

29. March. 07 DATE IN	SUSPENSE	W. Jones ENGINEER	03. April. 07 LOGGED IN	SD TYPE	PLP0709346852 APP NO.
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200711

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

2007 MAR 29 AM 9 36

[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 3/29/07
 Print or Type Name Signature Title Date
 omundsdry@hollandhart.com
 e-mail Address



March 29, 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 S/2 of Section 22, Township 16 South, Range 24 East, N.M.P.M., Eddy County, New Mexico to its proposed Colorado B 22 Federal Well No. 2H and the existing Colorado B 22 Federal Well No. 1H.

Dear Mr. Fesmire:

EOG Resources, Inc. is the operator of a standard 320-acre spacing unit in the Undesignated West Cottonwood Creek-Wolfcamp Gas Pool (**Pool Code 75260**) comprised of the S/2 of Section 22, Township 16 South, Range 24 East, N.M.P.M., Eddy County, New Mexico. This spacing unit is dedicated to EOG's Colorado B 22 Federal Well No. 1H 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 **Colorado B 22 Federal Well No. 1H (API No. 30-015-34712)** horizontally drilled from a surface location 1880 feet from the South line and 660 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 22; and
- B. the proposed **Colorado B 22 Federal Well No. 2H (API No. 30-015 - 34713)** to be horizontally drilled from a surface location 760 feet from the South line and 660 feet from the East line to a proposed end point or bottomhole location 760 feet from the South line and 660 feet from the West line of said Section 22.

Holland & Hart LLP

Phone [505] 988-4421 Fax [505] 983-6043 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. ☺



Both the penetration point and the bottomhole location for the Colorado B 22 Federal Well No. 1H 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 Colorado B 22 Federal Well No. 2H to be drilled to the targeted subsurface end-point or bottomhole location 760 feet from the South line and 660 feet from the West line (Unit M) of Section 22. 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 22. **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 S/2 of said Section 22 to the Colorado B 22 Federal 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 cursive script that reads "Ocean Munds-Dry".

Ocean Munds-Dry
Attorney for EOG Resources, Inc.

Enclosures



March 29, 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 Colorado B 22 Federal Well No. 2H and the existing Colorado B 22 Federal Well No. 1H to the S/2 of Section 22, Township 16 South, Range 24 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-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 30-015-34713	Pool Code 75260	Pool Name Undes Cottonwood Creek; Wolfcamp West
Property Code 35547	Property Name COLORADO B 22 FEDERAL	Well Number 2H
OCRD No. 7377	Operator Name EOG RESOURCES, INC.	Elevation 3647'

