

ID NO. 98435

NSL - 8349

Revised March 23, 2017

RECEIVED: 04/13/22	REVIEWER: LRL	TYPE: NSL	APP NO: pLEL2210863453
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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: Merciless 13 Fed Com 508H **API:** 30-025-47447
Pool: WC-025 G-08 S253235G; Lower Bone Spring pool **Pool Code:** 97903

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 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

- ☐ 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 Kessler

Print or Type Name

Jordan Kessler

Signature

Digitally signed by Jordan Kessler
 Date: 2022.04.11 11:21:52 -06'00'

4/11/22

Date

432-488-6108

Phone Number

jordan_kessler@eogresources.com

e-mail Address



Jordan Lee Kessler
Phone: (432) 488-6108
Email: jordan_kessler@eogresources.com

April 12, 2022

VIA ONLINE FILING

Adrienne Sandoval, Director
Oil Conservation Division
New Mexico Department of Energy, Minerals, and Natural Resources
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Application of EOG Resources, Inc. for administrative approval of an unorthodox well location for its Merciless 13 Fed Com 508H well in the E/2 of Section 13 and the NE/4 of Section 24, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico.

Dear Director Sandoval,

EOG Resources, Inc. (OGRID No. 7377) seeks administrative approval of an unorthodox well location for its Merciless 13 Fed Com 508H well (API No. 30-025-47447). This well is not yet drilled. The spacing unit dedicated to the well is comprised of the E/2 of Section 13 and the NE/4 of Section 24, Township 25 South, Range 32 East, Lea County, New Mexico and is within the WC-025 G-08 S253235G; Lower Bone Spring pool (97903). The horizontal spacing unit for the well is approximately 480 acres, which includes proximity tracts. The defining well for the spacing unit is the Merciless 13 Fed Com No. 512H well (API No. pending).

The well has been drilled and is proposed to be completed as follows:

- The surface location is located 349 feet from the North line, 2317 feet from the East line (Unit B) of Section 13,
- The bottom hole location is located 2542 feet from the North line, 2590 feet from the East line (Unit G) of Section 24,
- The first take point is located 100 feet from the North line, 2590 feet from the East line (Unit B) of Section 13,
- The last take point is located 100 feet from the South line, 2590 feet from the East line (Unit G) of Section 24.

The acreage is governed by the Division's statewide rules. Accordingly, the proposed completed interval is unorthodox because, as drilled, it is closer than the 330 feet to the western boundary. It encroaches on the spacing units in the E/2W/2 of Section 13 and the E/2NW/4 of Section 24.

Approval of the unorthodox location will allow EOG to use its preferred well spacing plan for horizontal wells, which will prevent waste, and reflects the as-drilled location of the well.

Exhibit A is the Form C-102 filed with the Division. It shows the location of the well, including the proposed unorthodox completed interval, of Merciless 13 Fed Com 508H well. The proposed completed interval encroaches on the spacing unit/tracts to the west.

Exhibit B is a plat that shows the Merciless 13 Fed Com 508H well in relation to the adjoining spacing units/tracts to the west.

EOG is the operator of the spacing units to the east, and ownership is identical, however, the owners own in different percentages between the subject spacing unit and the affected spacing unit/tracts to the east. **Exhibit C** is a certification from the landman indicating that he has reviewed the tracts affected by this request. Exhibit C includes a list of the affected parties and proof that a copy of this application with all attachments has been sent by certified mail to each affected party. This notice advises affected parties that any objection must be filed in writing with the Division within 20 days from the date the Division receives the application.

Exhibit D is a statement from a petroleum engineer providing justification for the requested non-standard location.

Thank you for your attention to this matter.

