

DATE 1/16/2015	SUSPENSE	ENGINEER MAM	LOGGED IN 1/20/2015	TYPE NS	APP NO. PMAM1502034502
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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.

Jordan L. Kessler
 Print or Type Name

Jordan L. Kessler
 Signature

 Title

jlkessler@hollandhart.com
 e-mail Address

1/16/15
 Date

NSL 7234
 EOG Resources, Inc
 7377
 well
 NCPM 10 State Comm #5024
 30-025-42323
 Pool
 Triple X Bone
 Springs, West
 96674
 2015 JAN 16 P 4:03
 RECEIVED OGD



January 16, 2015

VIA HAND DELIVERY

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

RECEIVED OGD
2015 JAN 16 PM 4:03

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

Dear Mr. Catanach:

EOG Resources, Inc. (OGRID No. 7377) seeks administrative approval of an unorthodox well location for its **Neptune 10 State Com #502H Well** to be completed within the Triple X Bone Spring; West (Pool Code 96674) underlying Section 10, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico. This well will be drilled from a surface location 251 feet from the South line and 1120 feet from the East line of Section 10, Township 24 South, Range 33 East (Unit P). The upper most perforation will be 330 feet from the South line and 1380 feet from the East line of Section 10 (Unit O) and the lower most perforation will be 330 feet from the North line and 1380 feet from the East line of Section 15 (Unit B). 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 allow for efficient well spacing in Section 10, 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 **Neptune 10 State Com # 502H Well** encroaches on the spacing and proration unit to the Northeast, East and Southeast.

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



EOG operates the spacing units affected by the encroachment to the Northeast and East, but has provided notice to its partner, Devon Energy Production Company. Murchison Oil & Gas, Inc. is the only party affected by the encroachment to the Southeast. Both parties have been provided a copy of this application and all attachments by certified mail, and have been advised 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 copy of this application has been provided to the New Mexico State Land Office.

Your attention to this matter is appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Jordan L. Kessler".

Jordan L. Kessler

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

Murchison Oil & Gas, Inc.
Legacy Tower One
7520 Dallas Parkway, Suite 1400
Plano, TX 75024

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

HOBBS OGD

FORM C-102

Revised August 1, 2011

DEC 09 2014

Submit one copy to appropriate

District Office

RECEIVED

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

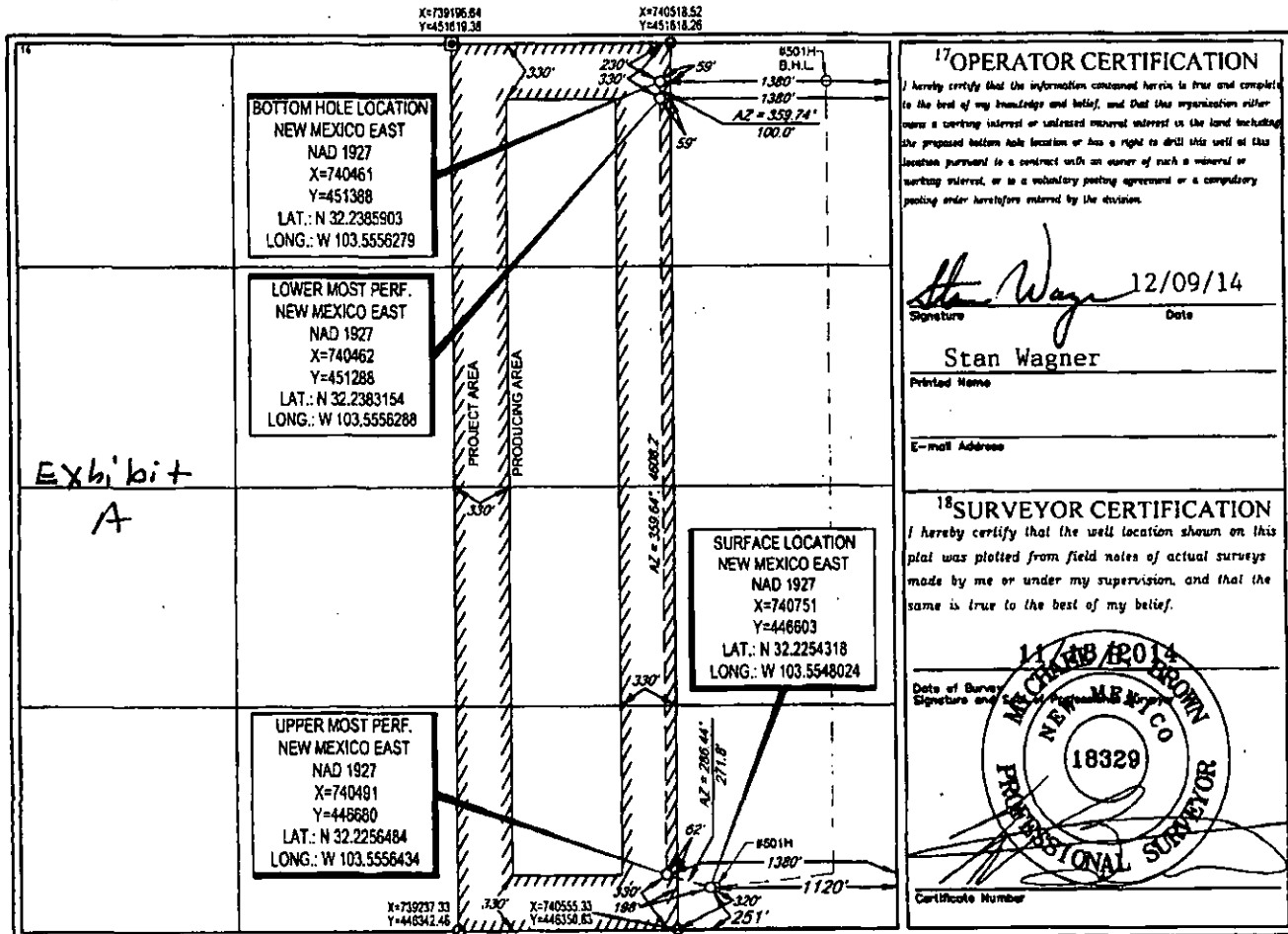
¹ API Number 30-025- 42323		¹ Pool Code 96674		¹ Pool Name Triple X; Bone Spring, West	
² Property Code		² Property Name NEPTUNE 10 STATE COM			² Well Number 502H
³ GRID No. 7377		³ Operator Name EOG RESOURCES, INC.			³ Elevation 3610'

