

DATE IN 1/25/07	SUSPENSE	ENGINEER W. Jones	LOGGED IN 1/26/07	TYPE SD	APP NO. PTDS0702636319
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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



EOG  
 POC Fee #2H  
 200702

**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.

Ocean Munds-Dry Ocean Munds-Dry attorney 1-25-07  
 Print or Type Name Signature Title Date  
omundsdry@hollandhart.com  
 e-mail Address

2007 JUN 25 PM 3 22



January 25, 2007

**HAND-DELIVERED**

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 S/2 of Section 1, Township 16 South, Range 24 East, N.M.P.M., Eddy County, New Mexico to its proposed PO C 1 Fee Well No. 2H and the existing PO C 1 Fee Well No. 1H.

Dear Mr. Fesmire:

EOG Resources, Inc. is the operator of a standard 320-acre spacing unit in the Cottonwood Creek-Wolfcamp West Gas Pool (**Pool Code 75260**) comprised of the S/2 of Section 1, Township 16 South, Range 24 East, N.M.P.M., Eddy County, New Mexico. This spacing unit is dedicated to EOG's PO C 1 Fee Well No. 1H which has been horizontally drilled and produces from the Wolfcamp formation.

EOG seeks administrative approval of the simultaneous dedication of this standard 320-acre gas spacing unit to the following two horizontal gas wells:

- A. the existing **PO C 1 Fee Well No. 1H (API No. 30-015-34753)** horizontally drilled from a surface location 1,880 feet from the South line and 660 feet from the East line to an end point or bottom hole location 1929 feet from the South line and 1343 feet from the West line of said Section 1 which was approved on December 12, 2006 by Administrative Order NSL-5527; and
- B. the proposed **PO C 1 Fee Well No. 2H (API No. 30-015-34754)** to be horizontally drilled from a surface location 760 feet from the South line and 660 feet from the East line to a proposed end point or bottomhole location 760 feet from the South line and 660 feet from the West line of said Section 1.



The wellbore directional survey of the PO C 1 Fee Well No. 1H shows the path of the wellbore within the Wolfcamp formation to be non-standard pursuant to Division Rules 104.C (2) (a) and 111.A (7). However, the Division approved the non-standard location in Administrative Order NSL-5527. EOG now intends to horizontally drill and complete its proposed PO C 1 Fee Well No. 2H to be drilled to the targeted subsurface end-point or bottomhole location, 760 feet from the South line and 660 feet from the West line (Unit M) of Section 1. EOG proposes to drill this well in compliance with the set-back requirements of Division Rules 104.C(2) 9b) 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. **Exhibit B** is EOG's Directional Survey for the 1H Well that confirms the projected wellbore deviation.

**Exhibit C** is a map of offset operators around the spacing unit in Section 1. **Exhibit D** is a list of affected parties as defined by Division Rules. As required by Rule 1210, a copy of this application (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 this notice was sent.

The simultaneous dedication of the S/2 of said Section 1 to the PO C 1 Fee Well Nos. 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 allowed by Division Rule for this spacing unit.

Your attention to this application is appreciated.

Sincerely,

A handwritten signature in black ink that reads "Ocean Munds-Dry".

Ocean Munds-Dry  
Attorney for EOG Resources, Inc.

Enclosures



January 25, 2007

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**AFFECTED INTEREST OWNERS**

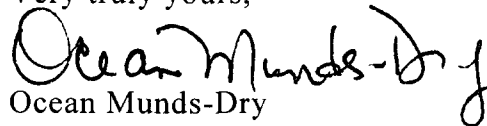
Re: Application of EOG Resources, Inc. for administrative approval of the simultaneous dedication of the S/2 of Section 1, Township 16 South, Range 24 East, N.M.P.M., Eddy County, New Mexico to its proposed PO C Fee Well No. 2H and the existing PO C 1 Fee Well No. 1H.

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 by EOG Resources, Inc. for administrative approval of simultaneous dedication of the PO C 1 Fee Well No. 2H and the existing PO C 1 Fee Well No. 1H to the S/2 of said Section 1.

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,

  
Ocean Munds-Dry  
ATTORNEY FOR EOG RESOURCES, INC.

