

DATE IN 9/19/06	SUSPENSE	DAVID BROOKS ENGINEER	LOGGED IN 9/20/06	TYPE NSL SD	APP NO. pTD50626330809 pTD50626330826
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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



EOG Rio Ciego  
BIO Fee #1H  
NSL 5517

**ADMINISTRATIVE APPLICATION CHECKLIST**

SD200628

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 \_\_\_\_\_

2006 SEP 19 AM 11 26

[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.

Ocean Munds-Dry Ocean Munds-Dry Attorney 9-19-06  
 Print or Type Name Signature Title Date  
 omunds@hollardhart.com  
 e-mail Address



September 19, 2006

**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 an unorthodox well location and the simultaneous dedication of the S/2 of Section 10, Township 16 South, Range 25 East, N.M.P.M., Eddy County, New Mexico to its proposed Rio Congo B 10 Fee Well No. 1H and the existing Congo B 10 Fee Well No. 2H.

Dear Mr. Fesmire:

EOG Resources, Inc. is the operator of a standard 320-acre spacing unit in the Cottonwood Creek-Wolfcamp West Gas Pool (**Pool Code 75260**) comprised of the S/2 of Section 10, Township 16 South, Range 25 East, N.M.P.M., Eddy County, New Mexico. This spacing unit is dedicated to EOG's Congo B 10 Fee Well No. 2H which has been horizontally drilled and produces from the Wolfcamp formation. 75250

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 Congo B 10 Fee Well No. 2H (**API No. 30-015-34598**) horizontally drilled from an unorthodox surface location 660 feet from the South line and 180 feet from the East line to a bottomhole location in the Wolfcamp formation 660 feet from the South line and 660 feet from the West line of said Section 10; and
- B. the proposed Congo B 10 Fee Well No. 1H (**API No. 30-015-34597**) to be horizontally drilled from an unorthodox surface location 2150 feet from the South line and 140 feet from the East line to a proposed end point or bottomhole location 1880 feet from the South line and 660 feet from the West line of said Section 10.

**HOLLAND & HART**<sup>LLP</sup>



The wellbore directional survey of the Congo B 10 Fee Well No. 2H has been filed with the Division and shows the path of the wellbore within the Wolfcamp formation to be standard pursuant to Division Rules 104.C (2) (a) and 111.A (7). EOG now intends to horizontally drill and complete its proposed Congo B 10 Fee Well No. 1H to be drilled to the targeted subsurface end-point or bottomhole location, 1880 feet from the South line and 660 feet from the West line (Unit L) of Section 10. EOG proposes to drill this well in compliance with the set-back requirements of Division Rules 104.C(2) 9b) and 111.A(7) for deep gas wells in southeast New Mexico.

The proposed well is unorthodox pursuant to Division Rules 104.C(2)(b) and Division Rule 111 because the surface location is outside the producing area. This location is required due to a compromise to move the location as far east as possible to reduce the impact on existing farming operations by the surface owner and an irrigation system.

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 EOG's Directional Survey for the 2H Well that confirms the projected wellbore deviation.

Yates Petroleum Corporation is the offset operator in the NW/4 and the SW/4 SW/4 of Section 11. EOG is the operator in the rest of the SW/4 of Section 11. As required by Rule 1210(A)(2), a copy of this application (with attachments) has been sent to Yates 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 10 to the Congo B 10 Fee 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

September 19, 2006

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**AFFECTED INTEREST OWNERS**

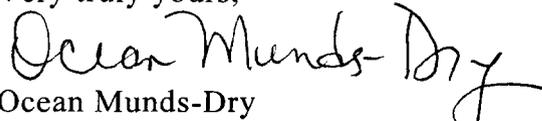
Re: Application of EOG Resources, Inc. for administrative approval of an unorthodox well location and the simultaneous dedication and unorthodox well location of the S/2 of Section 10, Township 16 South, Range 25 East, N.M.P.M., Eddy County, New Mexico to its proposed Congo B 10 Fee Com Fee Well No. 1H and the existing Congo B 10 Fee Com Well No. 2H.

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date by EOG Resources, Inc. for administrative approval of an unorthodox well location for its Congo B 10 Fee Well No. 1H, to be drilled from a surface location 2150 feet from the South line and 140 feet from the East line to a proposed end point or bottomhole location 1880 feet from the South line and 660 feet from the West line of Section 10, Township 16 South, Range 25 East, NMPM, Eddy County, New Mexico and simultaneous dedication of the Congo B 10 Fee Well No. 1 H and the existing Congo B 10 Fee Well No. 2H to the S/2 of said Section 10.

As an owner of an interest that may be affected by the proposed well, you may object to this application. Objections must be filed in writing within twenty days from this date at the Division's Santa Fe office that is located at 1220 South Saint Francis Drive, Santa Fe, New Mexico. 87505. If no objection is received within this twenty-day period, this application for an unorthodox well location may be approved.

Very truly yours,

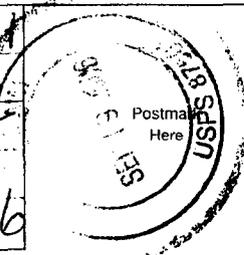


Ocean Munds-Dry  
ATTORNEY FOR EOG RESOURCES, INC.

Enclosures

**U.S. Postal Service**  
**CERTIFIED MAIL RECEIPT**  
 (Domestic Mail Only; No Insurance Coverage Provided)

7001 1140 0002 9558 8940

DMD EOG Conyo B	Postage	\$	1.11	
	Certified Fee		2.49	
	Return Receipt Fee (Endorsement Required)		1.85	
	Restricted Delivery Fee (Endorsement Required)			
<b>Total Postage &amp; Fees</b>		<b>\$</b>	<b>5.36</b>	

Sent To **Yates Petroleum Corp**  
 Street, Apt. No. or PO Box No. **105 South Fourth St.**  
 City, State, ZIP+4 **Artesia NM 88210**

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

State of New Mexico

Form C-102

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

Energy, Minerals, and Natural Resources Department

Revised August 15, 2000

Submit to Appropriate District Office

**OIL CONSERVATION DIVISION**

State Lease - 4 copies

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

1220 South St. Francis Dr.

Fee Lease - 3 copies

Santa Fe, New Mexico 87505

**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	
		75260		Cottonwood Creek; WC West (Gas)	
4 Property Code		5 Property Name			6 Well Number
		CONGO "B" 10 FEE			1H
7 OGRID No.		8 Operator Name			9 Elevation
7377		EOG RESOURCES, INC.			3452'