¹⁰ Surface Location									
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
P	10	24-S	33-E	-	251'	SOUTH	1120'	EAST	LEA

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
B	10	24-S	33-E	-	230'	NORTH	1380'	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.



Y:\SURVEY\OGD_MIDLAND\NEPTUNE_10_STATE\FINAL_PRODUCTS\ILO_NEPTUNE10STATE_COM_502H_REV1.DWG 12/3/2014 8:58:42 AM eschca

DEC 11 2014

EOG Resources, Inc.
Neptune 10 State Com #502H
Non-Standard Location Notice Tract Plat

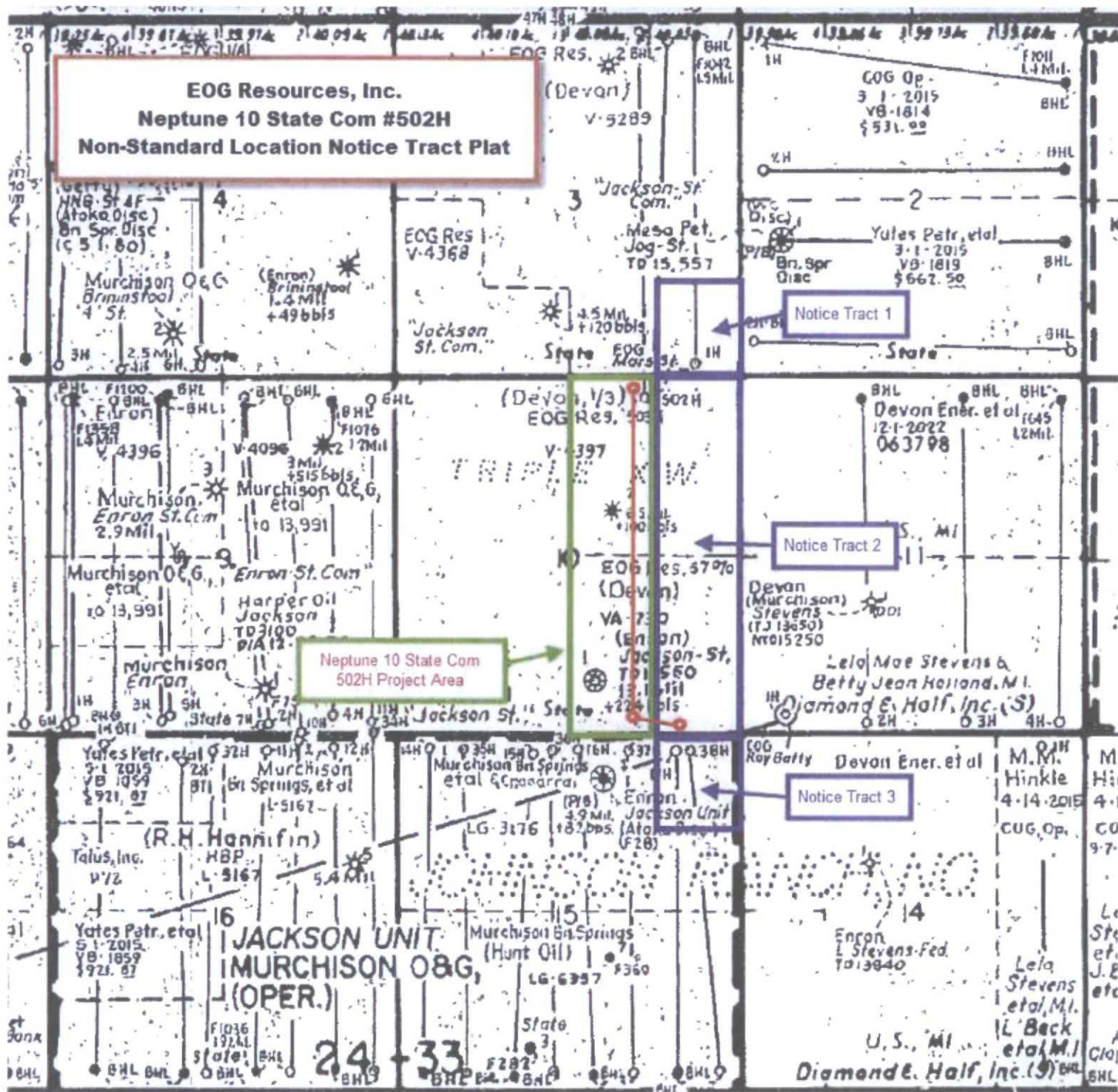


EXHIBIT
B



Jordan L. Kessler
Associate
JLKessler@hollandhart.com

January 16, 2015

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 #502H Well to be completed in Section 10, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico.

To Whom It May Concern:

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.
T (432) 686-3649
Matthew_Phillips@eogresources.com

Sincerely,

A handwritten signature in dark ink, appearing to read "Jordan L. Kessler".

Jordan L. Kessler
ATTORNEY FOR EOG RESOURCES, INC.