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EOG Resources, Inc.

P.O. Box 2267
Midland, TX 79702
(432) 686-3600

August 22, 2007

New Mexico Oil Conservation Division
Attn: Engineering Bureau
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: DHC-3926

Downhole Commingle – Burnett Oil 24 Fed Com 3

EOG Resources wishes to amend our approved downhole commingling application for our Burnett Oil 24 Fed Com No. 3.

We are only amending the Fixed Allocation Percentages based on updated production information enclosed.

If additional information is needed, please contact me at 432.686.3689.

Sincerely,

EOG Resources, Inc.

A handwritten signature in black ink, appearing to read "Stan Wagner", with a long horizontal line extending to the right.

Stan Wagner
Regulatory Analyst

DATE IN 8/21/07	SUSPENSE	ENGINEER WSS	LOGGED IN 8/21/07	TYPE DHC	APP NO. PWT50264081
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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.

Stan Wagner
 Print or Type Name

Signature

Regulatory Analyst
 Title

9/22/07
 Date

e-mail Address

District I
1625 N. French Drive, Hobbs, NM 88240

District II
1301 W. Grand Avenue, Artesia, NM 88210

District III
1000 Rio Brazos Road, Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-107A
Revised June 10, 2003

APPLICATION TYPE
☒ Single Well
☐ Establish Pre-Approved Pools
EXISTING WELLBORE
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

EOG Resources, Inc. P.O. Box 2267 Midland, TX 79702
Operator Address
Burnett Oil 24 Fed Com No. 3 K-24-T17S-R30E Eddy
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. 7377 Property Code 36301 API No. 30-015-35418 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE <u>UNDES</u>	INTERMEDIATE ZONE	LOWER ZONE <u>UNDES</u>
Pool Name	Loco Hills; Atoka		Cedar Lake; Morrow
Pool Code	80316		74560
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	10750-10755'		11116-11156'
Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	914 psi		904 psi
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1208 BTU/Cu. Ft.		62.4
Producing, Shut-In or New Zone	Producing		Producing
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: 8/09/07 O/G/W Rates: 0/2233/0	Date: Rates:	Date: 8/09/07 O/G/W Rates: 44/177/0
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas 0 % 93 %	Oil Gas % %	Oil Gas 100 % 7 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☒ No ☐
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes ☐ No ☐
Are all produced fluids from all commingled zones compatible with each other? Yes ☒ No ☐
Will commingling decrease the value of production? Yes ☐ No ☒
If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands
or the United States Bureau of Land Management been notified in writing of this application? Yes ☒ No ☐
NMOCD Reference Case No. applicable to this well: DHC-3926

Attachments:

C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
Production curve for each zone for at least one year. (If not available, attach explanation.)
For zones with no production history, estimated production rates and supporting data.
Data to support allocation method or formula.
Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools
List of all operators within the proposed Pre-Approved Pools
Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Stan Wagner TITLE Reg Analyst DATE 9/22/07
TYPE OR PRINT NAME Stan Wagner TELEPHONE NO. (432) 686-3689
E-MAIL ADDRESS

DATA SHEET FOR NMOCD DOWNHOLE COMMINGLING

Operator: EOG Resources, Inc. 7377
Attn: Stan Wagner
P.O. Box 2267
Midland, TX 79702
432 686 3689

Lease Name and Well Number Burnett Oil 24 Fed Com 3

- (1) Names and codes of Pools to be commingled:
Undesignated Loco Hills; Atoka (Gas) 80316
Cedar Lake; Morrow (Gas) 74560
- (2) Perforated Pay Intervals:
Atoka 10750' - 10755'
Morrow 11116' - 11156'
- (3) Type of Production:
Atoka - gas
Morrow - gas
- (4) How is each zone being produced ?
New Completions - Plan to flow all zones up common tubing string
- (5) Estimated BHP:
Atoka - 914 psi Morrow - 904 psi
- (6) API Gravity of each zone:
Morrow - 62.4
- (7) Production History (attach production curve for each zone):
New Well - No History
- (8) Are Royalty and Working Interests identical with respect to all proposed combined zones in the well ?
Yes
- (9) Will commingling reduce the value of the total remaining production ?
No
- (10) Will cross flow exist ?
No
- (11) Are all produced fluids from all commingled zones compatible with each other ?
Yes
- (12) Is a copy of this application being provided to either the United States Bureau of Land Management or New Mexico Commissioner of Public Lands ?
Yes. BLM

