

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	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



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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.

Kristina Martinez
Print or Type Name

[Signature]
Signature

Attorney
Title

10/30/07
Date

kemartinez@hollandhart.com
e-mail Address

API # 30-015-35824

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2007 OCT 30 PM 4 57

HOLLAND & HART^{LLP}



Kristina Martinez

Phone (505) 988-4421

kemartinez@hollandhart.com

October 30, 2007

VIA HAND DELIVERY

Mark E. Fesmire, P.E.
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 the Simultaneous Dedication of the N/2 (Unit Letters A, B, C, D, E, F, G & H) of Section 24, Township 16 South, Range 24 East, N.M.P.M., Eddy County, New Mexico to its proposed Crusoe BKO Fed Com Well No. 2H and the existing Crusoe BKO Fed Com Well No. 1H.

Dear Mr. Fesmire:

I recently realized that I did not include proof of notice to "affected persons" in the offset spacing units in EOG's original application, filed October 15, 2007. In accordance with the Division's policy of providing notice to such persons, I am enclosing two supplemental exhibits to be attached to that application.

Exhibit B is a map of offset operators around the spacing unit in Section 24. **Exhibit C** is a list of affected parties as defined by Division Rules. As required by Rule 1210, a copy of the original application (with attachments) and a copy of this letter (with attachments) has been sent to those affected parties in accordance with Rule 1207(A)(5) and they have been advised that if they have an objection to this application it must be filed in writing with the Division's Santa Fe office within twenty days from the date of this letter. I am also attaching the Administrative Application Checklist which was also inadvertently omitted from the original application.

If you need anything else, please let me know. Thank you for your time.

Sincerely,

Kristina Martinez
Attorney for EOG Resources

KEM
Enclosures

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 PO 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. ♻

OFFSETS IN SECTION 24

Yates (14)		(13) EOG		Yates (18)
	D	C	B	A
		CRUSOE		Yates
EOG	E	F	G	H
(23) + WIOs	L	(24) K	J	I
	M	N	O	P

Exhibit C

**Application of EOG Resources, Inc.
Simultaneous Dedication of
N/2 of Section 24, Township 16 South, Range 24 East, N.M.P.M.
Eddy County, New Mexico**

LCX Energy, LLC
101 N. Marenfeld Suite 200
Midland, Texas 79701

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

Twin Montana, Inc.
P.O. Box 1210
Graham, TX 76450

Talus, Inc.
P.O. Box 1210
Graham, TX 76450

The Allar Company
P.O. Box 1567
Graham, TX 76450

EG3, Inc.
P.O. Box 1567
Graham, TX 76450

HOLLAND & HART



Kristina Martinez
Phone (505) 988-4421
kmartinez@hollandhart.com

2007 OCT 15 AM 9 49

October 15, 2007

VIA HAND DELIVERY

Mark E. Fesmire, P.E.
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 the Simultaneous Dedication of the N/2 (Unit Letters A, B, C, D, E, F, G & H) of Section 24, Township 16 South, Range 24 East, N.M.P.M., Eddy County, New Mexico to its proposed Crusoe BKO Fed Com Well No. 2H and the existing Crusoe BKO Fed Com Well No. 1H.

Dear Mr. Fesmire:

EOG Resources, Inc. ("EOG") is the operator of a standard 320-acre gas spacing unit in the Cottonwood Creek-Wolfcamp West Gas Pool (**Pool Code 75260**), comprised of the N/2 (Unit Letters A, B, C, D, E, F, G & H) of Section 24, Township 16 South, Range 24 East, N.M.P.M., Eddy County, New Mexico from which its Crusoe BKO Fed Com Well No. 1H currently produces from the Wolfcamp formation.

Pursuant to Oil Conservation Division Rule 104.D(3), EOG hereby makes application for administrative approval of the simultaneous dedication of this standard 320-acre gas spacing and proration unit to the following two horizontal gas wells:

- A. the existing CRUSOE BKO FED COM WELL NO. 1H (API No. 30-015-34729) horizontally drilled from a surface location 660 feet from the North line and 700 feet from the East line to a proposed end point or bottomhole location 760 feet from the North line and 660 feet from the West line of said Section 24; and
- B. the proposed CRUSOE BKO FED COM WELL NO. 2H (API No. 30-015-35824) to be horizontally drilled from a surface location 1880 feet from the North line and 660 feet from the East line to a proposed end point or bottomhole location 1880 feet from the North line and 660 feet from the West line of said Section 24.

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Both the penetration point and the bottomhole location for the Crusoe BKO Fed Com Well No. 1H are at a standard location in the Wolfcamp formation pursuant to Division Rules 104.C(2)(a) and 111.A(7). EOG now intends to horizontally drill and complete its proposed Crusoe BKO Fed Com Well No. 2H to be drilled to the targeted subsurface end-point or bottomhole location 1880 feet from the North line and 660 feet from the West line (Unit E) of Section 24. EOG proposes to drill this well in compliance with the set-back requirements of Division Rules 104.C(2)(b) and 111.A(7) for deep gas wells in southeast New Mexico.

Attached hereto as Exhibit A is a copy of Division Form C-102 for this well that shows the proposed surface and bottomhole location of the well.

The simultaneous dedication of the N/2 (Unit Letters A, B, C, D, E, F, G & H) of said Section 24 to the Crusoe BKO Fed Com Well No's. 1H and 2H will afford EOG the opportunity to efficiently produce the Wolfcamp formation under this spacing unit. EOG's proposed simultaneous dedication of these wells does not exceed the number of wells authorized by Division Rule for this spacing unit nor will either well be closer to the outer boundary of the horizontal well project area than permitted by Division Rules. Accordingly, there are no other interest owners who are affected by this application.

