



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

November 20, 2007

EOG Resources, Inc.
c/o Ms. Kristina Martinez
Holland & Hart, LLP
P.O. Box 2208
Santa Fe, NM 87504

Administrative Order SD-200725

Re: EOG Resources, Inc.
Crusoe BKO Fed. Com. Well No. 2H
API No. 30-015-35824
Unit H, Section 24, Twsp 16S, Range 24E
Eddy County

Dear Ms Martinez:

Reference is made to the following:

- (a) your application (**administrative SD application reference No. pTDS07-28931729**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on October 15, 2007, on behalf of EOG Resources, Inc. (EOG);
- (b) your amended application submitted on October 30, 2007;
- (c) your supplemental e-mail communications dated November 19, 2007; and
- (d) the Division's records pertinent to EOG's request.

EOG has requested to simultaneously dedicate the N/2 of Section 24, Township 16 South, Range 24 East in Eddy County, New Mexico, in the Wolfcamp formation, to:

- (a) its proposed Crusoe Fed. Com. Well No. 2H (API No. 30-015-35824) (the proposed well), a horizontal gas well to be drilled to the Wolfcamp formation from an orthodox surface location 1880 feet from the North line and 660 feet from the East line (Unit H) of Section 24 to an orthodox terminus, or bottom-hole location, 1880 feet from the North line and 660 feet from the West line (Unit E) of said Section; and

(b) its existing Crusoe BKO Fed. Com. Well No. 1H (API No. 30-015-34729) (the existing well), a horizontal gas well drilled to the Wolfcamp formation from an orthodox surface location 660 feet from the North line and 700 feet from the East line (Unit A) of Section 24 to an orthodox terminus, or bottom-hole location, 760 feet from the North line and 660 feet from the West line (Unit D) of said Section.

The N/2 of Section 24 is a standard 320-acre gas spacing unit in the West Cottonwood Creek-Wolfcamp Gas Pool (75260). Well density in this pool is governed by statewide Rule 104.C(2), which, as applied to this unit allows two wells to be completed in the unit, but requires that the wells be in different quarter sections. Because the proposed well will be completed within both quarter sections of this 320-acre unit, and the existing well is also completed in both quarter sections, division approval for simultaneous dedication is required.

Your application on behalf of EOG has been duly filed under the provisions of Division Rules 104.D(3) and 1210.A(2).

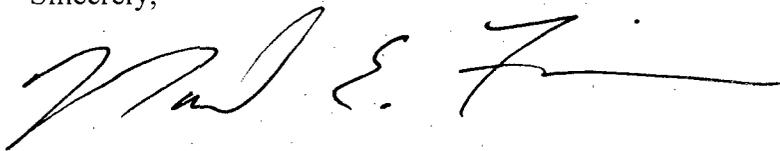
It is our understanding EOG has proposed the simultaneous dedication of this unit to the two wells described for geological reasons, in order to prevent waste and maximize production from this unit.

We further understand that all operators of offsetting units within the Wolfcamp formation have been duly notified of the filing of this application.

Pursuant to the authority granted to the Division by Rule 104.D(3), the above-described simultaneous dedication is hereby approved.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark E. Fesmire', with a long horizontal flourish extending to the right.

Mark E. Fesmire, P.E.
Director

MEF/db

cc: New Mexico Oil Conservation Division - Hobbs
United States Bureau of Land Management - Carlsbad