Enclosures

District I  
1625 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 <b>30-015-34754</b>	Pool Code <b>75260</b>	Pool Name <b>Cottonwood Creek, WC, West (Gas)</b>
Property Code <b>35560</b>	Property Name <b>PO C 1 FEE</b>	Well Number <b>2H</b>
OGRIID No. <b>7377</b>	Operator Name <b>EOG RESOURCES, INC.</b>	Elevation <b>3562'</b>

Surface Location

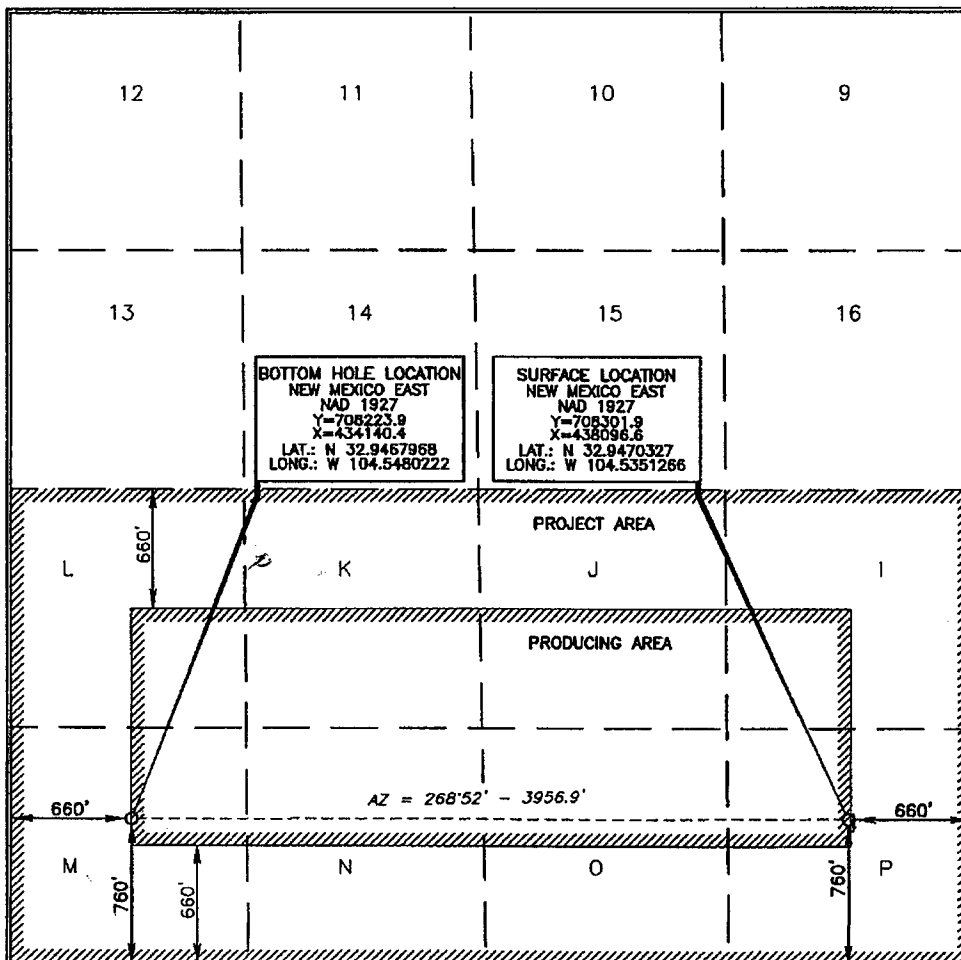
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>P</b>	<b>1</b>	<b>16 SOUTH</b>	<b>24 EAST, N.M.P.M.</b>		<b>760</b>	<b>SOUTH</b>	<b>660</b>	<b>EAST</b>	<b>EDDY</b>

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
<b>M</b>	<b>1</b>	<b>16 SOUTH</b>	<b>24 EAST, N.M.P.M.</b>		<b>760</b>	<b>SOUTH</b>	<b>660</b>	<b>WEST</b>	<b>EDDY</b>

Dedicated Acres <b>320</b>	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* 3/29/06  
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 or actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

MARCH 7 2006  
Date of Survey

Signature and Seal of Professional Surveyor

*Terry D. Auel*  
Certificate Number 15079

WO# 060307WL-e (CDE)

District I  
1625 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 <b>30-015-34753</b>	Pool Code <b>75260</b>	Pool Name <b>Cottonwood Creek; WC, West (gas)</b>
Property Code <b>35560</b>	Property Name <b>PO C 1 FEE</b>	Well Number <b>1H</b>
OGRID No. <b>7377</b>	Operator Name <b>EOG RESOURCES, INC.</b>	Elevation <b>3565'</b>

