

DATE IN <u>6/9/15</u>	SUSPENSE	ENGINEER <u>MAM</u>	LOGGED IN <u>6/9/15</u>	TYPE <u>PLC</u>	APP NO. <u>5AG6516091892</u>
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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



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

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] PLC
 [A] Location - Spacing Unit - Simultaneous Dedication Operator: EOG Resources INC
☐ NSL ☐ NSP ☐ SD well: Lomas Rojas 26 state
com 5014 + 3
 Check One Only for [B] or [C]
 [B] Commingling - Storage - Measurement API 30-025-42156
☐ DHC ☐ CTB ☒ PLC ☐ PC ☐ OLS ☐ OLM
 [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery Pool: Red Hills lower
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR Bone Springs
 [D] Other: Specify WC-025 G-09
S253336 D; Upper
Wolf camp
- [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.

Stan Wagner		Regulatory Analyst	06/09/15
Print or Type Name	Signature	Title	Date
e-mail Address			

APPLICATION FOR SURFACE POOL/LEASE COMMINGLING

EOG Resources, Inc. respectfully requests administrative approval to surface pool/lease commingle oil & gas from the following wells:

	API	WELL NAME	WELL #	LOCATION	POOL CODE/NAME	STATUS	*OIL API	*GAS BTU
1	30-025-42157	LOMAS ROJAS 26 STATE COM	#502H	P-26-25S-33E	[51020] RED HILLS; LOWER BONE SPRING	DRILLED	46	1287/cft
2	30-025-42156	LOMAS ROJAS 26 STATE COM	#501H	P-26-25S-33E	[51020] RED HILLS; LOWER BONE SPRING	DRILLED	46	1287/cft
3	30-025-42568	LOMAS ROJAS 26 STATE COM	#701H	A-26-25S-33E	[98094] WC-025 G-09 S253336D; UPPER WOLFCAMP	DRILLING	47	1287/cft
4	30-025-42567	LOMAS ROJAS 26 STATE COM	#702H	A-26-25S-33E	[98094] WC-025 G-09 S253336D; UPPER WOLFCAMP	PERMITTED	47	1287/cft

* projected, pending completion

GENERAL INFORMATION:

- State lease NM VB-0604 covers 320 acres, being the NW/4 and SE/4 of section 26 T25S R33E Lea County, NM.
- State lease NM VB-1511 covers 320 acres, being the NE/4 and SW/4 of section 26 T25S R33E Lea County, NM.
- The E/2 of section 26 has been consolidated for the Bone Spring formation by consolidation agreement dated effective April 19, 2010.
- The E/2 E/2 of section 26 is to be consolidated for the Wolfcamp formation, which consolidation agreement is currently at the New Mexico State Land Office for review and approval.
- The proposed central tank battery is located on unit letter P of section 26.
- Ownership of the wells is identical (see landman statement attached).
- The Lomas Rojas 26 State Com #701H spud on 6/2/2015 and the Lomas Rojas 26 State Com #702H is scheduled to spud around 6/27/2015.
- Attached is (1) a map that displays the location of the subject wells and the proposed CTB, (2) a process flow diagram, and (3) the C-102 plats for each of the wells.

OIL AND GAS METERING:

- The Lomas Rojas 26 State Com #501H production will be measured at its dedicated separator which includes: Coriolis meter for oil, senior orifice meter for gas, and turbine meter for water.
- The Lomas Rojas 26 State Com #502H production will be measured at its dedicated separator which includes: Coriolis meter for oil, senior orifice meter for gas, and turbine meter for water.
- The Lomas Rojas 26 State Com #701H production will be measured at its dedicated separator which includes: Coriolis meter for oil, senior orifice meter for gas, and turbine meter for water.
- The Lomas Rojas 26 State Com #702H production will be measured at its dedicated separator which includes: Coriolis meter for oil, senior orifice meter for gas, and turbine meter for water.

