

# NSL Initial Application

Received March 8, 2019

*This application is only placed in file. It MAY or MAY NOT have been reviewed to be determined Administratively Complete*

NSL - 7863

Revised March 23, 2017

RECEIVED: 3/8/19	REVIEWER: LRL	TYPE: NSL	APP NO: PLEL 19
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

06748168

**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

<b>Applicant:</b> EOG Resources, Inc.	<b>OGRID Number:</b> 7377
<b>Well Name:</b> Savage 2 State Com No. 505H Well	<b>API:</b> PENDING
<b>Pool:</b> Lower Bone Spring Pool	<b>Pool Code:</b> 97964

**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

<b>FOR OCD ONLY</b>	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	Application Content Complete

- 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

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.**

Adam G. Rankin  
 \_\_\_\_\_  
 Print or Type Name

  
 \_\_\_\_\_  
 Signature

March 8, 2019  
 \_\_\_\_\_  
 Date

505-988-4421  
 \_\_\_\_\_  
 Phone Number

agrarkin@hollandhart.com  
 \_\_\_\_\_  
 e-mail Address

March 8, 2019

**VIA HAND DELIVERY**

Gabriel Wade  
Acting Director  
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 Savage 2 State Com No. 505H Well in the E/2W/2 of Section 2, Township 25 South, Range 32 East, N.M.P.M., Lea County, New Mexico.**

Dear Mr. Wade:

EOG Resources, Inc. (OGRID No. 7377) seeks administrative approval of an unorthodox well location for its **Savage 2 State Com No. 505H Well** (API No. Pending) to be completed within the WC-025 F-07 S243225C; Lower Bone Spring Pool (97964) underlying Lot 3 and the SE/4NW/4, E/2SW/4 (i.e., E/2W/2) of Section 2, Township 25 South, Range 32 East, N.M.P.M., Lea County, New Mexico. This well will be drilled from a surface location 403 feet from the north line and 3,108 feet from the west line (Lot 2) of Section 2. The upper most perforation will be located 100 feet from the north line and 2,570 feet from the west line (Lot 3) of Section 2 and the lower most perforation will be 100 feet from the south line and 2,570 feet from the west line (Unit N) of Section 2. Since this acreage is governed by the Division's statewide rules, the completed interval for this well will be unorthodox because it is closer than 330 feet to the eastern boundary of the spacing unit. Approval of the unorthodox completed interval will allow EOG to use their preferred well spacing plan for horizontal wells in this area and thereby prevent waste.

**Exhibit A** is a Well Location and Acreage Dedication Plat (Form C-102), which shows that the completed interval of the proposed **Savage 2 State Com No. 505H Well** encroaches on the drilling and spacing unit to the east.

**Exhibit B** is a land plat for Section 2 that shows the proposed **Savage 2 State Com No. 505H Well** in relation to adjoining units and existing wells in Section 2. This exhibit also shows EOG's well spacing pattern for the subject area.

HOLLAND & HART<sup>LLP</sup>



**Exhibit C** is a certification of the ownership identifying the affected parties in Lot 2 and the SW/4NE/4, W/2SE/4 (i.e., W/2E/2) of Section 2, the drilling and spacing unit to the east. Each of the parties listed on Exhibit C have been provided notice of this application by certified mail. A copy of this application has been provided to the State Land Office.

**Exhibit D** is a statement from an engineer confirming that EOG's requested unorthodox location is necessary to optimize well spacing, thereby preventing waste.

Your attention to this matter is appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read 'A. Rankin', with a large, stylized initial 'A'.

Adam G. Rankin

**ATTORNEY FOR EOG RESOURCES, INC.**

cc: New Mexico State Land Office  
P.O. Box 1148  
Santa Fe, NM 87504-1148

HOLLAND & HART<sup>LLP</sup>



**Adam G. Rankin**  
**Associate**  
Phone (505) 954-7294  
Fax (505) 983-6043  
AGRankin@hollandhart.com

March 8, 2019

**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 Savage 2 State Com No. 505H Well in Lot 3 and the SE/4NW/4, E/2SW/4 (i.e., E/2W/2) of Section 2, Township 25 South, Range 32 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:

Charles Moran  
EOG Resources, Inc.  
(432) 686-3684  
Charles\_Moran@eogresources.com

Sincerely,

Adam G. Rankin  
**ATTORNEY FOR EOG RESOURCES, INC.**

**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**

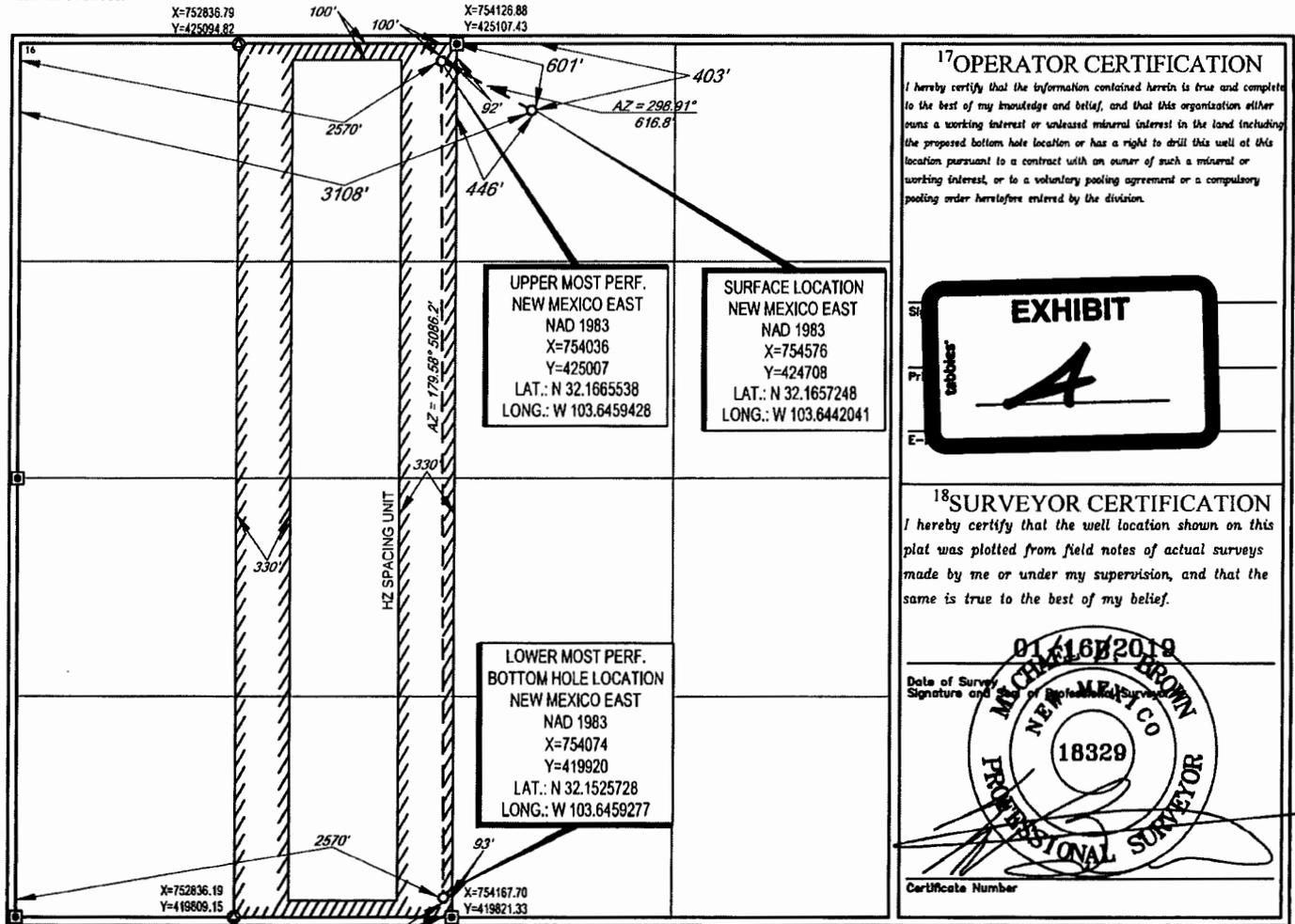
<sup>1</sup> API Number	<sup>2</sup> Pool Code	<sup>3</sup> Pool Name
<sup>4</sup> Property Code	<sup>5</sup> Property Name <b>SAVAGE 2 STATE COM</b>	
<sup>7</sup> OGRID No.	<sup>8</sup> Operator Name <b>EOG RESOURCES, INC.</b>	<sup>6</sup> Well Number <b>505H</b>
		<sup>9</sup> Elevation <b>3529'</b>

