

28 March 07 DATE IN	SUSPENSE	W. Jones ENGINEER	02 April 07 LOGGED IN	SD TYPE	PCP0709241915 APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

200712

**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

2007 MAR 28 AM 9 29

[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 Monnds-Dry Ocean Monnds-Dry Attorney 3/28/07  
 Print or Type Name Signature Title Date  
 omundsdry@hollandhart.com  
 e-mail Address

March 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 north 320 acres of Irregular Section 4, Township 16 South, Range 25 East, N.M.P.M., Eddy County, New Mexico to its proposed Meramac B 4 Fee Well No. 1H and the existing Meramac B 4 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 Gas Pool (**Pool Code 75250**) comprised of the north 320 acres of Irregular Section 4, Township 16 South, Range 25 East, N.M.P.M., Eddy County, New Mexico. This spacing unit is dedicated to EOG's Meramac B 4 Fee Well No. 2H 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 **Meramec B 4 Fee Well No. 2H (API No. 30-015-35381)** horizontally drilled from a surface location 3400 feet from the South line and 660 feet from the East line to a proposed end point or bottomhole location 3400 feet from the South line and 660 feet from the West line of said Section 4; and
- B. the proposed **Meramec B 4 Fee Well No. 1H (API No. 30-015 -35382)** to be horizontally drilled from a surface location 2517 feet from the North line and 660 feet from the East line to a proposed end point or bottomhole location 2515 feet from the North line and 660 feet from the West line of said Section 4.



Both the penetration point and the bottomhole location for the Meramac B 4 Fee Well No. 2H 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 Meramac B 4 Fee Well No. 1H to be drilled to the targeted subsurface end-point or bottomhole location 2515 feet from the North line and 660 feet from the West line (Lot 12) of Section 4. 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 4. EOG is the only offset operator but certain working interest owners are not common. **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 north 320 acres of said Section 4 to the Meramac B 4 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,

A handwritten signature in black ink that reads "Ocean Munds-Dry".

Ocean Munds-Dry  
Attorney for EOG Resources, Inc.

Enclosures



March 28, 2007

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

**AFFECTED INTEREST OWNERS**

Re: Application of EOG Resources, Inc., for simultaneous dedication,  
Eddy County, New Mexico.

Ladies and Gentlemen:

This letter is to advise you that EOG Resources, Inc. has filed the enclosed application with the New Mexico Oil Conservation Division seeking the simultaneous dedication of the proposed Meramac B 4 Fee Well No. 1H and the existing Meramac B 4 Fee Well No. 2H to the north 320 acres of Section 4, Township 16 South, Range 25 East, NMPM, Eddy County, New Mexico.

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

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-402  
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 <b>30-015-35382</b>	Pool Code <b>75250</b>	Pool Name <b>COTTONWOOD CREEK WOLFCAMP (GAS)</b>
Property Code <b>36264</b>	Property Name <b>MERAMEC "B" 4 FEE</b>	Well Number <b>1H</b>
OGRD No. <b>7377</b>	Operator Name <b>EOG RESOURCES, INC.</b>	Elevation <b>3470'</b>

Surface Location

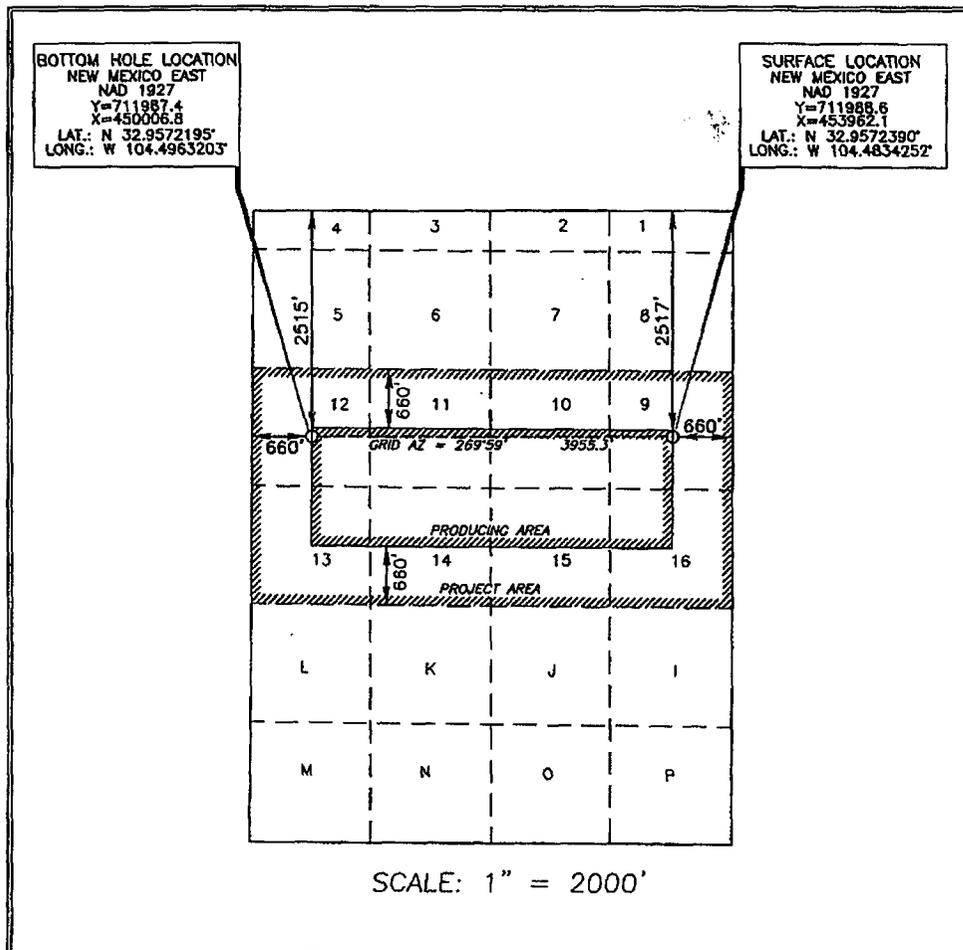
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
9	4	16 SOUTH	25 EAST, N.M.P.M.		2517'	NORTH	660'	EAST	EDDY

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
12	4	16 SOUTH	25 EAST, N.M.P.M.		2515'	NORTH	660'	WEST	EDDY

Dedicated Acres <b>320</b>	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* 1/18/07  
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 global survey made by me or under my supervision, and that the same is true and correct to the best of my belief.

