

10/15/07 DATE IN	SUSPENSE	D. Brooks ENGINEER	10/16/07 LOGGED IN	SD TYPE	APP NO. 7050928931729
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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 Resources  
Cresce BKO Perm #7  
200725

### 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			

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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>30-015-35824</b>	Pool Code <b>75260</b>	Pool Name <b>COTTONWOOD CREEK ; Wolfcamp West</b>
Property Code	Property Name <b>CRUSOE BKO FED. COM</b>	Well Number <b>2H</b>
OGRID No. <b>7377</b>	Operator Name <b>EOG RESOURCES, INC.</b>	Elevation <b>3614'</b>

Surface Location

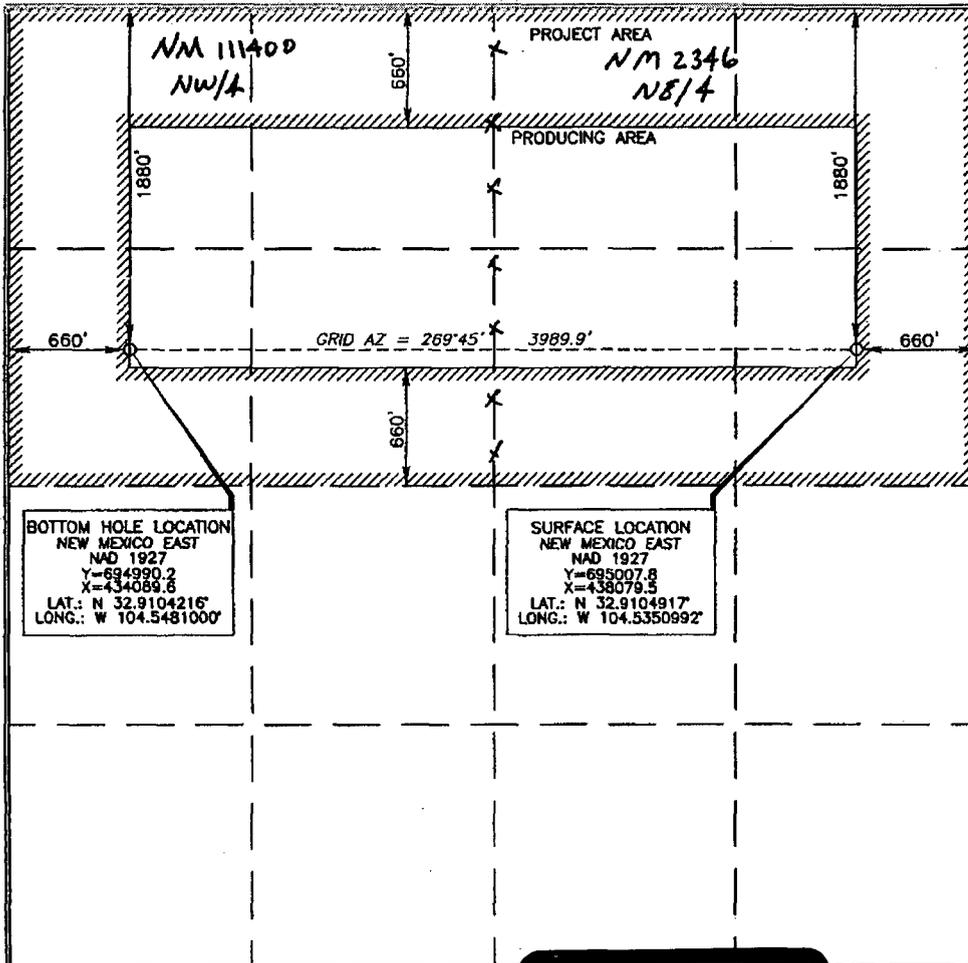
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>H</b>	<b>24</b>	<b>16 SOUTH</b>	<b>24 EAST, N.M.P.M.</b>		<b>1880'</b>	<b>NORTH</b>	<b>660'</b>	<b>EAST</b>	<b>EDDY</b>

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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* 8/30/07

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.

Date of Survey  
Signature of Registered Professional Land Surveyor  
*Jerry G. Paul* 7/19/2007  
Certificate Number 15079

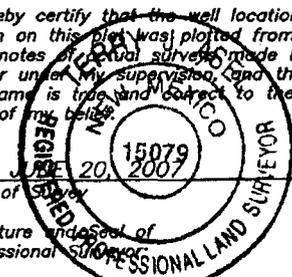


EXHIBIT  
**A**



October 15, 2007

**VIA HAND DELIVERY**

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 N/2 (Unit Letters A, B, C, D, E, F, G & H) of Section 24, Township 16 South, Range 24 East, N.M.P.M., Eddy County, New Mexico to its proposed Crusoe BKO Fed Com Well No. 2H and the existing Crusoe BKO Fed Com Well No. 1H.**

Dear Mr. Fesmire:

EOG Resources, Inc. ("EOG") is the operator of a standard 320-acre gas spacing unit in the Cottonwood Creek-Wolfcamp West Gas Pool (**Pool Code 75260**), comprised of the N/2 (Unit Letters A, B, C, D, E, F, G & H) of Section 24, Township 16 South, Range 24 East, N.M.P.M., Eddy County, New Mexico from which its Crusoe BKO Fed Com Well No. 1H currently produces from the Wolfcamp formation.

