

NSL - 7789

Revised March 23, 2017

PKEL1833035175

RECEIVED: 11/21/18	REVIEWER: LRL	TYPE: NSL	APP NO: NOV 21 2018 AM 09:08
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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:** Convoy 28 State Com No. 606H Well ← Name Δ **API:** 30-025-44259  
**Pool:** Triste Draw; Bone Spring East Pool **Pool Code:** 96682

**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

- 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

FOR OCD ONLY	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	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.**

Jordan L. Kessler  
 \_\_\_\_\_  
 Print or Type Name

\_\_\_\_\_  
 Signature

November 21, 2018  
 \_\_\_\_\_  
 Date

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

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



November 21, 2018

NOV 21 2018 4:08:03

**VIA HAND DELIVERY**

Heather Riley  
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 Convoy 28 State Com No. 606H Well in the W/2E/2 of Sections 28 and 33, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico.**

Dear Ms. Riley:

EOG Resources, Inc. (OGRID No. 7377) seeks administrative approval of an unorthodox well location for its **Convoy 28 State Com No. 606H Well** (API No. 30-025-44259) to be completed within the Triste Draw; Bone Spring East Pool (Pool Code 96682) underlying the W/2E/2 of Sections 28 and 33, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico. This well will be drilled from a surface location 539 feet from the north line and 2,322 feet from the east line (Unit B) of Section 28. The upper most perforation will be located 100 feet from the north line and 2,537 feet from the east line (Unit B) of Section 28 and the lower most perforation will be 100 feet from the south line and 2,537 feet from the east line (Unit O) of Section 33. Since this acreage is governed by the Division's statewide rules, the completed interval for this well will be unorthodox because it is approximately 103 feet to the western 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 **Convoy 28 State Com No. 606H Well** encroaches on the tracts to the west.<sup>1</sup>

**Exhibit B** is a land plat for Sections 28 and 33 and the surrounding sections that shows the proposed **Convoy 28 State Com No. 606H Well** in relation to adjoining units and existing wells. This exhibit also shows EOG's well spacing pattern for the subject area.

<sup>1</sup> A portion of the vertical wellbore has been drilled. Surface casing was set through the salt string to a depth of 5,095 feet. The lateral portion of this wellbore has not yet been drilled.



**Exhibit C** is a list of the parties affected by the encroachment to the West. The W/2E/2 and the E/2W/2 of Sections 28 and 33 are covered by a joint operating agreement. However, ownership is diverse between the subject spacing unit and the tracts to the West. 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,

