

ID NO. 381716

NSL - 8799

Revised March 23, 2017

| | | | |
|---------------------------|-----------|-------|-------------------------------|
| RECEIVED: 09/10/24 | REVIEWER: | TYPE: | APP NO: pLEL2425430174 |
|---------------------------|-----------|-------|-------------------------------|

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: <u>EOG Resources Inc.</u> | OGRID Number: <u>7377</u> |
| Well Name: <u>Dragon 36 State No. 220H Well</u> | API: <u>30-025-53216</u> |
| Pool: <u>Red Hills; Upper Bone Spring Shale</u> | Pool Code: <u>97900</u> |

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 | |
|--------------------------|------------------------------|
| <input type="checkbox"/> | Notice Complete |
| <input type="checkbox"/> | 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

9/9/24
 Date

Jordan Kessler
 Signature

Digitally signed by Jordan Kessler
 Date: 2023.04.06 09:38:58 -06'00'

432 488 6108
 Phone Number

jordan_kessler@eogresources.com
 e-mail Address



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

September 9, 2024

VIA ONLINE FILING

Acting OCD 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 Dragon 36 State No. 220H well dedicated to the W/2 of Section 36, Township 24 South, Range 33 East, NMPM, Lea County, New Mexico.

Dear Acting Director,

EOG Resources, Inc. (OGRID No. 7377) seeks administrative approval of an unorthodox well location for its Dragon 36 State No. 220H well (API No. 30-025-53216). The spacing unit dedicated to the well is comprised of the W/2 of Section 36, Township 24 South, Range 33 East, NMPM, Lea County, New Mexico and is within the Red Hills; Upper Bone Spring Shale Pool (Pool Code 97900). The horizontal spacing unit for the well is approximately 320 acres and includes proximity tracts. The API No. for the Defining Well is 30-025-49282

The proposed well is a U shaped well and has not yet been drilled. It is proposed to be drilled as follows:

- The surface location is located 1112 feet from the South line, 2473 feet from the West line (Unit N) of Section 36,
- The U Turn apex is located 100 feet from the North line, 1040 feet from the West line (Unit M),
- The non-perforated zone begins at 250 feet from the North line, 662 feet from the west line, and ends at 246 feet from the North line, 1421 feet from the West line,
- The first take point is located 100 feet from the South line, 1610 feet from the West line (Unit N),
- The last take point is located 100 feet from the South line, 470 feet from the West line (Unit M),
- The bottom hole is located 100 feet from the South line, 470 feet from the West line (Unit M).

The acreage is governed by the Division's statewide rules. The proposed completed interval is unorthodox because portions of the curve of the U shaped well will be completed closer than 330 feet from the northern boundary of the spacing unit. The non-perforated zone, including the apex of the U shaped well, will not be completed, and therefore does not encroach on the spacing unit to the north. However, the lateral portions of the completed interval will both be completed closer than 330 feet from the northern boundary. Accordingly, the well encroaches on the spacing units in the W/2 of Section 25. Approval of the unorthodox location will allow EOG to use its preferred well spacing plan for horizontal wells, which will prevent waste.

Exhibit A is the C-102 sundry pending with the OCD that shows the location of the proposed well, including the proposed unorthodox, completed interval. The proposed completed interval encroaches on the spacing unit/tracts to the north. The second page of Exhibit A show the detailed view of the apex of the U shaped well and the non-perforated zone

Exhibit B is a plat that shows well in relation to the adjoining spacing units/tracts to the north.

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 **Exhibit D** provides proof that a copy of this application, including exhibits, was mailed 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 E is a statement from a petroleum engineer providing justification for the requested non-standard location.

Exhibit F is the C-102 for the Defining Well for the spacing unit (API No. 30-025-49282).

Thank you for your attention to this matter.

