

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.

Print or Type Name _____ Signature _____ Title _____ Date _____
 e-mail Address _____



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

December 5, 2005

State of New Mexico Energy, Minerals and natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico

RECEIVED
L-0-1-2-2005
OIL C

Re: EOG Resources, Inc.
Danube "14" Fee No. 2H Well
Eddy County, New Mexico

30-DIS - 34494

Gentlemen:

EOG Resources, Inc, is planning to drill the subject well at any early date. In order to expedite your approval of the Federal Permit To Drill the well, I have enclosed for your review the following:

1. H₂S Waiver.
2. Detailed Casing, Cement and Mud Programs.
3. Planning Report.
4. Revised C-102 showing Prospect Area, Producing Area, and Point of Entry for this well.

Since this well will be in the same spacing unit as the Number 1 well, I am by copy of this letter, transmitting the same data to Bill Carr (EOG's attorney) for his handling of a Division Administrative Order.

Please call if I can be of further assistance.

Very truly yours,

EOG Resources, Inc.

Mike Francis
Mike Francis

Senior ROW and Lease Operations Agent

MF/pcl
Enclosures

xc: Mr. William Carr
Campbell, Carr & Berge P.A.
P. O. Box 2208
Santa Fe, New Mexico 87504-2208

w/enclosures

Donny Stanton
Note: met w/ Pat
Tower and
discussed
EOG's horizontal
plans.
on 1-11-2006



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

October 17, 2005

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

To Whom It May Concern:

I am writing to request a waiver for the inclusion of an H₂S Contingency Plan for the Danube 14 Fed Com #2H. The current plan is to complete this well in the Wolfcamp, which is sweet, and I do not anticipate encountering any H₂S bearing formations during drilling operations.

Sincerely,

A handwritten signature in black ink, appearing to read "Jason LaGrega", written over a horizontal line.

Jason LaGrega
Drilling Engineer

Permit Information:

Well Name: Danube 14 Fed Com #2H

Location:

SL 230' FSL & 330' FEL, Section 14, T-17-S, R-24-E, Eddy Co., N.M.

BHL 660' FNL & 760' FEL, Section 14, T-17-S, R-24-E, Eddy Co., N.M.

Casing Program:

Casing	Setting Depth	Hole Size	Casing Size	Casing Weight	Casing Grade	Desired TOC
Surface	900'	12-1/4"	8-5/8"	32#	J-55	Surface
Production	9,313'	7-7/8"	4 1/2"	11.6/ 13.5 #	P-110	Surface

Cement Program:

Depth	No. Sacks	Slurries:
900'	150	Lead: Premium Plus + 2% CaCl ₂ + 3% Econolite + 1/4 pps Flocele
	175	Tail: Premium Plus + 2% CaCl ₂ + 1/4 pps Flocele
9,313'	450	Lead: Interfill C + 1/4 pps Flocele
	400	Tail: Premium Cement + 100% Acid Soluble Additive + 0.6% Halad®-344 + 0.8% Econolite + 0.2% HR-55

Mud Program:

Depth	Type	Weight (ppg)	Viscosity	Water Loss
0 - 900'	Fresh - Gel	8.6-8.8	28-34	N/c
900' - 4,400'	Cut Brine	8.8-9.2	28-34	N/c
4,400' - 5,400'	Cut Brine	8.8-9.2	28-34	10-15
4,668' - 9,313'	Polymer (Lateral)	9.0-9.4	40-45	10-20

EOG Resources Inc

Planning Report

Database: RDRILL.eogresources.com
Company: EOG Midland
Project: Thames
Site: Danube 14 Fed Com #2H
Well: Danube 14 Fed Com #2H
Wellbore: Danube 14 Fed Com #2H
Design: Plan #1

Local Co-ordinate Reference: Well Danube 14 Fed Com #2H
TVD Reference: WELL @ 3733.0ft (Original Well Elev)
MD Reference: WELL @ 3733.0ft (Original Well Elev)
North Reference: Grid
Survey Calculation Method: Minimum Curvature

Project	Thames		
Map System:	US State Plane 1927 (Exact solution)	System Datum:	Mean Sea Level
Geo Datum:	NAD 1927 (NADCON CONUS)		
Map Zone:	New Mexico East 3001		

Site	Danube 14 Fed Com #2H				
Site Position:		Northing:	665,451.00ft	Latitude:	32° 49' 45.198 N
From:	Map	Easting:	433,053.00ft	Longitude:	104° 33' 4.605 W
Position Uncertainty:	0.0 ft	Slot Radius:	"	Grid Convergence:	-0.12 °

Well	Danube 14 Fed Com #2H					
Well Position	+N-S	0.0 ft	Northing:	665,451.00 ft	Latitude:	32° 49' 45.198 N
	+E-W	0.0 ft	Easting:	433,053.00 ft	Longitude:	104° 33' 4.605 W
Position Uncertainty		0.0 ft	Wellhead Elevation:	ft	Ground Level:	3,715.0ft