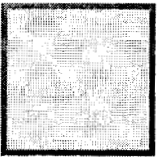
PROCESS AND FLOW DESCRIPTIONS:

- The production from each well will flow into a dedicated 3-phase separator. The production stream will be separated into 3 independent streams (gas, oil, and water) by the separator and each stream will be measured individually after it exits the separator. The gas will be measured using a senior orifice meter. The oil will be measured using a Coriolis meter, and the water will be measured using a turbine meter. The water from each separator is combined in a common header and flows into (4) 500 barrel coated steel tanks. Guided wave radar is used to measure water volumes in these tanks. The oil from each separator will be combined into a common header and flow into a heated separator to aid separation of water entrained in the oil. Water from the heated separator flows into the common water header connected to the (4) 500 barrel water tanks. The water is then pumped and/or trucked to a salt water disposal well. The oil from the heated separator flows through a vapor recovery tower where gas is allowed to breakout at a lower pressure, and then the oil flows into (8) 500 barrel coated steel tanks. Guided wave radar is used to measure water and oil volumes in these tanks. Oil is pumped out of the tanks through a Coriolis meter into a truck or a pipeline. Every tank utilizes a guided wave radar to determine the volume of product in each. After the gas from each separator is measured it is combined into a common header. The gas from the heated separator also flows into this header. The gas flows through the header to a custody transfer orifice meter that serves as our lease production meter. The overhead gas from the vapor recovery tower is compressed by a vapor recovery compressor and then measured by a custody transfer orifice meter. The gas from the vapor recovery system combines with the gas from the lease production meter and flows into our gas gathering pipeline system.