Very truly yours,



Jordan Kessler
Senior Regulatory Advisor

| | | | | |
|---|--|--|-------------------------------------|--|
| C-102 Submit Electronically Via OCD Permitting | State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION | | Revised July 9, 2024 | |
| | Submittal Type: | <input type="checkbox"/> Initial Submittal | | |
| | | <input checked="" type="checkbox"/> Amended Report | | |
| | | | <input type="checkbox"/> As Drilled | |

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|--|---|--|
| API Number 30-025-53216 | Pool Code 97900 | Pool Name RED HILLS; UPPER BONE SPRING SHALE |
| Property Code 39643 | Property Name DRAGON 36 STATE | Well Number 220H |
| OGRID No. 7377 | Operator Name EOG RESOURCES, INC. | Ground Level Elevation 3481' |
| Surface Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal | | Mineral Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal |

Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the N/S | Feet from the E/W | Latitude | Longitude | County |
|---------------|---------|----------|-------|---------|-------------------|-------------------|--------------|---------------|--------|
| N | 36 | 24-S | 33-E | - | 1112' S | 2473' W | N 32.1698641 | W 103.5265886 | LEA |

Bottom Hole Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the N/S | Feet from the E/W | Latitude | Longitude | County |
|---------------|---------|----------|-------|---------|-------------------|-------------------|--------------|---------------|--------|
| M | 36 | 24-S | 33-E | - | 100' S | 470' W | N 32.1670907 | W 103.5330597 | LEA |

| | | | | |
|------------------------------------|--|--|---|-------------------|
| Dedicated Acres 320.00 | Infill or Defining Well INFILL | Defining Well API 30-025-49282 | Overlapping Spacing Unit (Y/N) N | Consolidated Code |
| Order Numbers LEASE WELL | | | Well Setbacks are under Common Ownership: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | |

Kick Off Point (KOP)

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the N/S | Feet from the E/W | Latitude | Longitude | County |
|---------------|---------|----------|-------|---------|-------------------|-------------------|--------------|---------------|--------|
| N | 36 | 24-S | 33-E | - | 50' S | 1610' W | N 32.1669489 | W 103.5293757 | LEA |

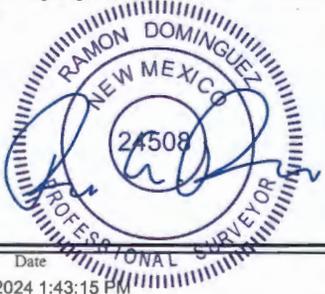
First Take Point (FTP)

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the N/S | Feet from the E/W | Latitude | Longitude | County |
|---------------|---------|----------|-------|---------|-------------------|-------------------|--------------|---------------|--------|
| N | 36 | 24-S | 33-E | - | 100' S | 1610' W | N 32.1670864 | W 103.5293757 | LEA |

Last Take Point (LTP)

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the N/S | Feet from the E/W | Latitude | Longitude | County |
|---------------|---------|----------|-------|---------|-------------------|-------------------|--------------|---------------|--------|
| M | 36 | 24-S | 33-E | - | 100' S | 470' W | N 32.1670907 | W 103.5330597 | LEA |

| | | |
|--|--|--|
| Unitized Area or Area of Uniform Intrest | Spacing Unity Type <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical | Ground Floor Elevation 3506' |
|--|--|--|

| | | | |
|---|--|--|--|
| OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief; and, if the well is a vertical or directional well, 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 a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i> <i>If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.</i> | | SURVEYORS CERTIFICATION <i>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 and correct to the best of my belief.</i> | |
| Signature: <i>Kayla McConnell</i> Date: 08/29/2024 KAYLA MCCONNELL | |  Signature and Seal of Professional Surveyor Date: 8/29/2024 1:43:15 PM | |
| Print Name: KAYLA_MCCONNELL@EOGRESOURCES.COM | | Certificate Number: _____ Date of Survey: 08/16/2024 | |
| E-mail Address: _____ | | Exhibit A | |

| | | |
|---|--|--|
| C-102 Submit Electronically Via OCD Permitting | State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION | Revised July 9, 2024 |
| | Property Name and Well Number <p align="center">DRAGON 36 STATE 220H</p> | Submittal Type: <input type="checkbox"/> Initial Submittal <input checked="" type="checkbox"/> Amended Report <input type="checkbox"/> As Drilled |

SURFACE LOCATION (SHL)

NEW MEXICO EAST
 NAD 1983
 X=790960 Y=426467
 LAT.: N 32.1698641
 LONG.: W 103.5265886
NAD 1927
X=749775 Y=426409
LAT.: N 32.1697398
LONG.: W 103.5261150
 1112' FSL 2473' FWL