Pursuant to Oil Conservation Division Rule 104.D(3), EOG hereby makes application for administrative approval of the simultaneous dedication of this standard 320-acre gas spacing and proration unit to the following two horizontal gas wells:

- A. the existing CRUSOE BKO FED COM WELL NO. 1H (API No. 30-015-34729) horizontally drilled from a surface location 660 feet from the North line and 700 feet from the East line to a proposed end point or bottomhole location 760 feet from the North line and 660 feet from the West line of said Section 24; and
- B. the proposed CRUSOE BKO FED COM WELL NO. 2H (API No. 30-015-35824) to be horizontally drilled from a surface location 1880 feet from the North line and 660 feet from the East line to a proposed end point or bottomhole location 1880 feet from the North line and 660 feet from the West line of said Section 24.



Both the penetration point and the bottomhole location for the Crusoe BKO Fed Com 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 Crusoe BKO Fed Com Well No. 2H to be drilled to the targeted subsurface end-point or bottomhole location 1880 feet from the North line and 660 feet from the West line (Unit E) of Section 24. 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.

The simultaneous dedication of the N/2 (Unit Letters A, B, C, D, E, F, G & H) of said Section 24 to the Crusoe BKO Fed Com Well No's. 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 authorized by Division Rule for this spacing unit nor will either well be closer to the outer boundary of the horizontal well project area than permitted by Division Rules. Accordingly, there are no other interest owners who are affected by this application.

Your attention to this application is appreciated.

Sincerely,

Kristina Martinez  
Attorney for EOG Resources

KEM  
Enclosure



RECEIVED  
Kristina Martinez  
Phone (505) 988-4421  
kmartinez@hollandhart.com  
2007 OCT 15 AM 9 49

October 15, 2007

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**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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Kristina Martinez  
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KEM  
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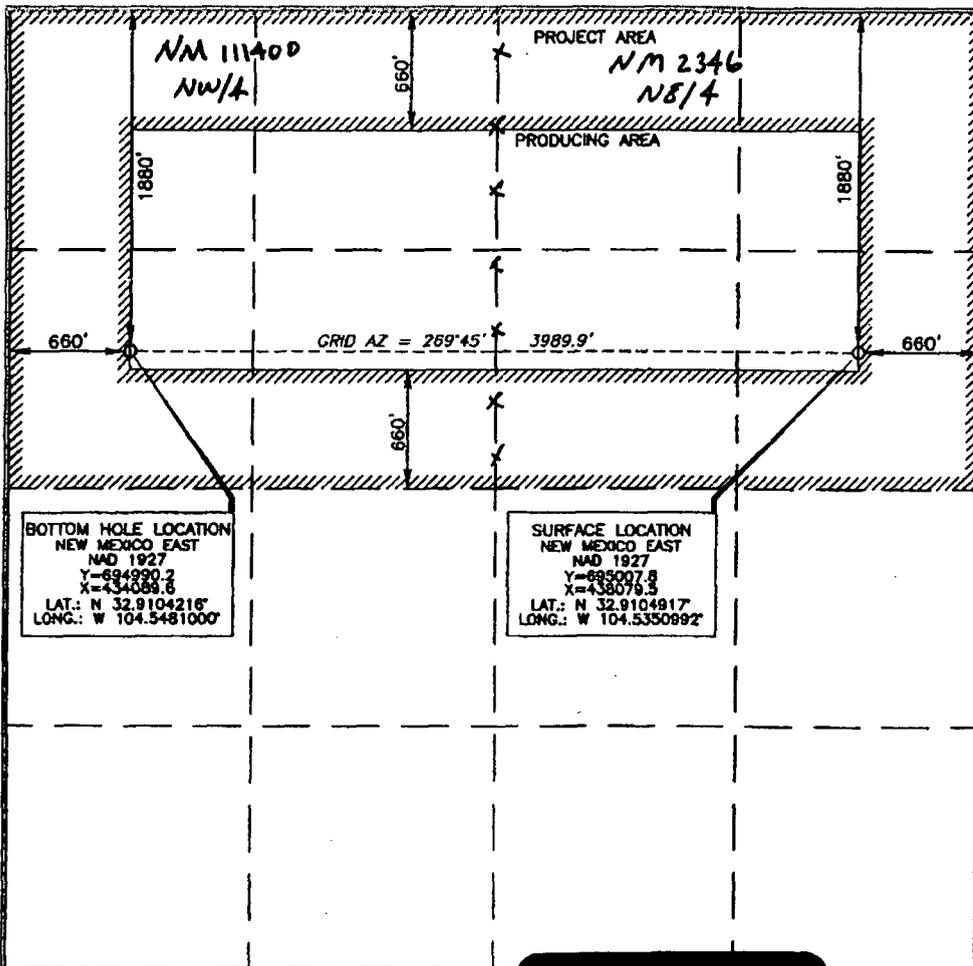
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*Donny G. Glanton* 8/30/07  
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**Donny G. Glanton**  
Printed Name