Surface Location

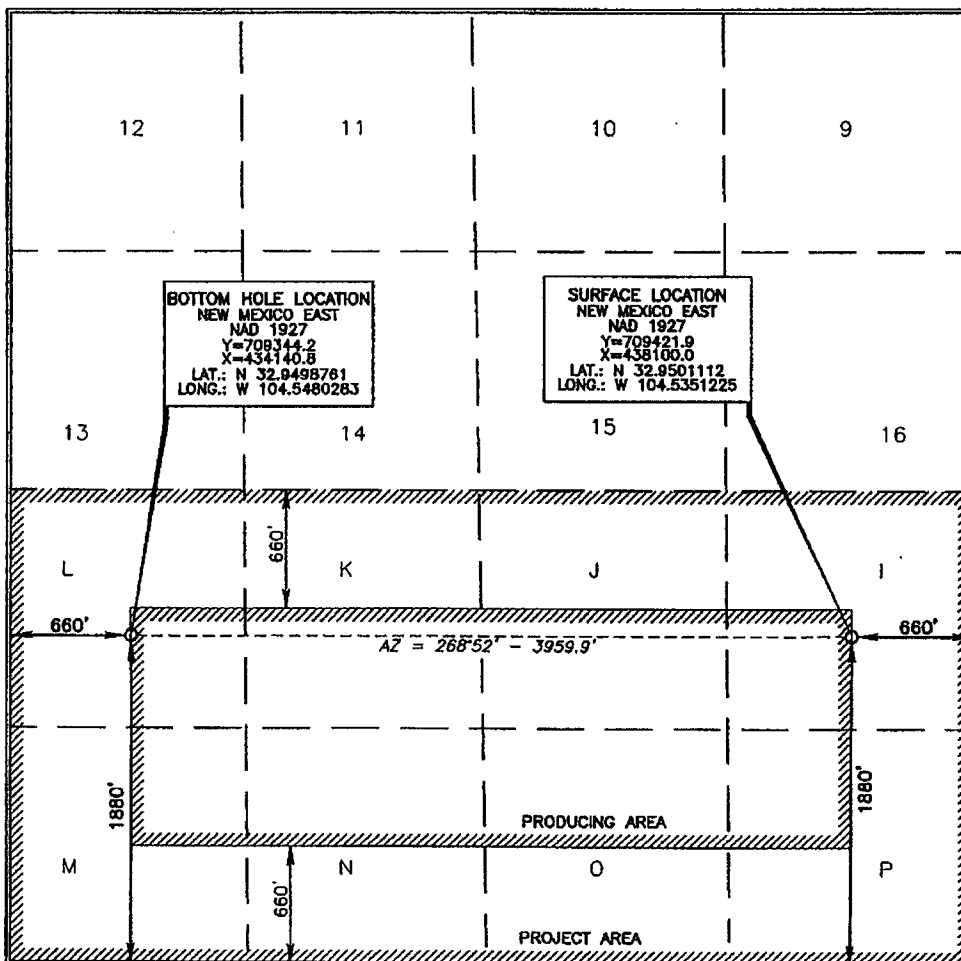
UL or lot no.	Section	Township	Range	Lot kdn	Feet from the	North/South line	Feet from the	East/West line	County
<b>1</b>	<b>1</b>	<b>16 SOUTH</b>	<b>24 EAST, N.M.P.M.</b>		<b>1880</b>	<b>SOUTH</b>	<b>660</b>	<b>EAST</b>	<b>EDDY</b>

Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot kdn	Feet from the	North/South line	Feet from the	East/West line	County
<b>L</b>	<b>1</b>	<b>16 SOUTH</b>	<b>24 EAST, N.M.P.M.</b>		<b>1880</b>	<b>SOUTH</b>	<b>660</b>	<b>WEST</b>	<b>EDDY</b>

Dedicated Acres <b>320</b>	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* 3/29/06  
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 actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

*Terry J. Asch* 15079  
Date of Survey

Signature and Seal of Professional Surveyor

*Terry J. Asch*  
Certificate Number 15079

WO# 060307ML-d (COG)

EXHIBIT A



The Horizontal Displacement ( in Feet ) at  
Measured Depth 3910.00 is 11.56 in a Direction of 22.54 Degrees



Po C 1 Fee #1H Final Surveys.txt

~Version Information

VERS. 2.00: PATHFINDER ENERGY SERVICES LAS - Version 2.00  
 WRAP. NO: One line per depth step