Wellbore	Danube 14 Fed Com #2H				
Magnetics	Model Name	Sample Date	Declination	Dip Angle	Field Strength
			(°)	(°)	(nT)
	IGRF2000	12/31/2004	9.06	60.81	49,665

Design	Plan #1				
Audit Notes:					
Version:	Phase:	PROTOTYPE	Tie On Depth:	0.0	
Vertical Section:	Depth From (TVD)	+N-S	+E-W	Direction	
	(ft)	(ft)	(ft)	(°)	
	0.0	0.0	0.0	354.13	

Plan Sections										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N-S (ft)	+E-W (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.00	0.00	
4,618.0	0.00	0.00	4,618.0	0.0	0.0	0.00	0.00	0.00	0.00	
5,105.2	73.08	302.95	4,983.4	147.3	-227.2	15.00	15.00	0.00	302.95	
5,563.4	91.53	359.85	5,050.0	530.0	-430.0	12.88	4.03	12.42	77.58	LP(Danube#2H)
5,563.4	91.53	359.85	5,050.0	530.0	-430.0	3.00	0.00	0.00	0.00	
9,312.6	91.53	359.85	4,950.0	4,277.9	-440.0	0.00	0.00	0.00	0.00	
9,312.7	91.53	359.85	4,950.0	4,278.0	-440.0	3.00	1.51	2.60	59.87	BHL(Danube#2H)

EOG Resources Inc

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MD Reference: WELL @ 3733.0ft (Original Well Elev)
North Reference: Grid
Survey Calculation Method: Minimum Curvature

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	0.00
100.0	0.00	0.00	100.0	0.0	0.0	0.0	0.00	0.00	0.00
200.0	0.00	0.00	200.0	0.0	0.0	0.0	0.00	0.00	0.00
300.0	0.00	0.00	300.0	0.0	0.0	0.0	0.00	0.00	0.00
400.0	0.00	0.00	400.0	0.0	0.0	0.0	0.00	0.00	0.00
500.0	0.00	0.00	500.0	0.0	0.0	0.0	0.00	0.00	0.00
600.0	0.00	0.00	600.0	0.0	0.0	0.0	0.00	0.00	0.00
700.0	0.00	0.00	700.0	0.0	0.0	0.0	0.00	0.00	0.00
800.0	0.00	0.00	800.0	0.0	0.0	0.0	0.00	0.00	0.00
900.0	0.00	0.00	900.0	0.0	0.0	0.0	0.00	0.00	0.00
1,000.0	0.00	0.00	1,000.0	0.0	0.0	0.0	0.00	0.00	0.00
1,100.0	0.00	0.00	1,100.0	0.0	0.0	0.0	0.00	0.00	0.00
1,200.0	0.00	0.00	1,200.0	0.0	0.0	0.0	0.00	0.00	0.00
1,300.0	0.00	0.00	1,300.0	0.0	0.0	0.0	0.00	0.00	0.00
1,400.0	0.00	0.00	1,400.0	0.0	0.0	0.0	0.00	0.00	0.00
1,500.0	0.00	0.00	1,500.0	0.0	0.0	0.0	0.00	0.00	0.00
1,600.0	0.00	0.00	1,600.0	0.0	0.0	0.0	0.00	0.00	0.00