**10 Surface Location**

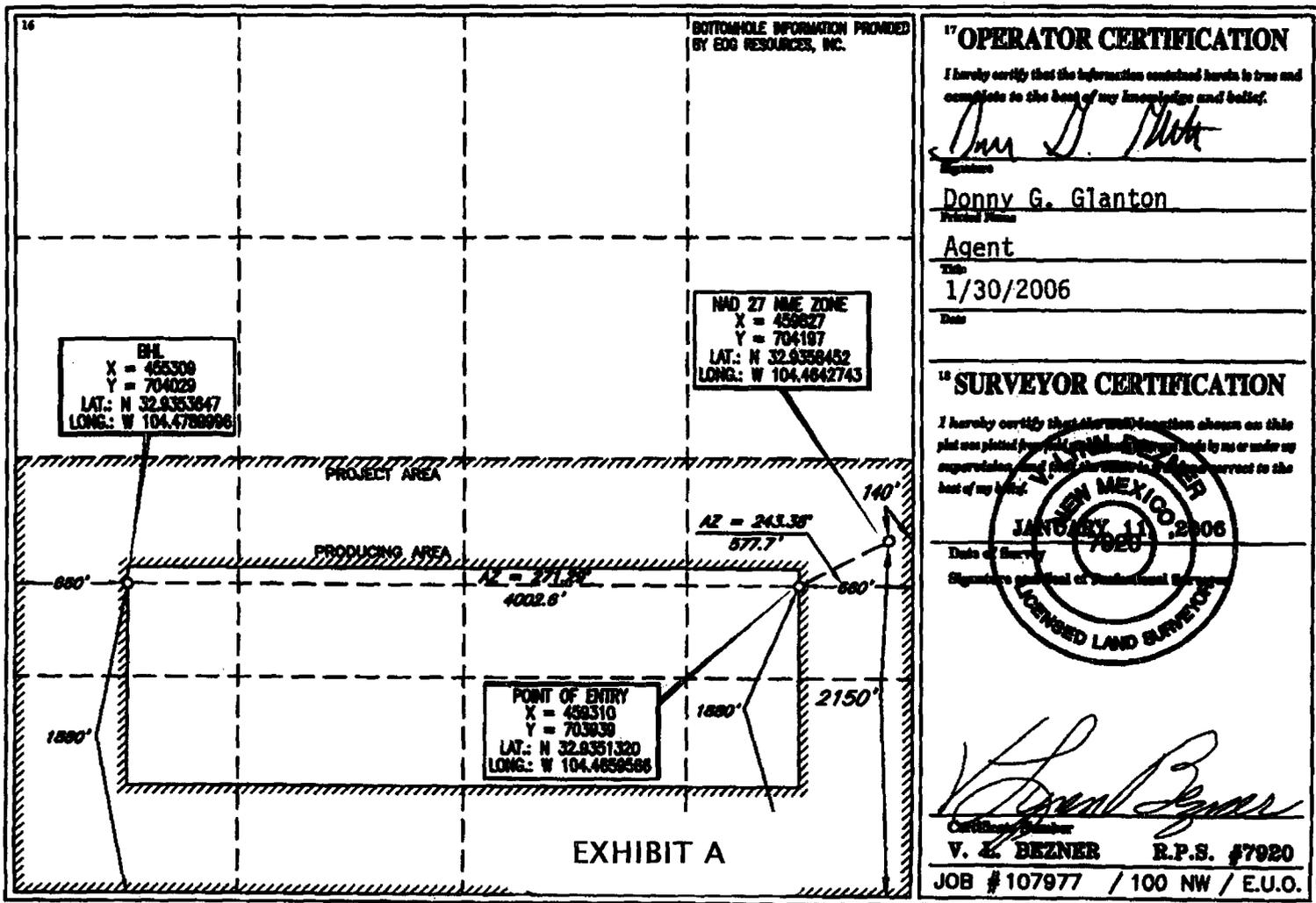
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	10	16 SOUTH	25 EAST, N.M.P.M.		2150'	SOUTH	140'	EAST	EDDY

**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
L	10	16 SOUTH	25 EAST, N.M.P.M.		1880'	SOUTH	660'	WEST	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



**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	
		75260		Cottonwood Creek; WC West (gas)	
4 Property Code		5 Property Name			6 Well Number
		CONGO "B" 10 FEE			2H
7 OGRID No.		8 Operator Name			9 Elevation
7377		EOG RESOURCES, INC.			3452'

**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	10	16 SOUTH	25 EAST, N.M.P.M.		660'	SOUTH	180'	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
M	10	16 SOUTH	25 EAST, N.M.P.M.		660'	SOUTH	660'	WEST	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

**17 OPERATOR CERTIFICATION**

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

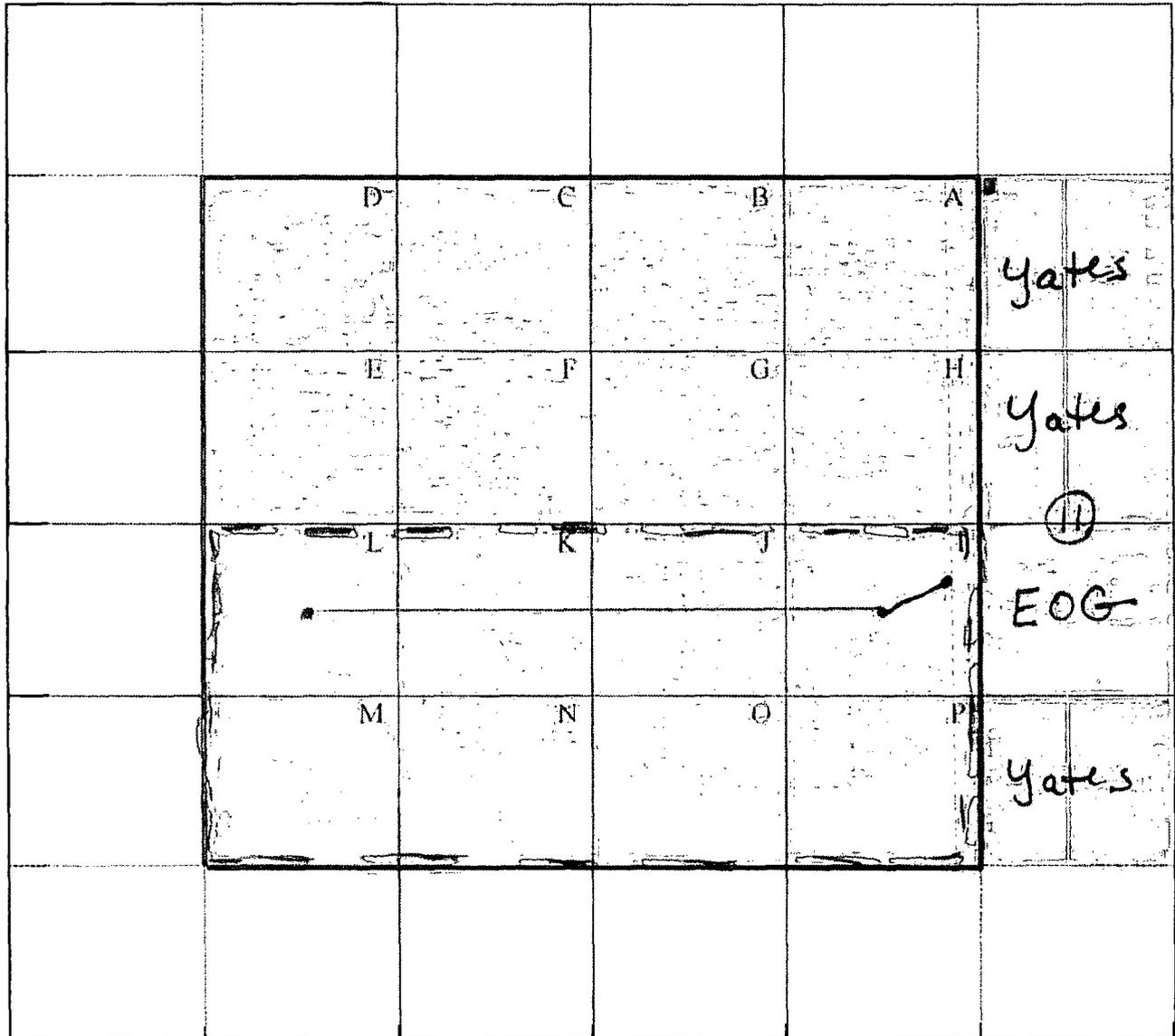
*Donny G. Glanton*  
Signature  
Donny G. Glanton  
Printed Name  
Agent  
Title  
1/30/2006  
Date

**18 SURVEYOR CERTIFICATION**

*I hereby certify that the well location shown on this plat was plotted from field notes and surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.*

**NEW MEXICO**  
JANUARY 11 2006  
Date of Survey  
7920  
Signature and Seal of Professional Surveyor  
**V. L. BEZNER**  
Licensed Land Surveyor  
Certificate Number  
V. L. BEZNER R.P.S. #7920  
JOB # 107978 / 100 NW / E.U.O.

OFFSETS IN SECTION 10



**Brooks, David K., EMNRD**

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**From:** Ocean Munds-Dry [Omundsdry@hollandhart.com]  
**Sent:** Friday, October 20, 2006 8:58 AM  
**To:** Brooks, David K., EMNRD  
**Subject:** RE: Administrative Application pTDS0-626330809; EOG Resources, Congo B 10 Fee No. 1

Mr. Brooks:

1. Yes, the surface location only is unorthodox because it is outside the producing area as defined in Rules 104 and 111. The "point of entry" as indicated in the C-102 is the point where the top of the pool is penetrated and is therefore meant to indicate the "penetration point" as defined by Rule 111. This is confirmed by the directional survey included with the application.

