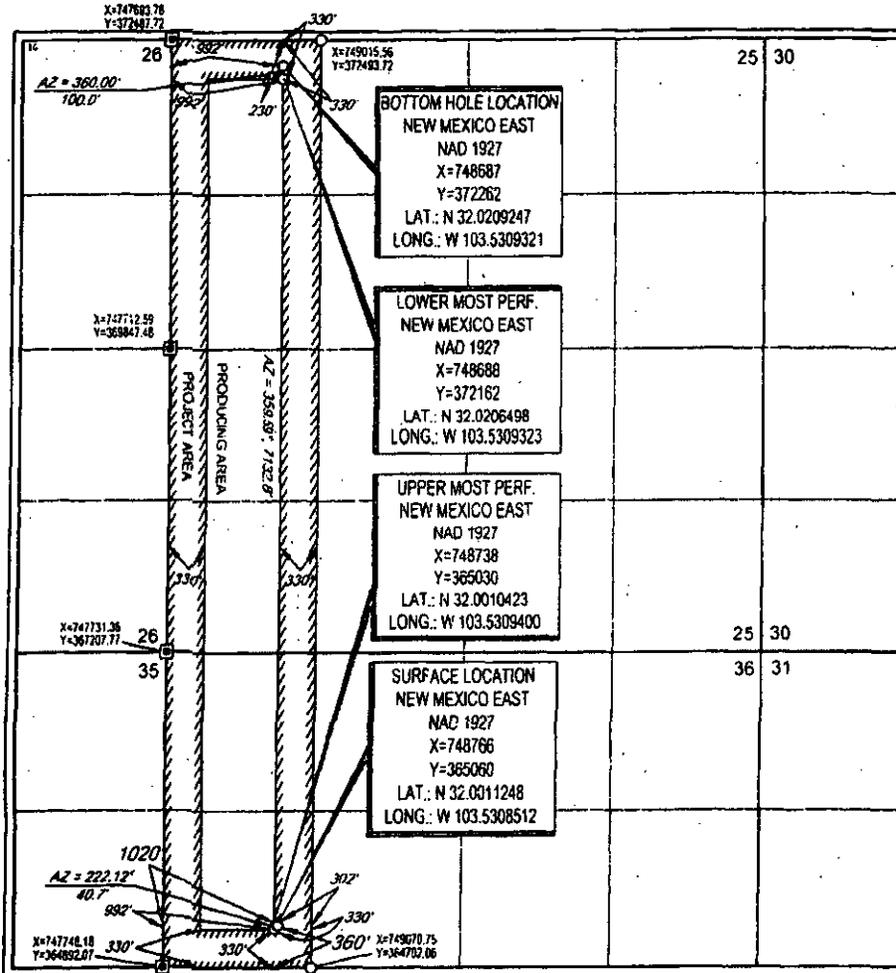
<sup>10</sup>Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	36	26-S	33-E	-	360'	SOUTH	1020'	WEST	LEA

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	25	26-S	33-E	-	230'	NORTH	992'	WEST	LEA

<sup>11</sup> Dedicated Acres 236.50	<sup>12</sup> Joint or Infill	<sup>13</sup> Consolidation Code	<sup>14</sup> 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.



**<sup>17</sup>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 organization either owns a working interest, or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill the 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.

*Stan Wagner* 3/1/16  
Signature Date

Stan Wagner  
Printed Name

E-mail Address

**<sup>18</sup>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.

05/05/2016  
Date of Survey  
Signature of Professional Surveyor  
NEW MEXICO  
18329  
PROFESSIONAL SURVEYOR

Certificate Number

S:\SURVEY\EOG\_MIDLAND\ENDURANCE\_36\FINAL\_PRODUCT\BLO\_ENDURANCE36STATECOM\_704H\_REV6.DWG 2/24/2016 1:33:04 PM ccastr

MAY 05 2016

*Handwritten signature*

District I  
1625 N. Front Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
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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.  
Sante Fe, NM 87505

FORM C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

**HOBBS OCD**

MAY 09 2016

**RECEIVED**  AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 30-025-43227		<sup>2</sup> Pool Code 98097		<sup>3</sup> Pool Name WC-025 G-09 S263327G; Upper Wolfcamp	
<sup>4</sup> Property Code 38129		<sup>5</sup> Property Name ENDURANCE 36 STATE COM			<sup>6</sup> Well Number #705H
<sup>7</sup> OGRID No. 7377		<sup>8</sup> Operator Name EOG RESOURCES, INC.			<sup>9</sup> Elevation 3337'