15079  
DECEMBER 06 2006  
Date of Survey

Signature and Seal of Professional Surveyor

*Terry G. Paul* 1/10/2007  
Certificate Number 15079

WO# 061206WL-r (JL)

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 <b>30-015-35381</b>	Pool Code <b>75250</b>	Pool Name <b>COTTONWOOD CREEK WOLFCAMP (GAS)</b>
Property Code <b>36264</b>	Property Name <b>MERAMEC "B" 4 FEE</b>	Well Number <b>2H</b>
OGRID No. <b>7377</b>	Operator Name <b>EOG RESOURCES, INC.</b>	Elevation <b>3469'</b>

Surface Location

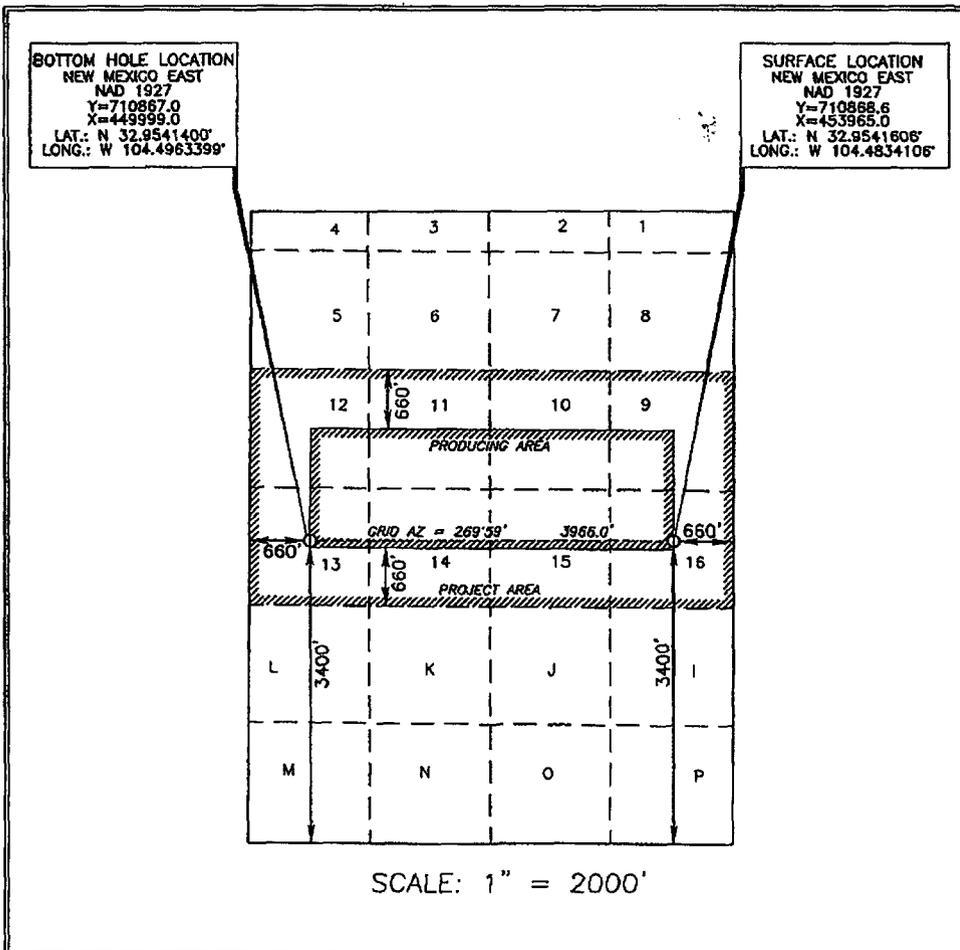
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
16	4	16 SOUTH	25 EAST, N.M.P.M.		3400'	SOUTH	660'	EAST	EDDY

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
13	4	16 SOUTH	25 EAST, N.M.P.M.		3400'	SOUTH	660'	WEST	EDDY

Dedicated Acres <b>320</b>	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* 1/18/07  
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 actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

15079  
DECEMBER 06, 2006  
Date of Survey

Signature and Seal of Professional Surveyor

*Ferry D. Daal* 1/10/2007  
Certificate Number 15079

WO# 061206WL-s (JL)

OFFSETS IN SECTION 4

	D	C	B	A	
(5)	E	F	G	H	
EOG + WIO'S	L	K (4)	J	I	(3)
	M	N	O	P	

EXHIBIT B

**Exhibit C**

**Application of EOG Resources, Inc.  
Simultaneous Dedication of  
North 320 acres of Section 4, Township 16 South, Range 25 East, NMPM  
Eddy County, New Mexico**

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

Capstone Oil & Gas Company  
P.O. Box 10187  
Midland, Texas 79702

CMW Interests, Inc.  
24 Smith Road, Suite 405  
Midland, Texas 79705

Elger Exploration, Inc.  
P.O. Box 2623  
Midland, Texas 79702-2623

Parallel Petroleum  
Post Office Box 10587  
Midland, Texas 79702