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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.

*Terry J. Paul* 7/19/2007  
Date of Survey  
Signature and Seal of Professional Surveyor  
Certificate Number 15079

WOP 070620WL-b (A)

EXHIBIT

**A**



2007 OCT 15 AM 9 49

October 15, 2007

**VIA HAND DELIVERY**

Mark E. Fesmire, P.E.  
Director  
Oil Conservation Division  
New Mexico Department of Energy,  
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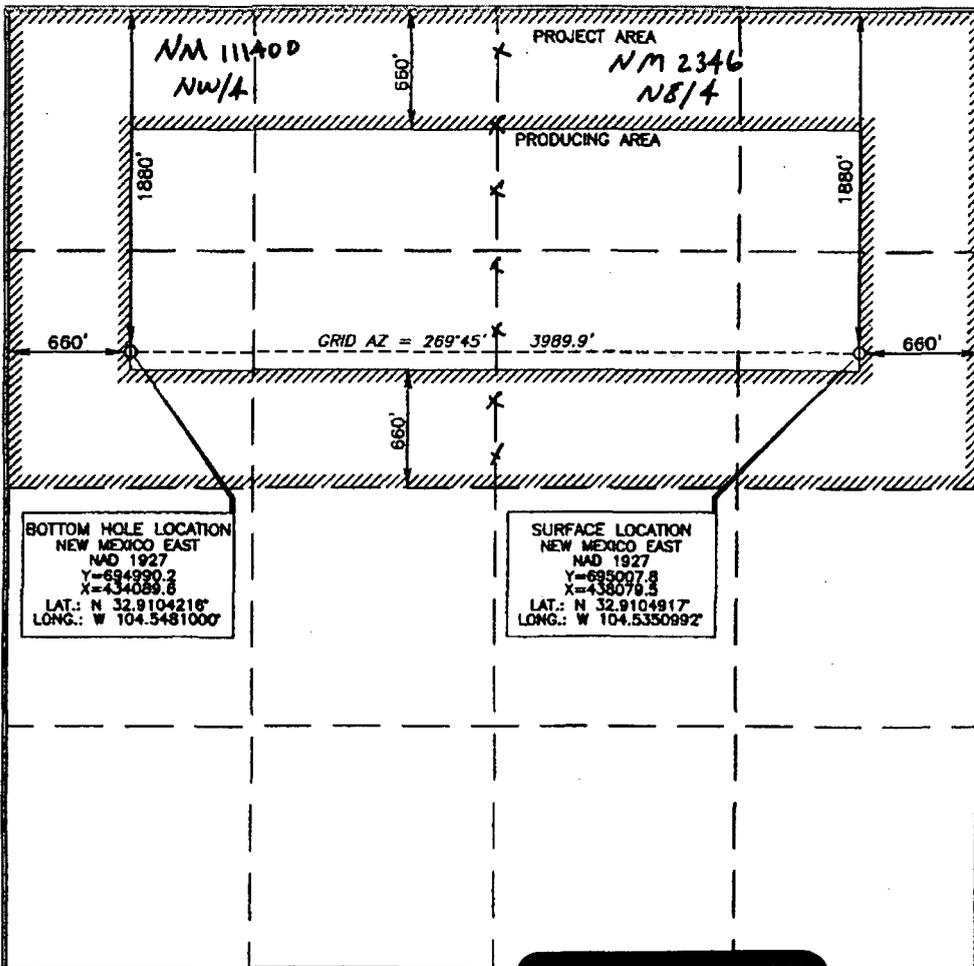
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*Donny G. Glanton* 8/30/07  
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**Donny G. Glanton**  
Printed Name

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**15079**  
JUL 20, 2007  
Date of Survey  
Signature and Seal of Professional Surveyor  
*Terry J. Abel* 7/19/2007  
Certificate Number 15079

WO# 070620WL-b (A)