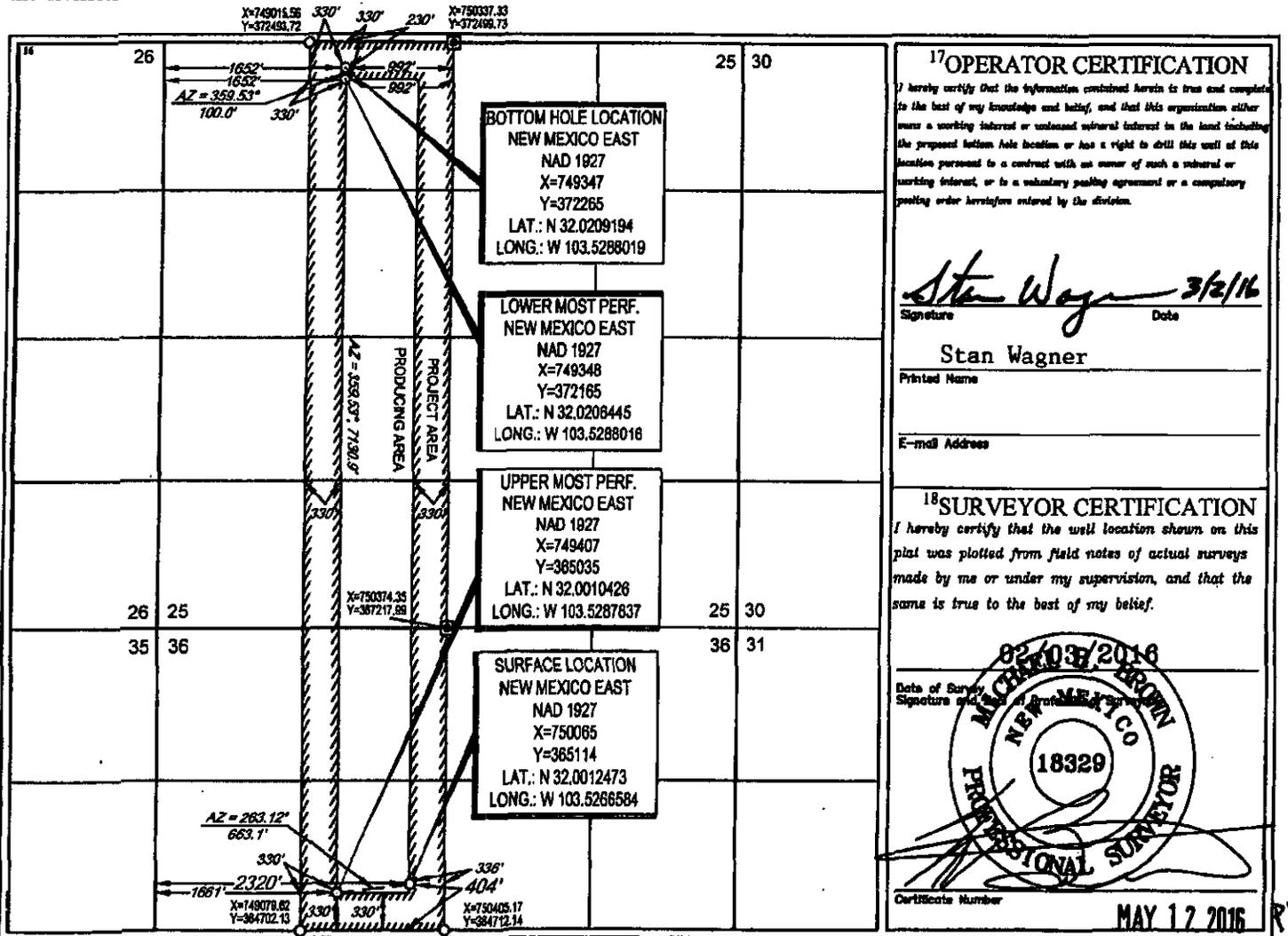
<sup>10</sup>Surface Location

UL or lot no.	Section	Township	Range	Lot Ids	Feet from the	North/South line	Feet from the	East/West line	County
F	36	26-S	33-E	3	404'	SOUTH	2320'	WEST	LEA

UL or lot no.	Section	Township	Range	Lot Ids	Feet from the	North/South line	Feet from the	East/West line	County
C	25	26-S	33-E	-	230'	NORTH	1652'	WEST	LEA

<sup>11</sup> Dedicated Acres 236.5644	<sup>12</sup> Joint or In PD	<sup>13</sup> Consolidation Code	<sup>14</sup> 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.



District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720

District II  
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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

**HOBBS OCD**

FORM C-102

Revised August 1, 2011

MAY 09 2016 Submit one copy to appropriate

District Office

**RECEIVED**

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 30-025-432281	<sup>2</sup> Pool Code 98097	<sup>3</sup> Pool Name WC-025 G-09 S263327G; Upper Wolfcamp
<sup>4</sup> Property Code 38129	<sup>5</sup> Property Name ENDURANCE 36 STATE COM	<sup>6</sup> Well Number #706H
<sup>7</sup> GRID No. 7377	<sup>8</sup> Operator Name EOG RESOURCES, INC.	<sup>9</sup> Elevation 3338'