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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 30-015-35418		Pool Code 74560	Pool Name CEDAR LAKE MORROW, Gas
Property Code 36301	Property Name BURNETT OIL 24 FED. COM		Well Number 3
OGRID No. 7377	Operator Name EOG RESOURCES INC.		Elevation 3690'

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	24	17 SOUTH	30 EAST, N.M.P.M.		2072'	SOUTH	1705'	WEST	EDDY

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
Dedicated Acres 320		Joint or Infill	Consolidation Code	Order No.					

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.

<p>NM 074939 NW/4 NW/4</p> <p>NM 2747 SW/4 NW/4 SW/4</p> <p>1705'</p> <p>2072'</p> <p>SURFACE LOCATION NEW MEXICO EAST NAD 1927 Y=861845.1 X=624540.3 LAT.: N 32.8182938° LONG.: W 103.9279428°</p>	<p>LC 055264 E/2 NW/4</p>	<p>OPERATOR CERTIFICATION</p> <p>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.</p> <p><i>Donny G. Glanton</i> 2/9/07 Signature Date Donny G. Glanton Printed Name</p>
	<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of a land survey made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>FEBRUARY 08, 2007 Date of Survey Signature and Seal of Professional Surveyor <i>Terry G. Reed</i> 2/9/2007 Certificate Number 15079</p>	

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Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
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☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-35418	Pool Code 80316	Pool Name Loco Hills; Atoka (Gas)
Property Code 36301	Property Name BURNETT OIL 24 FED. COM	Well Number 3
OGRD No. 7377	Operator Name EOG RESOURCES INC.	Elevation 3690'

Surface Location

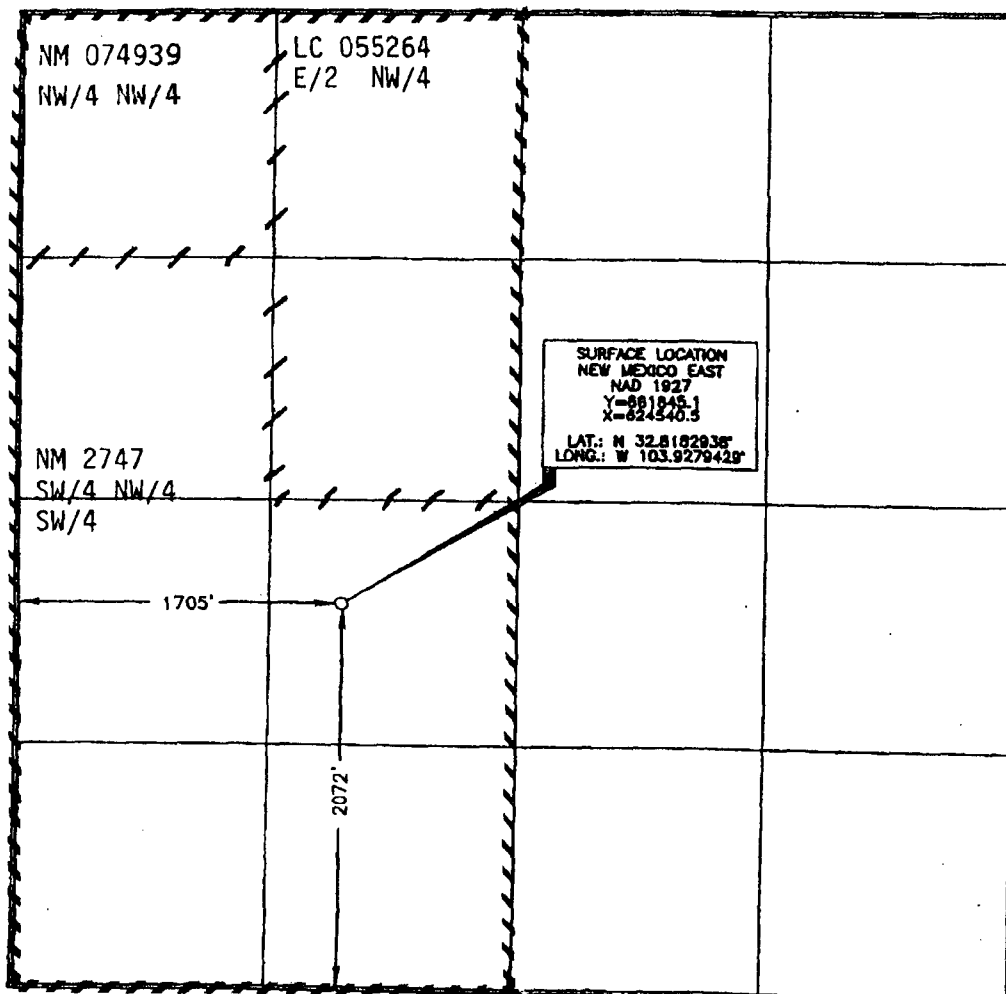
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	24	17 SOUTH	30 EAST, N.M.P.M.		2072'	SOUTH	1705'	WEST	EDDY