KICK OFF POINT (KOP)

NEW MEXICO EAST
 NAD 1983
 X=790106 Y=425400
 LAT.: N 32.1669489
 LONG.: W 103.5293757
NAD 1927
X=748920 Y=425342
LAT.: N 32.1668246
LONG.: W 103.5289022
 50' FSL 1610' FWL

UPPER MOST PERF. (UMP)

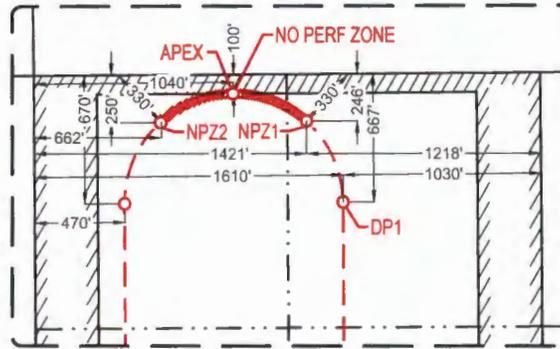
NEW MEXICO EAST
 NAD 1983
 X=790105 Y=425450
 LAT.: N 32.1670864
 LONG.: W 103.5293757
NAD 1927
X=748920 Y=425392
LAT.: N 32.1669620
LONG.: W 103.5289022
 100' FSL 1610' FWL

DEFLECTION POINT (DP1)

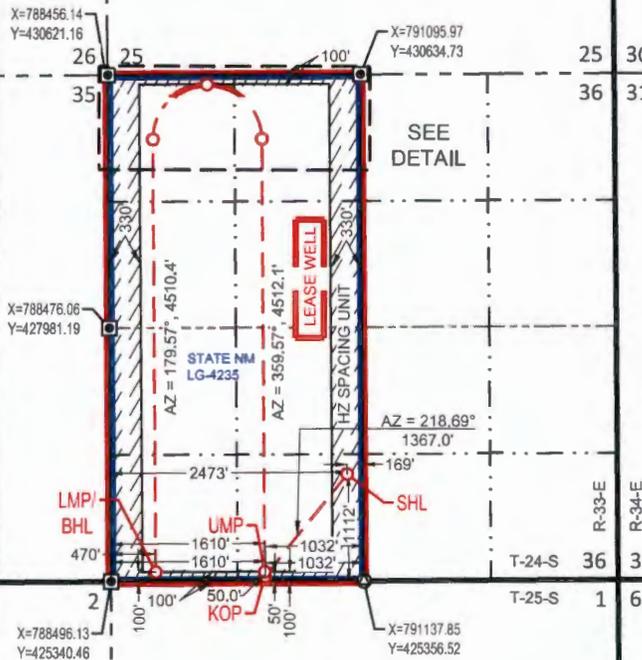
NEW MEXICO EAST
 NAD 1983
 X=790071 Y=429962
 LAT.: N 32.1794889
 LONG.: W 103.5293771
NAD 1927
X=748886 Y=429904
LAT.: N 32.1793647
LONG.: W 103.5289028
 667' FNL 1610' FWL

NON PERF. ZONE (NPZ1)

NEW MEXICO EAST
 NAD 1983
 X=789880 Y=430383
 LAT.: N 32.18006489
 LONG.: W 103.5299861
NAD 1927
X=748695 Y=430324
LAT.: N 32.1805246
LONG.: W 103.5295118
 246' FNL 1421' FWL



DETAIL VIEW
SCALE: 1" = 1000"



U-TURN APEX (APEX)

NEW MEXICO EAST
 NAD 1983
 X=789497 Y=430527
 LAT.: N 32.1810518
 LONG.: W 103.5312196
NAD 1927
X=748312 Y=430468
LAT.: N 32.1809275
LONG.: W 103.5307451
 100' FNL 1040' FWL

NON PERF. ZONE (NPZ2)

NEW MEXICO EAST
 NAD 1983
 X=789118 Y=430379
 LAT.: N 32.1806538
 LONG.: W 103.5324463
NAD 1927
X=747933 Y=430321
LAT.: N 32.1805295
LONG.: W 103.5319718
 250' FNL 662' FWL

