

09/11/2014 DATE IN	SUSPENSE	hAm ENGINEER	9/11/2014 LOGGED IN	NSL TYPE	PM 4414 25458937 APP NO
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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]

- [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 _____

[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.

GABRIELLE A. GERHOLT
Print or Type Name

Gabrielle A. Gerholt
Signature

ATTORNEY
Title
gagerholt@hollandhart.com

9/11/14
Date

e-mail Address

-NSL 7165
-EOG Resources
7377
Well
-Mans 10 State #502H
30-025-42038

Pool
-Triple X Bone
Springs
59900



September 11, 2014

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 Mars 10 State #502H Well located in Section 3, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico.

Dear Ms. Bailey:

EOG Resources, Inc. (OGRID No. 7377) seeks administrative approval of an unorthodox well location for its **Mars 10 State #502H Well** to be completed within the Triple X Bone Spring Pool (Pool Code 59900) underlying Section 3, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico. This well will be drilled from a surface location 325 feet from the North line and 1330 feet from the East line of Section 10, Township 24 South, Range 33 East but completed wholly within Section 3. The upper most perforation will be 330 feet from the South line and 1100 feet from the East line of Section 3 (Unit P) and the lower most perforation will be 330 feet from the North line and 1100 feet from the East line of Section 3 (Unit A). Since this acreage is governed by the Division's statewide rules which provides for wells to be located no closer than 330 feet to the outer boundary of the spacing unit, the completed interval for this well will be unorthodox. Approval of the unorthodox completed interval will prevent waste of a productive reservoir and improve well performance.

Exhibit A is the Well Location and Acreage Dedication Plat (Form C-102), which shows that the completed interval of the proposed **Mars 10 State #502H Well** encroaches on the spacing and proration units to the Northwest, West and Southwest.

Exhibit B is a land plat for Section 3 and the surrounding sections that shows the proposed **Mars 10 State #502H Well** in relation to adjoining units and existing wells.



Devon Energy Production Co., L.P. is the only affected party. A copy of this application with all attachments has been sent by certified mail to Devon advising them that if they have an objection it must be filed in writing with the division within 20 days from the date the division receives this application. A courtesy a copy of this application has also been provided to the State Land Office.

Your attention to this matter is appreciated.

Sincerely,

A handwritten signature in black ink, reading "Gabrielle A. Gerholt".

Gabrielle A. Gerholt

ATTORNEY FOR EOG RESOURCES, INC.

cc: New Mexico State Land Office
P.O. Box 1148
Santa Fe, NM 87501

Devon Energy Production Co., L.P.
333 West Sheridan
Oklahoma City, OK 73102

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
HOBBS OCD
AUG 12 2014 ☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025- 42038		² Pool Code 96674 59900	³ Property Name Triple X; Bone Spring, West
⁴ Property Code 313581	⁵ Property Name MARS 10 STATE		⁶ Well Number #502H
⁷ GRID No. 7377	⁸ Operator Name EOG RESOURCES, INC.		⁹ Elevation 3593'

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	10	24-S	33-E	-	325'	NORTH	1330'	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	3	24-S	33-E	-	230'	NORTH	1100'	EAST	LEA

¹¹ Dedicated Acres 160.00	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.

¹⁶		33		34				35	
4		3						2	
				<p>BOTTOM HOLE LOCATION NEW MEXICO EAST NAD 1927 X=740697 Y=456679 LAT.: N 32.2531291 LONG.: W 103.5547423</p>					
				<p>LOWER MOST PERF. NEW MEXICO EAST NAD 1927 X=740698 Y=456679 LAT.: N 32.2528542 LONG.: W 103.5547419</p>					
				<p>UPPER MOST PERF. NEW MEXICO EAST NAD 1927 X=740738 Y=451948 LAT.: N 32.2401234 LONG.: W 103.5547218</p>					
4		3						2	
9		10						11	
				<p>SURFACE LOCATION NEW MEXICO EAST NAD 1927 X=740512 Y=451293 LAT.: N 32.2383279 LONG.: W 103.554670</p>					

MARS 3 8TH S.H.L.

218'

215'

330'

1100'

1100'

330'

AZ = 89.51° @ 4671.4'

AZ = 89.51° @ 108.0'

330'

PRODUCING AREA

PROJECT AREA

AZ = 19.02° @ 682.8'

272'

325'

325'

1100'

1330'

MARS 3 8TH S.H.L.

PRODUCING AREA

PROJECT AREA

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.

Stan Wagner 8/12/14
Signature Date

Stan Wagner
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.