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

Dedicated Acres 320	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 2/9/07
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 land survey made by me or under my supervision and that the same is true and correct to the best of my belief.

FEBRUARY 08 2007
Date of Survey

Signature and Seal of Professional Surveyor

Terry G. Abel 2/9/2007
Certificate Number 15079

W04 070206WL-a (JL)



Laboratory Services, Inc.

2609 W. Marland
Hobbs, New Mexico 88240
Telephone: (505) 397-3713

ASTM DISTILLATION

EOG Resources Inc.
Attention: Dirk Ellyson
P. O. Box 3229
Carlsbad, New Mexico 88220

Sample Date: 7/26/07
Sampled By: Johnny Ables/Pace

Burnett Oil 24 F. C. #3

Percent Distilled


Temperature

IBP	90
5	119
10	138
20	166
30	187
40	204
50	221
60	244
70	273
80	329
90	437
EP	516

% Recovered = 95.0
% Residue = 1.0
% Loss = 4.0

API Gravity @ 60° F = 62.4

Vicki McDaniel

 BAKER HUGHES Baker Atlas	Job Information		Burnett Oil 24 Fed Com No 3																																																																																	
	Company: EOG Resources Field: Loco Hills Well: Burnett Oil 24 Fed Com No.3		Test: PRAL Date: 8/06/07 Survey: Survey # 1																																																																																	
<table border="0"> <tr> <td>Survey date</td> <td>8/06/07</td> <td>Interpretation date</td> <td>8/9/2007</td> </tr> <tr> <td>Service company</td> <td>Baker Atlas</td> <td>Done by</td> <td>Miller</td> </tr> <tr> <td colspan="4"> </td> </tr> <tr> <td>SURVEY</td> <td>Survey # 1</td> <td></td> <td></td> </tr> <tr> <td>Surface rates</td> <td></td> <td>Gas</td> <td>2700 Mscf/D</td> </tr> <tr> <td>Oil</td> <td>50 STB/D</td> <td>Water</td> <td>0 STB/D</td> </tr> <tr> <td colspan="4"> </td> </tr> <tr> <td>TOOLS</td> <td></td> <td>Capacitance</td> <td></td> </tr> <tr> <td>String O.D.