

NSL Initial Application

Received: 12/24/19

Revised March 23, 2017

RECEIVED: 12/24/19	REVIEWER: LRL	TYPE: NSL	APP NO: pLEL1935830225
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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: Neptune 10 State Com #203H Well **API:** 30-025-pending
Pool: Triplex; Bone Spring **Pool Code:** 59900

**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☐ PPR2) **NOTIFICATION REQUIRED TO:** Check those which apply.A. ☒ Offset operators or lease holdersB. ☐ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☒ Notification and/or concurrent approval by SLOE. ☐ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☒ 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.

Kaitlyn A. Luck

Print or Type Name

Signature

12/20/2019

Date

505-954-7286

Phone Number

kaluck@hollandhart.com

e-mail Address



Kaitlyn A. Luck
Phone (505) 954-7286
kaluck@hollandhart.com

December 20, 2019

VIA ONLINE FILING

Adrienne Sandoval
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 Neptune 10 State Com #203H Well in the E/2 W/2 of Sections 3 and 10, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico.

Dear Ms. Sandoval:

EOG Resources, Inc. (OGRID No. 7377) seeks administrative approval of an unorthodox well location for its **Neptune 10 State Com #203H Well** (API No. 30-025-pending) to be completed within the Triplex; Bone Spring Pool (59900) underlying the E/2 W/2 of Section 3 and 10, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico.

This well will be drilled from a *surface location* 874 feet from the south line and 1723 feet from the east line (Unit O) of Section 10. The *first take point* will be located 100 feet from the south line and 2475 feet from the west line (Unit N) of Section 10, and the *last take point* will be 100 feet from the north line and 2475 feet from the west line (Lot 3) of Section 3. 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 the standard offsets 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 **Neptune 10 State Com #203H Well** encroaches on the spacing units or tracts to the east.

Exhibit B is a land plat for Sections 3 and 10, and the surrounding spacing units, that shows the proposed **Neptune 10 State Com #203H Well** in relation to adjoining units and existing wells.

Exhibit C is EOG's Certification of Ownership listing the parties affected by the encroachment 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 New Mexico State Land Office since state lands are involved.

Exhibit D are copies of the waivers requested from each of the affected parties:

OPERATOR	NAME	DATE SENT	WAIVER RECEIVED
1	EOG Resources, Inc.	N/A	N/A
2	Devon Energy Production Company, L.P.	12/19/19	
3	New Mexico State Land Office	12/19/19	

Exhibit E is statement from a petroleum engineer providing justification for the needed exception.

Your attention to this matter is appreciated.

Sincerely,



Kaitlyn A. Luck

ATTORNEY FOR EOG RESOURCES, INC.



Kaitlyn A. Luck
Phone (505) 954-7286
kaluck@hollandhart.com

December 20, 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 Neptune 10 State Com #203H Well in the E/2 W/2 of Sections 3 and 10, Township 24 South, Range 33 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:

Chloe Sawtelle
EOG Resources, Inc.
(432) 686-3660
Chloe_Sawtelle@eogresources.com

Sincerely,

A handwritten signature in blue ink, appearing to read "Kaitlyn Luck", written over a horizontal line.

Kaitlyn A. Luck
ATTORNEY FOR EOG RESOURCES, INC.

13984831_v1

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) 476-3466 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

August 1, 2011

by to appropriate

District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name NEPTUNE 10 STATE COM		⁶ Well Number 203H
⁷ OGRID No.	⁸ Operator Name EOG RESOURCES, INC.		⁹ Elevation 3604'