LOMAS ROJAS CTB LOCATION SECTION 26, T25S, R33E, LEA COUNTY, NM



VB-0604



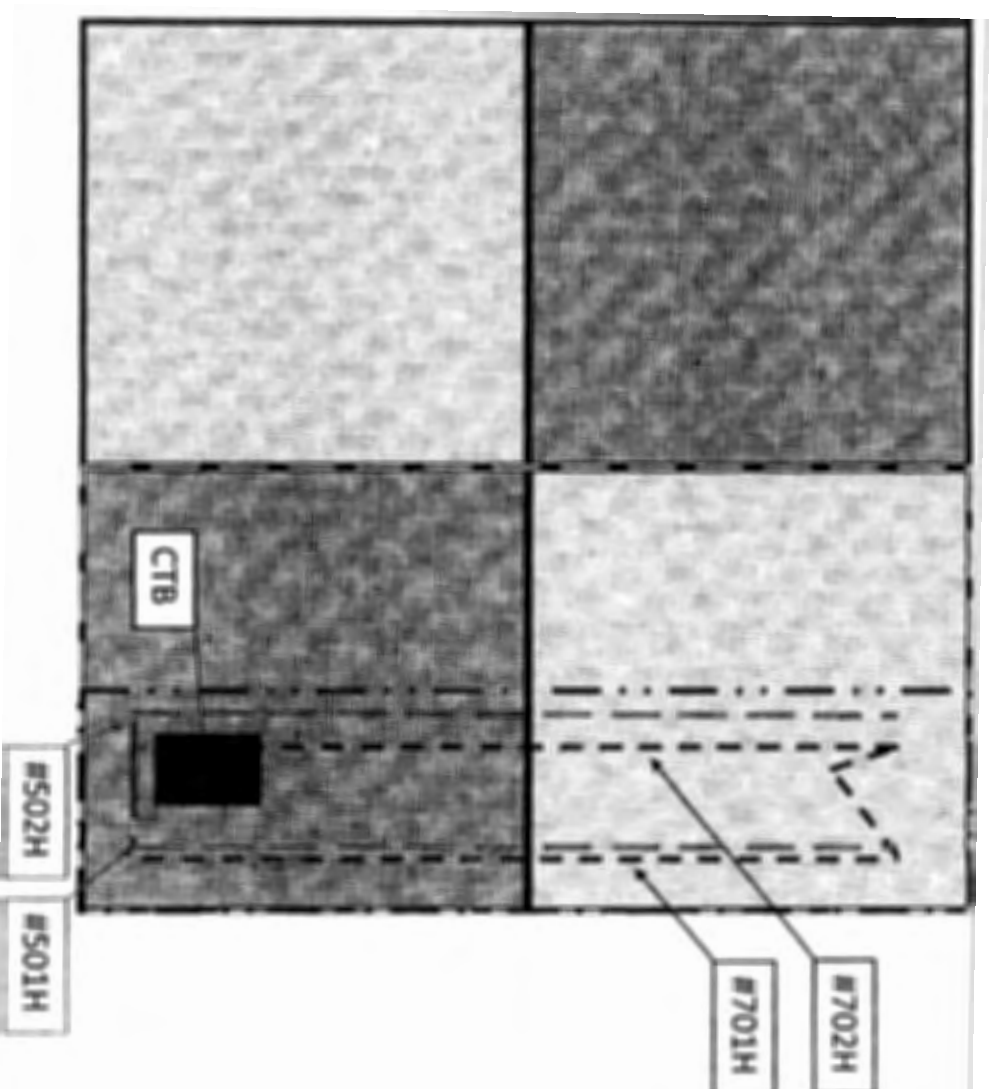
VB-1511

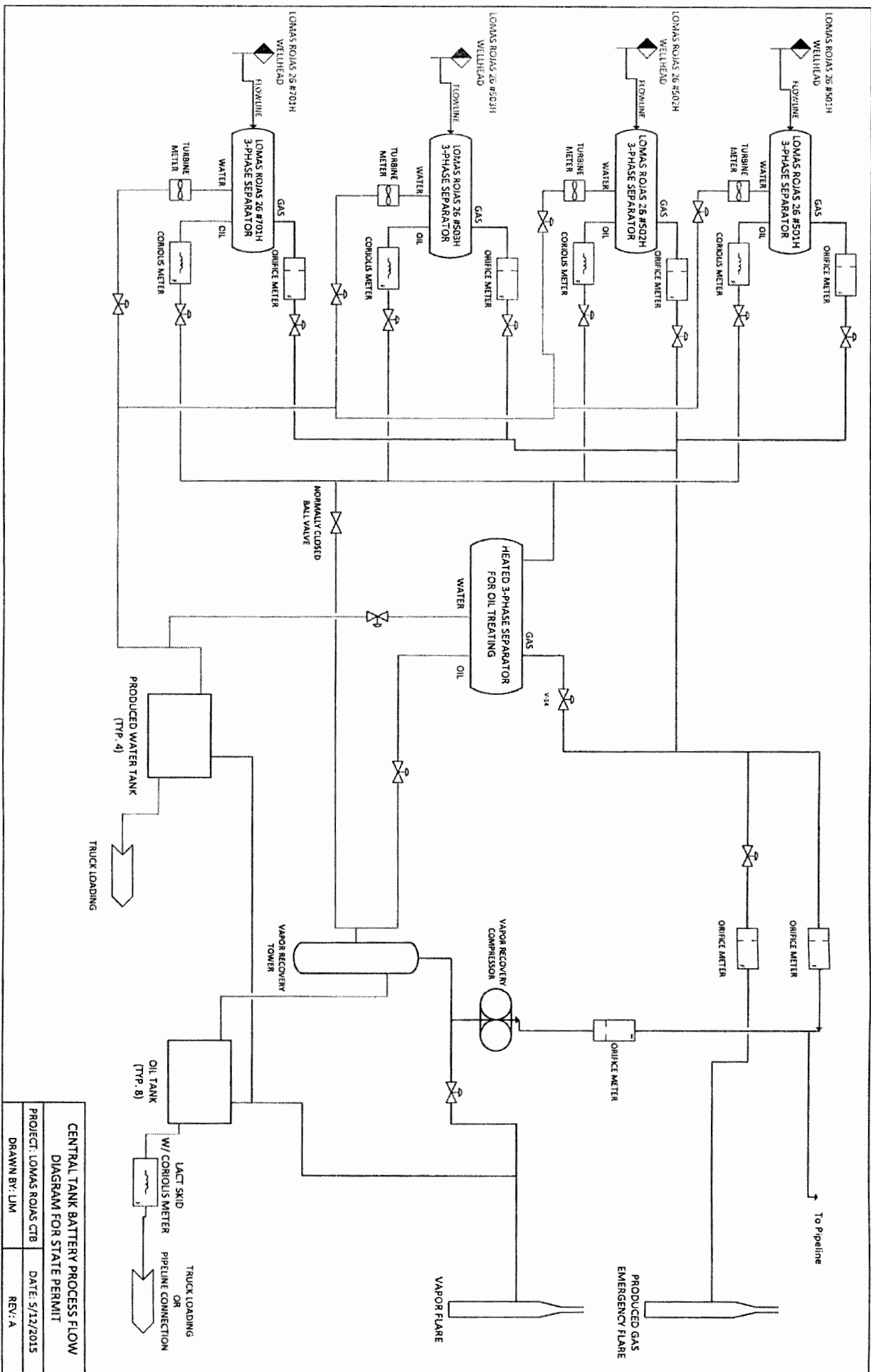


BONE SPRING
CONSOLIDATION



WOLFCAMP
CONSOLIDATION





CENTRAL TANK BATTERY PROCESS FLOW DIAGRAM FOR STATE PERMIT	
PROJECT: LOMAS ROJAS CTB	DATE: 5/12/2015
DRAWN BY: LMI	REV: A

HOBBS OCD

SEP 30 2014

FORM C-102

RECEIVED

Revised August 1, 2011

Submit one copy to appropriate

District Office

☐ AMENDED REPORT

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025- 42156	² Pool Code 97741 51020	³ Pool Name RED HILLS, LOWER B3
⁴ Property Code 37858	⁵ Property Name LOMAS ROJAS 26 STATE COM	⁶ Well Number #501H
⁷ OGRID No. 7377	⁸ Operator Name EOG RESOURCES, INC.	⁹ Elevation 3330'

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	26	25-S	33-E	-	330'	SOUTH	875'	EAST	LEA

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	26	25-S	33-E	-	230'	NORTH	380'	EAST	LEA

¹¹ Dedicated Acres 160	¹² Joint or Infill	¹³ Consolidation Code	¹⁴ 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.

<p>BOTTOM HOLE LOCATION NEW MEXICO EAST NAD 1927 X=747082 Y=403832 LAT: N 32.1080112 LONG: W 103.5353562</p> <p>LOWER MOST PERF. NEW MEXICO EAST NAD 1927 X=747083 Y=403832 LAT: N 32.1077364 LONG: W 103.5353562</p> <p>UPPER MOST PERF. NEW MEXICO EAST NAD 1927 X=747117 Y=389211 LAT: N 32.0960341 LONG: W 103.5353565</p> <p>SURFACE LOCATION NEW MEXICO EAST NAD 1927 X=746622 Y=339208 LAT: N 32.0960352 