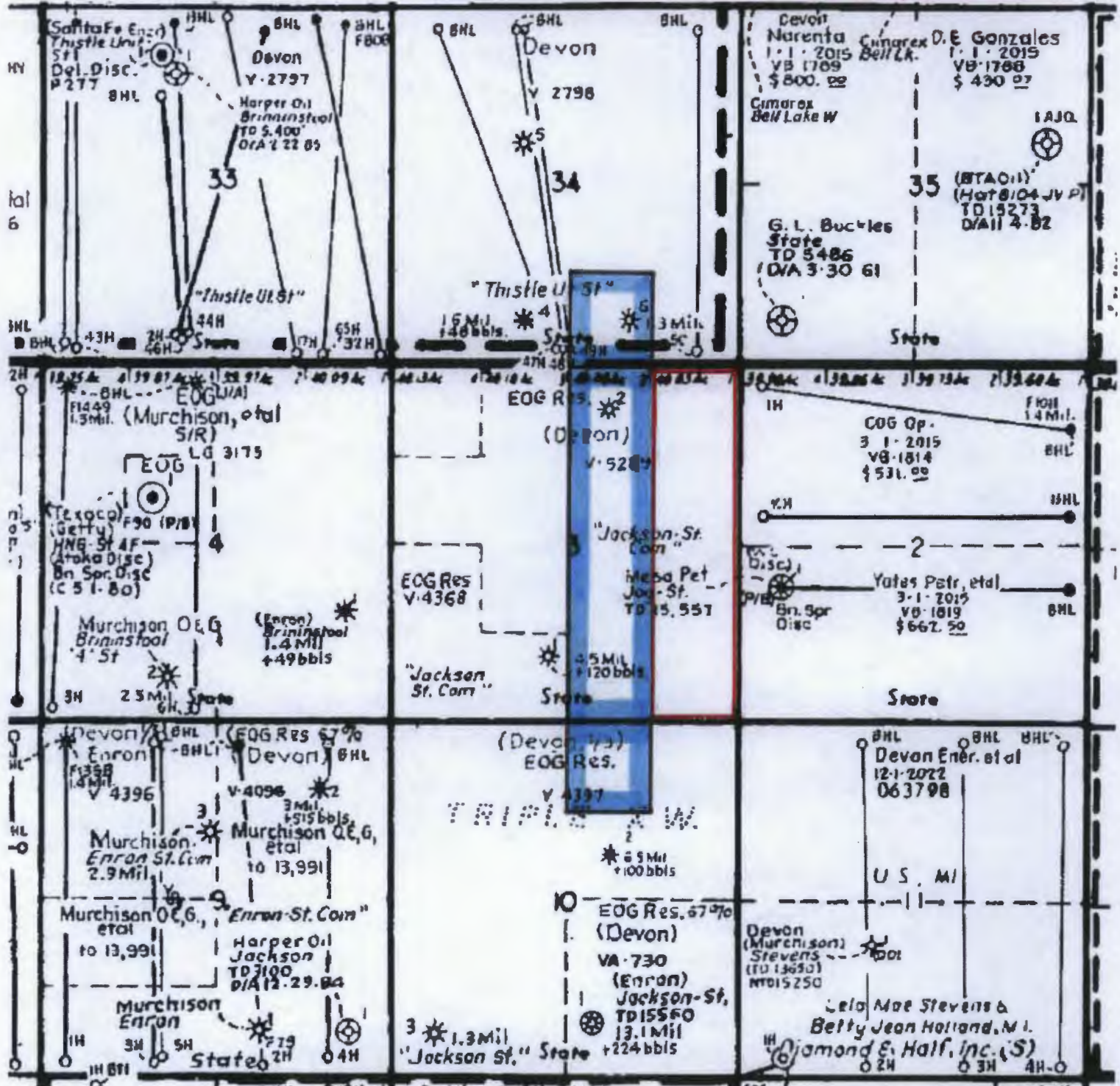
08/05/2014
Date of Survey
Signature of Professional Surveyor

NEW MEXICO
18329
PROFESSIONAL SURVEYOR

Certificate Number

AUG 12 2014

EOG-Mars 10 State #502H Notice Tracts



EXHIBIT

B

HOLLAND & HART^{LLP}



Gabrielle A. Gerholt
Of Counsel

September 11, 2014

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Land Manager: New Mexico Property
Devon Energy Production Co., L.P.
333 West Sheridan
Oklahoma City, OK 73102

Re: Application of EOG Resources, Inc. for administrative approval of an unorthodox well location for its Mars 10 State #502H Well located in Section 3, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico.

To Land Manager:

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 C. Phillips
EOG Resources, Inc.
T 432-686-3649
F 432-686-3773
matthew_phillips@eogresources.com

Sincerely,

Gabrielle A. Gerholt
ATTORNEY FOR EOG RESOURCES, INC.

Holland & Hart^{LLP}

Phone [505] 988-4421 Fax [505] 983-6043 www.hollandhart.com

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

Aspen Billings Boise Boulder Cheyenne Colorado Springs Denver Denver Tech Center Jackson Hole Salt Lake City Santa Fe Washington, D.C. ♻