Your attention to this application is appreciated.

Sincerely,

Kristina Martinez
Attorney for EOG Resources

KEM
Enclosure

District I
1825 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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 October 12, 2005
Submit to Appropriate District Office
State Lease- 4 Copies
Fee Lease- 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-35824	Pool Code 75260	Pool Name Cottonwood Creek; Wolfcamp West
Property Code	Property Name CRUSOE BKO FED. COM	Well Number 2H
OCRD No. 7377	Operator Name EOG RESOURCES, INC.	Elevation 3614'

Surface Location

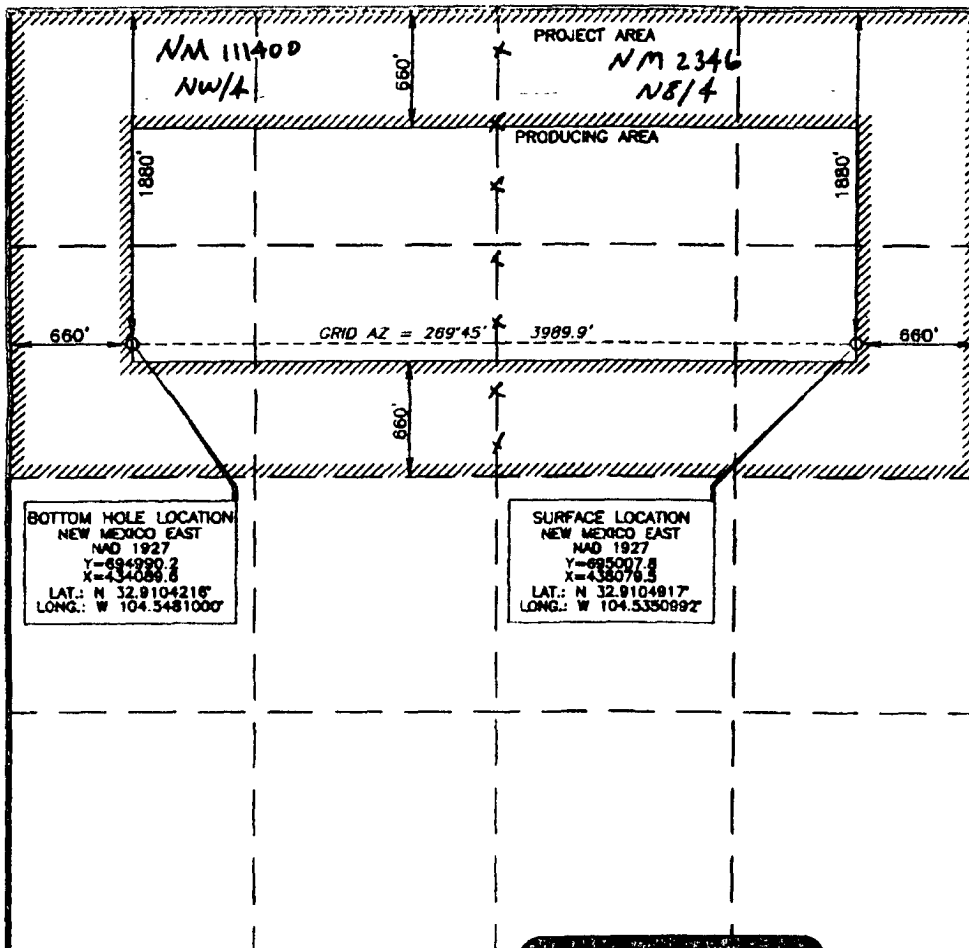
UL or lot no.	Section	Township	Range	Lot	Feet from the	North/South line	Feet from the	East/West line	County
H	24	18 SOUTH	24 EAST, N.M.P.M.		1880'	NORTH	660'	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot	Feet from the	North/South line	Feet from the	East/West line	County
E	24	18 SOUTH	24 EAST, N.M.P.M.		1880'	NORTH	660'	WEST	EDDY

Dedicated Acres 32.0	Joint or Infill	Consolidation Code	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.



OPERATOR 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.

Donny G. Glanton 8/30/07

Signature Date
Donny G. Glanton
Printed Name

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of a survey made by me or under my supervision, and that the same is true and correct to the best of my belief.

15079
2007
Date of Survey
Signature and Seal of Professional Surveyor
Terry G. Abel 7/19/2007
Certificate Number 15079

WOF 070620WL-b (A)

EXHIBIT

A

HOLLAND & HART LLP



Kristina Martinez
kemartinez@hollandhart.com

October 30, 2007

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

AFFECTED INTEREST OWNERS

Re: Application of EOG Resources, Inc., for simultaneous dedication,
Eddy County, New Mexico.

Ladies and Gentlemen:

This letter is to advise you that EOG Resources, Inc. has filed the enclosed application with the New Mexico Oil Conservation Division seeking the simultaneous dedication of the proposed Crusoe BKO Fed Com Well No. 2H and the existing Crusoe BKO Fed Com Well No. 1H to the N/2 of Section 24, Township 16 South, Range 24 East, NMPM, Eddy County, New Mexico.

As an owner of an interest that may be affected by the proposed well, you may object to this application. Objections must be filed in writing within twenty days from this date at the Division's Santa Fe office that is located at 1220 South Saint Francis Drive, Santa Fe, New Mexico. 87505. If no objection is received within this twenty-day period, this application for an unorthodox well location may be approved.

Very truly yours,

Kristina Martinez
Attorney for EOG Resources, inc.

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