LONG: W 103.5369573</p>	<p>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 secondary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Stan Wagner</i> 9/30/14 Signature Date</p> <p>Stan Wagner Printed Name</p> <p>E-mail Address</p> <p>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.</p> <p>09/08/2014 Date of Survey</p> <p><i>Michael Brown</i> Signature</p> <p>18329 Professional Surveyor</p> <p>Certificate Number</p>
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S:\SURVEY\CO_MIDLAND\LOMAS ROJAS 26 STATE COM\PROD\1540_10MASROJAS26STATECOM_501H.DWG 8/11/2014 11:48:31 AM PLOT

OCT 01 2014

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SEP 30 2014

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1220 South St. Francis Dr.
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FORM C-102

Revised August 1, 2011

Submit one copy to appropriate

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025- 42157	² Pool Code 92741 51020	³ Pool Name RED HILLS; LOWER BS
⁴ Property Code 37858	⁵ Property Name LOMAS ROJAS 28 STATE COM	⁶ Well Name #502H
⁷ OGRID No. 7377	⁸ Operator Name EOG RESOURCES, INC.	⁹ Elevation 3329'

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	26	25-S	33-E	-	330'	SOUTH	905'	EAST	LEA

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	26	25-S	33-E	-	230'	NORTH	1260'	EAST	LEA

¹¹ Dedicated Acres 160	¹² Joint or Infill	¹³ Consolidation Code	¹⁴ 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.

