

DATE IN 11/28/07	SUSPENSE	ENGINEER Brooks	LOGGED IN 11/28/07	TYPE SD	APP NO. PKUR0733248583
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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



E06
Salmon B32 St #24/
200801

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

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2007 NOV 28 AM 10:12

[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
Print or Type Name

Ocean Munds Dry
Signature

Attorney
Title

11-28-07
Date

omundsdry@hollandhart.com
e-mail Address

November 28, 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 32, Township 18 South, Range 23 East, N.M.P.M., Eddy County, New Mexico to its proposed Salmon B 32 State Well No. 2H and the existing Salmon B 32 State Well No. 1H.

Dear Mr. Fesmire:

EOG Resources, Inc. is the operator of a standard 320-acre spacing unit in the Four Mile Draw Wolfcamp Gas Pool (**Pool Code 97415**) comprised of the S/2 of Section 32, Township 18 South, Range 23 East, N.M.P.M., Eddy County, New Mexico. This spacing unit is dedicated to EOG's Salmon B 32 State 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 **SALMON B 32 STATE Well No. 1H (API No. 30-015-35862)** horizontally drilled from a surface location 1880 feet from the South line and 660 feet from the West line to a proposed end point or bottomhole location 1880 feet from the South line and 660 feet from the East line of said Section 32; and
- B. the proposed **SALMON B 32 STATE Well No. 2H (API No. 30-015 – 35912)** to be horizontally drilled from a surface location 760 feet from the South line and 660 feet from the West line to a proposed end point or bottomhole location 760 feet from the South line and 660 feet from the East line of said Section 32.



Both the penetration point and the bottomhole location for the Salmon B 32 State 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 Salmon B 32 State 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 East line (Unit P) of Section 32. 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.

Exhibit B is a map of offset operators around the spacing unit in Section 32. **Exhibit C** 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 32 to the Salmon B 32 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,


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 30-015- 35912	Pool Code 97415	Pool Name FOUR MILE DRAW; WOLFCAMP (G)
Property Code 36784	Property Name SALMON "B" 32 STATE	Well Number 2H
OGRID No. 7377	Operator Name EOG RESOURCES, INC.	Elevation 4011'

Surface Location

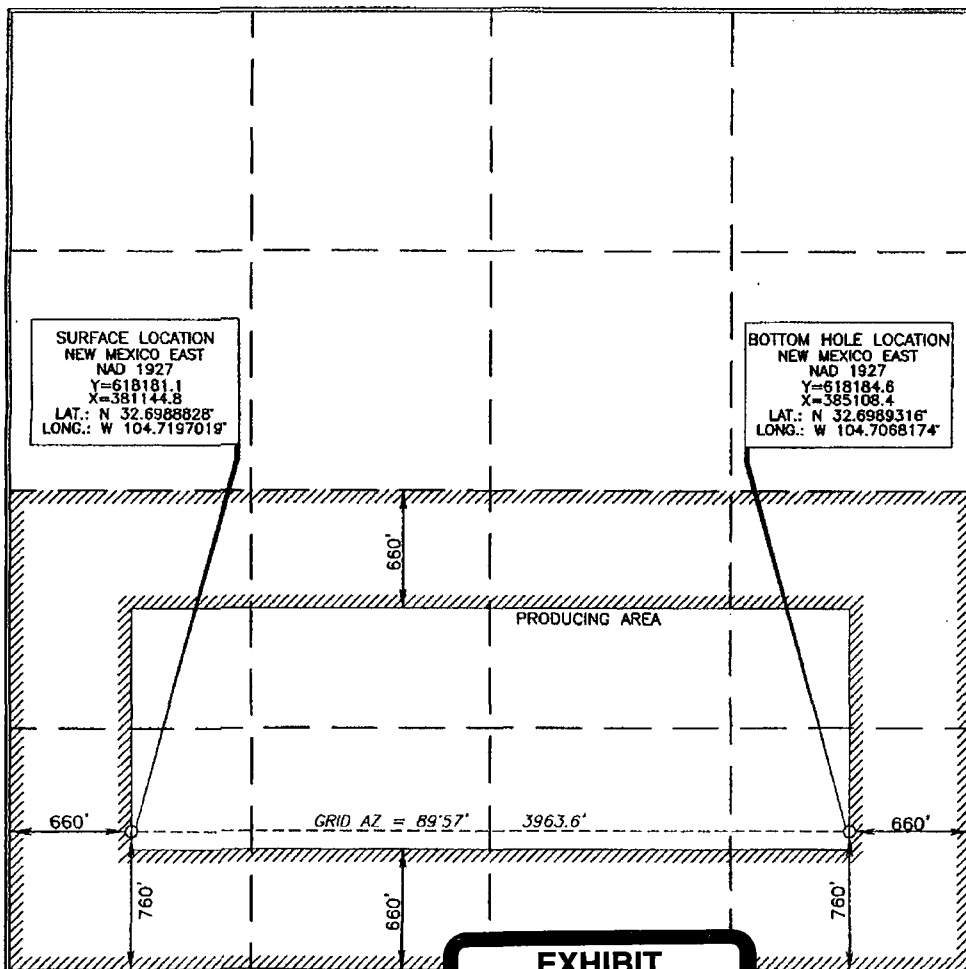
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	32	18 SOUTH	23 EAST, N.M.P.M.		760'	SOUTH	660'	WEST	EDDY