Surface Location

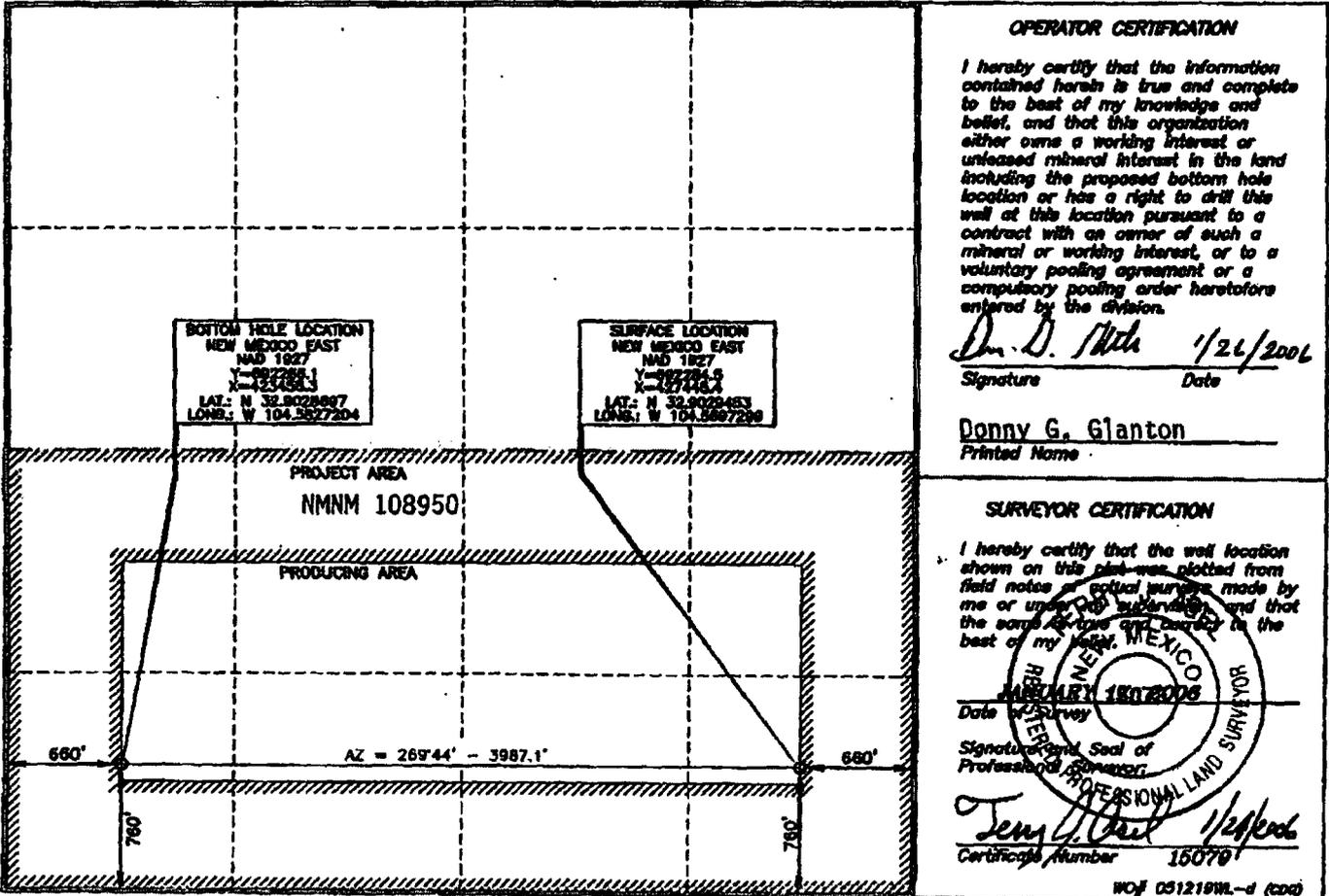
UL or lot no.	Section	Township	Range	Lot Id#	Feet from the	North/South line	Feet from the	East/West line	County
P	22	16 SOUTH	24 EAST, N.M.P.M.		760	SOUTH	660	EAST	EDDY

Bottom Hole Location if Different From Surface

UL or lot no.	Section	Township	Range	Lot Id#	Feet from the	North/South line	Feet from the	East/West line	County
M	22	16 SOUTH	24 EAST, N.M.P.M.		760	SOUTH	660	WEST	EDDY

Dedicated Acres 320	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 1/26/2006
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 or actual surveys made by me or under my supervision, and that the same are true and correct to the best of my belief.

NEW MEXICO
REGISTERED PROFESSIONAL LAND SURVEYOR
JANUARY 18072005
Date of Survey
Signature and Seal of Professional Surveyor
Jerry G. [Signature] 1/26/2006
Certificate Number 15070

WOF 051219ML-d (200)

EXHIBIT A

District I
1825 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 G-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 30-015-34712	Pool Code 75260	Pool Name Undes Cottonwood Creek; Wolfcamp West
Property Code 35547	Property Name COLORADO B 22 FEDERAL	Well Number 1H
OGRD No. 7377	Operator Name EOG RESOURCES, INC.	Elevation 3642'