</td> <td>1.375 in</td> <td>Calib. type</td> <td>Dielectric vs cps</td> </tr> <tr> <td>Spinner blade O.D.</td> <td>3. in</td> <td>100% Water</td> <td>81</td> </tr> <tr> <td>Density</td> <td>Corrected</td> <td>100% HC</td> <td>5</td> </tr> <tr> <td colspan="4"> </td> </tr> <tr> <td>INTERPRETATION</td> <td>Interpretation # 1</td> <td></td> <td></td> </tr> <tr> <td>Density offset</td> <td>0 g/cc</td> <td></td> <td></td> </tr> <tr> <td>Capacitance offset</td> <td>0 cps</td> <td></td> <td></td> </tr> <tr> <td colspan="4"> </td> </tr> <tr> <td>Flow type</td> <td>Liquid-Gas</td> <td></td> <td></td> </tr> <tr> <td>Flow model</td> <td>Petalas and Aziz</td> <td></td> <td></td> </tr> <tr> <td>Vpcf mult.</td> <td>1</td> <td></td> <td></td> </tr> <tr> <td>Vslip mult.</td> <td>1</td> <td></td> <td></td> </tr> </table>					Survey date	8/06/07	Interpretation date	8/9/2007	Service company	Baker Atlas	Done by	Miller					SURVEY	Survey # 1			Surface rates		Gas	2700 Mscf/D	Oil	50 STB/D	Water	0 STB/D					TOOLS		Capacitance		String O.D.	1.375 in	Calib. type	Dielectric vs cps	Spinner blade O.D.	3. in	100% Water	81	Density	Corrected	100% HC	5					INTERPRETATION	Interpretation # 1			Density offset	0 g/cc			Capacitance offset	0 cps							Flow type	Liquid-Gas			Flow model	Petalas and Aziz			Vpcf mult.	1			Vslip mult.	1		
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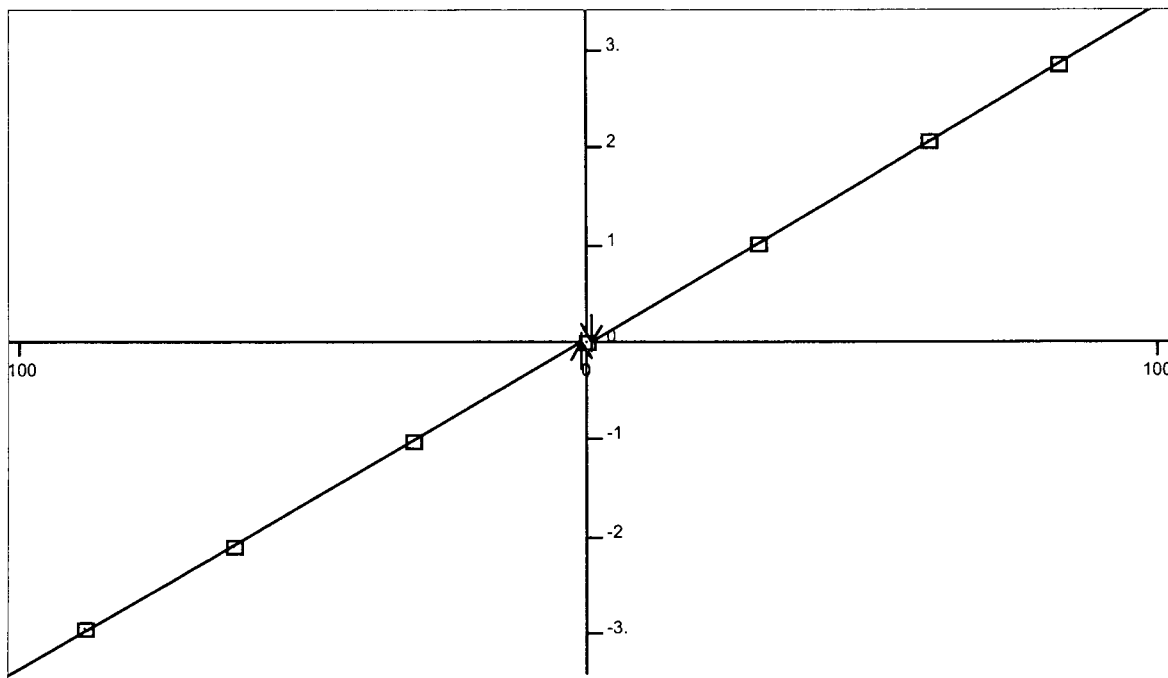
Baker Atlas

Calibration

Burnett Oil 24 Fed Com No 3

Company: EOG Resources
Field: Loco Hills
Well: Burnett Oil 24 Fed Com No.3

Test: PRAL
Date: 8/06/07
Survey: Survey # 1



rps versus ft/min

Threshold (+) 0 ft/min

Threshold (-) 0 ft/min

Calib. Zone ft	Slope (+)	Slope (-)	Int (+) ft/min	Int (-) ft/min	Int. Diff. ft/min
<input type="checkbox"/> 11159.6-11218.9	0.035	0.034	0.71	-1.01	1.72



Baker Atlas

Zone Contributions; S.C.