<p>BOTTOM HOLE LOCATION NEW MEXICO EAST NAD 1927 X=746202 Y=403926 LAT.: N 32.1080137 LONG.: W 103.5381581</p> <p>LOWER MOST PERF. NEW MEXICO EAST NAD 1927 X=746203 Y=403826 LAT.: N 32.1077388 LONG.: W 103.5381581</p> <p>SURFACE LOCATION NEW MEXICO EAST NAD 1927 X=746892 Y=399208 LAT.: N 32.0960354 LONG.: W 103.5370488</p> <p>UPPER MOST PERF. NEW MEXICO EAST NAD 1927 X=746217 Y=399205 LAT.: N 32.0960360 LONG.: W 103.5381970</p>	<p>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 an undivided 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.</p> <p>Signature: <i>Stan Wagner</i> Date: 9/30/14 Printed Name: Stan Wagner E-mail Address:</p> <p>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.</p> <p>Date of Survey: 09/08/2014 Signature and Seal: <i>Michael Brown</i> Certificate Number: 18329</p>
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S:\ISLARI\EYECU\ANDLAND\LOMAS_28_STATE_COM\FINAL_PROD\CTSL02.LOMAS.ROJAS.28.STATE.COM.S00H.DWG 9/11/2014 11:53:18 AM ppp

OCT 01 2014

MAY 18 2015

MAY 21 2015



EOG Resources, Inc.
5509 Champions Drive
Midland, Texas 79706
(432) 686-3600

Date: June 3, 2015
To: State of New Mexico Oil Conservation Division
Re: Surface Pool/Lease Commingling Application; Lomas Rojas 26 State Com
#s 501H, 502H, 701H, and 702H

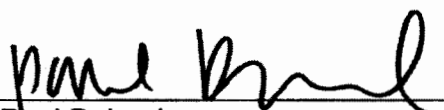
To whom it may concern:

This letter serves to notice you that the ownership of the following wells is identical in working, royalty, and overriding royalty interest and percentages:

	API	WELL NAME	WELL #	LOCATION	POOL CODE/NAME	STATUS	*OIL API	*GAS BTU
1	30-025-42157	LOMAS ROJAS 26 STATE COM	#502H	P-26-25S-33E	[51020] RED HILLS; LOWER BONE SPRING	DRILLED	46	1287/cft
2	30-025-42156	LOMAS ROJAS 26 STATE COM	#501H	P-26-25S-33E	[51020] RED HILLS; LOWER BONE SPRING	DRILLED	46	1287/cft
3	30-025-42568	LOMAS ROJAS 26 STATE COM	#701H	A-26-25S-33E	[98094] WC-025 G-09 S253336D; UPPER WOLFCAMP	DRILLING	47	1287/cft
4	30-025-42567	LOMAS ROJAS 26 STATE COM	#702H	A-26-25S-33E	[98094] WC-025 G-09 S253336D; UPPER WOLFCAMP	PERMITTED	47	1287/cft

I certify that this information is true and correct to the best of my knowledge.

EOG Resources, Inc.

By: 
Paul Boland
Sr. Landman

McMillan, Michael, EMNRD

From: Stan Wagner <Stan_Wagner@eogresources.com>
Sent: Tuesday, June 09, 2015 11:22 AM
To: McMillan, Michael, EMNRD
Subject: RE: Surface Commingling Application - Lomas Rojas

No, these are all new wells. 501 and 502 are waiting on completion and 701 and 702 are being drilled. We are trying to get the commingling in place before the battery is ready for production.

Stan

From: McMillan, Michael, EMNRD [<mailto:Michael.McMillan@state.nm.us>]
Sent: Tuesday, June 09, 2015 12:17 PM
To: Stan Wagner
Subject: RE: Surface Commingling Application - Lomas Rojas

Do you have any production on the wells? If so, can you provide them- last 6 month's monthly production and cum production

Mike

From: Stan Wagner [mailto:Stan_Wagner@eogresources.com]
Sent: Tuesday, June 09, 2015 10:31 AM
To: McMillan, Michael, EMNRD
Subject: Surface Commingling Application - Lomas Rojas

Good morning Mike,

Attached please find our latest surface commingling application for the Lomas Rojas 26 State Com lease. These are new wells, similar to the other recent applications.

The hard copy will be in today's mail. Please let me know if you need more information.

Thanks,

Stan Wagner
EOG Resources – Midland Regulatory
432-686-3689