Jordan L. Kessler  
**ATTORNEY FOR EOG RESOURCES, INC.**

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



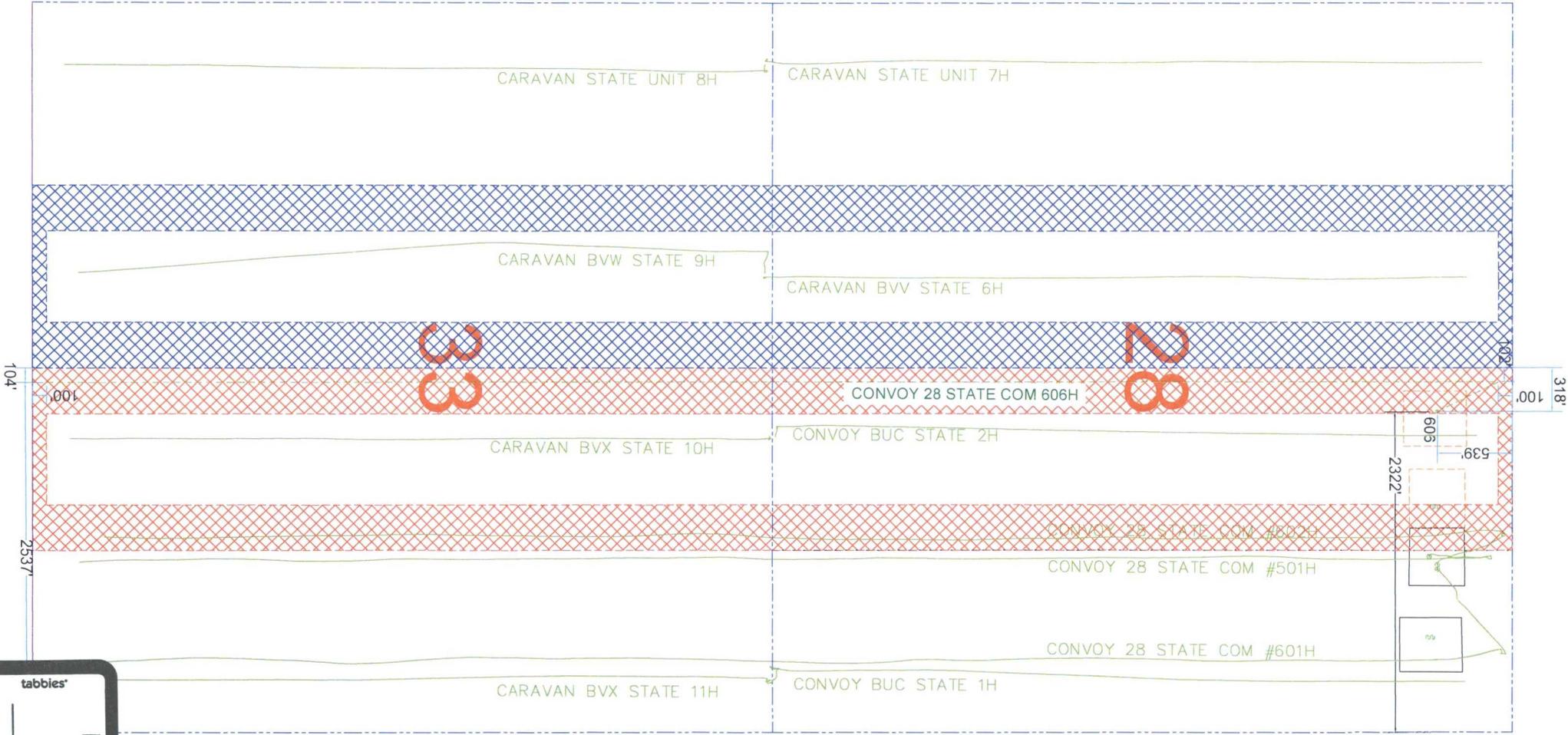
# T24S-R33E

H2 SPACING UNIT FOR PROPOSED WELL

AFFECTED PARTIES

EXISTING WELL

PROPOSED WELL



## EXHIBIT C

Murchison Oil and Gas, Inc.  
Attention: Eric Buddenbohn, Land Manager  
7520 Dallas Parkway, Suite 1400  
Plano, TX 75024

Highland (Texas) Energy Company  
Attention: Steve Burr  
7557 Rambler Road, Suite 918  
Dallas, TX 75231

VEI Partners, L.P.  
Attention: Austin Adams  
201 Foch Street  
Forth Worth, TX 76107

MEC Petroleum Corp.  
Attention: Marion Causey  
P. O. Box 11265  
Midland, TX 79702

Tap Rock Resources, LLC  
Attention: Land Manager  
602 Park Point Drive, Suite 200  
Golden, CO 80401

Sharbro Energy, LLC  
Attention: Elizabeth Baker  
P. O. Box 840  
Artesia, NM 88211-0840

Vladin, LLC  
Attention: Jim Ball  
105 S. 4th Street  
Artesia, NM 88210

Oxy Y-1 Company  
Attention: John Schnieder, Team Lease Lead  
P. O. Box 4294  
Houston, TX 77210-4291

Saguaro Resources, Inc.  
Attention:  
5705 Pinehurst  
Farmington, NM 87402

CEMOF AIV, L.P.  
Attention: Arleen Spangler  
520 Madison Avenue, 38th Floor  
New York, NY 10022