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
P	32	18 SOUTH	23 EAST, N.M.P.M.		760'	SOUTH	660'	EAST	EDDY

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.

Signature: Don G. Glanton
Date: 11/2/2007

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.

Date of Survey: OCTOBER 17, 2007
Signature and Seal of Professional Surveyor: [Seal of EOG Resources, Inc. Surveyor 15079]
Certificate Number: 15079
Date: 10-22-2007

WO# 071017WL-d (KA)

EXHIBIT

tabbles

A

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 30-015-35862	Pool Code 97415	Pool Name under Four Mile Draw; Wolfcamp (G)
Property Code 36784	Property Name SALMON "B" 32 STATE	Well Number 1H
OGRI No. 7377	Operator Name EOG RESOURCES, INC.	Elevation 4018'

Surface Location

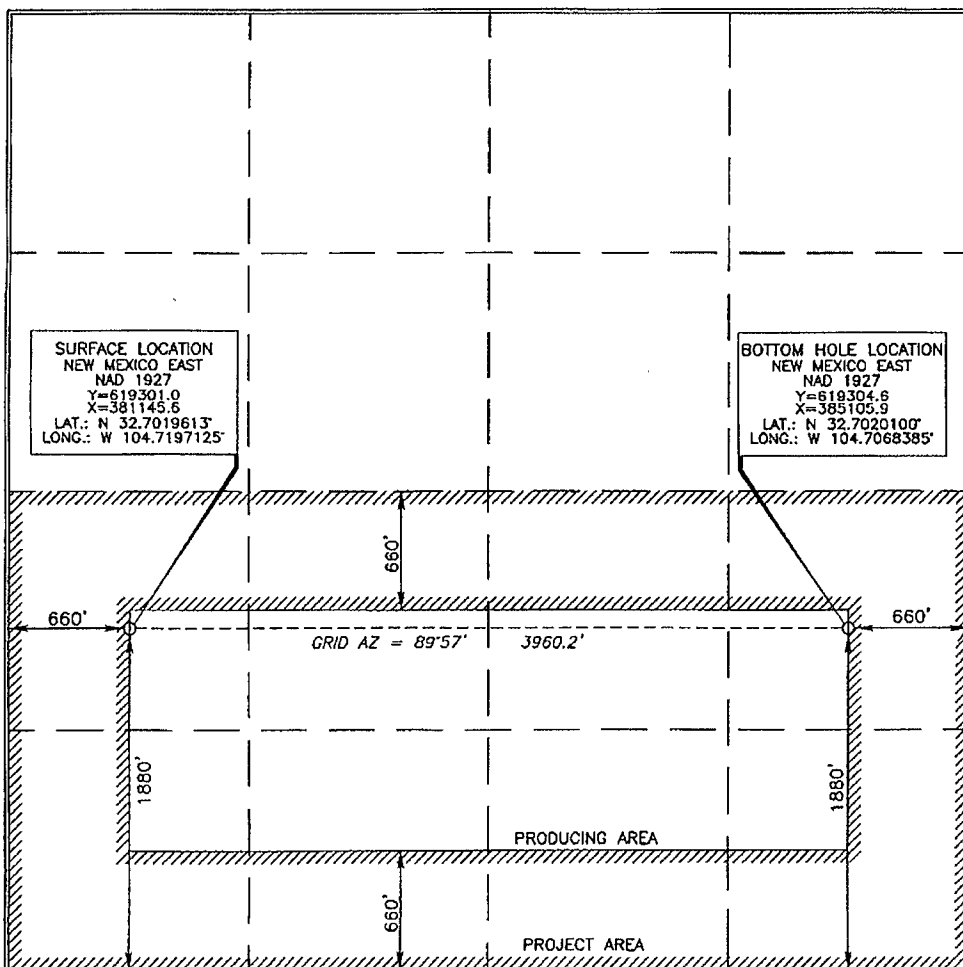
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	32	18 SOUTH	23 EAST, N.M.P.M.		1880'	SOUTH	660'	WEST	EDDY