<sup>10</sup> Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
2	2	25-S	32-E	-	403'	NORTH	3108'	WEST	LEA

<sup>11</sup> Bottom 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
N	2	25-S	32-E	-	100'	SOUTH	2570'	WEST	LEA

<sup>12</sup> Dedicated Acres <b>160.29</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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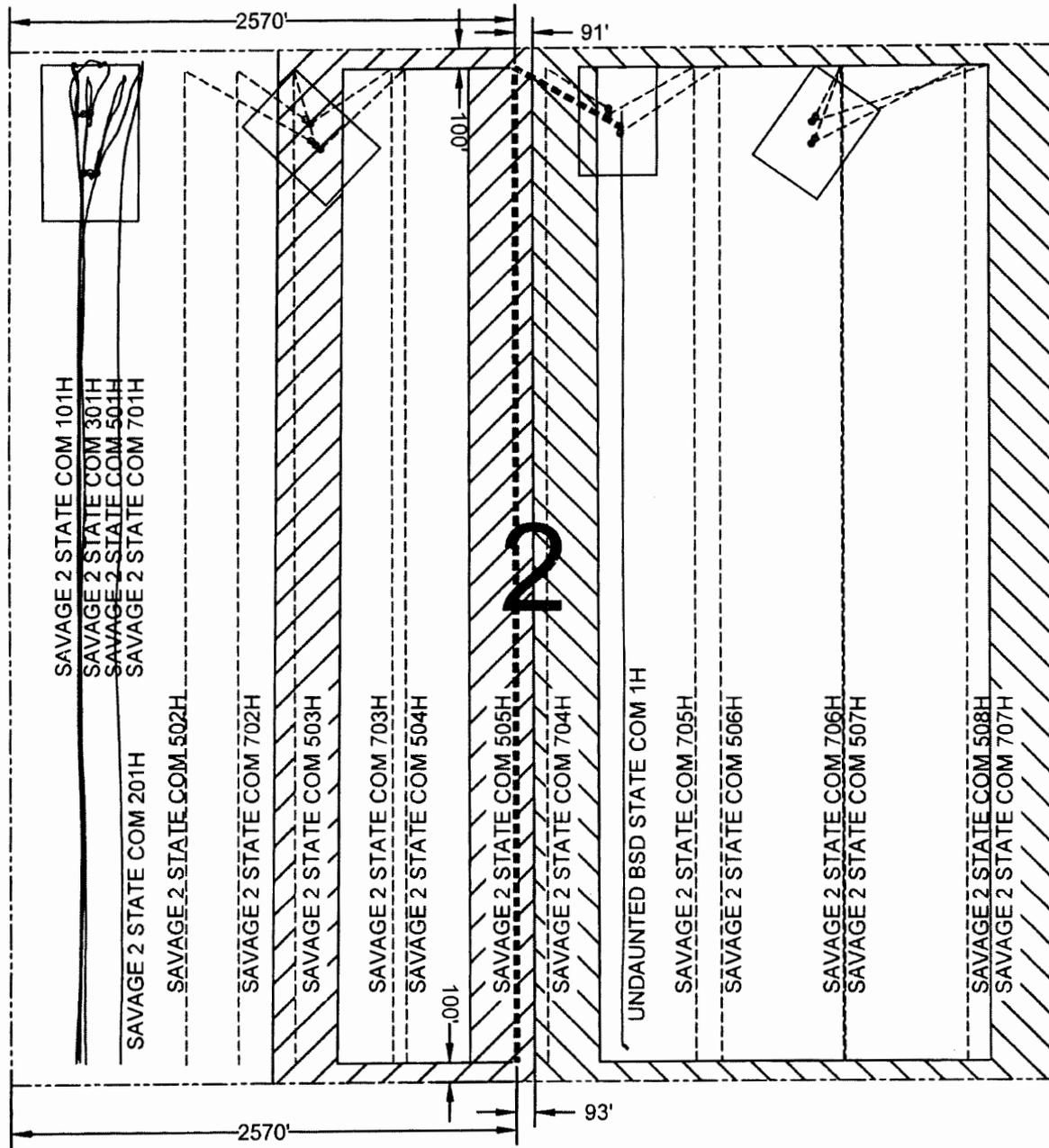
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