DEFLECTION POINT (DP2)

NEW MEXICO EAST
 NAD 1983
 X=788931 Y=429954
 LAT.: N 32.1794886
 LONG.: W 103.5330616
NAD 1927
X=747746 Y=429895
LAT.: N 32.1793643
LONG.: W 103.5325872
 670' FNL 470' FWL

**LOWER MOST PERF. (LMP)
BOTTOM HOLE LOCATION (BHL)**

NEW MEXICO EAST
 NAD 1983
 X=788965 Y=425443
 LAT.: N 32.1670907
 LONG.: W 103.5330597
NAD 1927
X=747780 Y=425385
LAT.: N 32.1669663
LONG.: W 103.5325861
 100' FSL 470' FWL

SURVEYORS 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 and correct to the best of my belief.

08/16/2024

Date of Survey
Signature and Seal of Professional Surveyor:



EXHIBIT B
DRAGON 36 STATE
Section 36, T24S-R33E
LEA COUNTY, NM

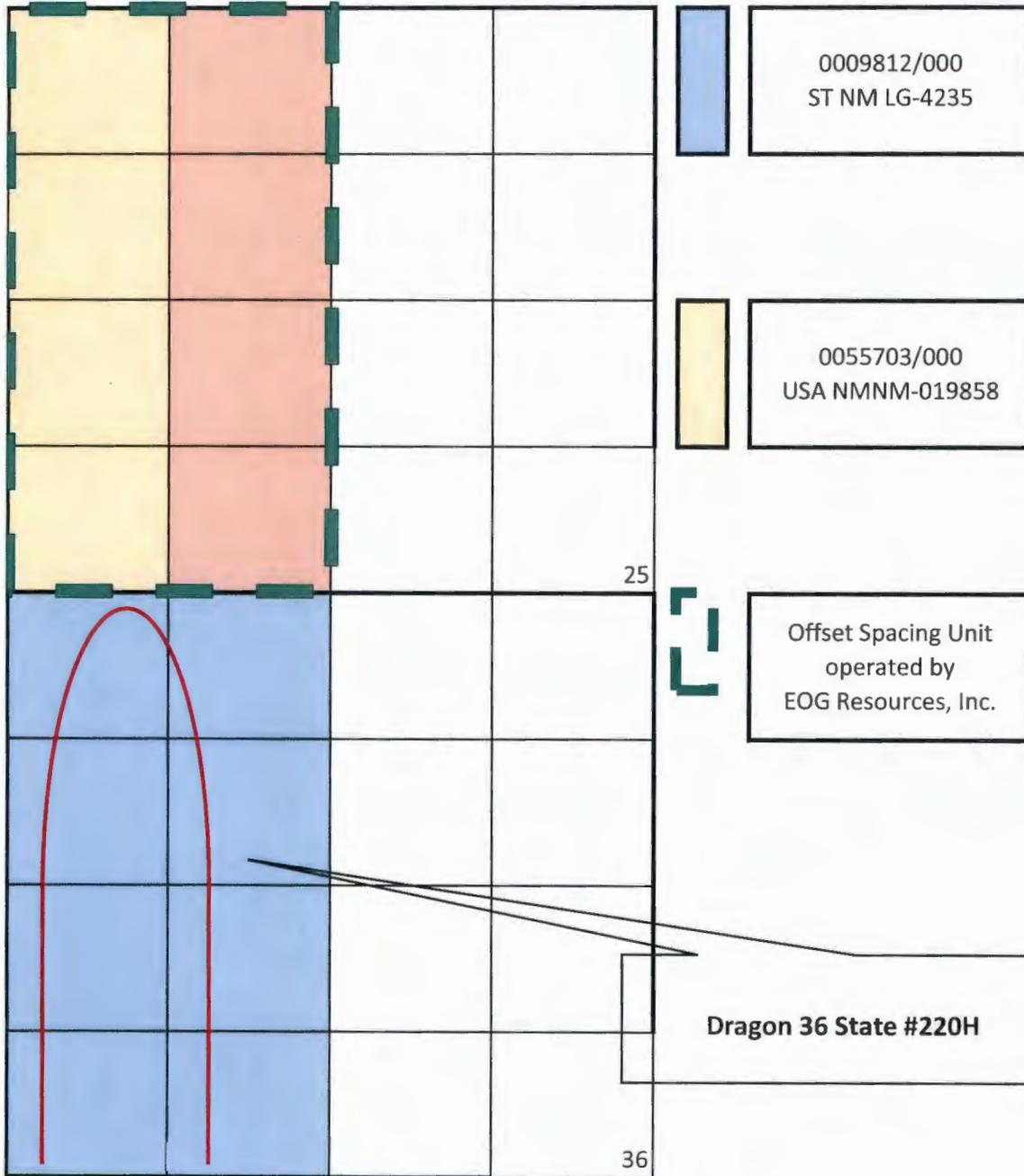


Exhibit B



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

August 23, 2024

Certification of Ownership

I have reviewed the ownership of the oil and gas leasehold in Section 36, and the W2 of Section 25, of Township 24 South, Range 33 East, Lea County, New Mexico, for purposes of the unorthodox location for EOG's Dragon 36 State #220H well located in W/2 of Section 36 Township 24 South, Range 33 East. As of the date of this letter, the affected parties are:

1. EOG Resources, Inc.
5509 Champions Dr. Midland,
TX 79706
2. Bureau of Land Management
301 Dinosaur Trail
Santa Fe, NM 87508

Sincerely,

A handwritten signature in blue ink, appearing to read "Daniel Koury", written over a light blue rectangular background.

Daniel Koury
Senior Landman

Exhibit C



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

September 9, 2024

VIA CERTIFIED MAIL

TO: AFFECTED PARTIES

Re: Application of EOG Resources, Inc. for administrative approval of an unorthodox well location for its Dragon 36 State No. 220H well dedicated to the W/2 of Section 36, Township 24 South, Range 33 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:

Daniel Koury
EOG Resources, Inc.
(432) 686-3713
daniel_koury@eogresources.com

Very truly yours,

A handwritten signature in blue ink, appearing to read "JK", enclosed in a light blue rectangular box.

Jordan Kessler
