

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



6850

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]
- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR
- [D] Other: Specify _____

30-025-41310
 Dillon 31 #3H
 EOG Resources

RECEIVED 2013 AUG -6 P 14:31

- [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.

Adam G. Rankin _____ 8/6/13
 Print or Type Name Signature Title Date
 Attorney
 agrankin@hollandhart.com
 e-mail Address

August 6, 2013

VIA HAND DELIVERY

Jami Bailey
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Application of EOG Resources, Inc. for administrative approval of an unorthodox well location for its DILLON 31 #3H Well to be located in Section 31, Township 24 South, Range 34 East, N.M.P.M., Lea County, New Mexico.

Dear Ms. Bailey:

EOG Resources, Inc. (OGRID No. 7377) hereby seeks administrative approval pursuant to the provisions of Division Rule 19.15.15.13 NMAC for an unorthodox well location for its **Dillon 31 #3H Well** to be located in Section 31, Township 24 South, Range 34 East, N.M.P.M., Lea County, New Mexico. The proposed well is to be drilled horizontally at a surface location in 220 feet from the South line of Section 31 with the first perforation in the completed interval at a location 330 feet from the South line and 1330 feet from the East line of Section 31. The last perforation in this proposed well will be 330 feet from the North line and 1327 feet from the East line of said Section 31. A 160-acre project area has been dedicated to this horizontal well comprised of the W/2 E/2 of Section 31.

Exhibit A is a land plat for Section 31 and the surrounding sections that show the proposed non-standard location of the **Dillon 31 #3H Well** in relation to adjoining units and existing wells. This location is unorthodox because the formation under this acreage is governed by Order No. R-10109-B which provides for wells to be located no closer than 330 feet to the outer boundary of the spacing unit. The location of this well will be unorthodox because the uppermost perforation is 10 feet west of the E/2E/2 boundary line of the spacing unit for engineering reasons, and is, therefore, unorthodox under Order No. R-10109-B.

Exhibit B is the Well Location and Acreage Dedication Plat (Form C-102), which shows that the proposed **Dillon 31 #3H Well** encroaches on the spacing and proration units to the East, South, Southeast, North, and Northeast.

HOLLAND & HART L.P.



Exhibit C is a list of the encroached-upon interest owners in the S/2 SE/4 of Section 30 and the N/2 NE/4 of Section 6 in the neighboring Township. Pursuant to 19.15.4.12(A)(2)(c) NMAC, affected parties are those toward whom the non-standard location encroaches. Here, the proposed first perforations encroach on the spacing and proration units to the East, South, Southeast, North, and Northeast. The operator of the affected spacing and proration units to the North and Northeast is EOG Resources; however, the ownership is common with respect to the proposed well and so no notice is required.

The operator of the affected spacing and proration units to the South and Southeast is EOG Resources and ownership is not common. Therefore, notice must be provided to the working interest owners, who are Roden Associates, Ltd. and Roden Participants, Ltd. Accordingly, these working interest owners require have been provided notice under 19.15.4.9.2(b) NMAC by certified mail and informed that if they have an objection to this application, it must be filed with the Division within twenty days of the date of this application.

Your attention to this application is appreciated.

Sincerely,

Adam G. Rankin

ATTORNEY FOR EOG RESOURCES, INC.

Enclosures

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., Sante 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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-41310		² Pool Code 97900		³ Pool Name Red Hills; Upper Bone Spring Shale	
⁴ Property Code 4052		⁵ Property Name DILLON 31			⁶ Well Number #3H
⁷ OGRID No. 7377		⁸ Operator Name EOG RESOURCES, INC.			⁹ Elevation 3440'

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	31	24-S	34-E	-	220'	SOUTH	1755'	EAST	LEA

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	31	24-S	34-E	-	230'	NORTH	1327'	EAST	LEA

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

16

BOTTOM HOLE LOCATION
NEW MEXICO EAST
NAD 1927
X=756494
Y=430386
LAT.: N 32.1805314
LONG.: W 103.5043045

LOWER MOST PERF.
NEW MEXICO EAST
NAD 1927
X=756495
Y=430286
LAT.: N 32.1802565
LONG.: W 103.5043037

UPPER MOST PERF.
NEW MEXICO EAST
NAD 1927
X=756541
Y=425673
LAT.: N 32.1675764
LONG.: W 103.5042697

SURFACE LOCATION
NEW MEXICO EAST
NAD 1927
X=756117
Y=425560
LAT.: N 32.1672748
LONG.: W 103.5056416

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 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 secondary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____
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.

Date of Survey: 8/25/2013
Signature: [Signature]
Professional Seal: MICHAEL BROWN, NEW MEXICO PROFESSIONAL SURVEYOR, 18329

Certificate Number _____

EXHIBIT
B

EXHIBIT C

EOG RESOURCES, INC. – NSL Application

Dillon 31 #3H Well

Roden Associates, Ltd.
2603 Augusta Drive, Suite 740
Houston, Texas 77057

Roden Participants, Ltd.
2603 Augusta Drive, Suite 740
Houston, Texas 77057



Adam G. Rankin
Phone 505-988-4421
Fax 505-983-6043
agrarkin@hollandhart.com

August 6, 2013

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO AFFECTED PARTIES

Re: Application of EOG Resources, Inc. for administrative approval of an unorthodox well location for its DILLON 31 #3H Well to be located in Section 31, Township 24 South, Range 34 East, N.M.P.M., 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 Phillips
EOG Resources, Inc.
5509 Champions Dr.
Midland, TX 79706
(432) 686-3649
matthew_phillips@eogresources.com

Sincerely,

A handwritten signature in black ink, appearing to read "Adam G Rankin".

Adam G Rankin
ATTORNEY FOR EOG RESOURCES, INC.