¹⁰Surface Location

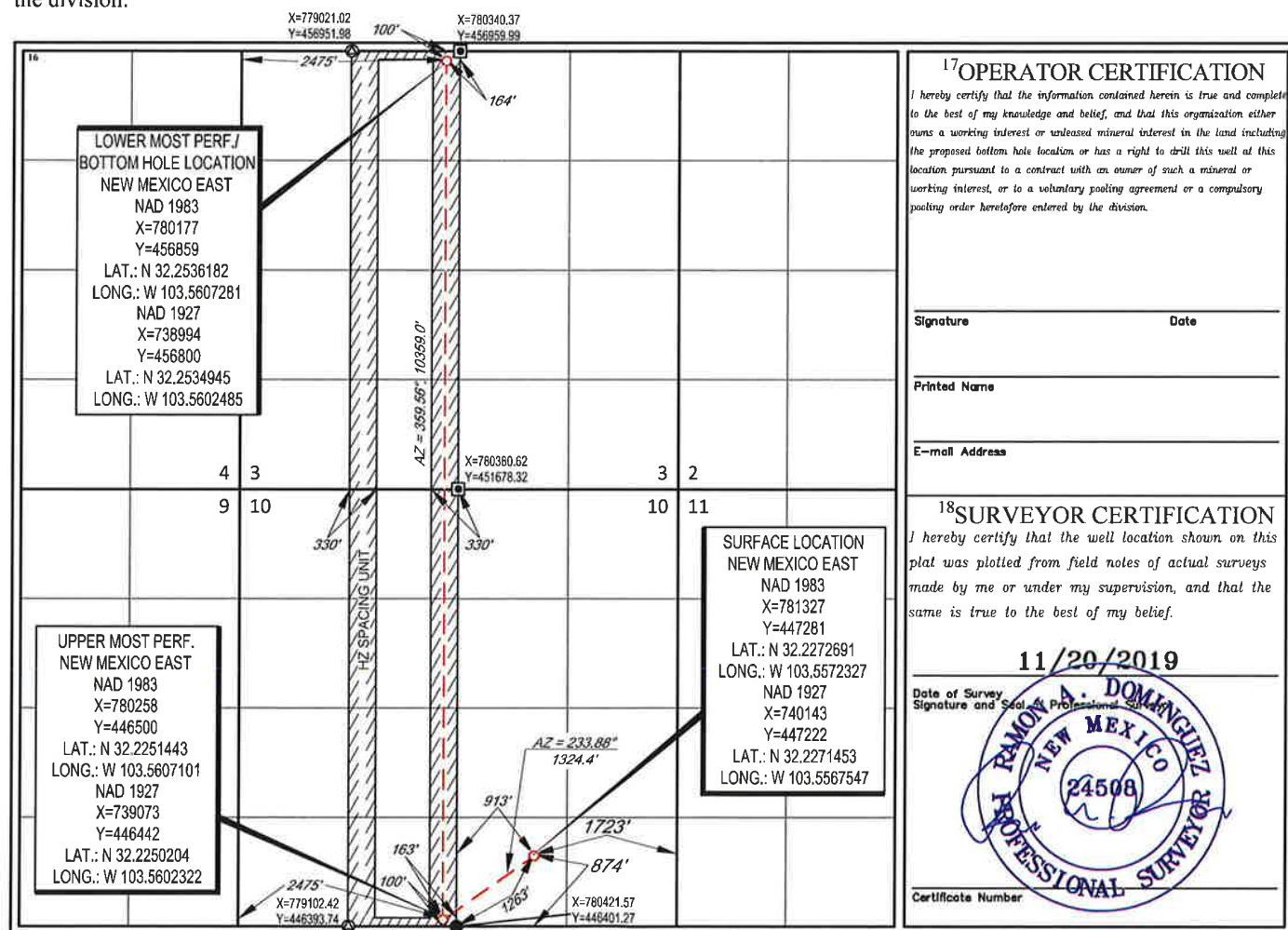
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	10	24-S	33-E	-	874'	SOUTH	1723'	EAST	LEA

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
3	3	24-S	33-E	-	100'	NORTH	2475'	WEST	LEA

¹³ Dedicated Acres 320.10	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\NEPTUNE 10 STATE COM\FINAL PRODUCTS\LO NEPTUNE10STATE.COM 203H.DWG 12/20/2019 11:12:15 AM rdominguez



BONE SPRING

SUBJECT WELL
PROPOSED WELL
EXISTING WELL





Certification of Ownership

I have reviewed the ownership of the oil and gas leasehold in Sections 3 & 10, T24S-R33E, Lea County, New Mexico, for purposes of the unorthodox location for EOG Resources, Inc.'s Neptune 10 State Com #203H Well in the E/2 W/2 of Sections 3 & 10. The affected parties are:

EOG Resources, Inc. 5509 Champions Drive Midland, Texas 79706
Devon Energy Production Company, L.P. 333 West Sheridan Avenue Oklahoma City, Oklahoma 73102
New Mexico State Land Office P. O. Box 1148 Santa Fe, New Mexico 87504

EOG Resources, Inc.

Chloe Sawtelle
Landman II
December 19, 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.

EOG - Neptune 102H
CM# 44497.0001

Shipment Date: 12/20/2019

Shipped From:

Name: HOLLAND & HART LLP (1)Address: 110 N GUADALUPE ST # 1City: SANTA FEState: 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 0019 1515 94



Firm Mailing Book For Accountable Mail

Name and Address of Sender	USPS Tracking/Article Number	Check type of mail or service <input type="checkbox"/> Adult Signature Required <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery (COD) <input type="checkbox"/> Insured Mail <input type="checkbox"/> Priority Mail <input type="checkbox"/> Priority Mail Express <input type="checkbox"/> Registered Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Signature Confirmation Restricted Delivery	Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee
Holland & Hart LLP (1) 110 N Guadalupe St # 1 Santa Fe NM 87501	1. 9214 8901 9403 8302 9615 51	Canaan Resources Drilling Company LLC 1101 N Broadway Suite 300 Oklahoma City OK 73103	0.80	3.50								1.60			
	2. 9214 8901 9403 8302 9615 68	CRP XII LLC 1101 N Broadway Suite 300 Oklahoma City OK 73103	0.80	3.50								1.60			
					Handling Charge - if Registered and over \$50,000 in value				Adult Signature Required	Adult Signature Restricted Delivery	Restricted Delivery	Return Receipt	Signature Confirmation	Signature Confirmation Restricted Delivery	Special Handling

**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.

EOG - Neptune 102H, 203H, 205H
CM# 44497.0001

Shipment Date: 12/20/2019

Shipped From:

Name: HOLLAND & HART LLP (1)

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.