# T-25-S, R-32-E, LEA COUNTY

## UNORTHODOX LOCATION APPLICATION

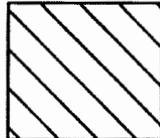
### SAVAGE 2 STATE COM # 505H



HZ SPACING UNIT  
FOR PROPOSED WELL



AFFECTED PARTIES



WOLFCAMP

PROPOSED WELL  
EXISTING WELL

BONE SPRING

PROPOSED WELL  
EXISTING WELL





5509 Champions Dr., Midland, Texas 79706  
Phone: (432) 686-3600 Fax: (432) 686-3773

### Certification of Ownership

I have reviewed the ownership of the oil and gas leasehold in Section 2, T25S-R32E, Lea County, New Mexico, for purposes of the unorthodox location for EOG Resources, Inc.'s Savage 2 State Com #505H in the E/2W/2 of Section 2. As of this date below, the affected parties are:

EOG Resources, Inc. 5509 Champions Drive Midland, Texas 79706
Oxy Y-1 Company Attn: Permian Land Manager – New Mexico P. O. Box 4294 Houston, Texas 77210-4294
New Mexico State Land Office P. O. Box 1148 Santa Fe, New Mexico 87504

EOG Resources, Inc.

Charles Moran  
Land Advisor  
February 27, 2019





# Shipment Confirmation Acceptance Notice

## A. Mailer Action

**Note to Mailer:** The labels and volume associated to this form online, **must** match the labeled packages being presented to the USPS® employee with this form.

EO G Resources - Savage 503H 505H NSL  
CM# 44497.0001  
OXY & SLO 20190308

Shipment Date: 03/08/2019

Shipped From:

Name: HOLLAND & HART LLP

Address: 110 N GUADALUPE ST # 1

City: SANTA FE

State: NM ZIP+4® 87501

Type of Mail	Volume
Priority Mail Express®	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	2
Total	2

\*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

## B. USPS Action

Note to RSS Clerk:

1. Home screen > Mailing/Shipping > More
2. Select Shipment Confirm
3. Scan or enter the barcode/label number from PS Form 5630
4. Confirm the volume count message by selecting Yes or No
5. Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail.  
Leave form with customer or in customer's mail receptacle.

USPS SCAN AT ACCEPTANCE



9275 0901 1935 6200 0013 1461 90





February 26, 2019

Re: EOG Resources, Inc. NSL Application  
Savage 2 State Com #505H (Well)  
E/2W/2 Sec. 2, T25S-R32E  
Lea County, New Mexico

To Whom it may concern:

Considering the distance between wells in the development plan for the Bone Spring formation as well as the location of the existing wells in Section 2-T25S-R32E, EOG believes the non-standard location is necessary to develop the 2<sup>nd</sup> Bone Spring resource in an economic fashion. Based on current 2<sup>nd</sup> Bone Spring wells in Section 2-T25S-R32E, placing the well at this location prevents completion energy distribution to be skewed into a region of lower pressure caused by offset depletion, negatively impacting well's production. 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.**

Matt Mason  
Reservoir Engineer I



## **Lowe, Leonard, EMNRD**

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**From:** Adam Rankin <AGRankin@hollandhart.com>  
**Sent:** Wednesday, March 13, 2019 5:23 PM  
**To:** Lowe, Leonard, EMNRD  
**Cc:** Michael Feldewert  
**Subject:** [EXT] RE: EOG Resources INC. Savage 2 State Com Well NO. 503H & 505H

Leonard,

I've confirmed with EOG and their surveyor that the distances and footages are correct as stated and certified on the C-102 plats for both the Savage 503H and 505H wells. The section is wider than the standard of 5,280 feet by approximately 40 feet. I think this clarification should suffice along with the surveyor's certification on the C-102s.