2.a. I can confirm that the interest is common in Section 10 and therefore no additional notice is needed.

2.b. EOG conducted a title search of the lands in Section 11 and specifically of the offsetting acreage. I can confirm that Yates and EOG are the only working interest owners/lessees in the W/2 of Section 11.

I hope this answers your questions. Thank you for your attention to this application.

Ocean

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**From:** Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]  
**Sent:** Wednesday, October 18, 2006 7:11 PM  
**To:** Ocean Munds-Dry  
**Subject:** Administrative Application pTDS0-626330809; EOG Resources, Congo B 10 Fee No. 1

Dear Ms Munds-Dry

I need clarification regarding several matters relating to this application. I apologize for not having formulated all my inquiries when I wrote to you concerning it before.

1. My interpretation of the information submitted is that only the *surface* location of the proposed Congo B 10 Fee No. 1H will be unorthodox, and the producing interval for this well is intended to be wholly within the producing area. This is not entirely clear to me, however, because the attached form C-102 identifies the location 1880 FSL and 660 FEL as the "point of entry." The term of art used in Rule 111 is "penetration point," which is defined as "the point where the wellbore penetrates the top of the pool from which it is intended to produce." The diagrams suggest that the indicated "point of entry" is the point at which well will turn from its inclined angular direction to horizontal, which point would seem necessarily to be different from the "penetration point" as so defined. Please clarify.

2. You indicate that notice was only given to Yates, as operator of the NW/4 and SW/4 SW/4 of Section 11 because EOG is the operator of the N/2 of Section 10 and the NW/4 SW/4 of Section 11. I need clarification on two points.

a. As to the N/2 of Section 10, I can confirm that EOG is the operator because there are well on this tract drilled to this pool. However, where the operator is the same as the applicant, notice must be given to working interest owners unless ownership is common. I need you to specifically confirm that either EOG owns the entire working interest in all of Section 10 or ownership is common as to all of Section 10.

b. As to Section 11, since there are no wells, there is no "division designated" operator absent a compulsory pooling or approved unitization. Hence I need you to specifically confirm that EOG and Yates

10/20/2006

are the only working interest owners of record or known to EOG in the W/2 of Section 11.

Thanks for your patience.

David K. Brooks  
Assistant General Counsel  
505-476-3450

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Date: 8/29/2006

Survey Report

Time: 10:17 am

Wellpath ID: 101005750

Date Created: 8/20/2006

Last Revision: 8/29/2006

Calculated using the Minimum

Curvature Method

Computed using PDS VER2.2.6  
Vertical Section Plane: 270.23

deg.

Survey Reference: WELLHEAD  
Vertical Section Reference: WELLHEAD  
Closure Reference: WELLHEAD  
TVD Reference: WELLHEAD

EOG Resources  
Congo A 10 Fee #2H  
McVay #4  
Eddy Co. NM  
101005750

DECL= 8.69

KBH= 16.5'

PATHFINDER MWD SUPERVISOR: Cody Mebane

PATHFINDER FIELD ENGINEER: Chris Parsons

	Measured Depth Dist. (ft) (ft)	Incl Closure Dir. (deg.) (deg.)	Drift Dir. (deg.) (dg/100ft)	Course DLS Length (ft)	Vertical Section (ft)	TVD (ft)	T O T A L Rectangular Offsets (ft) (ft)	
TIE-IN	4300.00	2.34	94.24	0.00	17.29	4299.47	12.56 S	17.34
W	21.41 @	234.08		0.00				
THE FOLLOWING ARE GOOD MWD SURVEYS	4322.00	2.90	93.07	22.00	16.29	4321.45	12.62 S	16.34
W	20.65 @	232.31		2.56				
W	4353.00	2.64	86.56	31.00	14.79	4352.41	12.62 S	14.84
W	19.48 @	229.62		1.32				
	4384.00	1.85	30.22	31.00	13.83	4383.39	12.15 S	13.88
W	18.44 @	228.80		7.20				
W	4416.00	4.04	316.39	32.00	14.35	4415.35	10.88 S	14.39
W	18.05 @	232.91		12.33				
W	4447.00	7.91	297.50	31.00	17.00	4446.18	9.11 S	17.04
W	19.32 @	241.88		13.84				
	4479.00	12.31	291.43	32.00	22.14	4477.68	6.84 S	22.17
W	23.20 @	252.85		14.13				
	4510.00	16.44	288.97	31.00	29.38	4507.70	4.21 S	29.40

Congo A 10 Fee #2H Final Surveys.TXT

W	29.70 @ 261.85	13.46						
W	4541.00	20.66	286.60	31.00	38.79	4537.09	1.22 S	38.79
W	38.81 @ 268.20	13.83						
W	4573.00	23.83	283.26	32.00	50.51	4566.70	1.88 N	50.50
W	50.53 @ 272.13	10.66						
W	4604.00	26.29	279.39	31.00	63.39	4594.78	4.43 N	63.37
W	63.52 @ 274.00	9.53						
W	4636.00	28.75	275.00	32.00	78.06	4623.16	6.26 N	78.03
W	78.28 @ 274.59	9.96						
W	4667.00	31.66	272.54	31.00	93.62	4649.95	7.27 N	93.59
W	93.87 @ 274.44	10.20						
W	4699.00	34.73	272.10	32.00	111.12	4676.73	7.98 N	111.09
W	111.38 @ 274.11	9.62						
W	4730.00	38.69	270.34	31.00	129.65	4701.58	8.36 N	129.61
W	129.88 @ 273.69	13.22						
W	4762.00	42.74	268.23	32.00	150.51	4725.83	8.08 N	150.48
W	150.70 @ 273.08	13.37						
W	4793.00	46.69	267.44	31.00	172.30	4747.85	7.25 N	172.27
W	172.42 @ 272.41	12.87						
W	4824.00	50.30	268.76	31.00	195.49	4768.39	6.49 N	195.47
W	195.58 @ 271.90	12.07						
W	4856.00	53.46	269.99	32.00	220.66	4788.14	6.22 N	220.64
W	220.73 @ 271.62	10.33						
W	4887.00	56.89	271.04	31.00	246.10	4805.84	6.46 N	246.08
W	246.17 @ 271.50	11.41						
W	4919.00	60.06	272.27	32.00	273.37	4822.57	7.25 N	273.34
W	273.44 @ 271.52	10.43						
W	4950.00	63.22	272.89	31.00	300.62	4837.30	8.48 N	300.59
W	300.71 @ 271.62	10.34						
W	4982.00	66.13	273.15	32.00	329.51	4850.98	10.00 N	329.47
W	329.62 @ 271.74	9.12						
W	5013.00	69.29	273.59	31.00	358.15	4862.74	11.69 N	358.10
W	358.29 @ 271.87	10.28						
W	5045.00	72.72	272.89	32.00	388.36	4873.16	13.40 N	388.31
W	388.54 @ 271.98	10.92						
W	5077.00	74.74	273.24	32.00	419.04	4882.12	15.04 N	418.98
W	419.25 @ 272.06	6.40						
W	5108.00	77.38	272.27	31.00	449.09	4889.59	16.49 N	449.03
W	449.33 @ 272.10	9.04						

Pathfinder Energy Services

Page 2

Date: 8/29/2006

Survey Report

Wellpath ID: 101005750

Measured	Incl	Drift	Course	Vertical	TVD	T O T A L	
Depth	Closure	Dir.	DLS	Section		Rectangular Offsets	
Dist.	Dir.	(deg.)	Length	(ft)	(ft)	(ft)	(ft)
(ft)	(deg.)	(dg/100ft)	(ft)				
5139.00	78.52	269.73	31.00	479.40	4896.06	17.01 N	479.34
W	479.64 @ 272.03	8.82					
5171.00	81.07	268.03	32.00	510.88	4901.73	16.40 N	510.82
W	511.08 @ 271.84	9.53					