Senior Regulatory Advisor

Notice List for Dragon State Non-Standard Location
EOG Resources, Inc.
Notice List

Application Notice:
New Mexico Oil Conservation Division
Attn: Mr. Dean McClure
1220 South St. Francis Drive
Santa Fe, NM 87505

Royalty Owners:
Bureau of Land Management
301 Dinosaur Trail
Santa Fe, NM 87508

Working Interest Owners:
EOG Resources, Inc.
5509 Champions Dr.
Midland, TX 79706



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

P.O. Box 2267
Midland, TX 79702

August 20, 2024

RE: EOG Resources NSL Application
Dragon 36 State #220H

To Whom It May Concern:

A non-standard location is necessary to develop the Lower Avalon formation in this section efficiently and in an economic manner. A non-standard location optimizes pressures related to the completion and production drawdown of the wells and is expected to yield a higher ultimate recovery than a standard location, thereby preventing waste and protecting correlative rights.

Sincerely,

EOG Resources, Inc.

Anthony Small

Anthony Small
Reservoir Engineer

Exhibit E

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 30-025-49282 | | ² Pool Code 51020 | | ³ Pool Name Red Hills; Lower Bone Spring | |
| ⁴ Property Code 39643 | | ⁵ Property Name DRAGON 36 STATE | | | ⁶ Well Number 509H |
| ⁷ OGRID No. 7377 | | ⁸ Operator Name EOG RESOURCES, INC. | | | ⁹ Elevation 3491' |

¹⁰Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|-----------|-------------|-------------|---------|---------------|------------------|---------------|----------------|------------|
| M | 36 | 24-S | 33-E | - | 664' | SOUTH | 758' | WEST | 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 |
|---------------|-----------|-------------|-------------|---------|---------------|------------------|---------------|----------------|------------|
| C | 36 | 24-S | 33-E | - | 100' | NORTH | 1574' | WEST | LEA |

| | | | |
|--|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 320.00 | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ 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.