Very truly yours,

Jordan L Kessler

Jordan Kessler
Senior Regulatory Advisor

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 30-025-47447	² Pool Code 97903	³ Pool Name WC-025 G-08 S253235G; Lower Bone Spring
⁴ Property Code 328894	⁵ Property Name MERCILESS 13 FED COM	⁶ Well Number 508H
⁷ OGRID No. 7377	⁸ Operator Name EOG RESOURCES, INC.	⁹ Elevation 3496'

¹⁰Surface Location

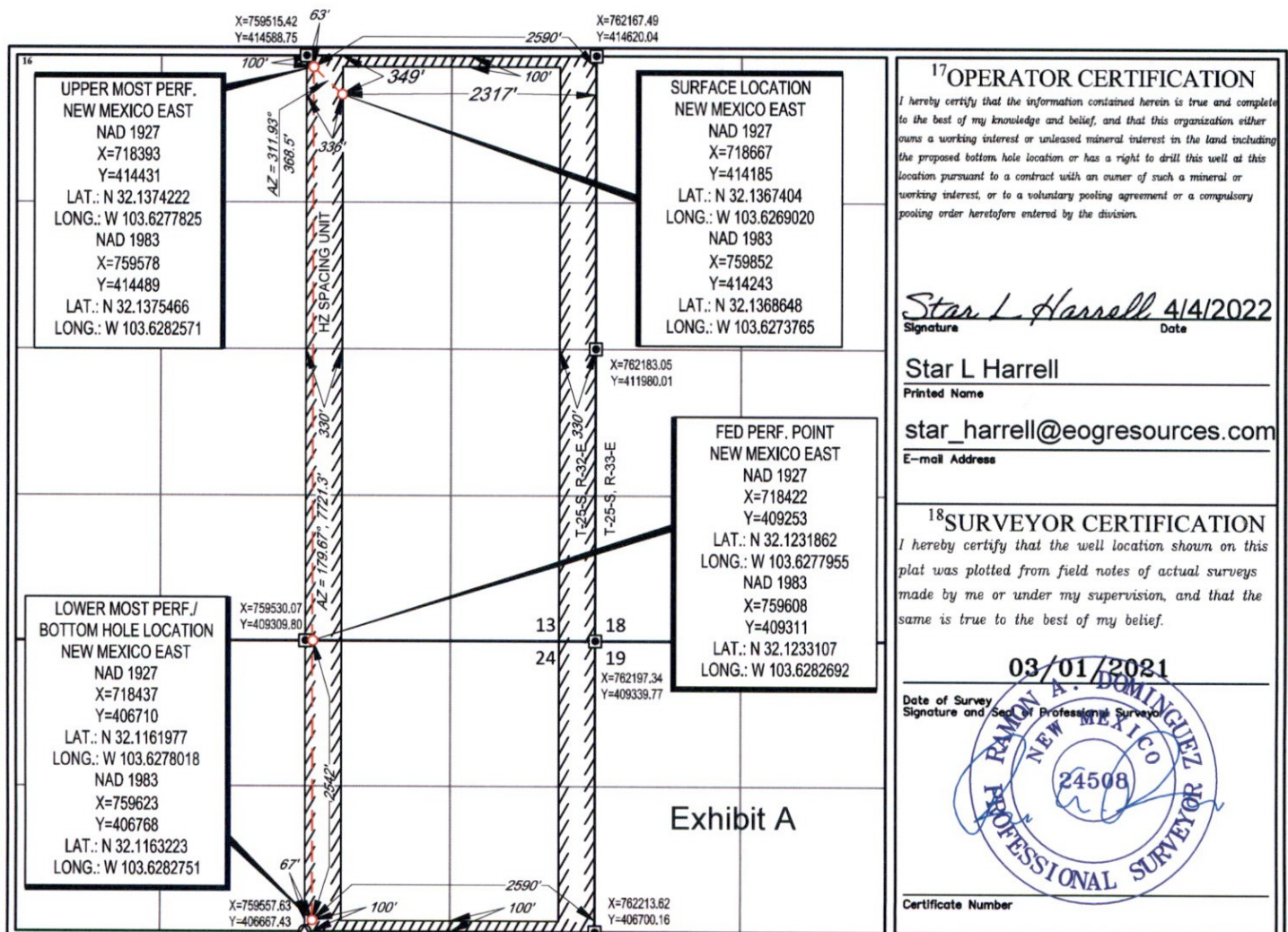
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	13	25-S	32-E	-	349'	NORTH	2317'	EAST	LEA

¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	24	25-S	32-E	-	2542'	NORTH	2590'	EAST	LEA

¹² Dedicated Acres 480.00	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.