~Well Information

STRT.FT 3999.9998:  
 STOP.FT 7717.2603:  
 STEP.FT 0.0000:  
 NULL. -999.25:  
 COMP. EOG RESOURCES: COMPANY  
 WELL. PO C1 FEE #1H: WELL  
 FLD. COTTONWOOD CREEK: FLD  
 SRVC. Pathfinder Energy Services: SERVICE COMPANY  
 LOC. : LOCATION  
 DATE. 08-Dec-06: LOG DATE  
 UWI. 30-015-34753: API NUMBER  
 APD .FT 14.00: ELEVATION ABOVE PERMANENT DATUM  
 CNTY. EDDY: COUNTY  
 CTRY. USA: COUNTRY  
 DMF. ROTARY TABLE: DRILLING-LOG MEASURED FROM  
 EPD .FT 3565.00: ELEVATION OF PERMANENT DATUM  
 FL1 . 1880' FSL 660' FEL 660'FWL: WELL LOCATION 1  
 FL2 . X=438100 Y=70942.9: WELL LOCATION 2  
 PDAM. MEAN SEA LEVEL - SEA BED: ELEVATION OF PERMANENT DATUM REF  
 PDAT. MEAN SEA LEVEL: PERMANENT DATUM  
 RANG. 24 E: RANGE  
 SECT. 1: SECTION  
 STAT. NM: STATE  
 TOWN. 16 S: TOWNSHIP