Page 2

Congo A 10 Fee #2H Final Surveys.TXT

W	5202.00	84.33	267.35	31.00	541.60	4905.67	15.16	N	541.54
	541.75	@ 271.60	10.74						
W	5234.00	87.67	268.58	32.00	573.49	4907.90	14.03	N	573.44
	573.61	@ 271.40	11.12						
W	5265.00	89.52	268.76	31.00	604.47	4908.66	13.31	N	604.42
	604.56	@ 271.26	6.00						
W	5296.00	89.87	269.46	31.00	635.46	4908.83	12.82	N	635.41
	635.54	@ 271.16	2.52						
W	5328.00	89.96	269.55	32.00	667.46	4908.87	12.55	N	667.41
	667.53	@ 271.08	0.40						
W	5391.00	89.87	269.46	63.00	730.45	4908.97	12.00	N	730.41
	730.51	@ 270.94	0.20						
W	5454.00	89.43	269.73	63.00	793.45	4909.35	11.56	N	793.41
	793.49	@ 270.83	0.82						
W	5517.00	89.52	270.25	63.00	856.44	4909.93	11.55	N	856.40
	856.48	@ 270.77	0.84						
W	5580.00	89.87	269.37	63.00	919.44	4910.26	11.34	N	919.40
	919.47	@ 270.71	1.50						
W	5674.00	91.45	268.41	94.00	1013.40	4909.18	9.52	N	1013.37
	1013.42	@ 270.54	1.97						
W	5769.00	91.54	268.05	95.00	1108.31	4906.70	6.58	N	1108.30
	1108.32	@ 270.34	0.39						
W	5863.00	91.89	268.23	94.00	1202.21	4903.89	3.53	N	1202.20
	1202.21	@ 270.17	0.42						
W	5895.00	92.42	268.32	32.00	1234.17	4902.69	2.57	N	1234.17
	1234.17	@ 270.12	1.68						
W	5926.00	90.66	267.09	31.00	1265.12	4901.85	1.33	N	1265.13
	1265.13	@ 270.06	6.93						
W	5958.00	91.28	268.05	32.00	1297.09	4901.31	0.03	S	1297.10
	1297.10	@ 270.00	3.57						
W	6022.00	90.92	268.41	64.00	1361.03	4900.08	2.00	S	1361.05
	1361.05	@ 269.92	0.80						
W	6085.00	91.01	270.60	63.00	1424.02	4899.02	2.55	S	1424.04
	1424.04	@ 269.90	3.48						
W	6148.00	92.95	271.92	63.00	1486.96	4896.85	1.16	S	1486.98
	1486.98	@ 269.96	3.72						
W	6211.00	92.42	270.78	63.00	1549.88	4893.89	0.32	N	1549.89
	1549.89	@ 270.01	1.99						
W	6306.00	91.10	271.04	95.00	1644.83	4890.98	1.83	N	1644.83
	1644.84	@ 270.06	1.42						
W	6402.00	90.22	270.17	96.00	1740.82	4889.87	2.84	N	1740.82
	1740.82	@ 270.09	1.29						
W	6496.00	90.57	270.69	94.00	1834.81	4889.22	3.55	N	1834.82
	1834.82	@ 270.11	0.67						
W	6591.00	90.31	270.60	95.00	1929.81	4888.49	4.62	N	1929.81
	1929.81	@ 270.14	0.29						
W	6686.00	89.69	270.52	95.00	2024.81	4888.49	5.55	N	2024.80
	2024.81	@ 270.16	0.66						
W	6781.00	89.16	270.34	95.00	2119.80	4889.45	6.26	N	2119.79
	2119.80	@ 270.17	0.59						
W	6876.00	89.52	269.11	95.00	2214.79	4890.54	5.80	N	2214.78
	2214.79	@ 270.15	1.35						
W	6971.00	91.63	269.46	95.00	2309.77	4889.59	4.62	N	2309.77
	2309.77	@ 270.11	2.25						

			Congo A 10 Fee	#2H Final	Surveys.TXT				
W	7064.00	91.23	268.85	93.00	2402.72	4887.27	3.25	N	2402.73
	2402.73	@ 270.08	0.78						
W	7159.00	92.95	269.29	95.00	2497.63	4883.80	1.70	N	2497.65
	2497.65	@ 270.04	1.87						
W	7254.00	90.66	267.26	95.00	2592.52	4880.81	1.15	S	2592.55
	2592.55	@ 269.97	3.22						
W	7317.00	91.63	268.64	63.00	2655.46	4879.55	3.41	S	2655.49
	2655.49	@ 269.93	2.68						
W	7380.00	91.57	268.10	63.00	2718.40	4877.79	5.20	S	2718.44
	2718.45	@ 269.89	0.86						
W	7443.00	91.62	268.19	63.00	2781.33	4876.04	7.24	S	2781.38
	2781.39	@ 269.85	0.16						
W	7537.00	91.17	268.34	94.00	2875.25	4873.75	10.08	S	2875.31
	2875.33	@ 269.80	0.50						
W	7665.00	92.01	269.82	128.00	3003.17	4870.20	12.14	S	3003.24
	3003.27	@ 269.77	1.33						
W	7791.00	92.24	269.87	126.00	3129.08	4865.53	12.48	S	3129.15
	3129.18	@ 269.77	0.19						
W	7917.00	92.35	269.97	126.00	3254.98	4860.48	12.65	S	3255.05
	3255.08	@ 269.78	0.12						
W	8041.00	91.40	269.56	124.00	3378.90	4856.42	13.16	S	3378.98
	3379.01	@ 269.78	0.83						
W	8137.00	90.48	269.32	96.00	3474.88	4854.85	14.10	S	3474.96
	3474.99	@ 269.77	0.99						
W	8264.00	92.42	269.59	127.00	3601.82	4851.64	15.31	S	3601.91
	3601.94	@ 269.76	1.54						
W	8358.00	92.24	269.19	94.00	3695.73	4847.81	16.31	S	3695.83
	3695.86	@ 269.75	0.47						
W	8418.00	92.59	269.31	60.00	3755.67	4845.29	17.09	S	3755.77
	3755.81	@ 269.74	0.62						
	PROJECTION TO BIT								
W	8482.00	92.59	269.31	64.00	3819.60	4842.39	17.86	S	3819.70
	3819.74	@ 269.73	0.00						