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
I	32	18 SOUTH	23 EAST, N.M.P.M.		1880'	SOUTH	660'	EAST	EDDY

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 11/12/2007
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 professional surveyor made by me or under my supervision, and that the same is true and correct to the best of my belief.

OCTOBER 17 2007
Date of Survey

Signature and Seal of
Professional Surveyor

Terry J. Abel 10-19-2007
Certificate Number 15079

WO# 071017WL-c (KA)

OFFSETS IN SECTION 32

	D	C	B	A	
Mack (31)	E	EOG F	G	H	EOG (33)
Energy	L	(32) K	J	I	
	M	N	O	P	CD RAY
Bold (4) Energy		Parallel (5)			GATES (4)

Exhibit C

**Application of EOG Resources, Inc.
Simultaneous Dedication of
S/2 of Section 32, Township 18 South, Range 23 East, NMPM
Eddy County, New Mexico**

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

Mack Energy Corporation
Post Office Box 960
Artesia, New Mexico 88211-0960

Bold Energy
415 W. Wall Suite 500
Midland, TX 79701

Parallel Petroleum Corporation
Post Office Box 10587
Midland, TX 79702

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

C.D. Ray
303 Veterans Airpark Lane
Midland, TX 79705

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Wednesday, January 09, 2008 2:19 PM
To: 'Ocean Munds-Dry'
Subject: EOG - Salmon B32 State #2H

Dear Ocean

I have the referenced SD application before me.

Exhibit B indicates that EOG operates two of the offsetting units, but does not indicate ownership.

Please advise if EOG is 100% working interest owner or ownership of these units is identical with the S/2 of Section 32. Otherwise notice to working interest owners in these units is required.

Sincerely,

David

1/9/2008

Brooks, David K., EMNRD

From: Ocean Munds-Dry [Omundsdry@hollandhart.com]
Sent: Friday, January 11, 2008 1:03 PM
To: Brooks, David K., EMNRD
Subject: RE: EOG - Salmon B32 State #2H

David:

Thank you for your email. Working interest ownership is identical in the offsetting units.

Thanks,
Ocean

From: Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]
Sent: Wednesday, January 09, 2008 2:19 PM
To: Ocean Munds-Dry
Subject: EOG - Salmon B32 State #2H

Dear Ocean

I have the referenced SD application before me.

Exhibit B indicates that EOG operates two of the offsetting units, but does not indicate ownership.

Please advise if EOG is 100% working interest owner or ownership of these units is identical with the S/2 of Section 32. Otherwise notice to working interest owners in these units is required.

Sincerely,

David

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1/11/2008