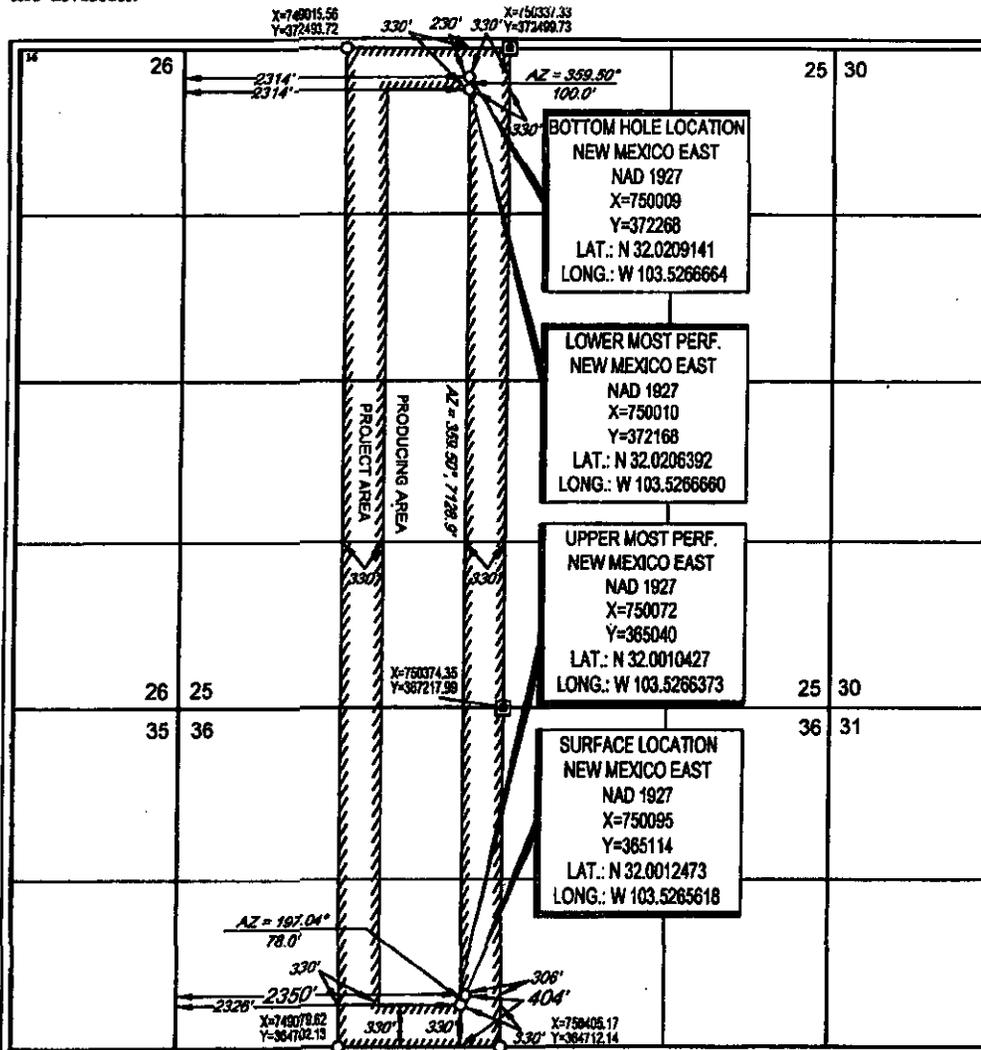
<sup>10</sup>Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	36	26-S	33-E	3	404'	SOUTH	2350'	WEST	LEA

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	25	26-S	33-E	-	230'	NORTH	2314'	WEST	LEA

<sup>11</sup> Dedicated Acres 236.50	<sup>12</sup> Joint or Infill 25 26 /	<sup>13</sup> Consolidation Code	<sup>14</sup> Order No.
---	--	----------------------------------	-------------------------

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 organization either owns a working interest or undivided 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.

*Stan Wagner* 3/2/16  
Signature Date

Stan Wagner  
Printed Name

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.

02/03/2016  
Date of Survey  
Signature of Surveyor

**PROFESSIONAL SURVEYOR**  
NEW MEXICO  
18329

Certificate Number  
MAY 12 2016



AUBREY DUNN  
COMMISSIONER

*State of New Mexico*  
**Commissioner of Public Lands**

310 OLD SANTA FE TRAIL  
P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

Katherine Hathcock  
EOG Resources Inc  
PO Box 2267  
Midland, TX 79702

November 3<sup>rd</sup>, 2016

Re: Communitization Agreement Approval  
Endurance 36 State Com Well #701, 704-706H  
Vertical Extent: Wolfcamp  
Township: 26 South, Range 33 East, NMPM  
Section 25: W2  
Section 36 : NW4  
Lea County, New Mexico

Dear Ms. Hathcock,

The Commissioner of Public Lands has this date approved the Endurance 36 State Com Well #701, 704-706H Communitization Agreement for the Wolfcamp formation effective 8/8/2016. Enclosed are three Certificates of Approval.

The agreement shall remain in effect for Two Years, and as long thereafter as communitized substances are produced from the communitized area in paying quantities.

If we may be of further service, please contact Niranjan Khalsa at (505) 827-6628.

Sincerely,

A handwritten signature in black ink, appearing to read "A. Dunn", written over the printed name of the Commissioner.

AUBREY DUNN  
COMMISSIONER OF PUBLIC LANDS

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. 4

Submitted by:

**EOG RESOURCES, INC.**

Hearing Date: November 17, 2016

NM State Land Office  
Oil, Gas, & Minerals Division

STATE/FEDERAL OR  
STATE/FEDERAL/FEE  
Revised Feb. 2013

ONLINE Version  
COMMUNITIZATION AGREEMENT

Contract No. \_\_\_\_\_

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto,"

WITNESSETH:

WHEREAS, the Act of February 25, 1920, 41 Stat. 437, as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a federal oil and gas lease, or any portions thereof, with other lands, whether or not owned by the United States, when separate tracts under such federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area, and such communitization or pooling is determined to be in the public interest; and,

WHEREAS, the Commissioner of Public Lands of the State of New Mexico, herein called "the Commissioner", is authorized to consent to and approve agreements pooling state oil and gas leases or any portion thereof, when separate tracts under such state leases cannot be independently developed and operated economically in conformity with well-spacing and gas proration rules and regulations established for the field or area and such pooling is determined to be in the public interest; and,

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and land subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and,

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of the agreement;

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

**1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:**

**Subdivisions W2 Section 25 and N2NW, Lot 3, and Lot 4 Section 36, T26S, R33E, N.M.P.M., Lea Co. New Mexico**

Containing **472.08 acres**, more or less, and this agreement shall include only the **Wolfcamp** Formation underlying said lands and the oil, natural gas, and associated liquid hydrocarbons (hereinafter referred to as "communitized substances") producible from such formation

2. Attached hereto, and made a part of this agreement for all purposes, is Exhibit "B" designating the operator of the communitized area and showing the acreage, percentage, and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer and three (3) additional executed copies thereof shall be filed with the Commissioner.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, and the Commissioner, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties, and such other reports as are deemed necessary to compute monthly the royalty due the United States and the State of New Mexico, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of leasehold bears to the entire acreage interest committed to this agreement.
6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any federal lease bearing a sliding-or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.