1,700.0	0.00	0.00	1,700.0	0.0	0.0	0.0	0.00	0.00	0.00
1,800.0	0.00	0.00	1,800.0	0.0	0.0	0.0	0.00	0.00	0.00
1,900.0	0.00	0.00	1,900.0	0.0	0.0	0.0	0.00	0.00	0.00
2,000.0	0.00	0.00	2,000.0	0.0	0.0	0.0	0.00	0.00	0.00
2,100.0	0.00	0.00	2,100.0	0.0	0.0	0.0	0.00	0.00	0.00
2,200.0	0.00	0.00	2,200.0	0.0	0.0	0.0	0.00	0.00	0.00
2,300.0	0.00	0.00	2,300.0	0.0	0.0	0.0	0.00	0.00	0.00
2,400.0	0.00	0.00	2,400.0	0.0	0.0	0.0	0.00	0.00	0.00
2,500.0	0.00	0.00	2,500.0	0.0	0.0	0.0	0.00	0.00	0.00
2,600.0	0.00	0.00	2,600.0	0.0	0.0	0.0	0.00	0.00	0.00
2,700.0	0.00	0.00	2,700.0	0.0	0.0	0.0	0.00	0.00	0.00
2,800.0	0.00	0.00	2,800.0	0.0	0.0	0.0	0.00	0.00	0.00
2,900.0	0.00	0.00	2,900.0	0.0	0.0	0.0	0.00	0.00	0.00
3,000.0	0.00	0.00	3,000.0	0.0	0.0	0.0	0.00	0.00	0.00
3,100.0	0.00	0.00	3,100.0	0.0	0.0	0.0	0.00	0.00	0.00
3,200.0	0.00	0.00	3,200.0	0.0	0.0	0.0	0.00	0.00	0.00
3,300.0	0.00	0.00	3,300.0	0.0	0.0	0.0	0.00	0.00	0.00
3,400.0	0.00	0.00	3,400.0	0.0	0.0	0.0	0.00	0.00	0.00
3,500.0	0.00	0.00	3,500.0	0.0	0.0	0.0	0.00	0.00	0.00
3,600.0	0.00	0.00	3,600.0	0.0	0.0	0.0	0.00	0.00	0.00
3,700.0	0.00	0.00	3,700.0	0.0	0.0	0.0	0.00	0.00	0.00
3,800.0	0.00	0.00	3,800.0	0.0	0.0	0.0	0.00	0.00	0.00
3,900.0	0.00	0.00	3,900.0	0.0	0.0	0.0	0.00	0.00	0.00
4,000.0	0.00	0.00	4,000.0	0.0	0.0	0.0	0.00	0.00	0.00
4,100.0	0.00	0.00	4,100.0	0.0	0.0	0.0	0.00	0.00	0.00
4,200.0	0.00	0.00	4,200.0	0.0	0.0	0.0	0.00	0.00	0.00
4,300.0	0.00	0.00	4,300.0	0.0	0.0	0.0	0.00	0.00	0.00
4,400.0	0.00	0.00	4,400.0	0.0	0.0	0.0	0.00	0.00	0.00
4,500.0	0.00	0.00	4,500.0	0.0	0.0	0.0	0.00	0.00	0.00
4,600.0	0.00	0.00	4,600.0	0.0	0.0	0.0	0.00	0.00	0.00
4,618.0	0.00	0.00	4,618.0	0.0	0.0	0.0	0.00	0.00	0.00
4,700.0	12.30	302.95	4,699.4	4.8	-7.4	5.5	15.00	15.00	0.00
4,800.0	27.30	302.95	4,793.2	23.1	-35.7	26.7	15.00	15.00	0.00
4,900.0	42.30	302.95	4,875.1	54.1	-83.5	62.4	15.00	15.00	0.00
5,000.0	57.30	302.95	4,939.4	95.5	-147.4	110.1	15.00	15.00	0.00
5,100.0	72.30	302.95	4,981.9	144.6	-223.1	166.7	15.00	15.00	0.00
5,105.2	73.08	302.95	4,983.4	147.3	-227.2	169.8	15.00	15.00	0.00