S:\SURVEY\EOG_MIDLAND\MERCILESS_13_FED_COM\FINAL_PRODUCTS\ILO_MERCILESS_13_FED_COM_508H_C-102_REV3.DWG 4/1/2022 11:05:10 AM kenneth.stallings

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
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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 30-025-	² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name MERCILESS 13 FED COM	⁶ Well Number 508H
⁷ OGRID No. 7377	⁸ Operator Name EOG RESOURCES, INC.	⁹ Elevation 3496'

¹⁰Surface Location

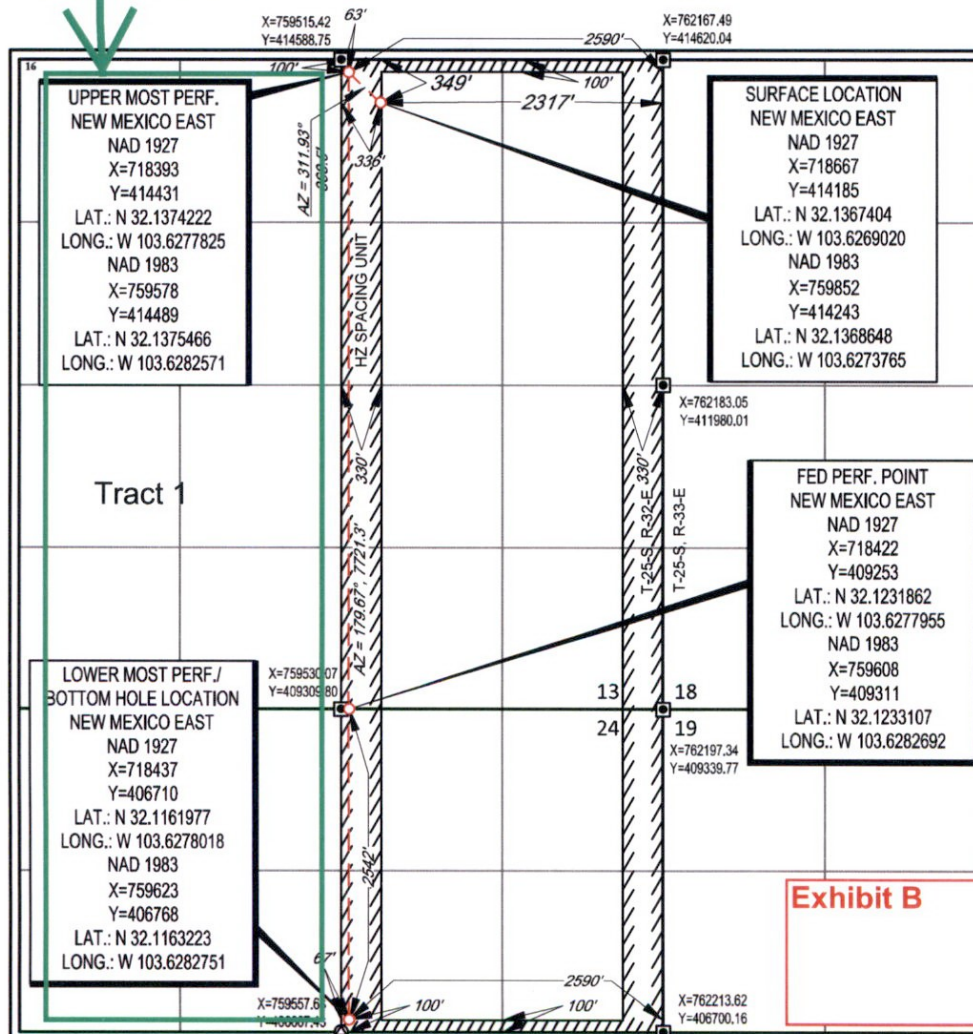
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	13	25-S	32-E	-	349'	NORTH	2317'	EAST	LEA

¹¹Bottom Hole Location If Different From Surface

Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
25-S	32-E	-	2542'	NORTH	2590'	EAST	LEA
Infill	¹⁴ Consolidation Code	¹⁵ Order No.					

Offset spacing unit (Merciless):
EOG is the
Operator. Notice
provided to
affected parties

igned 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 unleased 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.