□=

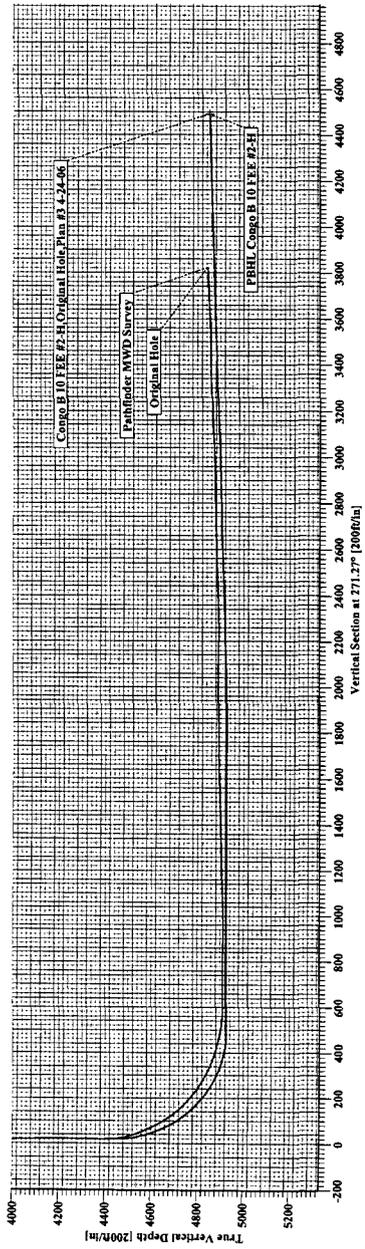
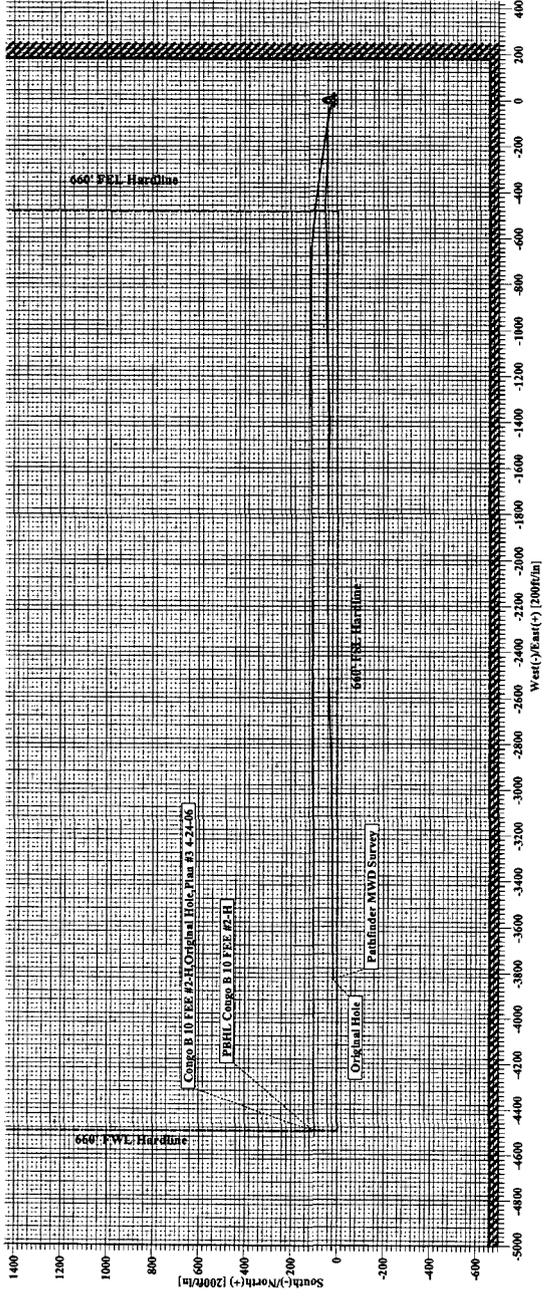


**Field: Thames Field**  
**Site: Congo B 10 FEE #2-H**  
**Well: Congo B 10 FEE #2-H**  
**Wellpath: Original Hole**  
**Survey: Pathfinder MWD Survey**

WELL DETAILS						
Name	+N/S	+E/W	Northing	Eastng	Longitude	Slor
Congo B 10 FEE #2-H	0.00	0.00	702707.00	459808.00	32°55'54.295N 104°27'51.583W	N/A

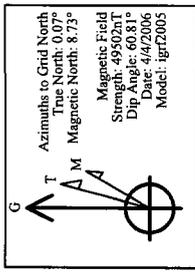
**COMPANY DETAILS**  
 EOG Resources  
 4000 N. Big Spring, Ste. 500  
 Midland, TX 79705

Calculation Method: Minimum Curvature  
 Error System: Systematic Ellipse  
 Scan Method: Closest Approach 3D  
 Error Surface: Elliptical Conic  
 Warning Method: Error Ratio



Survey: Pathfinder MWD Survey (Comp # 10 FEE #2-Original Hole)

No	MD	Inc	Az	TVD	+N/S	+E/W	Blqg	Trace	VSec
30	5202.00	84.33	267.35	4905.95	51.49	-548.13	10.74	-20.73	549.14
31	5234.00	87.37	268.58	4908.18	50.36	-580.03	11.12	11.22	581.00
32	5266.00	89.77	269.76	4909.94	49.64	-611.01	2.92	63.94	613.96
33	5298.00	89.96	269.55	4909.15	48.88	-644.00	0.40	45.00	647.82
34	5330.00	89.87	269.46	4907.24	48.14	-677.00	0.20	-135.00	737.89
35	5362.00	89.43	269.73	4909.63	47.89	-680.00	0.82	148.47	800.86
36	5394.00	89.00	269.99	4910.54	47.67	-682.00	1.50	48.31	863.82
37	5426.00	89.37	269.31	4910.54	47.67	-682.00	1.50	48.31	926.78
38	5458.00	89.45	268.41	4909.46	47.85	-679.00	0.39	-72.59	1000.73
39	5490.00	91.14	268.05	4908.38	47.52	-675.00	0.39	-72.59	1063.69
40	5522.00	91.89	268.23	4904.17	39.87	-1208.80	0.42	27.20	1209.38
41	5554.00	91.89	268.23	4904.17	39.87	-1208.80	0.42	27.20	1272.34
42	5586.00	90.66	267.05	4902.13	37.66	-1271.72	6.93	-145.04	1335.30
43	5618.00	91.28	268.05	4901.59	36.31	-1303.69	3.57	57.13	1398.17
44	5650.00	91.28	268.05	4901.59	36.31	-1303.69	3.57	57.13	1461.13
45	5682.00	89.92	268.41	4900.36	34.33	-1367.65	0.80	139.80	1524.09
46	5714.00	91.01	270.60	4899.30	33.79	-1430.63	3.48	57.63	1587.05
47	5746.00	91.01	270.60	4899.30	33.79	-1430.63	3.48	57.63	1650.01
48	5778.00	92.42	270.78	4894.17	36.65	-1556.48	1.26	-114.93	1712.97
49	5810.00	92.42	270.78	4894.17	36.65	-1556.48	1.26	-114.93	1775.93
50	5842.00	90.12	270.78	4894.17	39.18	-1621.43	1.26	-135.32	1838.89
51	5874.00	90.12	270.78	4894.17	39.18	-1621.43	1.26	-135.32	1901.85
52	5906.00	90.31	270.69	4888.77	40.85	-1654.41	0.29	-100.91	1964.81
53	5938.00	90.99	270.32	4888.77	41.88	-1703.39	0.66	-172.65	2027.77
54	5970.00	90.99	270.32	4888.77	41.88	-1703.39	0.66	-172.65	2090.73
55	6002.00	89.32	269.14	4890.82	42.14	-2231.38	1.35	-72.69	2213.76
56	6034.00	91.63	268.46	4889.86	40.95	-2316.35	2.35	9.42	2316.30
57	6066.00	91.63	268.46	4889.86	40.95	-2316.35	2.35	9.42	2409.60
58	6098.00	92.95	269.29	4884.00	38.04	-2506.24	1.82	14.74	2504.46
59	6130.00	92.95	269.29	4884.00	38.04	-2506.24	1.82	14.74	2600.16
60	6162.00	91.63	268.46	4879.74	33.93	-2662.08	2.68	54.88	2662.16
61	6194.00	91.63	268.46	4879.74	33.93	-2662.08	2.68	54.88	2725.05
62	6226.00	91.62	268.19	4873.90	31.13	-2725.03	0.86	96.34	2775.05
63	6258.00	91.62	268.19	4873.90	31.13	-2725.03	0.86	96.34	2837.91
64	6290.00	91.17	269.24	4873.90	29.20	-2800.00	0.33	61.39	2890.77
65	6322.00	91.17	269.24	4873.90	29.20	-2800.00	0.33	61.39	2953.63
66	6354.00	92.34	269.87	4865.72	23.86	-3135.74	0.19	12.26	3115.50
67	6386.00	92.34	269.87	4865.72	23.86	-3135.74	0.19	12.26	3178.36
68	6418.00	91.40	269.56	4856.61	21.17	-3382.57	0.84	-155.68	3382.57
69	6450.00	91.40	269.56	4856.61	21.17	-3382.57	0.84	-155.68	3445.43
70	6482.00	92.42	269.19	4851.82	21.03	-3606.32	1.54	-62.92	3606.32
71	6514.00	92.42	269.19	4851.82	21.03	-3606.32	1.54	-62.92	3669.18
72	6546.00	92.59	269.31	4845.47	19.24	-3762.36	0.62	18.91	3762.36
73	6578.00	92.59	269.31	4845.47	19.24	-3762.36	0.62	18.91	3825.22