EOG Resources Inc

Planning Report

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North Reference: Grid
Survey Calculation Method: Minimum Curvature

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
5,200.0	76.06	315.25	5,008.8	204.9	-297.9	234.3	12.88	3.14	12.96
5,300.0	79.85	327.84	5,029.7	281.3	-358.6	316.5	12.88	3.79	12.59
5,400.0	84.10	340.13	5,043.7	370.1	-401.8	409.3	12.88	4.26	12.28
5,500.0	88.62	352.22	5,050.1	466.8	-425.6	507.9	12.88	4.52	12.09
5,563.4	91.53	359.85	5,050.0	530.0	-430.0	571.2	12.88	4.59	12.04
5,600.0	91.53	359.85	5,049.0	566.6	-430.1	607.6	0.00	0.00	0.00
5,700.0	91.53	359.85	5,046.4	666.6	-430.4	707.1	0.00	0.00	0.00
5,800.0	91.53	359.85	5,043.7	766.5	-430.6	806.6	0.00	0.00	0.00
5,900.0	91.53	359.85	5,041.0	866.5	-430.9	906.0	0.00	0.00	0.00
6,000.0	91.53	359.85	5,038.4	966.5	-431.2	1,005.5	0.00	0.00	0.00
6,100.0	91.53	359.85	5,035.7	1,066.4	-431.4	1,105.0	0.00	0.00	0.00
6,200.0	91.53	359.85	5,033.0	1,166.4	-431.7	1,204.4	0.00	0.00	0.00
6,300.0	91.53	359.85	5,030.4	1,266.4	-432.0	1,303.9	0.00	0.00	0.00
6,400.0	91.53	359.85	5,027.7	1,366.3	-432.2	1,403.4	0.00	0.00	0.00
6,500.0	91.53	359.85	5,025.0	1,466.3	-432.5	1,502.8	0.00	0.00	0.00
6,600.0	91.53	359.85	5,022.4	1,566.3	-432.8	1,602.3	0.00	0.00	0.00
6,700.0	91.53	359.85	5,019.7	1,666.2	-433.0	1,701.8	0.00	0.00	0.00
6,800.0	91.53	359.85	5,017.0	1,766.2	-433.3	1,801.2	0.00	0.00	0.00
6,900.0	91.53	359.85	5,014.4	1,866.2	-433.6	1,900.7	0.00	0.00	0.00
7,000.0	91.53	359.85	5,011.7	1,966.1	-433.8	2,000.2	0.00	0.00	0.00
7,100.0	91.53	359.85	5,009.0	2,066.1	-434.1	2,099.7	0.00	0.00	0.00
7,200.0	91.53	359.85	5,006.3	2,166.0	-434.4	2,199.1	0.00	0.00	0.00
7,300.0	91.53	359.85	5,003.7	2,266.0	-434.6	2,298.6	0.00	0.00	0.00
7,400.0	91.53	359.85	5,001.0	2,366.0	-434.9	2,398.1	0.00	0.00	0.00
7,500.0	91.53	359.85	4,998.3	2,465.9	-435.2	2,497.5	0.00	0.00	0.00
7,600.0	91.53	359.85	4,995.7	2,565.9	-435.4	2,597.0	0.00	0.00	0.00
7,700.0	91.53	359.85	4,993.0	2,665.9	-435.7	2,696.5	0.00	0.00	0.00
7,800.0	91.53	359.85	4,990.3	2,765.8	-436.0	2,795.9	0.00	0.00	0.00
7,900.0	91.53	359.85	4,987.7	2,865.8	-436.2	2,895.4	0.00	0.00	0.00
8,000.0	91.53	359.85	4,985.0	2,965.8	-436.5	2,994.9	0.00	0.00	0.00
8,100.0	91.53	359.85	4,982.3	3,065.7	-436.8	3,094.3	0.00	0.00	0.00
8,200.0	91.53	359.85	4,979.7	3,165.7	-437.0	3,193.8	0.00	0.00	0.00
8,300.0	91.53	359.85	4,977.0	3,265.6	-437.3	3,293.3	0.00	0.00	0.00
8,400.0	91.53	359.85	4,974.3	3,365.6	-437.6	3,392.7	0.00	0.00	0.00
8,500.0	91.53	359.85	4,971.7	3,465.6	-437.8	3,492.2	0.00	0.00	0.00
8,600.0	91.53	359.85	4,969.0	3,565.5	-438.1	3,591.7	0.00	0.00	0.00
8,700.0	91.53	359.85	4,966.3	3,665.5	-438.4	3,691.1	0.00	0.00	0.00
8,800.0	91.53	359.85	4,963.7	3,765.5	-438.6	3,790.6	0.00	0.00	0.00
8,900.0	91.53	359.85	4,961.0	3,865.4	-438.9	3,890.1	0.00	0.00	0.00
9,000.0	91.53	359.85	4,958.3	3,965.4	-439.2	3,989.5	0.00	0.00	0.00
9,100.0	91.53	359.85	4,955.7	4,065.4	-439.4	4,089.0	0.00	0.00	0.00
9,200.0	91.53	359.85	4,953.0	4,165.3	-439.7	4,188.5	0.00	0.00	0.00
9,300.0	91.53	359.85	4,950.3	4,265.3	-440.0	4,287.9	0.00	0.00	0.00
9,312.6	91.53	359.85	4,950.0	4,277.9	-440.0	4,300.5	0.00	0.00	0.00
9,312.7	91.53	359.85	4,950.0	4,278.0	-440.0	4,300.6	3.00	1.51	2.60

5'21
 4813
 5350
 3763

EOG Resources Inc

Planning Report

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Survey Calculation Method: Minimum Curvature

Targets

Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
BHL(Danube#2H) - plan hits target - Point	0.00	0.00	4,950.0	4,278.0	-440.0	669,729.00	432,613.00	32° 50' 27.521 N	104° 33' 9.865 W
LP(Danube#2H) - plan hits target - Point	0.00	0.00	5,050.0	530.0	-430.0	665,981.00	432,623.00	32° 49' 50.434 N	104° 33' 9.657 W

