



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

November 13, 2000

EOG Resources, Inc.
c/o William F. Carr
P. O. Box 2208
Santa Fe, New Mexico 87504-2208

Telefax No. (505) 983-6043

Administrative Order NSL-4525

Dear Mr. Carr:

Reference is made to the following: (i) your application on behalf of the operator, EOG Resources, Inc. ("EOG") dated November 9, 2000; (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe; and (iii) your telephone conversation with Mr. Michael E. Stogner, Engineer/Chief Hearing Officer on Thursday, November 9, 2000: all concerning EOG's request for an unorthodox wildcat gas well location in both the Morrow and deeper Mississippian formations for its proposed Conoco "22" Federal Com. Well No. 1 to be drilled 2310 feet from the North line and 1427 feet from the West line (Unit F) of Section 22, Township 16 South, Range 29 East, NMPM, Eddy County, New Mexico.

The W/2 of Section 22, being a standard 320-acre stand-up gas spacing and proration unit for both formations is to be dedicated to this well.

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

It is our understanding that EOG is seeking this location exception based on a 3-D seismic survey of the immediate area, which indicates that a well drilled at the proposed unorthodox gas well location will be at a more favorable geologic position within the shallower Morrow formation than a well drilled at a location considered to be standard within the NW/4 of Section 22. Topographic conditions further restrict placement of a drilling pad in the northern portion of this unit.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox wildcat gas well location to both the Morrow and Mississippian formations within this 320-acre unit comprising the W/2 of Section 22 is hereby approved.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad
File: Case No. 12544 ✓