**LEGEND**  
 Congo B 10 FEE #2-H, Original Hole, Plan #3 4-24-06  
 Original Hole  
 Pathfinder MWD Survey

# Pathfinder Energy

## Survey Report

<b>Company:</b> EOG Resources	<b>Date:</b> 9/1/2006	<b>Time:</b> 11:14:19	<b>Page:</b> 1
<b>Field:</b> Thames Field	<b>Co-ordinate(NE) Reference:</b> Well: Congo B 10 FEE #2-H, Grid North		
<b>Site:</b> Congo B 10 FEE #2-H	<b>Vertical (TVD) Reference:</b> System: Mean Sea Level		
<b>Well:</b> Congo B 10 FEE #2-H	<b>Section (VS) Reference:</b> Well (0.00N,0.00E,271.27Azi)		
<b>Wellpath:</b> Original Hole	<b>Survey Calculation Method:</b> Minimum Curvature		<b>Db:</b> Sybase

<b>Field:</b> Thames Field Eddy, Co. NM USA	<b>Map Zone:</b> New Mexico, Eastern Zone
<b>Map System:</b> US State Plane Coordinate System 1927	<b>Coordinate System:</b> Well Centre
<b>Geo Datum:</b> NAD27 (Clarke 1866)	<b>Geomagnetic Model:</b> igrf2005
<b>Sys Datum:</b> Mean Sea Level	

<b>Site:</b> Congo B 10 FEE #2-H Eddy County, New Mexico Section 10; T16S; R25E			
<b>Site Position:</b>	<b>Northing:</b>	ft	<b>Latitude:</b>
<b>From:</b> Lease Line	<b>Easting:</b>	ft	<b>Longitude:</b>
<b>Position Uncertainty:</b> 0.00 ft			<b>North Reference:</b> Grid
<b>Ground Level:</b> 3452.00 ft			<b>Grid Convergence:</b> -0.07 deg

<b>Well:</b> Congo B 10 FEE #2-H Horizontal	<b>Slot Name:</b>
<b>Well Position:</b> +N/-S 0.00 ft	<b>Northing:</b> 702707.00 ft
+E/-W 0.00 ft	<b>Easting:</b> 459808.00 ft
<b>Position Uncertainty:</b> 0.00 ft	<b>Latitude:</b> 32 55 54.295 N
	<b>Longitude:</b> 104 27 51.585 W

<b>Wellpath:</b> Original Hole			
<b>Current Datum:</b> Mean Sea Level	<b>Height</b>	0.00 ft	<b>Drilled From:</b> Surface
<b>Magnetic Data:</b> 4/4/2006			<b>Tie-on Depth:</b> 0.00 ft
<b>Field Strength:</b> 49502 nT			<b>Above System Datum:</b> Mean Sea Level
<b>Vertical Section: Depth From (TVD)</b>	+N/-S	ft	<b>Declination:</b> 8.66 deg
ft	ft		<b>Mag Dip Angle:</b> 60.81 deg
0.00	0.00	0.00	<b>Direction</b>
			deg
			271.27

<b>Survey:</b> Pathfinder MWD Survey	<b>Start Date:</b> 4/25/2006
<b>Company:</b> Pathfinder Energy	<b>Engineer:</b> Scott Garay
<b>Tool:</b>	<b>Tied-to:</b> From: Gyro Survey

**Survey:** Pathfinder MWD Survey

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	Tool/Comment
4300.00	1.22	351.81	4299.73	23.51	-23.45	23.97	0.00	0.00	0.00	
4322.00	2.90	93.07	4321.72	23.71	-22.93	23.45	15.27	7.64	460.27	
4353.00	2.64	86.56	4352.69	23.71	-21.43	21.95	1.32	-0.84	-21.00	
4384.00	1.85	30.22	4383.67	24.19	-20.47	21.00	7.20	-2.55	-181.74	
4416.00	4.04	316.39	4415.63	25.45	-20.99	21.54	12.33	6.84	-230.72	
4447.00	7.91	297.50	4446.46	27.23	-23.63	24.23	13.84	12.48	-60.94	
4479.00	12.31	291.43	4477.96	29.49	-28.76	29.41	14.13	13.75	-18.97	
4510.00	16.44	288.97	4507.98	32.12	-35.99	36.69	13.46	13.32	-7.94	
4541.00	20.66	286.60	4537.36	35.11	-45.38	46.15	13.83	13.61	-7.65	
4573.00	23.83	283.26	4566.98	38.21	-57.09	57.92	10.66	9.91	-10.44	
4604.00	26.29	279.39	4595.06	40.77	-69.96	70.85	9.53	7.94	-12.48	
4636.00	28.75	275.00	4623.44	42.60	-84.62	85.55	9.96	7.69	-13.72	
4667.00	31.66	272.54	4650.23	43.61	-100.18	101.12	10.20	9.39	-7.94	
4699.00	34.73	272.10	4677.00	44.31	-117.69	118.64	9.62	9.59	-1.37	
4730.00	38.69	270.34	4701.85	44.69	-136.21	137.16	13.22	12.77	-5.68	
4762.00	42.74	268.23	4726.10	44.42	-157.07	158.02	13.37	12.66	-6.59	
4793.00	46.69	267.44	4748.13	43.59	-178.86	179.78	12.87	12.74	-2.55	
4824.00	50.30	268.76	4768.67	42.83	-202.06	202.96	12.07	11.65	4.26	
4856.00	53.46	269.99	4788.42	42.56	-227.23	228.12	10.33	9.87	3.84	
4887.00	56.89	271.04	4806.12	42.79	-252.67	253.56	11.41	11.06	3.39	
4919.00	60.06	272.27	4822.85	43.58	-279.93	280.83	10.43	9.91	3.84	
4950.00	63.22	272.89	4837.57	44.81	-307.18	308.10	10.34	10.19	2.00	
4982.00	66.13	273.15	4851.26	46.34	-336.06	337.01	9.12	9.09	0.81	
5013.00	69.29	273.59	4863.02	48.03	-364.69	365.67	10.28	10.19	1.42	

# Pathfinder Energy Survey Report

<b>Company:</b> EOG Resources <b>Field:</b> Thames Field <b>Site:</b> Congo B 10 FEE #2-H <b>Well:</b> Congo B 10 FEE #2-H <b>Wellpath:</b> Original Hole	<b>Date:</b> 9/1/2006 <b>Time:</b> 11:14:19 <b>Page:</b> 2 <b>Co-ordinate(NE) Reference:</b> Well: Congo B 10 FEE #2-H, Grid North <b>Vertical (TVD) Reference:</b> System: Mean Sea Level <b>Section (VS) Reference:</b> Well (0.00N,0.00E,271.27Azi) <b>Survey Calculation Method:</b> Minimum Curvature <b>Db:</b> Sybase
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Survey: Pathfinder MWD Survey