8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is August 8, 2016 and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his duly authorized representative, and by the Commissioner or his duly authorized representative, and shall remain in force and effect for a period of two (2) years and so long thereafter as communitized substances are produced or can be produced from the communitized area in paying quantities; provided, that the two-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of the capability of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.
12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United

States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.

13. The agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination: In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. R. 12319), as amended which are hereby incorporated by reference in this agreement.

**IN WITNESS WHEREOF**, the parties hereto have executed this agreement as of the day and year first written and have set opposite their respective names the date of execution.

Operator: **EOG Resources, Inc.**

Lessees of Record: **EOG Resources, Inc.**

By \_\_\_\_\_  
Name of person: Ezra Jacob  
Type of authority: Vice President & General Manager

\_\_\_\_\_  
Ezra Jacob  
Vice President & General Manager

Acknowledgments are on following page.

**Acknowledgment in an Individual Capacity**

State of \_\_\_\_\_ )

County of \_\_\_\_\_ ) ss)

This instrument was acknowledged before me on \_\_\_\_\_  
DATE

By \_\_\_\_\_  
Name(s) of Person(s)

(Seal)

\_\_\_\_\_  
Signature of Notarial Officer

My commission expires: \_\_\_\_\_

**Acknowledgment in a Representative Capacity**

State of Texas \_\_\_\_\_ )

County of Midland \_\_\_\_\_ ) ss)

This instrument was acknowledged before me on \_\_\_\_\_  
DATE

By Ezra Yacob, as Vice President and General Manager on behalf of EOG Resources, Inc., a Delaware corporation on behalf of said corporation.

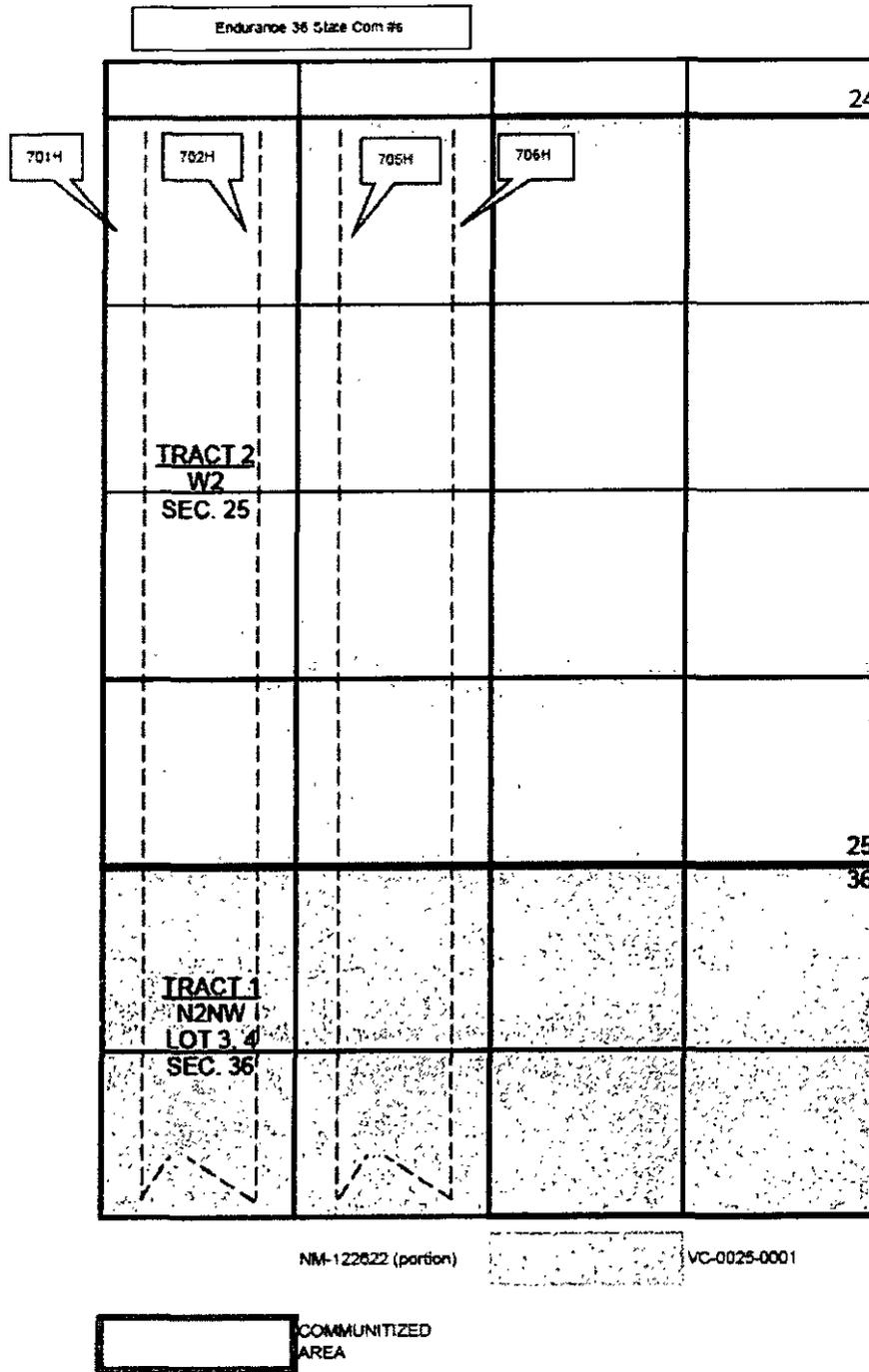
(Seal)

