



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

NOTE TO FILE: PMESD-531333843

FROM: Michael E. Stogner, Engineer *M.E.S.*

DATE: November 3, 2005

SUBJECT: EOG Resources, Inc.'s ("EOG") proposed Nile "22" State Com. Well No. 2 and Jordan "22" Fee Com. Well No. 1 to be drilled as horizontal infill wells within existing 320-acre project areas in Section 22, Township 17 South, Range 24 East, NMPM, Collins Ranch-Wolfcamp Gas Pool (75010), Eddy County, New Mexico.

Mr. William F. Carr, Legal Counsel for EOG, and I met this afternoon in the Division's record room at about 3:30 p.m. to discuss Division Rules 104.C (2) and 111 and how they apply to EOG's existing and proposed Wolfcamp development within Section 22. The similarities of EOG's intentions in Section 22 with their previous application and the provisions of Division Administrative Order SD-05-02 dated August 24, 2005, were also discussed.

From this discussion, I informed Mr. Carr that I could work with the information that he had provided me at our meeting and the Division's records to approval EOG's requests.

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, and Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-102
Revised August 15, 2000
Submit to Appropriate District Office
State Lease - 4 copies
Fee Lease - 3 copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name NILE STATE "22" COM	
⁶ OGRID No.	⁷ Operator Name EOG RESOURCES, INC.	⁸ Well Number 1
		⁹ Elevation 3753'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	22	17 SOUTH	24 EAST, N.M.P.M.		660'	SOUTH	1880'	WEST	EDDY

¹¹ 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
C	22	17 SOUTH	24 EAST, N.M.P.M.		660'	NORTH	1880'	WEST	EDDY

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

¹⁷ OPERATOR CERTIFICATION

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

Signature _____

Printed Name _____

Title _____

Date _____

¹⁸ 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.

AUGUST 2, 2004

Date of Survey _____

Signature and Seal of Professional Surveyor _____

Certificate Number
V. L. BEZNER R.P.S. #7820

JOB # 96623 / 101SE / E.U.O.

District II
1301 W. Grand Ave., Artesia, NM 88210
Phone:(505) 748-1283 Fax:(505) 748-9720

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-101
Permit 17260

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address EOG RESOURCES INC PO Box 2267 Midland, TX 79702		2. OGRID Number 7377
		3. API Number
4. Property Code 34244	5. Property Name NILE 22 STATE COM	6. Well No. 002H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	22	17S	24E	M	960	S	760	W	EDDY

8. Pool Information

COLLINS RANCH, WOLFCAMP (GAS) 75010

Additional Well Information

9. Work Type New Well	10. Well Type GAS	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3765
14. Multiple N	15. Proposed Depth 5400	16. Formation Wolfcamp	17. Contractor	18. Spud Date 11/15/2005
Depth to Ground water 100		Distance from nearest fresh water well > 1000		Distance to nearest surface water 300
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 mils thick Clay <input type="checkbox"/> Pit Volume: 7000 bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input checked="" type="checkbox"/> Gas/Air <input type="checkbox"/>				

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	8.625	32	900	325	0
Prod	7.875	4.5	11.6	8455	900	0

Casing/Cement Program: Additional Comments

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Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	3000	3000	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input checked="" type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	OIL CONSERVATION DIVISION	
	Approved By:	
	Title:	
	Approved Date:	Expiration Date:
	Conditions of Approval Attached	

Printed Name: Electronically filed by Mike Francis
Title: ROW Agent
Email Address: mike_francis@eogresources.com
Date: 10/21/2005 Phone: 4326863714

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1. API Number	2. Pool Code 75010	3. Pool Name COLLINS RANCH; WOLFCAMP (GAS)
4. Property Code 34244	5. Property Name NILE 22 STATE COM	6. Well No. 002H
7. OGRJD No. 7377	8. Operator Name EOG RESOURCES INC	9. Elevation 3765

10. Surface Location

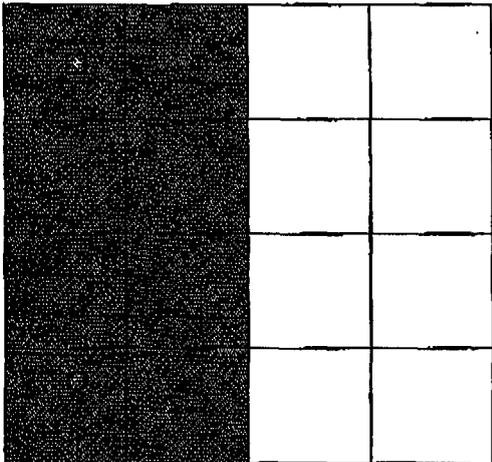
UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	22	17S	24E	M	960	S	760	W	EDDY

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	22	17S	24E		660	N	760	W	EDDY

12. Dedicated Acres 320.00	13. Joint or Infill	14. Consolidation Code	15. Order No.
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	OPERATOR CERTIFICATION	
	<i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>	
	E-Signed By: Mike Francis Title: ROW Agent Date: 10/21/2005	
	SURVEYOR CERTIFICATION	
<i>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.</i>		
Surveyed By: V.L. Bezner Date of Survey: 9/30/2005 Certificate Number: 7920		

Permit Conditions of Approval

Operator: EOG RESOURCES INC , 7377

Well: NILE 22 STATE COM #002H

API:

OCD Reviewer	Condition
BArrant	Will require a directional survey with the C-104
BArrant	Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines
BArrant	Will require administrative order for non-standard spacing unit

Permit Comments

Operator: **EOG RESOURCES INC , 7377**

Well: **NILE 22 STATE COM #002H**

API:

Created By	Comment	Comment Date
MFRANCIS	Plat, Detailed Casing, Mud, Cement and Drilling Plan along with H2S Letter being mailed	10/19/2005
BArrant	AS NOTED IN SAME PROATION UNIT, ANOTHER WELL IS PROJECTED TO PRODUCE FROM SAME FORMATION. AN ADMISTRATIVE ORDER IS REQUIRED FOR APPROVAL IN PART OF APD.	10/24/2005

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WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code		Pool Name	
Property Code	Property Name NILE STATE "22" COM				Well Number 2H
GRID No.	Operator Name EOG RESOURCES, INC.				Elevation 3765'

Surface Location

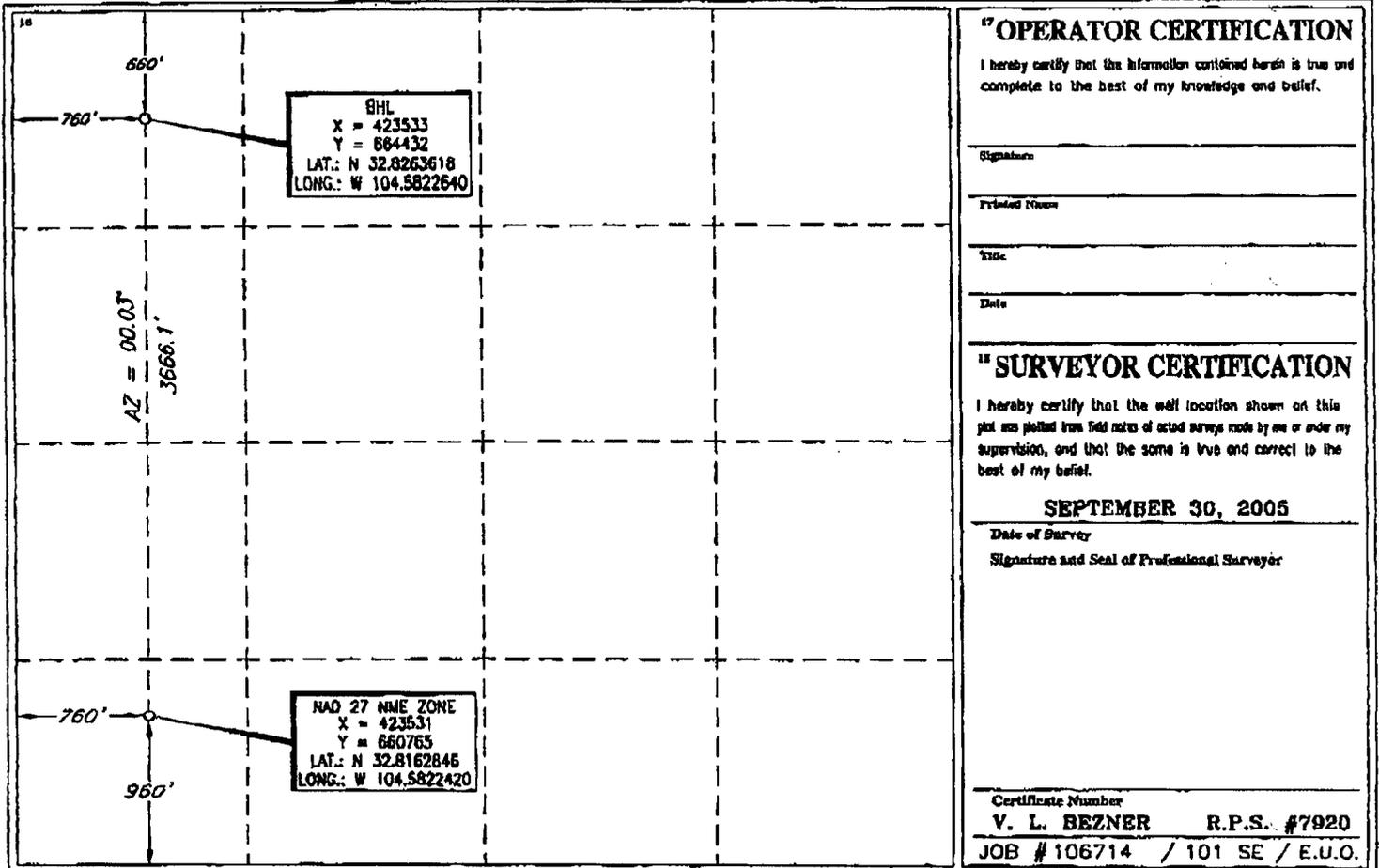
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	22	17 SOUTH	24 EAST, N.M.P.M.		860'	SOUTH	760'	WEST	EDDY

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
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Standard 640-acre Section

Sec : 22 Twp : 17S Rng : 24E Section Type : NORMAL

<p>D 40.00 Federal owned C</p>	<p>C 40.00 Federal owned C</p>	<p>B 40.00 Federal owned C</p>	<p>A 40.00 Federal owned C</p>
<p>E 40.00 Federal owned C</p>	<p>F 40.00 Federal owned C</p>	<p>G 40.00 Federal owned C</p>	<p>H 40.00 Federal owned C</p>
<p>L 40.00 CS V07123 0000 CAPSTONE OIL & GA C 08/01/09</p>	<p>K 40.00 CS V07123 0000 CAPSTONE OIL & GA C 08/01/09</p>	<p>J 40.00 CS V07123 0000 CAPSTONE OIL & GA C 08/01/09</p>	<p>I 40.00 CS V07123 0000 CAPSTONE OIL & GA C 08/01/09</p>
<p>M 40.00 CS V07123 0000 CAPSTONE OIL & GA C 08/01/09</p>	<p>N 40.00 CS V07123 0000 CAPSTONE OIL & GA C 08/01/09</p>	<p>O 40.00 Fee owned C</p>	<p>P 40.00 Fee owned C</p>