03/01/2021

Date of Survey
Signature and Seal of Professional Surveyor

Exhibit B

number

S:\SURVEY\EOG_MIDLAND\MERCILESS_13_FED_COM\FINAL_PRODUCTS\LO_MERCILESS_13_FED_COM_508H_C-102_REV3.DWG 4/1/2022 11:05:10 AM kenneth.stallings



P.O. Box 2267, Midland, Texas 79702
Phone: (432) 686-3600 Fax: (432) 686-3773

April 7, 2022

Certification of Ownership

I have reviewed the ownership of the oil and gas leasehold in Sections 13 & 24 -25S-32E, Lea County, New Mexico, for purposes of the unorthodox location for EOG's Merciless 13 Fed Com #508H well located in the W/2E/2 of Section 13 & W/2NE/4 Section 24 -25S-32E. As of the date of this letter, the affected parties are:

See Attached EXHIBIT "A"

Sincerely,

EOG Resources, Inc.

Matthew Gray

Matthew Gray
Landman

Exhibit C



P.O. Box 2267, Midland, Texas 79702
Phone: (432) 686-3600 Fax: (432) 686-3773

EXHIBIT "A"

Tract 1

	Name	Address	Interest Type
1	DAVID PETROLEUM CORPORATION	116 WEST FIRST STREET ROSWELL,NM 88201-0000	Working Interest
2	EOG RESOURCES INC	P O BOX 840321 DALLAS,TX 75284-0321	Working Interest
3	MCCLELLAN OIL CORPORATION	P O BOX 730 ROSWELL,NM 88202-0730	Working Interest
4	MOBIL PRODUCING TX & NM INC	C/O XTO ENERGY INC P O BOX 840780 DALLAS,TX 75284-0780	Working Interest
5	SHARBRO ENERGY LLC	POA ELIZABETH BAKER P O BOX 840 ARTESIA,NM 88211-0840	Working Interest
6	TOLES COMPANY	P O BOX 1300 ROSWELL,NM 88202-1300	Working Interest
7	BUREAU OF LAND MANAGEMENT	301 DINOSAUR TR. SANTA FE, NM 87508	Royalty Interest

Well Name	Date NSL Sent	Owners NSL Sent to	Certified Mail Tracking #
Merciless 13 Fed Com #508H	4/12/2022	Tract 1: Bureau of Land Management	7021 0950 0000 5467 9106
		Tract 1: McClellan Oil Corporation	7021 0950 0000 5467 9113
		Tract 1: David Petroluem Corporation	7021 0950 0000 5467 9120
		Tract 1: The Toles Company	7021 0950 0000 5467 9328
		Tract 1: Sharbro Energy LLC	7021 0950 0000 5467 9335
		Tract 1: Mobil Producing TX & NM Inc. C/O XTO Energy Inc.	7021 0950 0000 5467 9342



Jordan Lee Kessler
Phone: (432) 488-6108
Email: jordan_kessler@eogresources.com

April 12, 2022

VIA CERTIFIED MAIL

TO: ALL AFFECTED PERSONS

Re: Application of EOG Resources, Inc. for administrative approval of an unorthodox well location for its Merciless 13 Fed Com 508H well in the E/2 of Section 13 and the NE/4 of Section 24, Township 25 South, Range 32 East, NMPM, 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:

Matthew Gray
EOG Resources, Inc.
(432) 686-3633
Matthew_gray@eogresources.com

Very truly yours,

Jordan L Kessler

Jordan Kessler
Senior Regulatory Advisor



April 8th, 2022

Re: EOG Resources, Inc. NSL Application
Merciless 13 Fed Com #508H (Well)
W/2 E/2 of Section 13 & W/2 NE/4 of Section 24 T25S-R32E
Lea County, New Mexico

To Whom it may concern:

Considering the distance between wells in the development plan for the Lower Bone Spring formation in Sections 13 & 24, T25S-R32E, EOG believes the non-standard location is necessary to develop the Lower Bone Spring resource in an economic fashion. Based on analog Lower Bone Spring wells along with geologic analysis, EOG believes placing the well at this location maintains optimal spacing to continue development of resources in the formation. 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.

A handwritten signature in black ink, appearing to read "Matthew Williamson", is written over a horizontal line.

Matthew Williamson
Sr. Reservoir Engineer

Exhibit D

District I
1625 N. French Dr., Hobbs, NM 88240
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Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 98435

CONDITIONS

Operator: EOG RESOURCES INC P.O. Box 2267 Midland, TX 79702	OGRID: 7377
	Action Number: 98435
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Created By	Condition	Condition Date
Ilowe	NSL-8349 is approved	6/7/2022