SITE DETAILS: Danube 14 Fed Com #2H

Site Centre Northing: 665451.00
 Easting: 433053.00

Positional Uncertainty: 0.0
 Convergence: -0.12
 Local North: Grid

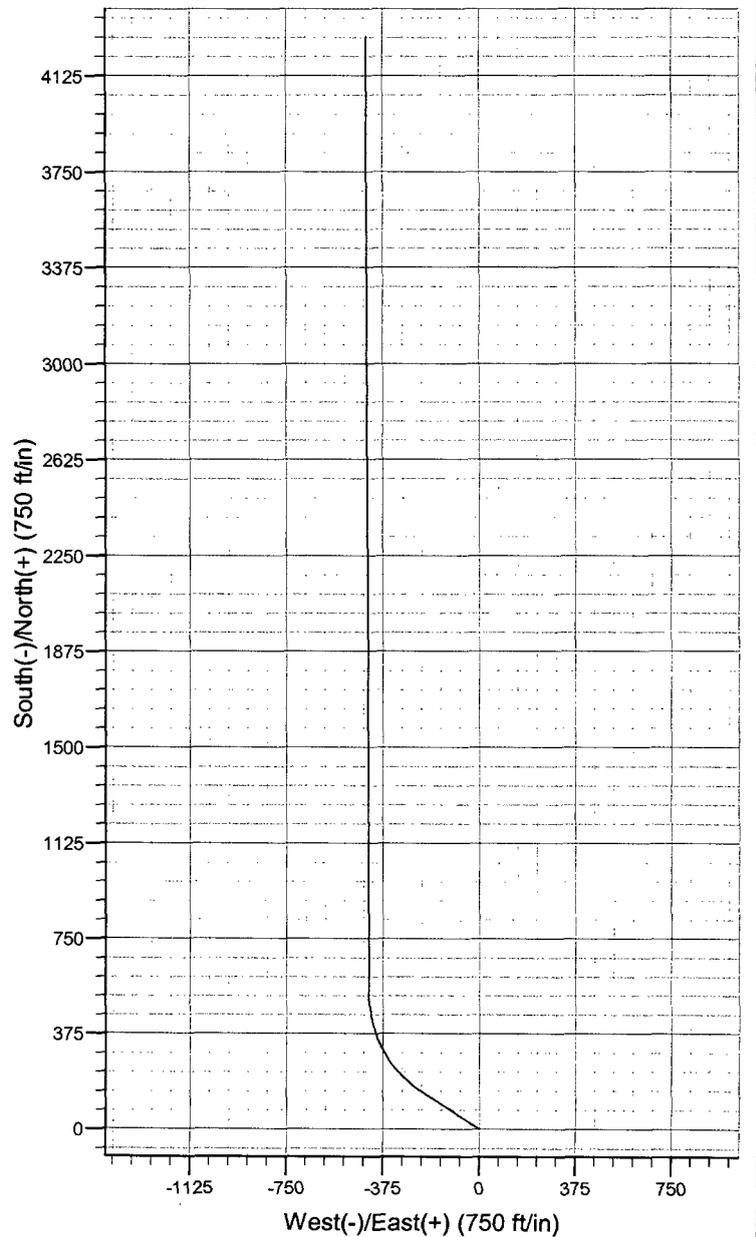
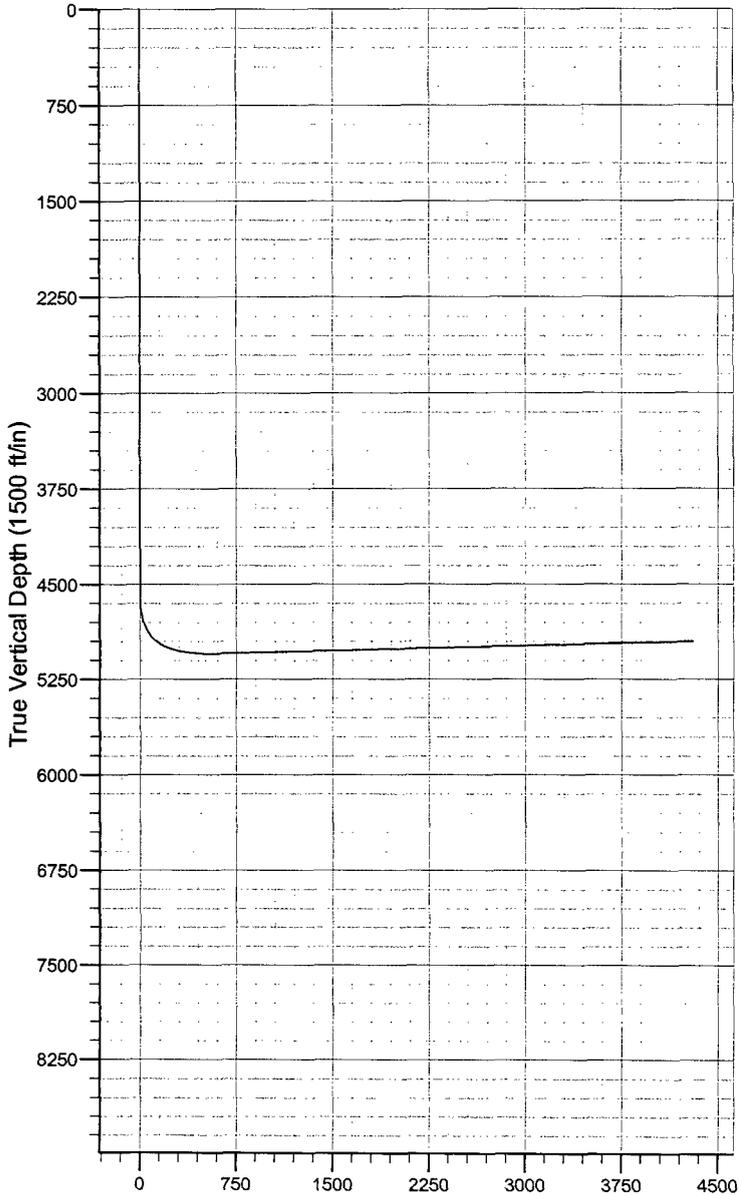
PROJECT DETAILS: Thames