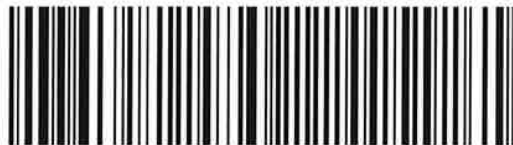
B. USPS Action

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 0019 1516 24



USPS Form 3877, April 2015	Complete in Ink (Page 1 of 1)	Complete in Ink	Privacy Notice: For more information on USPS privacy policies, visit usps.com/privacypolicy .
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December 19, 2019

Via Email

Devon Energy Production Company, L.P.
333 West Sheridan Avenue
Oklahoma City, Oklahoma 73102

Re: Application of EOG Resources, Inc. for Administrative Approval of an Unorthodox Well Location: Neptune 10 State Com #203H Well, E/2 W/2 of Section 3 and Section 10, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico

Dear New Mexico Land Department:

EOG Resources, Inc. has submitted the above-referenced application to the New Mexico Oil Conservation Division for an unorthodox well location for its Neptune 10 State Com #203H Well (API No. pending) to be completed within the Bone Spring Leonard Shale B formation (Triplex; Bone Spring - 59900) underlying the E/2 W/2 of Section 3 and 10, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico. Division rules provide that the completed interval for such wells are to be located no closer than 330 feet to the outer boundary of the horizontal spacing unit in which the well is located. The proposed first take point will be located 100 feet from the south line and 2475 feet from the west line (Unit N) of Section 10, and the last take point will be 100 feet from the north line and 2475 feet from the west line (Lot 3) of Section 3 and will be drilled pursuant to the horizontal well rules of the Division. The proposed location for this well, therefore, encroaches on the eastern boundary of the spacing unit and requires Division approval for an unorthodox well location.

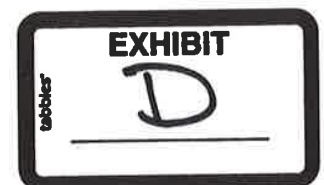
Division Rules provide that an application may be approved sooner if the applicant obtains waivers from affected parties. We therefore request your waiver of objection to this administrative application. We respectfully request you that you sign this letter and return it as soon as possible.

Thank you for your consideration of this matter. Should you wish to discuss this further, please feel free to contact me at the information listed below.

Sincerely,

Chloe Sawtelle
Landman II
(432) 686-3660
Chloe_Sawtelle@eogresources.com

energy opportunity growth



Re: Application of EOG Resources, Inc. for Administrative Approval of an Unorthodox Well Location: Neptune 10 State Com #203H Well, E/2 W/2 of Section 3 and Section 10, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico

New Mexico State Land Office agrees to waive objection to EOG Resources application for an unorthodox well location for its **Neptune 10 State Com #203H Well**.

DEVON ENERGY PRODUCTION COMPANY, L.P.

By: _____

Printed Name: _____

Title: _____

Date: _____



December 19, 2019

Via Email

New Mexico State Land Office
Attn: Niranjana Khalsa
P.O. Box 1148
Santa Fe, NM 87504

Re: Application of EOG Resources, Inc. for Administrative Approval of an Unorthodox Well Location: Neptune 10 State Com #203H Well, E/2 W/2 of Section 3 and Section 10, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico

Dear Ms. Khalsa:

EOG Resources, Inc. has submitted the above-referenced application to the New Mexico Oil Conservation Division for an unorthodox well location for its Neptune 10 State Com #203H Well (API No. pending) to be completed within the Bone Spring Leonard Shale B formation (Triplex; Bone Spring - 59900) underlying the E/2 W/2 of Section 3 and 10, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico. Division rules provide that the completed interval for such wells are to be located no closer than 330 feet to the outer boundary of the horizontal spacing unit in which the well is located. The proposed first take point will be located 100 feet from the south line and 2475 feet from the west line (Unit N) of Section 10, and the last take point will be 100 feet from the north line and 2475 feet from the west line (Lot 3) of Section 3 and will be drilled pursuant to the horizontal well rules of the Division. The proposed location for this well, therefore, encroaches on the eastern boundary of the spacing unit and requires Division approval for an unorthodox well location.

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Thank you for your consideration of this matter. Should you wish to discuss this further, please feel free to contact me at the information listed below.

Sincerely,

Chloe Sawtelle
Landman II
(432) 686-3660
Chloe_Sawtelle@eogresources.com

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New Mexico State Land Office agrees to waive objection to EOG Resources application for an unorthodox well location for its **Neptune 10 State Com #203H Well**.

NEW MEXICO STATE LAND OFFICE

By: _____

Printed Name: _____

Title: _____

Date: _____



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

Neptune 10 State Com #203H

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

A handwritten signature in black ink, reading "David Carlos Sonka".

EOG Resources
David Carlos Sonka
Reservoir Engineer

energy opportunity growth