\_\_\_\_\_  
Signature of Notarial Officer

My commission expires: \_\_\_\_\_

**Exhibit A**

To Communitization Agreement dated August 8, 2016 embracing the W2 Section 25 and the N2NW, Lot 3, and Lot 4 of Section 36, T26S, R33E, N.M.P.M., Lea County, New Mexico



**Exhibit B**

To Communitization Agreement dated August 8, 2016 embracing the W2 Section 25 and the N2NW, Lot 3, and Lot 4 of Section 36, T26S, R33E, N.M.P.M., Lea County, New Mexico

**Operator of Communitized Area: EOG Resources, Inc.**

**TRACT NO. 1**

Lease Serial No.: VC-0025-0001  
Lease Date: November 1, 2008  
Lease Term: Five Years  
Lessor: State of New Mexico, acting by and through the Commissioner of Public Lands  
Original Lessee: Daniel E. Gonzales  
Present Lessee: EOG Resource, Inc.  
Description of Land Committed: Insofar and only insofar as said lease covers N2NW, Lot 3, and Lot 4 Section 36, T26S, R33E, N.M.P.M., Lea County, New Mexico  
Number of Acres: 152.08  
Royalty Rate: 1/5  
Name and Percent WI Owners: EOG Resources, Inc. \_\_\_\_\_ 100%  
Name and Percent ORRI Owners: None

**TRACT NO. 2**

Lease Serial No.: NMNM 122622  
Lease Date: June 1, 2009  
Lease Term: Ten Years  
Lessor: United States of America  
Original Lessee: Daniel E. Gonzales  
Present Lessee: EOG Resource, Inc.  
Description of Land Committed: Insofar and only insofar as said lease covers W2 Section 25, T26S, R33E, N.M.P.M., Lea County, New Mexico  
Number of Acres: 320  
Royalty Rate: 12.5%  
Name and Percent WI Owners: EOG Resources, Inc. \_\_\_\_\_ 100%  
Name and Percent ORRI Owners: None

**RECAPITULATION**

<b>Tract numbers</b>	<b>Number of Acres Committed</b>	<b>Percentage of Interest in Communitized Area</b>
Tract No.1	152.08	32.214879%
Tract No.2	<u>320.00</u>	<u>67.785121%</u>
Total	472.08	100.000000%



HOLLAND & HART LLP



**Michael H. Feldewert**  
Recognized Specialist in the Area of  
Natural Resources - oil and gas law - New  
Mexico Board of Legal Specialization  
mfeldewert@hollandhart.com

October 28, 2016

**VIA CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Robert E. Payne and wife, Ruth L. Payne  
532 The Strand #557  
Hermosa Beach, CA 90254

**Re: Application of EOG Resources for approval of a 472-Acre Non-Standard Project Area Comprised of Acreage Subject to a Proposed Communitization Agreement, Lea County, New Mexico.**

This letter is to advise you that EOG Resources, Inc. has filed the enclosed application with the New Mexico Oil Conservation Division. As an overriding royalty interest owner in an offsetting tract, you are entitled to notice of this application.

This application has been set for hearing before a Division Examiner at 8:15 AM on November 17, 2016. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-Hearing Statement with the Oil Conservation Division's Santa Fe office, four days in advance of a scheduled hearing, but at least on the Thursday preceding the hearing. This statement must include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter please contact Paul Boland, at (432) 686-3666 or paul\_boland@eogresources.com.

Sincerely,

Michael H. Feldewert  
ATTORNEYS FOR EOG RESOURCES, INC.

Holland & Hart LLP

Phone [505] 988-4421 Fax [505] 983-6043 [www.hollandhart.com](http://www.hollandhart.com)

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

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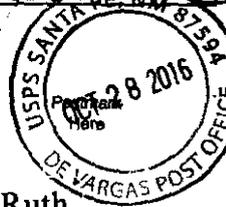
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- Adult Signature Restricted Delivery \$



Robert E. Payne and wife, Ruth  
L. Payne  
532 The Strand #557  
Hermosa Beach, CA 90254

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DATE & TIME	STATUS OF ITEM	LOCATION
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November 11, 2016 , 6:28 am	In Transit to Destination	
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The item is currently in transit to the destination as of November 11, 2016 at 6:29 am.

November 9, 2016 , 6:29 pm	Departed USPS Facility	SAN JOSE, CA 95101
November 9, 2016 , 2:08 pm	Arrived at USPS Facility	SAN JOSE, CA 95101
November 9, 2016 , 5:37 am	Departed USPS Facility	SANTA CLARITA, CA 91383
November 8, 2016 , 12:31 pm	Arrived at USPS Facility	SANTA CLARITA, CA 91383
November 5, 2016 , 7:12 am	In Transit to Destination	
November 3, 2016 , 7:12 pm	Departed USPS Facility	LOS ANGELES, CA 90052
November 2, 2016 , 6:57 am	In Transit to Destination	
October 30, 2016 , 1:20 pm	Arrived at USPS Facility	LOS ANGELES, CA 90052
October 30, 2016 , 5:05 am	In Transit to Destination	
October 29, 2016 , 3:18 am	Departed USPS Facility	ALBUQUERQUE, NM 87101
October 28, 2016 , 11:05 pm	Arrived at USPS Facility	ALBUQUERQUE, NM 87101

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# Affidavit of Publication

STATE OF NEW MEXICO  
COUNTY OF LEA

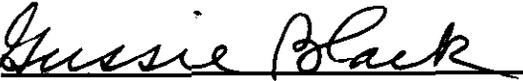
I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated  
November 02, 2016  
and ending with the issue dated  
November 02, 2016.