Geodetic System: US State Plane 1927 (Exact solution)
 Datum: NAD 1927 (NADCON CONUS)
 Ellipsoid: Clarke 1866
 Zone: New Mexico East 3001

System Datum: Mean Sea Level

SECTION DETAILS

MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.0	
4618.0	0.00	0.00	4618.0	0.0	0.0	0.00	0.00	0.0	
5105.2	73.08	302.95	4983.4	147.3	-227.2	15.00	302.95	169.8	
5563.4	91.53	359.85	5050.0	530.0	-430.0	12.88	77.58	571.2	LP(Danube#2H)
5563.4	91.53	359.85	5050.0	530.0	-430.0	3.00	0.00	571.2	
9312.6	91.53	359.85	4950.0	4277.9	-440.0	0.00	0.00	4300.5	
9312.7	91.53	359.85	4950.0	4278.0	-440.0	3.00	59.87	4300.6	BHL(Danube#2H)



DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

State of New Mexico
Energy, Minerals, and Natural Resources Department

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

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

OIL CONSERVATION DIVISION

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

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name
	96623	Collins Ranch NE, wolfcamp gas
⁴ Property Code	⁵ Property Name	
	DANUBE "14" FED COM	
⁷ OGRID No.	⁸ Operator Name	⁶ Well Number
7377	EOG RESOURCES, INC.	2H
		⁹ Elevation
		3715'

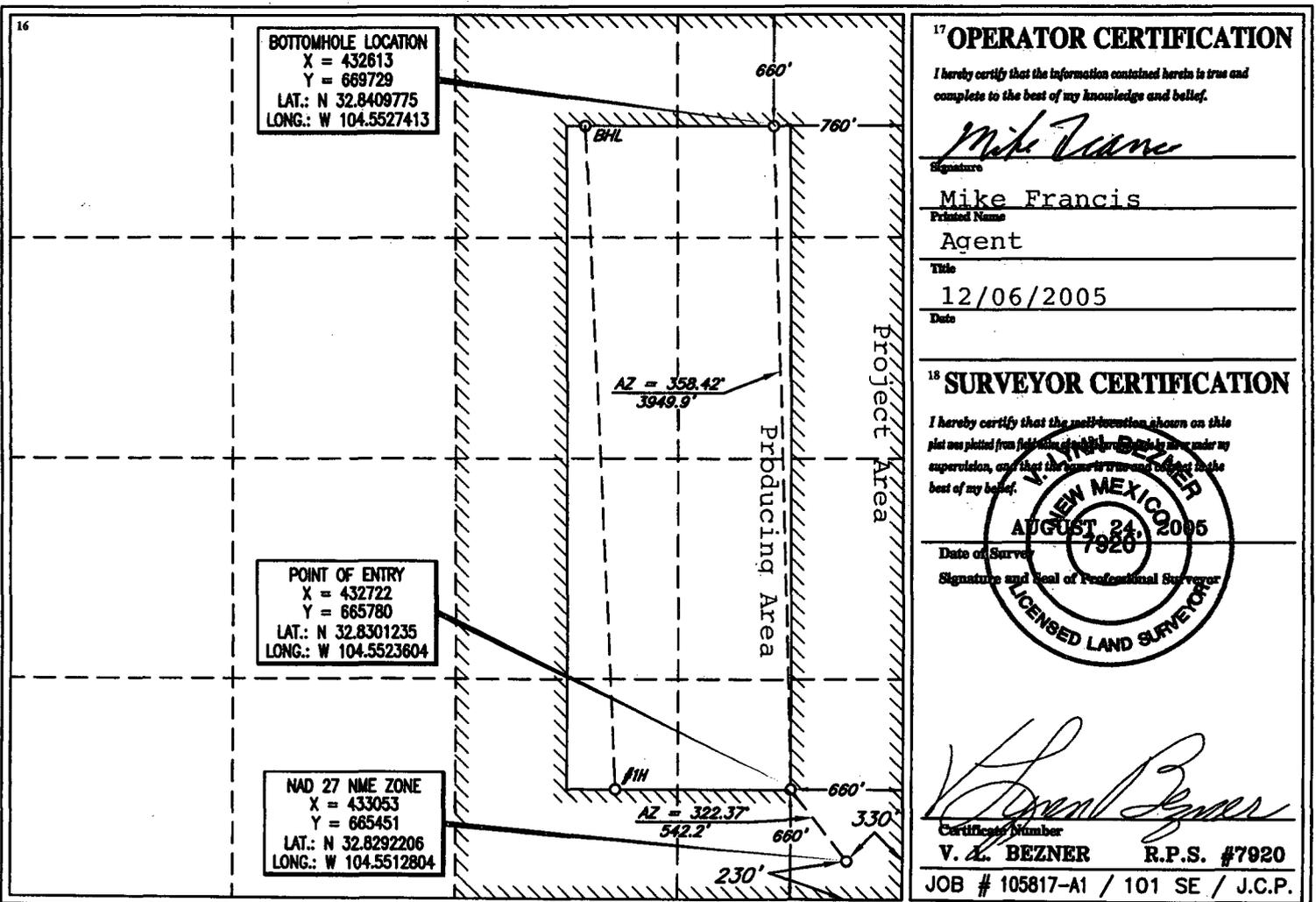
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	14	17 SOUTH	24 EAST, N.M.P.M.		230'	SOUTH	330'	EAST	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
A	14	17 SOUTH	24 EAST, N.M.P.M.		660'	NORTH	760'	EAST	EDDY
¹² Dedicated Acres		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			
320									