Burnett Oil 24 Fed Com No 3

Company: EOG Resources
Field: Loco Hills
Well: Burnett Oil 24 Fed Com No.3

Test: PRAL
Date: 8/06/07
Survey: Survey # 1

Zones ft	Water STB/D	Oil STB/D	Gas Mscf/D
10750.0-10755.0	0.00	0.00	2233.03
11116.0-11130.0	0.00	10.21	162.98
11152.0-11156.0	0.00	33.75	14.51
Total	0.00	43.70	2410.53



Baker Atlas

Zone Contributions; Res. Cond.

Burnett Oil 24 Fed Com No 3

Company: EOG Resources

Field: Loco Hills

Well: Burnett Oil 24 Fed Com No.3







Test: PRAL

Date: 8/06/07

Survey: Survey # 1

Zones ft	Qt res. B/D	Production %
10750.0-10755.0	6468.35	92.20
11116.0-11130.0	504.80	7.20
11152.0-11156.0	42.20	0.60

Contributions by phase

Zones ft	Qw res. B/D	Qo res. B/D	Qg res. B/D	 W  O  G
10750.0-10755.0	0.00	0.00	6468.35	
11116.0-11130.0	0.00	12.78	492.02	
11152.0-11156.0	0.00	42.20	0.00	



Total Zone Rates; Res. Cond.

Burnett Oil 24 Fed Com No 3

Company: EOG Resources

Test: PRAL

Field: Loco Hills

Date: 8/06/07

Well: Burnett Oil 24 Fed Com No.3

Survey: Survey # 1

Baker Atlas

Zone ft	Corr. factor	Vm ft/min	Q downhole B/D	Contribution %
10750.0-10755.0	0.90	208.577	6982.52	92.20
11116.0-11130.0	0.86	16.339	546.99	7.20
11152.0-11156.0	0.67	1.261	42.20	0.60

Total rates by phase

Zone ft	Qw res. B/D	Qw s.c. STB/D	Qo res. B/D	Qo s.c. STB/D	Qg res. B/D	Qg s.c. Mscf/D
10750.0-10755.0	0.00	0.00	54.71	43.70	6927.82	2410.53
11116.0-11130.0	0.00	0.00	54.97	43.96	492.02	177.50
11152.0-11156.0	0.00	0.00	42.20	33.75	0.00	14.51