Surface Location

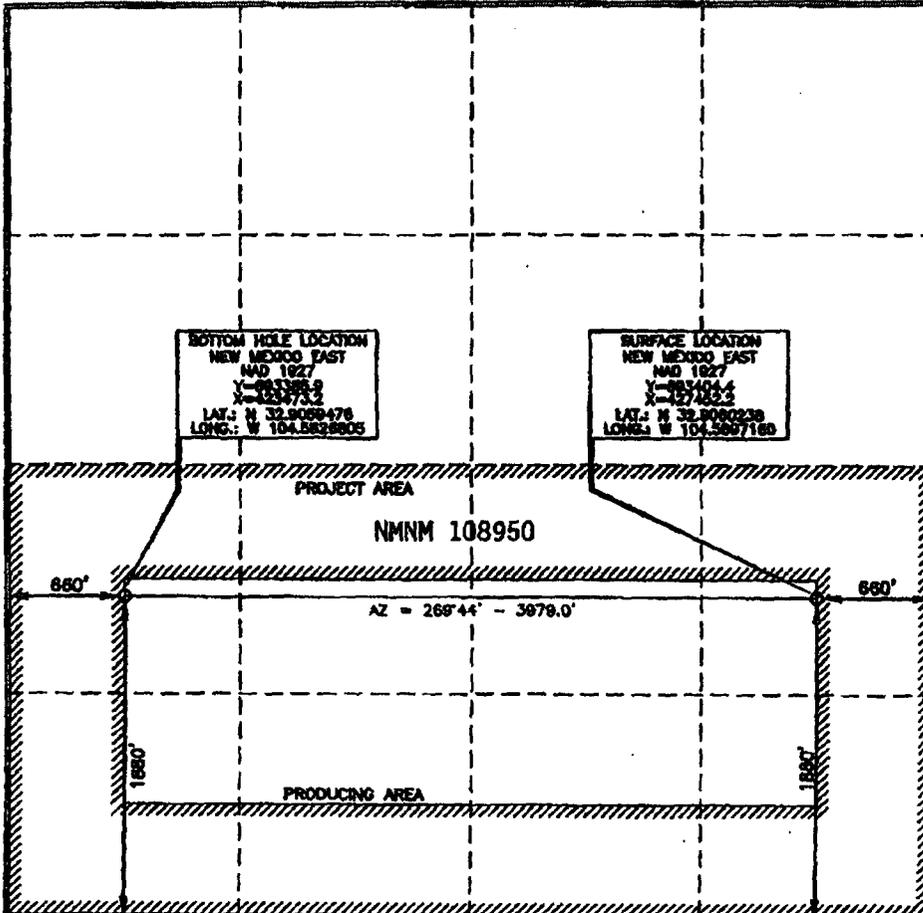
UL or lot no.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
I	22	18 SOUTH	24 EAST, N.M.P.M.		1880	SOUTH	660	EAST	EDDY

Bottom Hole Location if Different From Surface

UL or lot no.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
L	22	18 SOUTH	24 EAST, N.M.P.M.		1880	SOUTH	660	WEST	EDDY

Dedicated Acre 320	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 1/26/2006
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 or actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Terry J. Deal
Date of Survey

Signature and Seal of Professional Surveyor

Terry J. Deal 1/26/2006
Certificate Number 15079

WOP 051218ML-0 (004)

OFFSETS IN SECTION 22

		D	C	B	A
EOG	EOG				
(21)	E	F	G	H	EOG
LCX	L	K	J	I	(27) + WIO's
	M	N	O	P	
(28) LCX		(27) LCX			EOG (26)

EXHIBIT B

Exhibit C

**Application of EOG Resources, Inc.
Simultaneous Dedication of
S/2 of Section 22, Township 16 South, Range 24 East, NMPM
Eddy County, New Mexico**

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

Allar Company & EG3
P.O. Box 1567
Graham, Texas 76450

Talus, Inc. & Twin Montana, Inc.
P.O. Box 1210
Graham, Texas 76450

Jones, William V., EMNRD

From: Ocean Munds-Dry [Omundsdry@hollandhart.com]
Sent: Tuesday, April 24, 2007 2:35 PM
To: Jones, William V., EMNRD
Cc: Brooks, David K., EMNRD; Ezeanyim, Richard, EMNRD
Subject: RE: SD applications from EOG

Will:

David can correct me if I am wrong, but we have been notifying WIOs only if they are not common in the adjoining spacing units. In the Hasburg wells, the WIO ownership is common in Section 35.

In the Colorado wells, the WIOs are common in the N/2 and S/2 of Section 22. In Section 23, the WIO are not common, so we notified Allar, EG3 and Talus who are the WIOs.

Let me know if you need any more information.
 Thanks,
 Ocean

From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]
Sent: Tuesday, April 24, 2007 8:36 AM
To: Ocean Munds-Dry
Cc: Brooks, David K., EMNRD; Ezeanyim, Richard, EMNRD
Subject: SD applications from EOG

Hello Ocean:

I have some SDs to process and, to be consistent with the way David Brooks is reviewing these, would like to request some additional ownership data on affected spacing units operated by EOG which surround the subject spacing units.

Hasburg A 35 Fee:

Please let me know for our records the working interest owners in
 1) the S/2 of Section 35, 15S, 24E, which is operated by EOG.

Colorado B 22 Federal:

Please let me know for our records the affected (working interest) owners in each of these:

- 1) the N/2 of Section 22, 16S, 24E operated by EOG.
- 2) the W/2 of Section 23, 16S, 24E operated by EOG.

William V. Jones PE
 New Mexico Oil Conservation Division
 1220 South St. Francis
 Santa Fe, NM 87505
 505-476-3448

Confidentiality Notice: This e-mail, including all attachments is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited unless specifically provided under the New Mexico Inspection of Public Records Act. If you are not

4/24/2007