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	Tool/Comment
5045.00	72.72	272.89	4873.43	49.73	-394.90	395.90	10.92	10.72	-2.19	
5077.00	74.74	273.24	4882.40	51.38	-425.57	426.60	6.40	6.31	1.09	
5108.00	77.38	272.27	4889.86	52.82	-455.62	456.68	9.04	8.52	-3.13	
5139.00	78.52	269.73	4896.34	53.35	-485.93	486.99	8.82	3.68	-8.19	
5171.00	81.07	268.03	4902.01	52.73	-517.41	518.45	9.53	7.97	-5.31	
5202.00	84.33	267.35	4905.95	51.49	-548.13	549.14	10.74	10.52	-2.19	
5234.00	87.67	268.58	4908.18	50.36	-580.03	581.00	11.12	10.44	3.84	
5265.00	89.52	268.76	4908.94	49.64	-611.01	611.96	6.00	5.97	0.58	
5296.00	89.87	269.46	4909.10	49.16	-642.01	642.94	2.52	1.13	2.26	
5328.00	89.96	269.55	4909.15	48.88	-674.00	674.92	0.40	0.28	0.28	
5391.00	89.87	269.46	4909.24	48.34	-737.00	737.89	0.20	-0.14	-0.14	
5454.00	89.43	269.73	4909.63	47.89	-800.00	800.86	0.82	-0.70	0.43	
5517.00	89.52	270.25	4910.21	47.88	-863.00	863.85	0.84	0.14	0.83	
5580.00	89.87	269.37	4910.54	47.67	-925.99	926.82	1.50	0.56	-1.40	
5674.00	91.45	268.41	4909.46	45.85	-1019.97	1020.73	1.97	1.68	-1.02	
5769.00	91.54	268.05	4906.98	42.92	-1114.89	1115.57	0.39	0.09	-0.38	
5863.00	91.89	268.23	4904.17	39.87	-1208.80	1209.38	0.42	0.37	0.19	
5895.00	92.42	268.32	4902.96	38.91	-1240.76	1241.32	1.68	1.66	0.28	
5926.00	90.66	267.09	4902.13	37.66	-1271.72	1272.24	6.93	-5.68	-3.97	
5958.00	91.28	268.05	4901.59	36.31	-1303.69	1304.17	3.57	1.94	3.00	
6022.00	90.92	268.41	4900.36	34.33	-1367.65	1368.07	0.80	-0.56	0.56	
6085.00	91.01	270.60	4899.30	33.79	-1430.63	1431.03	3.48	0.14	3.48	
6148.00	92.95	271.92	4897.12	35.17	-1493.57	1493.99	3.72	3.08	2.10	
6211.00	92.42	270.78	4894.17	36.65	-1556.48	1556.91	1.99	-0.84	-1.81	
6306.00	91.10	271.04	4891.25	38.16	-1651.43	1651.87	1.42	-1.39	0.27	
6402.00	90.22	270.17	4890.15	39.18	-1747.41	1747.85	1.29	-0.92	-0.91	
6496.00	90.57	270.69	4889.50	39.88	-1841.41	1841.84	0.67	0.37	0.55	
6591.00	90.31	270.60	4888.77	40.95	-1936.40	1936.83	0.29	-0.27	-0.09	
6686.00	89.69	270.52	4888.77	41.88	-2031.39	2031.82	0.66	-0.65	-0.08	
6781.00	89.16	270.34	4889.72	42.59	-2126.39	2126.81	0.59	-0.56	-0.19	
6876.00	89.52	269.11	4890.82	42.14	-2221.38	2221.76	1.35	0.38	-1.29	
6971.00	91.63	269.46	4889.86	40.95	-2316.36	2316.70	2.25	2.22	0.37	
7064.00	91.28	268.85	4887.50	39.58	-2409.32	2409.60	0.76	-0.38	-0.66	
7159.00	92.95	269.29	4884.00	38.04	-2504.24	2504.46	1.82	1.76	0.46	
7254.00	90.66	267.26	4881.00	35.18	-2599.14	2599.28	3.22	-2.41	-2.14	
7317.00	91.63	268.64	4879.74	32.93	-2662.08	2662.16	2.68	1.54	2.19	
7380.00	91.57	268.10	4877.99	31.13	-2725.03	2725.05	0.86	-0.10	-0.86	
7443.00	91.62	268.19	4876.23	29.10	-2787.97	2787.93	0.16	0.08	0.14	
7537.00	91.17	268.34	4873.94	26.25	-2881.90	2881.77	0.50	-0.48	0.16	
7665.00	92.01	269.82	4870.39	24.20	-3009.83	3009.63	1.33	0.66	1.16	
7791.00	92.24	269.87	4865.72	23.86	-3135.74	3135.50	0.19	0.18	0.04	
7918.00	92.35	269.97	4860.63	23.68	-3262.64	3262.36	0.12	0.09	0.08	
8041.00	91.40	269.56	4856.61	23.17	-3385.57	3385.25	0.84	-0.77	-0.33	
8137.00	90.48	269.32	4855.03	22.24	-3481.55	3481.19	0.99	-0.96	-0.25	
8264.00	92.42	269.59	4851.82	21.03	-3608.50	3608.08	1.54	1.53	0.21	
8358.00	92.24	269.19	4848.00	20.03	-3702.42	3701.95	0.47	-0.19	-0.43	
8418.00	92.59	269.31	4845.47	19.24	-3762.36	3761.86	0.62	0.58	0.20	
8482.00	92.59	269.31	4842.58	18.47	-3826.29	3825.76	0.00	0.00	0.00	

**Brooks, David K., EMNRD**

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**From:** Brooks, David K., EMNRD

**Sent:** Wednesday, September 20, 2006 7:59 AM

**To:** 'Ocean Munds-Dry'

**Subject:** Administrative Application pTDS0626330809; EOG Resources

Dear Ms. Munds-Dry

I have received the referenced administrative application.

Attached is a copy of a letter to "Affected Interest Owners." However, I do not find any list of the names and address of the persons to whom this notice was sent. I will need that information, as well as information showing where the notified persons interests are located, in order to process this application.

Thanks

David K. Brooks  
Assistant General Counsel  
(505)-476-3450

**Brooks, David K., EMNRD**

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**From:** Ocean Munds-Dry [Omundsdry@hollandhart.com]  
**Sent:** Wednesday, September 20, 2006 2:35 PM  
**To:** Brooks, David K., EMNRD  
**Subject:** RE: Administrative Application pTDS0626330809; EOG Resources  
**Attachments:** CertMail.pdf; eogcongooffset.pdf

Mr. Brooks: Please find attached a copy of the certified mail receipt for Yates Petroleum Corp. - the only affected interest owner as defined by Division rules. Also attached is an offset plat showing where Yates is located. As stated in our administrative application, EOG is the operator in Section 10. Yates holds the NW/4 and SW/4 SW/4 of Section 11 by HBP. EOG has the leasehold in the N/2 SW/4 and the SE/4 SW/4.

Thank you for your time and attention to this matter. Please let me know if I may provide you with any additional information.

Thanks,  
 Ocean

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**From:** Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]  
**Sent:** Wednesday, September 20, 2006 1:31 PM  
**To:** Ocean Munds-Dry  
**Subject:** RE: Administrative Application pTDS0626330809; EOG Resources

The referenced application is captioned

"Application of EOG Resources Inc. for administrative approval of an unorthodox well location and the simultaneous dedication of the S/2 of Section 10, Township 16 South, Range 25 East, NMPM, Eddy County, New Mexico to its proposed Rio Congo B 10 Fee Well No. 1H and the existing Congo B10 Fee Well No. 2H."

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**From:** Ocean Munds-Dry [mailto:Omundsdry@hollandhart.com]  
**Sent:** Wednesday, September 20, 2006 8:52 AM  
**To:** Brooks, David K., EMNRD  
**Subject:** RE: Administrative Application pTDS0626330809; EOG Resources

David: Which application is this? I filed several for EOG. Can you tell me which well?

---

**From:** Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]  
**Sent:** Wednesday, September 20, 2006 8:59 AM  
**To:** Ocean Munds-Dry  
**Subject:** Administrative Application pTDS0626330809; EOG Resources

Dear Ms. Munds-Dry

I have received the referenced administrative application.

Attached is a copy of a letter to "Affected Interest Owners." However, I do not find any list of the names and address of the persons to whom this notice was sent. I will need that information, as well as information showing where the notified persons interests are located, in order to process this application.

Thanks

David K. Brooks  
Assistant General Counsel  
(505)-476-3450

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**Brooks, David K., EMNRD**

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**From:** Brooks, David K., EMNRD  
**Sent:** Friday, October 20, 2006 9:45 AM  
**To:** 'Ocean Munds-Dry'  
**Subject:** RE: Administrative Application pTDS0-626330809; EOG Resources, Congo B 10 Fee No. 1

Dear Ms. Munds-Dry:

Thanks for the information.

Unfortunately, I have another issue with this application.

There is no rule concerning who must be noticed for Simultaneous Dedication applications. Hence it falls under the default provision [Rule 1210.A(9)] which provides that notice must be given "as the division requires." To be consistent with the "affected person" concept, it seems that notice of a request for a second horizontal well should be given to affected persons on ALL adjoining units. Because each horizontal wells will drain from each of the quarter sections in the 320 acre unit, and the applicable well density rules only allow one well per quarter section, it seems that all adjoining units are potentially affects.