Baker Atlas

Rates @ Calculation Zones: Detailed Results

Burnett Oil 24 Fed Com No 3

Company: EOG Resources
Field: Loco Hills
Well: Burnett Oil 24 Fed Com No.3

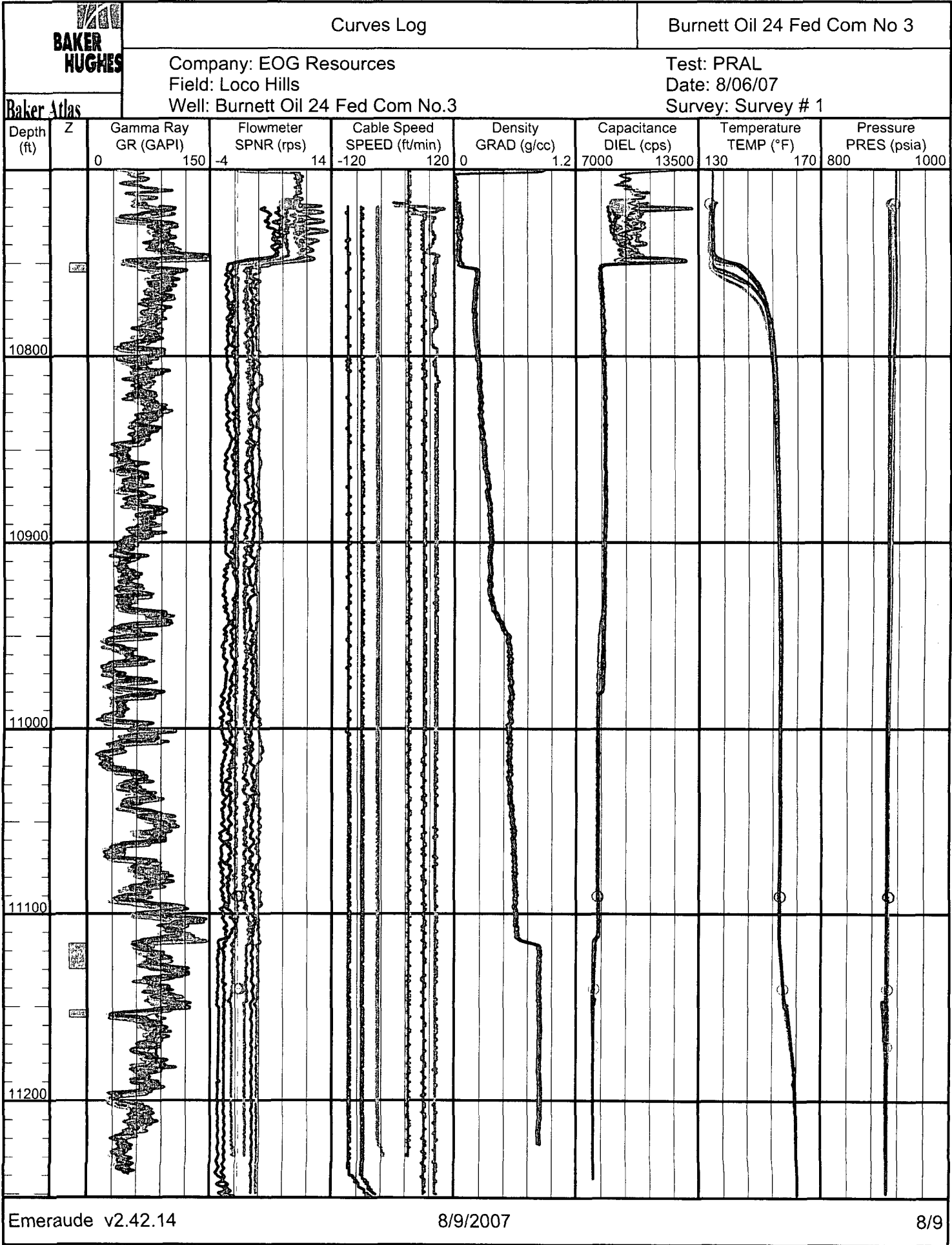
Test: PRAL
Date: 8/06/07
Survey: Survey # 1

#	From-To ft	ID in	Deviation °	Rt	T °F	P psia
1	10725.0-10745.0	4.8900	0.0000	3.679E-4	134.0000	914.5400
2	11091.0-11111.0	4.8900	0.0000	3.679E-4	156.0000	903.7800
3	11130.0-11150.0	4.8900	0.0000	3.679E-4	158.0000	903.7300
4	11156.0-11176.0	4.8900	0.0000	3.679E-4	160.0000	901.0000

#	Bw	Muw cp	Rhow g/cc	Bo	Muo cp	Rhoo g/cc	Bg	Mug cp	Rhog g/cc
1	N/A	N/A	N/A	1.2518	0.3178	0.6500	0.0163	0.0134	0.0527
2	N/A	N/A	N/A	1.2504	0.2832	0.6400	0.0174	0.0137	0.0492
3	N/A	N/A	N/A	1.2505	0.2815	0.6400	0.0175	0.0137	0.0491
4	N/A	N/A	N/A	1.2499	0.2788	0.6400	0.0176	0.0137	0.0486

#	Correl.	Correl. W-O	Regime	Slip ft/min	Slip W-O ft/min
1	Petalas and Aziz	N/A	Elongated bubble	273.307	N/A
2	Petalas and Aziz	N/A	Elongated bubble	50.796	N/A
3	Petalas and Aziz	N/A	Single phase liquid	0.000	N/A
4	Petalas and Aziz	N/A	No flow	0.000	N/A

#	Yw	Yo	Yg	Vw ft/min	Vo ft/min	Vg ft/min
1	N/A	0.2700	0.7300	N/A	6.1500	279.0000
2	N/A	0.7200	0.2800	N/A	2.2700	53.1000
3	N/A	1.0000	0.0000	N/A	1.2600	0.0000
4	N/A	1.0000	0.0000	N/A	0.0000	0.0000





Rates Log

Burnett Oil 24 Fed Com No 3

Company: EOG Resources
Field: Loco Hills
Well: Burnett Oil 24 Fed Com No.3

Test: PRAL
Date: 8/06/07
Survey: Survey # 1

Baker Atlas