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





NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

November 16, 2005

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

EOG Resources, Inc.
c/o **Holland & Hart LLP**
P. O. Box 2208
Santa Fe, New Mexico 87504-2208

Attention: **William F. Carr**

RE: Division Administrative Order SD-05-08

Dear Mr. Carr:

Reference is made to: (i) your meeting in Santa Fe, New Mexico at the New Mexico Oil Conservation Division's office on Thursday afternoon, November 3, 2005 with Mr. Michael E. Stogner, Engineer, concerning EOG Resources, Inc.'s ("EOG") plans for additional development within its recently established high angle/horizontal directional drilling project area pursuant to Division Rule 111.A (9) comprising a single 320-acre deep gas spacing unit in the Collins Ranch-Wolfcamp Gas Pool (75010) underlying the E/2 of Section 22, Township 17 South, Range 24 East, NMPM, Eddy County, New Mexico; (ii) Mr. Stogner's e-mail of Wednesday morning, November 9, 2005 requesting additional information on EOG's Jordan "22" Fee Com. Well No. 1H (API No. 30-15-34048); and (iii) your reply by letter on November 15, 2005 with the necessary information to complete the Division's review of EOG's plans with respect to the applicable rules and procedures.

For administrative and record keeping purposes I have assigned this matter **Division application reference No. pMES0-531334263**.

The Collins Ranch-Wolfcamp Gas Pool is currently governed under the provisions of Division Rule 104.C (2), which provides for: (i) 320-acre spacing units comprising any two contiguous quarter sections of a single governmental section; (ii) wells to be located not closer to a quarter section line than 660 feet nor closer to any internal quarter-quarter section line than 10 feet, and (iii) allows for an optional infill well within an existing unit provided the infill well is located in the quarter section not containing the unit's initial producing gas well.

The Division's records indicate that EOG recently drilled (spud date: May 16, 2005) the aforementioned Jordan "22" Fee Com. Well No. 1H from a surface location 660 feet from the South line and 760 feet from the East line (Unit P) of Section 22 and completed the well within the Collins Ranch-Wolfcamp Gas Pool with a horizontal drainhole ending at a measured depth of approximately 8,402 feet at a bottomhole location 894 feet from the North line and 753 feet from the East line (Unit A) of Section 22. The wellbore directional survey shows the path of this wellbore within the Collins Ranch-Wolfcamp Gas Pool to be a standard pursuant to Division Rules 104.C (2) (a) and 111.A (7).

It is the Division's understanding however that EOG now intends to horizontally drill and complete its proposed Jordan "22" Fee Com. Well No. 2H (API No. 30-015-34426) as an infill gas well within this existing 320-acre project area from a surface location 660 feet from the South line and 1880 feet from the East line (Unit O) of Section 22, which is also within the southern half of the SE/4 of Section 22 as EOG's existing Jordan "22" Fee Com. Well No. 1H, in such a manner that its path meets the set-back requirements of Division Rules 104.C (2) (b) and 111.A (7) for deep gas wells in southeast New Mexico to a targeted standard bottomhole, or subsurface end-point, location 660 feet from the North line and 1880 feet from the East line (Unit B) of Section 22.

Under the authority granted me under Division Rule 111.D (2), EOG shall be permitted to proceed with its intended development of the Wolfcamp formation within the E/2 of Section 22 with the drilling of its proposed Jordan "22" Fee Com. Well No. 2H; provided however, the path of the wellbore within the Collins Ranch-Wolfcamp Gas Pool shall conform to the standard set back requirements of 660 feet as required under Division Rules 104.C (2), 111.A (7), and 111.C (1).

IT IS FURTHER ORDERED THAT, should the proposed Jordan "22" Fee Com. Well No. 2H not be drilled and completed with a horizontal drainhole as proposed above, this order shall be null and void, and the operator shall abandon and plug off the Wolfcamp interval within this well.