Under this concept, we will require notice to LCX Energy, LLC, which has filed APDs for a Wolfcamp well in the S/2 of Section 9. I do not find any wells in the N/2 of Section 9 or the adjoining portions of Sections 14, 15 or 16. Accordingly notice will need to be given to working interest owners (lessees or mineral owners if unleased) as to these tracts.

This will, of course require that the application be held for re-notice. This time, I can state, however, that I have fully studied the application, and do not anticipate that I will have any further requirements absent a protest.

Very truly yours,

David K. Brooks  
Assistant General Counsel  
505-476-3450

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**From:** Ocean Munds-Dry [mailto:Omundsdry@hollandhart.com]  
**Sent:** Friday, October 20, 2006 8:58 AM  
**To:** Brooks, David K., EMNRD  
**Subject:** RE: Administrative Application pTDS0-626330809; EOG Resources, Congo B 10 Fee No. 1

Mr. Brooks:

1. Yes, the surface location only is unorthodox because it is outside the producing area as defined in Rules 104 and 111. The "point of entry" as indicated in the C-102 is the point where the top of the pool is penetrated and is therefore meant to indicate the "penetration point" as defined by Rule 111. This is confirmed by the directional survey included with the application.

2.a. I can confirm that the interest is common in Section 10 and therefore no additional notice is needed.

2.b. EOG conducted a title search of the lands in Section 11 and specifically of the offsetting acreage. I can confirm that Yates and EOG are the only working interest owners/lessees in the W/2 of Section 11.

I hope this answers your questions. Thank you for your attention to this application.

10/20/2006

Ocean

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**From:** Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]  
**Sent:** Wednesday, October 18, 2006 7:11 PM  
**To:** Ocean Munds-Dry  
**Subject:** Administrative Application pTDS0-626330809; EOG Resources, Congo B 10 Fee No. 1

Dear Ms Munds-Dry

I need clarification regarding several matters relating to this application. I apologize for not having formulated all my inquiries when I wrote to you concerning it before.

1. My interpretation of the information submitted is that only the *surface* location of the proposed Congo B 10 Fee No. 1H will be unorthodox, and the producing interval for this well is intended to be wholly within the producing area. This is not entirely clear to me, however, because the attached form C-102 identifies the location 1880 FSL and 660 FEL as the "point of entry." The term of art used in Rule 111 is "penetration point," which is defined as "the point where the wellbore penetrates the top of the pool from which it is intended to produce." The diagrams suggest that the indicated "point of entry" is the point at which well will turn from its inclined angular direction to horizontal, which point would seem necessarily to be different from the "penetration point" as so defined. Please clarify.

2. You indicate that notice was only given to Yates, as operator of the NW/4 and SW/4 SW/4 of Section 11 because EOG is the operator of the N/2 of Section 10 and the NW/4 SW/4 of Section 11. I need clarification on two points.

a. As to the N/2 of Section 10, I can confirm that EOG is the operator because there are well on this tract drilled to this pool. However, where the operator is the same as the applicant, notice must be given to working interest owners unless ownership is common. I need you to specifically confirm that either EOG owns the entire working interest in all of Section 10 or ownership is common as to all of Section 10.

b. As to Section 11, since there are no wells, there is no "division designated" operator absent a compulsory pooling or approved unitization. Hence I need you to specifically confirm that EOG and Yates are the only working interest owners of record or known to EOG in the W/2 of Section 11.

Thanks for your patience.

David K. Brooks  
Assistant General Counsel  
505-476-3450

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10/20/2006

November 15, 2006

2006 NOV 15 PM 2 15

**HAND-DELIVERED**

David K. Brooks, Esq.  
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 an unorthodox well location and the simultaneous dedication of the S/2 of Section 10, Township 16 South, Range 25 East, N.M.P.M., Eddy County, New Mexico to its proposed Rio Congo B 10 Fee Well No. 1H and the existing Congo B 10 Fee Well No. 2H.

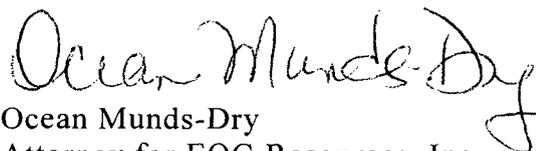
Dear Mr. Brooks:

Pursuant to your request, EOG Resources Inc. provided notice to LCX Energy, LLC ("LCX") of its Application for administrative approval of an unorthodox well location and the simultaneous dedication of the S/2 of Section 10, Township 16 South, Range 25 East, NMPM, Eddy County, New Mexico to its proposed Rio Congo B 10 Fee Wells Nos. 1H & 2H.

Attached hereto is a copy of the letter sent to LCX on October 24, 2006, along with the certified mail receipt.

Your attention to this application is appreciated.

Sincerely,

  
Ocean Munds-Dry  
Attorney for EOG Resources, Inc.

Enclosures

**HOLLAND & HART**



**Ocean Munds-Dry  
Associate**

omundsdry@hollandhart.com

October 24, 2006

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

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

Re: Application of EOG Resources, Inc. for administrative approval of an unorthodox well location and the simultaneous dedication and unorthodox well location of the S/2 of Section 10, Township 16 South, Range 25 East, N.M.P.M., Eddy County, New Mexico to its proposed Congo B 10 Fee Com Fee Well No. 1H and the existing Congo B 10 Fee Com Well No. 2H.

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on September 19th by EOG Resources, Inc. for administrative approval of an unorthodox well location for its Congo B 10 Fee Well No. 1H, to be drilled from a surface location 2150 feet from the South line and 140 feet from the East line to a proposed end point or bottomhole location 1880 feet from the South line and 660 feet from the West line of Section 10, Township 16 South, Range 25 East, NMPM, Eddy County, New Mexico and simultaneous dedication of the Congo B 10 Fee Well No. 1 H and the existing Congo B 10 Fee Well No. 2H to the S/2 of said Section 10.

As an owner of an interest that may be affected by the proposed well, you may object to this application. Objections must be filed in writing within twenty days from this date at the Division's Santa Fe office that is located at 1220 South Saint Francis Drive, Santa Fe, New Mexico. 87505. If no objection is received within this twenty-day period, this application for an unorthodox well location may be approved.

Very truly yours,

*Ocean Munds-Dry*  
Ocean Munds-Dry  
ATTORNEY FOR EOG RESOURCES, INC.

Enclosures

**Holland & Hart LLP**

Phone (505) 988-4421 Fax (505) 983-6043 [www.hollandhart.com](http://www.hollandhart.com)

110 North Guadalupe Suite 1 Santa Fe, NM 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

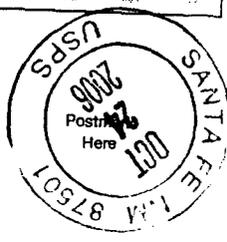
Aspen Billings Boise Boulder Cheyenne Colorado Springs Denver Denver Tech Center Jackson Hole Salt Lake City Santa Fe Washington, D.C. ☺

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**OFFICIAL USE**

44997.0060 Postage	\$	1.87
Certified Fee		2.40
Return Receipt Fee (Endorsement Required)		1.85
Restricted Delivery Fee (Endorsement Required)		
<b>Total Postage &amp; Fees</b>	<b>\$</b>	<b>5.12</b>



Sent To  
 LCX Energy LLC  
 Street, Apt. No., or PO Box No. 101 N. Marenfeld Ste 200  
 City, State, ZIP+4 Midland TX 79701

PS Form 3800, January 2001 See Reverse for Instructions

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
 LCX Energy, LLC  
 110 N. Marenfeld Ste 200  
 Midland, TX 79701

**COMPLETE THIS SECTION ON DELIVERY**

A. Received by (Please Print Clearly) B. Date of Delivery  
 JoAnn Tercedo 11-6-06  
 C. Signature  
 JoAnn Tercedo  Agent  
 Addressee  
 D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.  
 4. Restricted Delivery? (Extra Fee)  Yes

2. Article Number (Cop) 7001 1140 0002 9558 7479