Publisher

Sworn and subscribed to before me this  
2nd day of November 2016.



Business Manager

My commission expires

January 29, 2019

(Seal)



**OFFICIAL SEAL**  
**GUSSIE BLACK**  
Notary Public  
State of New Mexico

My Commission Expires 1-29-19

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL	LEGAL
<b>LEGAL NOTICE</b> November 2, 2016	
<b>STATE OF NEW MEXICO</b> <b>ENERGY, MINERALS AND NATURAL RESOURCES</b> <b>DEPARTMENT</b> <b>OIL CONSERVATION DIVISION</b> <b>SANTA FE, NEW MEXICO</b>	
<p>The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on November 17, 2016, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appoint for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact: Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by November 7, 2016. Public documents including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible form is needed.</p>	
<b>STATE OF NEW MEXICO TO:</b> All named parties and persons having any right, title, interest or claim in the following cases and notice to the public.	
<p>(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)</p>	
<p>To: Robert E. Payne and wife, Ruth L. Payne, and their heirs and devisees.</p>	
<p>Case No. 15584: Application Of EOG Resources For Approval Of A 472-Acre Non-Standard Project Area Comprised Of Acreage Subject To A Proposed Communitization Agreement, Lea, New Mexico. Applicant in the above-styled cause seeks an order approving an approximately 472-acre non-standard project area in the Wolfcamp formation comprised of acreage subject to a proposed communitization agreement covering the W/2 of Section 25 and the NW/4 (W/2 equivalent) of Irregular Section 36, Township 26 South, Range 33 East, NMPM Lea County, New Mexico. This acreage has been placed in the WC-025 G-09 S263327G; Upper Wolfcamp pool (Pool Code 98097) and is subject to the Division's general statewide rules for oil development. This subject area is located approximately 43 miles Southwest of Jai, New Mexico. #31323</p>	

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BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

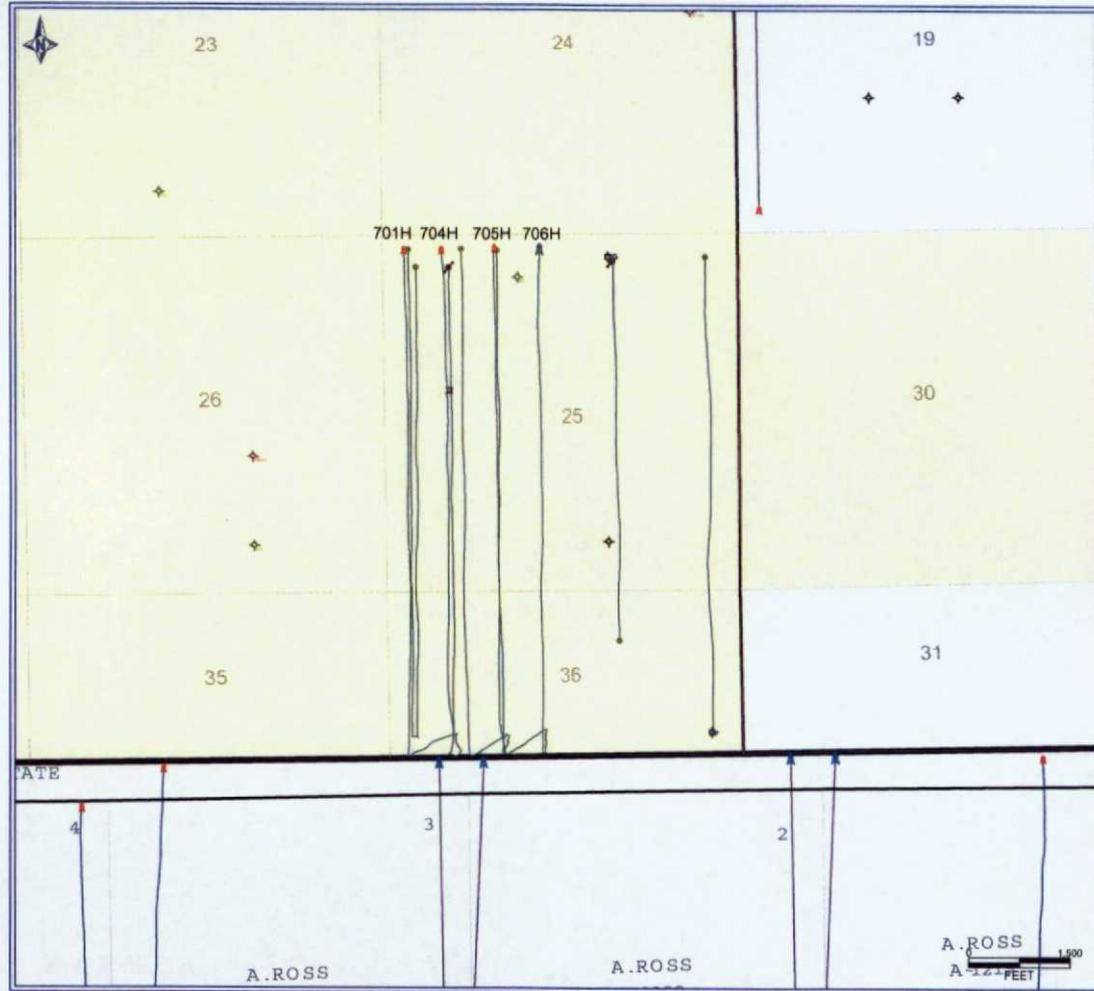
Exhibit No. 6

Submitted by:

**EOG RESOURCES, INC.**

Hearing Date: November 17, 2016

# Endurance Area Lease Map



## Map Legend

Wells are Producers or  
Waiting on Completions

Sections 25 and 36:  
EOG Resources – Horizontal  
Well Locations

Endurance 36 State Com  
WFMP Development Wells  
Labeled

SHL



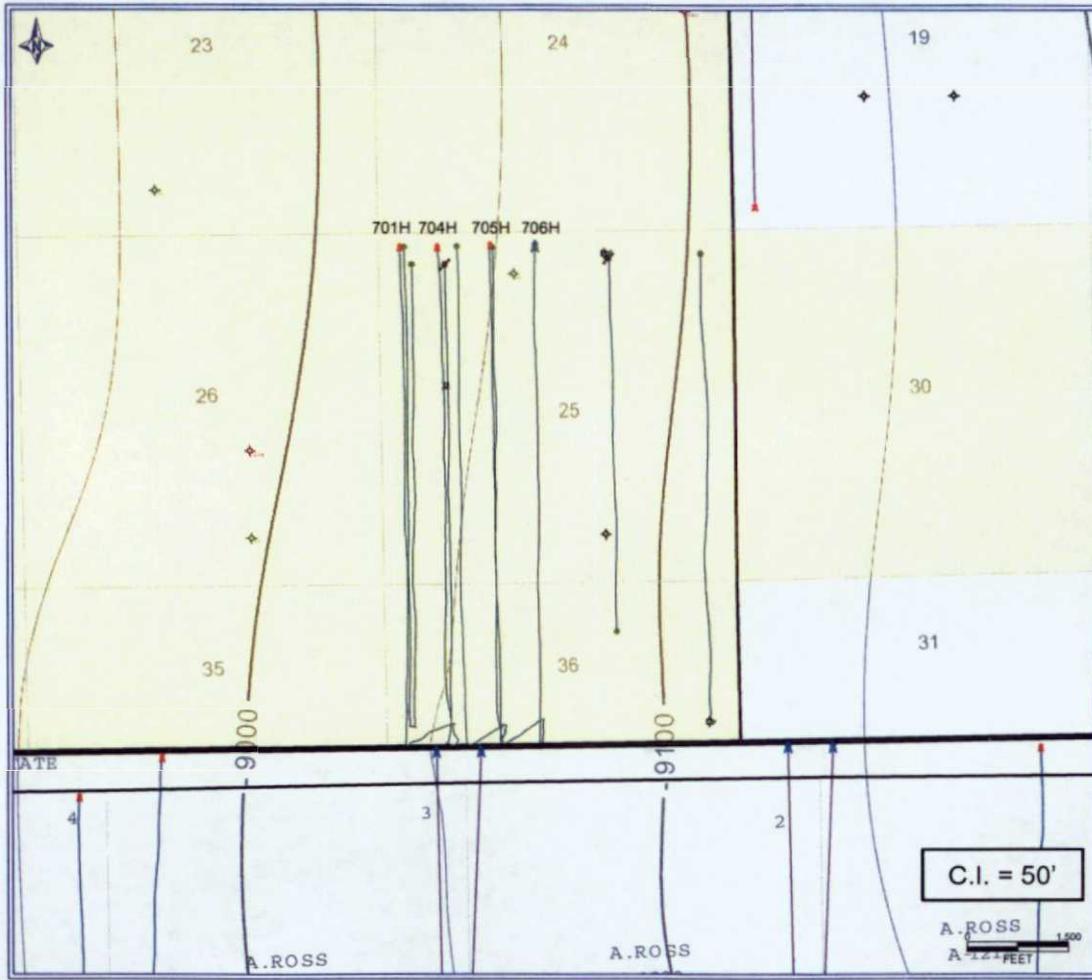
BHL



EOG Acreage

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. 7  
Submitted by:  
**EOG RESOURCES, INC.**  
Hearing Date: November 17, 2016

# Endurance Area Structure Map with Producers



## Map Legend

Structural Depth on Top of Wolfcamp FM (sstvd)

Wells are Producers or Waiting on Completions

Sections 25 and 36:  
EOG Resources – Horizontal Well Locations

Endurance 36 State Com  
WFMP Development Wells  
Labeled

SHL



BHL



EOG Acreage

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. 8  
Submitted by:  
**EOG RESOURCES, INC.**  
Hearing Date: November 17, 2016

# Endurance Area Cross Section Map



## Map Legend

Wells are Producers and Waiting on Completions

Sections 25 and 36:  
EOG Resources – Horizontal Well Locations

Endurance 36 State Com  
WFMP Development Wells  
Labeled

SHL



BHL



EOG Acreage

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. 9  
Submitted by:  
**EOG RESOURCES, INC.**  
Hearing Date: November 17, 2016