CEMOF-A AIV, L.P.  
Attention: Arleen Spangler  
520 Madison Avenue, 38th Floor  
New York, NY 10022

Carlyle Energy Mezzanine Opportunities Fund-  
Q, L.P.  
Attention: Arleen Spangler  
520 Madison Avenue, 38th Floor  
New York, NY 10022

CEMOF Coinvestment, L.P.  
Attention: Arleen Spangler  
520 Madison Avenue, 38th Floor  
New York, NY 10022

New Mexico State Land Office  
Attention: Commissioner of Public Lands  
P. O. Box 1148  
Santa Fe, NM 87504



November 19, 2018

Re: EOG Resources, Inc. NSL Application  
Convoy 28 State Com #606H (herein "Well")  
W/2E/2 Sec. 28 & 33, T24S-R33E  
Lea County, New Mexico

To whom it may concern:

Based on current wells in Section 28 & 33-T24S-R33E and anticipated wells, EOG believes the non-standard location is necessary to develop the 3rd Bone Spring resource in an economic fashion. Placing the Well at this location avoids negative impacts to the Well's production associated with completion energy being lost to a region of lower pressure caused by offset depletion. 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.**



David Carlos Sonka  
Reservoir Engineer II





**Jordan L. Kessler**  
**Associate**  
Phone (505) 954-7286  
Fax (505) 983-6043  
JKessler@hollandhart.com

November 21, 2018

**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 Convoy 28 State Com No. 606H Well in the W/2E/2 of Sections 28 and 33, 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:

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

Sincerely,

Jordan L. Kessler  
**ATTORNEY FOR EOG RESOURCES, INC.**

## **Lowe, Leonard, EMNRD**

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**From:** Jordan L. Kessler <JLKessler@hollandhart.com>  
**Sent:** Monday, November 26, 2018 11:11 AM  
**To:** Lowe, Leonard, EMNRD  
**Subject:** [EXT] RE: NSL Application

Good morning! The 706H well is being sundried to target the Bone Spring instead of the Wolfcamp, and the name will be changed to the Convoy 28 State Com Well No. 606H. So the API number for the 706H will actually be for the 606H.

Thanks!

**From:** Lowe, Leonard, EMNRD <Leonard.Lowe@state.nm.us>  
**Sent:** Monday, November 26, 2018 9:55 AM  
**To:** Jordan L. Kessler <JLKessler@hollandhart.com>  
**Subject:** NSL Application

Dear Jordan Kessler,

Good Monday Morning!

Question:

We received an NSL Application from you on behalf of EOG Resources [7377]

Is this request for the Convoy 28 State Com Well No. 606H?

Or for API No. 30-025-44259? This API No. is assigned to a Well No. 706H

Which one?

Please clarify.

Have a nice day!

**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/>

## **Lowe, Leonard, EMNRD**

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**From:** Lowe, Leonard, EMNRD  
**Sent:** Wednesday, December 12, 2018 4:47 PM  
**To:** 'Jordan L. Kessler'  
**Cc:** Brown, Maxey G, EMNRD; Kautz, Paul, EMNRD; 'lisa@rwbyram.com'; Jones, William V, EMNRD; McMillan, Michael, EMNRD; Dawson, Scott, EMNRD; Goetze, Phillip, EMNRD; Martin, Ed; Holm, Anchor E.  
**Subject:** APPROVED NSL-7789\_EOG Resources, Inc.\_Convoy 28 State Com Well No. 606H\_SEC 28 24S 33E  
  
**Importance:** High

Ms. Jordan L. Kessler,

The following administrative order has been issued and will soon be available on the Division's web site:  
<http://ocdimage.emnrd.state.nm.us/Imaging/Default.aspx>

### **NSL-7789**

EOG Resources, Inc.

API #: 30-025-44259

WELL: Convoy 28 State Com Well No. 606H

### **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/>