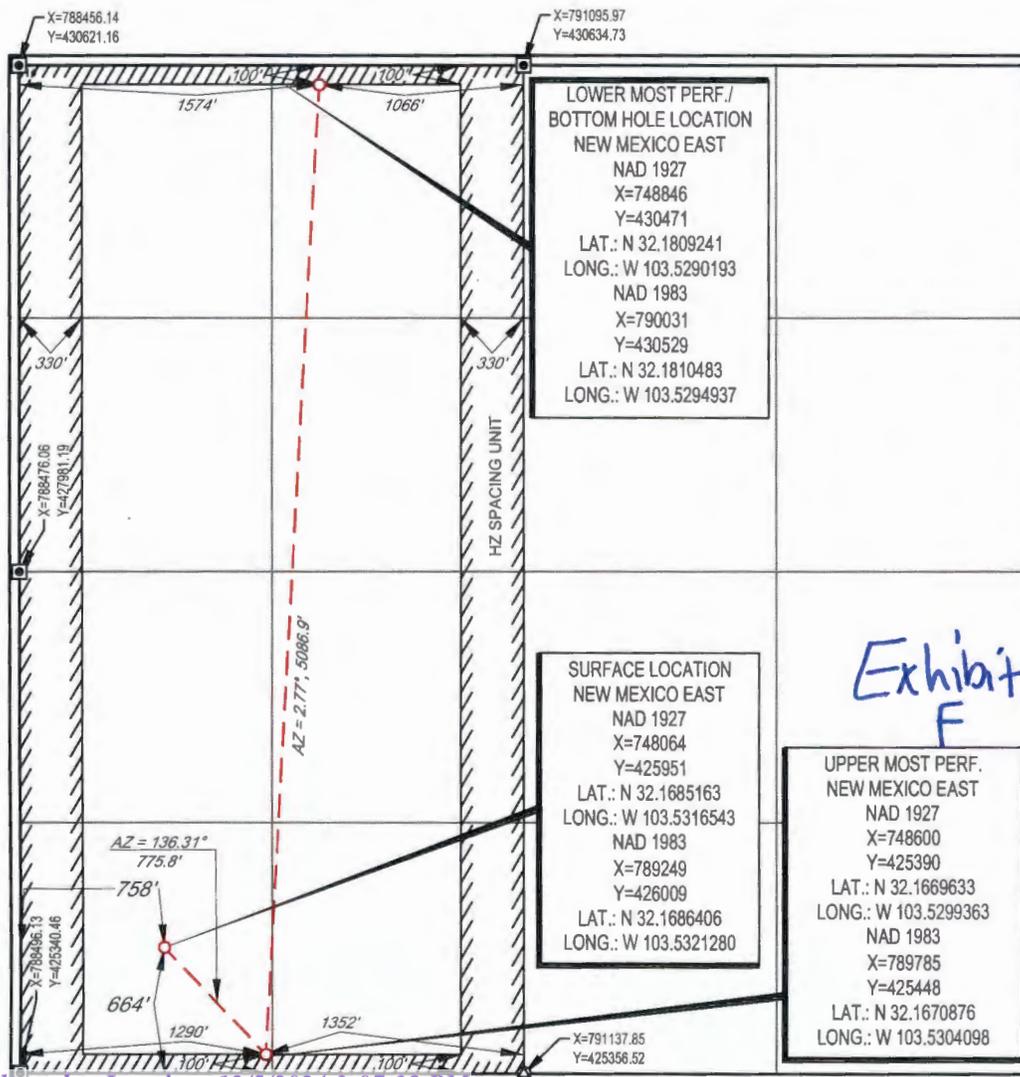


Exhibit
F

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.

Star L Harrell 8/17/2021
Signature Date

Star L Harrell
Printed Name

star_harrell@eogresources.com
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.

07/24/2021
Date of Survey

Ramon A. Dominguez
Signature and Seal of Professional Surveyor

RAMON A. DOMINGUEZ
NEW MEXICO
24508
PROFESSIONAL SURVEYOR

Certificate Number

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

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

CONDITIONS

Action 381716

CONDITIONS

| | |
|---|--|
| Operator: EOG RESOURCES INC 5509 Champions Drive Midland, TX 79706 | OGRID: 7377 |
| | Action Number: 381716 |
| | Action Type: [UF-NSL] Non-Standard Location (NSL) |

CONDITIONS

| Created By | Condition | Condition Date |
|------------|-----------|----------------|
| llowe | None | 9/10/2024 |