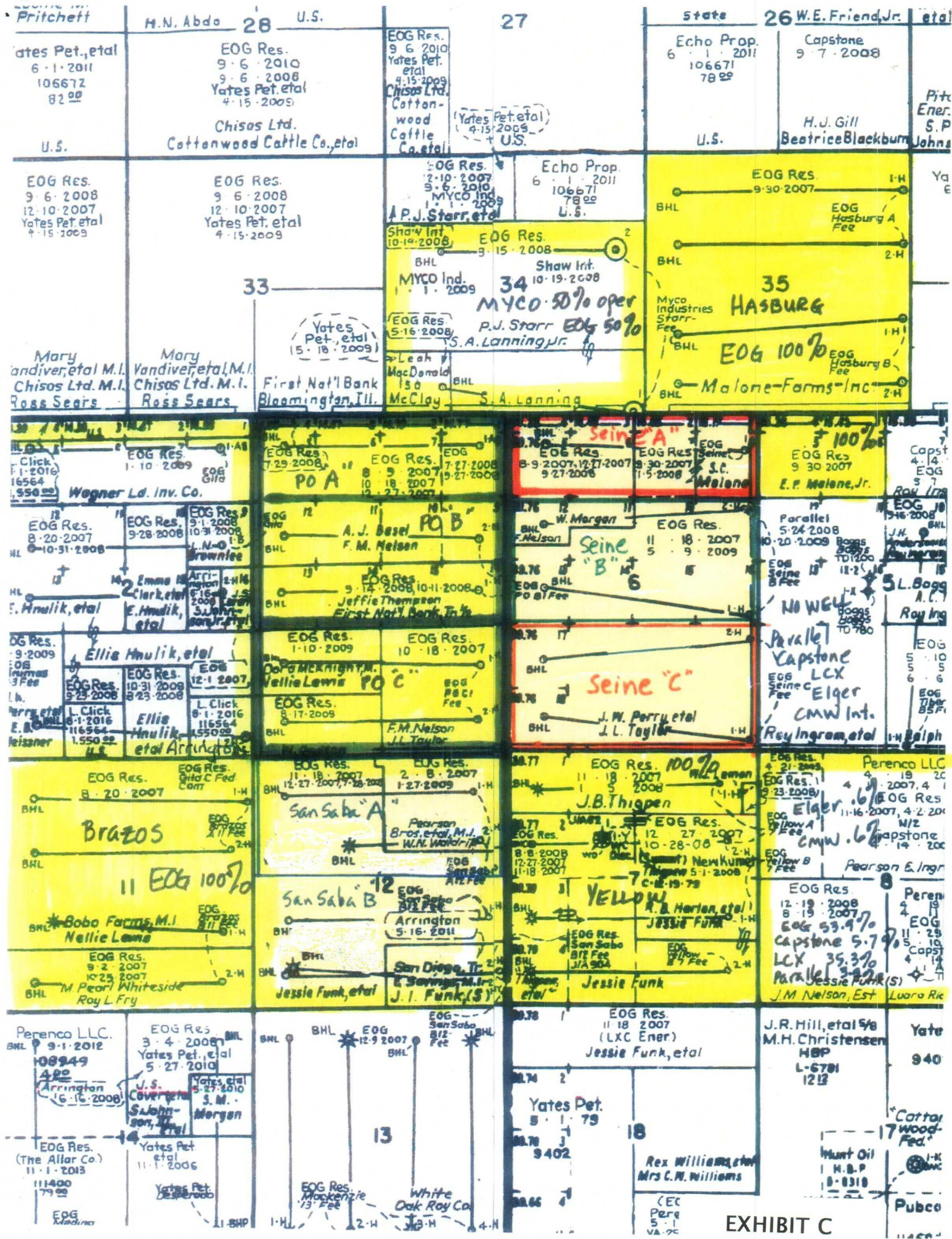
~Curve Information

DEPT.FT : MWD Tool Measurement Depth  
 MTVD.FT : MWD Tool Measurement TVD  
 INC .DEG : Inclination  
 AZI .DEG : Azimuth  
 SECT.FT : Section  
 RCN .FT : Rectangular Co-ordinates North  
 RCE .FT : Rectangular Co-ordinates East  
 DLSEV.DG/HFT : Dog-leg Severity

DEPT FT	MTVD FT	INC DEG	AZI DEG	SECT FT	RCN FT	RCE FT	DLSEV DG/HFT
4084.00	4083.60	1.93	56.71	-8.95	13.44	8.69	0.30
4116.00	4115.58	1.32	48.71	-9.68	13.98	9.41	2.03
4148.00	4147.58	1.41	293.40	-9.61	14.37	9.33	7.21
4179.00	4178.53	4.57	273.01	-8.03	14.59	7.75	10.60
4210.00	4209.33	8.35	268.88	-4.55	14.61	4.26	12.28
4242.00	4240.81	12.22	268.00	1.17	14.45	-1.45	12.10
4273.00	4270.88	15.83	267.38	8.68	14.14	-8.95	11.66
4305.00	4301.37	19.43	268.44	18.36	13.80	-18.64	11.29
4336.00	4330.23	23.39	268.96	29.68	13.54	-29.95	12.79
4367.00	4358.10	28.49	271.16	43.23	13.58	-43.50	16.74
4399.00	4385.93	30.60	268.70	59.00	13.55	-59.28	7.60
4430.00	4412.10	34.21	267.82	75.61	13.04	-75.88	11.74
4462.00	4438.00	37.72	267.38	94.40	12.25	-94.65	11.00
4494.00	4462.66	41.42	267.38	114.77	11.32	-115.01	11.56
4525.00	4485.25	45.02	267.65	135.99	10.40	-136.22	11.63
4556.00	4506.53	48.28	268.52	158.53	9.65	-158.75	10.71
4588.00	4527.08	51.79	268.88	183.05	9.10	-183.26	11.00
4619.00	4545.44	55.57	269.14	208.02	8.67	-208.23	12.21
4650.00	4562.17	59.09	269.14	234.11	8.28	-234.32	11.35
4681.00	4577.10	63.31	269.32	261.27	7.91	-261.48	13.62
4713.00	4590.58	66.83	269.14	290.28	7.52	-290.49	11.01
4745.00	4602.06	71.14	268.26	320.15	6.84	-320.34	13.71
4776.00	4611.15	74.74	267.56	349.78	5.76	-349.95	11.81