# Endurance Area Cross Section

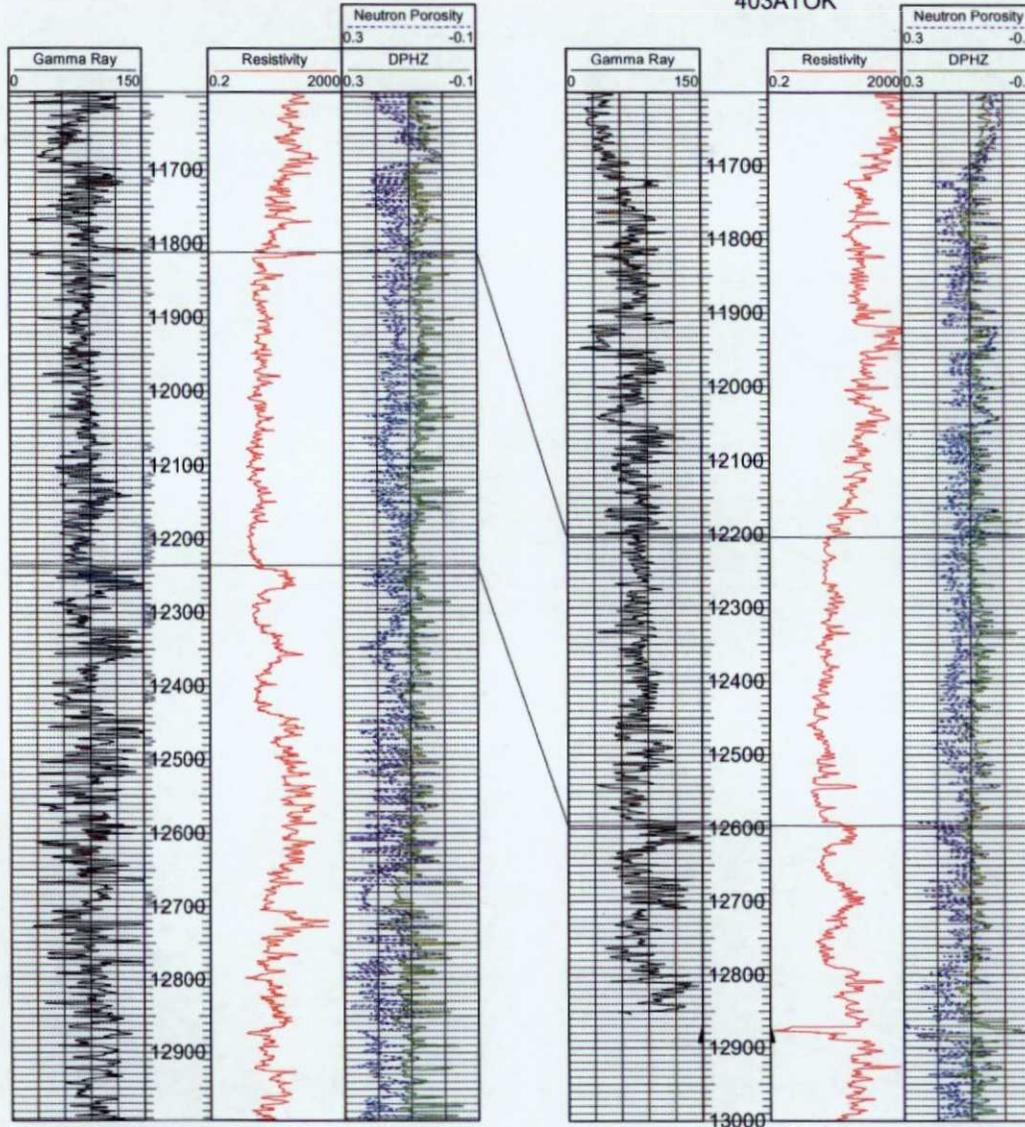
OPHELIA 27 #602H  
EOGR  
ELEV\_KB : 3,318

WILSON C FEDERAL #1  
CHEVRON U S A INC  
ELEV\_KB : 3,387  
403ATOK

A  
West

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East

Lateral  
Interval



BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. 10  
Submitted by:  
**EOG RESOURCES, INC.**  
Hearing Date: November 17, 2016

## Paul Boland

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**From:** Whitlock, Jerald <dwhitloc@blm.gov>  
**Sent:** Friday, October 14, 2016 6:44 AM  
**To:** Paul Boland; Deborah Ham  
**Subject:** Re: Commingling Application - Endurance 36 State Com Wells - Sections 25 & 36 T26S-R33E

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

Sound great lets work on one CA for these well. I do not see any issues with this. Duncan

On Wed, Oct 12, 2016 at 2:45 PM, Paul Boland <[Paul\\_Boland@eogresources.com](mailto:Paul_Boland@eogresources.com)> wrote:

Duncan, you may recall our conversation several weeks ago regarding the subject commingling application.

In our conversation you mentioned setting up a comm that covers all 4 of the wells we are seeking approval to commingle so that commingling approval wouldn't actually be necessary.

I have talked to the state about it and they seem to be agreeable to permitting a larger comm as long as I have my ducks in a row with the BLM.

So, would the BLM have any issue with us communitizing the W2 section 25 and lots 3,4, N2NW section 36-26S-33E under 1 agreement?

This communitization agreement would take the place of the two comm agreements already submitted to the BLM, which agreements collectively cover the same acreage.

Please advise so we can proceed with this plan at the state and OCD.

**Paul Boland, CPL** | Senior Landman

EOG Resources, Inc.

5509 Champions Drive | Midland, TX 79706

432.686.3666 | [paul\\_boland@eogresources.com](mailto:paul_boland@eogresources.com)

15584  
Ex. 11  
JK