The operator shall comply with all applicable requirements and conditions set forth in Division Rule 111.

Jurisdiction of this cause is retained for the entry of such orders as the Division may deem necessary.

Sincerely,



Mark E. Fesmire, P. E.

Director

MEF/ms

cc: New Mexico Oil Conservation Division – Artesia
U. S. Bureau of Land Management – Carlsbad
New Mexico State Land Office – Santa Fe
File: Division Administrative Order SD-05-07 (*Division administrative application*
Reference No. pMES0-531333843)



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

November 9, 2005

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

EOG Resources, Inc.
c/o Holland & Hart LLP
P. O. Box 2208
Santa Fe, New Mexico 87504-2208

Attention: William F. Carr

RE: Division Administrative Order SD-05-07

Dear Mr. Carr:

Reference is made to your meeting in Santa Fe, New Mexico at the New Mexico Oil Conservation Division's office on Thursday afternoon, November 3, 2005 with Mr. Michael E. Stogner, Engineer, concerning EOG Resources, Inc.'s ("EOG") plans for additional development within its recently established high angle/horizontal directional drilling project area pursuant to Division Rule 111.A (9) comprising a single 320-acre deep gas spacing unit in the Collins Ranch-Wolfcamp Gas Pool (75010) underlying the W/2 of Section 22, Township 17 South, Range 24 East, NMPM, Eddy County, New Mexico.

For administrative and record keeping purposes I have assigned this matter **Division application reference No. pMES0-531333843**.

The Collins Ranch-Wolfcamp Gas Pool is currently governed under the provisions of Division Rule 104.C (2), which provides for: (i) 320-acre spacing units comprising any two contiguous quarter sections of a single governmental section; (ii) wells to be located not closer to a quarter section line than 660 feet nor closer to any internal quarter-quarter section line than 10 feet, and (iii) allows for an optional infill well within an existing unit provided the infill well is located in the quarter section not containing the unit's initial producing gas well.

The Division's records indicate that EOG recently drilled (spud date: January 2, 2005) its Nile "22" State Com. Well No. 1 (API No. 30-015-33597) from a surface location 660 feet from the South line and 1880 feet from the West line (Unit N) of Section 22 and completed the well within the Collins Ranch-Wolfcamp Gas Pool with a horizontal drainhole with its end point, or bottomhole location, being 1333 feet from the North line and 1870 feet from the West line (Unit C) of Section 22. The wellbore directional survey shows the path of this wellbore within the Collins Ranch-Wolfcamp Gas Pool to be a standard pursuant to Division Rules 104.C (2) (a) and 111.A (7).

It is the Division's understanding however that EOG now intends to horizontally drill and complete its proposed Nile "22" State Com. Well No. 2H as an infill gas well within this existing 320-acre project area from a surface location 960 feet from the South line and 760 feet from the West line (Unit M) of Section 22, which is also within the southern half of the SW/4 of Section 22 as EOG's existing Nile "22" State Com. Well No. 1, in such a manner that its path meets the set-back requirements of Division Rules 104.C (2) (b) and 111.A (7) for deep gas wells in southeast New Mexico to a targeted standard bottomhole, or subsurface end-point, location 660 feet from the North line and 760 feet from the West line (Unit D) of Section 22.

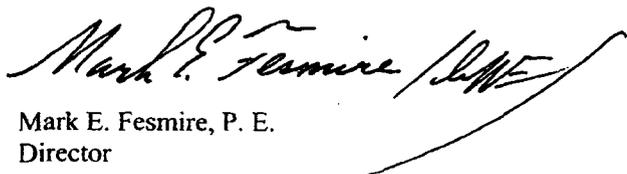
Under the authority granted me under Division Rule 111.D (2), EOG shall be permitted to proceed with its intended development of the Wolfcamp formation within the W/2 of Section 22 with the drilling of its proposed Nile "22" State Com. Well No. 2H; provided however, the path of the wellbore within the Collins Ranch-Wolfcamp Gas Pool shall conform to the standard set back requirements of 660 feet as required under Division Rules 104.C (2), 111.A (7), and 111.C (1).

IT IS FURTHER ORDERED THAT, should the proposed Nile "22" State Com. Well No. 2H not be drilled and completed with a horizontal drainhole as proposed above, this order shall be null and void, and the operator shall abandon and plug off the Wolfcamp interval within this well.

The operator shall comply with all applicable requirements and conditions set forth in Division Rule 111.

Jurisdiction of this cause is retained for the entry of such orders as the Division may deem necessary.

Sincerely,



Mark E. Fesmire, P. E.
Director

MEF/ms

cc: New Mexico Oil Conservation Division – Artesia
U. S. Bureau of Land Management – Carlsbad
New Mexico State Land Office – Santa Fe
File: Division administrative application reference No. pMES0-531334263.