		Po	C	1	Fee	#1H	Final	Surveys.txt	
4808.00	4618.67	78.08	267.56	380.87	4.43	-381.03	10.44		
4839.00	4624.21	81.34	268.08	411.36	3.27	-411.50	10.64		
4871.00	4628.22	84.24	268.35	443.10	2.29	-443.23	9.10		
4933.00	4631.26	90.13	270.02	504.99	1.41	-505.12	9.87		
5028.00	4629.44	92.07	271.34	599.92	2.53	-600.09	2.47		
5122.00	4626.84	91.10	269.93	693.84	3.58	-694.04	1.82		
5216.00	4624.68	91.54	270.81	787.78	4.18	-788.01	1.05		
5310.00	4624.10	89.16	268.79	881.76	3.85	-882.00	3.32		
5436.00	4624.40	90.57	269.93	1007.75	2.45	-1007.99	1.44		
5562.00	4622.28	91.36	271.60	1133.66	4.13	-1133.95	1.47		
5688.00	4618.42	92.15	272.22	1259.42	8.33	-1259.82	0.80		
5814.00	4617.65	88.55	268.00	1385.34	8.57	-1385.77	4.40		
5941.00	4618.42	90.75	271.25	1512.30	7.74	-1512.74	3.09		
6067.00	4617.07	90.48	272.13	1638.14	11.45	-1638.68	0.73		
6224.00	4614.30	91.54	272.39	1794.84	17.64	-1795.53	0.70		
6351.00	4611.18	91.28	274.32	1921.41	25.07	-1922.27	1.53		
6510.00	4607.63	91.28	274.94	2079.57	37.90	-2080.71	0.39		
6636.00	4607.14	89.16	274.06	2204.95	47.79	-2206.31	1.82		
6760.00	4609.14	88.99	273.36	2328.50	55.81	-2330.03	0.58		
6981.00	4616.61	87.14	267.12	2549.19	56.74	-2550.79	2.94		
7075.00	4620.07	88.64	266.94	2643.07	51.88	-2644.59	1.61		
7170.00	4621.02	90.22	266.06	2737.98	46.08	-2739.41	1.90		
7264.00	4619.86	91.19	265.36	2831.83	39.05	-2833.13	1.27		
7358.00	4616.98	92.33	263.51	2925.50	29.93	-2926.64	2.31		
7452.00	4613.23	92.24	262.64	3018.94	18.61	-3019.88	0.93		
7547.00	4611.11	90.31	259.03	3112.96	3.48	-3113.63	4.31		
7642.00	4614.39	85.74	257.80	3206.30	-15.57	-3206.61	4.98		





**Exhibit D**  
**Application of EOG Resources, Inc.**  
**Simultaneous Dedication of**  
**S/2 of Section 1, Township 16 South, Range 24 East, NMPM**  
**Eddy County, New Mexico**

David H. Arrington Oil & Gas  
214 West Texas, Suite 400  
Midland, TX 79701

Capstone Oil & Gas Company  
P.O. Box 10187  
Midland, Texas 79702

Parallel Petroleum Corporation  
P.O. Box 10587  
Midland, Texas 79702

CMW Interests, Inc.  
24 Smith Road, Suite 405  
Midland, Texas 79705

Elger Exploration, Inc.  
P.O. Box 2623  
Midland, Texas 79702-2623



**Brooks, David K., EMNRD**

---

**From:** Ocean Munds-Dry [Omundsdry@hollandhart.com]  
**Sent:** Friday, February 23, 2007 10:09 AM  
**To:** Ocean Munds-Dry; Brooks, David K., EMNRD  
**Subject:** Re: SD Application - EOG PO C Fee #2H

David - did I give you what you need for this application? Eog is scheduled to frac this well on tuesday.

-----  
Sent from my BlackBerry Wireless Handheld

----- Original Message -----

From: Ocean Munds-Dry  
To: 'Brooks, David K., EMNRD' <david.brooks@state.nm.us>  
Sent: Tue Feb 20 16:07:11 2007  
Subject: RE: SD Application - EOG PO C Fee #2H

David:

Here is what EOG has told me -

Section 11: EOG owns 100% of the working interest.

Section 2: EOG has all the leasehold except for a small portion in the E/2 which is held by David Arrington (who was notified as identified in Ex. D)

Section 7: EOG owns 100% of the working interest.

Section 6: EOG owns 100% of working interest.

Section 12: Working interest owners are: Capstone, Parallel, CMW and Elger

Thanks,  
Ocean

---

From: Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]  
Sent: Monday, February 19, 2007 11:14 AM  
To: Ocean Munds-Dry  
Subject: SD Application - EOG PO C Fee #2H

Ocean

I am looking at this application.

I would like to see a more explicit identification of ownership of the offsetting units. From OCD records, I find that EOG is operator of all offsetting units except the N/2 or E/2 of Section 11, where there is apparently no well. You have marked Section 11 on Exhibit C to your application as "EOG 100%." I assume that means EOG is 100% WI owner in that section. Thus presumably the people you have notified are WI owners in other offset sections where EOG is operator.

Please furnish a list of the working interest owners for each offsetting unit for which WI ownership is not identical to that in the subject spacing unit.

Thanks

David Brooks

2/26/2007

Confidentiality Notice: This e-mail, including all attachments is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited unless specifically provided under the New Mexico Inspection of Public Records Act. If you are not the intended recipient, please contact the sender and destroy all copies of this message. -- This email has been scanned by the Sybari - Antigen Email System.

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This inbound email has been scanned by the MessageLabs Email Security System.

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