Thank you, Leonard.

Best,  
Adam

**From:** Lowe, Leonard, EMNRD <Leonard.Lowe@state.nm.us>  
**Sent:** Tuesday, March 12, 2019 3:55 PM  
**To:** Adam Rankin <AGRankin@hollandhart.com>  
**Subject:** EOG Resources INC. Savage 2 State Com Well NO. 503H & 505H  
**Importance:** High

Mr. Adam Rankin,

Upon review of your submitted NSL applications for the above Subject Wells.

There appears to be a discrepancy on the FTP and LTP referenced within your application. From the Western Line ONLY.

Your Request Letter states the following:

FTP = 1450' FWL, from the Western Section Line  
LTP = 1450' FWL, from the Western Section Line

The attached C-102 states the following

The same as above, but also shows

FTP = 80' From the HSU western boundary line  
LTP = 118' From the HSU western boundary line

If subtracted to show the length from the western line. They don't add up accordingly.

FTP:  $1450' - 80' = 1370'$  (does not equal 1320'). I'd suspect this one may not add up accordingly due to its Lot status of 40.1 acres.  
LTP:  $1450' - 118' = 1332'$  (does not equal 1320')

## **Lowe, Leonard, EMNRD**

---

**From:** Lowe, Leonard, EMNRD  
**Sent:** Tuesday, March 12, 2019 3:55 PM  
**To:** 'Adam Rankin'  
**Subject:** EOG Resources INC. Savage 2 State Com Well NO. 503H & 505H

**Importance:** High

Mr. Adam Rankin,

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FTP = 80' From the HSU western boundary line  
LTP = 118' From the HSU western boundary line

If subtracted to show the length from the western line. They don't add up accordingly.

FTP:  $1450' - 80' = 1370'$  (does not equal 1320'). I'd suspect this one may not add up accordingly due to its Lot status of 40.1 acres.  
LTP:  $1450' - 118' = 1332'$  (does not equal 1320')

When I subtract, I get. 130', NOT 80' or 118', as stated on the C-102.

There are conflicting information. Either way it is less than 330' towards the west, but if I'm going to write up an exception to the rule, I need to have concrete evidence to present to the Director.

I'd suggest to rid of the 80' and 118' references on the C-102, as you have 1450' correctly stated for both FTP & LTP.

Please resubmit a correct C-102. Or clarify what you are stating.

This pertains to Well No. 505H as well.

Call me for clarification.

## **Lowe, Leonard, EMNRD**

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**From:** Lowe, Leonard, EMNRD  
**Sent:** Wednesday, April 3, 2019 11:42 AM  
**To:** 'Adam Rankin'  
**Cc:** Sharp, Karen, EMNRD; Kautz, Paul, EMNRD; 'lisa@rwbyram.com'; Jones, William V, EMNRD; Goetze, Phillip, EMNRD; McMillan, Michael, EMNRD; Warnell, Terry G, EMNRD; Murphy, Kathleen A, EMNRD; Holm, Anchor E.  
**Subject:** APPROVED NSL-7863 & -7864\_EOG Resources, INC.\_Savage 2 State Com Well No. 505H (503H)\_SEC 2 25S 32E\_Eddy County  
  
**Importance:** High

Mr. Adam G. Rankin,

The following administrative orders have been issued and will soon be available on the Division's web site:

<http://ocdimage.emnrd.state.nm.us/Imaging/Default.aspx>

EOG Resources, INC. [7377]

**NSL-7863**

30-025-45692

Savage 2 State Com Well No. 505H

**NSL-7864**

30-025-45672

Savage 2 State Com Well No. 503H

**Leonard Lowe**

Engineering Bureau

Oil Conservation Division

Energy Minerals and Natural Resources Department

1220 South St. Frances

Santa Fe, New Mexico 87004

Office: 505-476-3492

Cell: 505-930-6717

Fax: 505-476-3462

E-mail: [leonard.lowe@state.nm.us](mailto:leonard.lowe@state.nm.us)

Website: <http://www.emnrd.state.nm.us/ocd/>