EXHIBIT

A

10/30/07 DATE IN	SUSPENSE	BROOKS ENGINEER	10/31/07 LOGGED IN	TYPE SD	PKVR 0730433496 APP NO
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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  
Cruise BKO Prod #24  
CXL

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- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
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 NSL  NSP  SD
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Kristina Martinez \_\_\_\_\_ 10/30/07  
 Print or Type Name Signature Title Date  
 \_\_\_\_\_  
 e-mail Address kemartinez@hollandhart.com

RECEIVED  
 2007 OCT 30 PM 4 57



October 30, 2007

**VIA HAND DELIVERY**

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Oil Conservation Division  
New Mexico Department of Energy,  
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Dear Mr. Fesmire:

I recently realized that I did not include proof of notice to "affected persons" in the offset spacing units in EOG's original application, filed October 15, 2007. In accordance with the Division's policy of providing notice to such persons, I am enclosing two supplemental exhibits to be attached to that application.

**Exhibit B** is a map of offset operators around the spacing unit in Section 24. **Exhibit C** is a list of affected parties as defined by Division Rules. As required by Rule 1210, a copy of the original application (with attachments) and a copy of this letter (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 of this letter. I am also attaching the Administrative Application Checklist which was also inadvertently omitted from the original application.

If you need anything else, please let me know. Thank you for your time.

Sincerely,

Kristina Martinez  
Attorney for EOG Resources

KEM  
Enclosures

OFFSETS IN SECTION 24

Yates (14)		(13) EOG		Yates (18)
	D	C	B	Yates
	CRUSOE			
EOG (23) + WIOS	E	F	G	
	L	(24) K	J	(19) LCX
	M	N	O	
	P			

EXHIBIT  
B

tabbles®

**Exhibit C**

**Application of EOG Resources, Inc.  
Simultaneous Dedication of  
N/2 of Section 24, Township 16 South, Range 24 East, N.M.P.M.  
Eddy County, New Mexico**

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

Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, New Mexico 88210

Twin Montana, Inc.  
P.O. Box 1210  
Graham, TX 76450

Talus, Inc.  
P.O. Box 1210  
Graham, TX 76450

The Allar Company  
P.O. Box 1567  
Graham, TX 76450

EG3, Inc.  
P.O. Box 1567  
Graham, TX 76450

HOLLAND & HART<sup>LLP</sup>



Kristina Martinez  
Phone (505) 988-4421  
kemartinez@hollandhart.com

2007 OCT 15 AM 9 49

October 15, 2007

**VIA HAND DELIVERY**

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 N/2 (Unit Letters A, B, C, D, E, F, G & H) of Section 24, Township 16 South, Range 24 East, N.M.P.M., Eddy County, New Mexico to its proposed Crusoe BKO Fed Com Well No. 2H and the existing Crusoe BKO Fed Com Well No. 1H.**

Dear Mr. Fesmire:

EOG Resources, Inc. ("EOG") is the operator of a standard 320-acre gas spacing unit in the Cottonwood Creek-Wolfcamp West Gas Pool (**Pool Code 75260**), comprised of the N/2 (Unit Letters A, B, C, D, E, F, G & H) of Section 24, Township 16 South, Range 24 East, N.M.P.M., Eddy County, New Mexico from which its Crusoe BKO Fed Com Well No. 1H currently produces from the Wolfcamp formation.

Pursuant to Oil Conservation Division Rule 104.D(3), EOG hereby makes application for administrative approval of the simultaneous dedication of this standard 320-acre gas spacing and proration unit to the following two horizontal gas wells:

- A. the existing CRUSOE BKO FED COM WELL NO. 1H (API No. 30-015-34729) horizontally drilled from a surface location 660 feet from the North line and 700 feet from the East line to a proposed end point or bottomhole location 760 feet from the North line and 660 feet from the West line of said Section 24; and
- B. the proposed CRUSOE BKO FED COM WELL NO. 2H (API No. 30-015-35824) to be horizontally drilled from a surface location 1880 feet from the North line and 660 feet from the East line to a proposed end point or bottomhole location 1880 feet from the North line and 660 feet from the West line of said Section 24.

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. ☪



Both the penetration point and the bottomhole location for the Crusoe BKO Fed Com 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 Crusoe BKO Fed Com Well No. 2H to be drilled to the targeted subsurface end-point or bottomhole location 1880 feet from the North line and 660 feet from the West line (Unit E) of Section 24. 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.

The simultaneous dedication of the N/2 (Unit Letters A, B, C, D, E, F, G & H) of said Section 24 to the Crusoe BKO Fed Com Well No's. 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 authorized by Division Rule for this spacing unit nor will either well be closer to the outer boundary of the horizontal well project area than permitted by Division Rules. Accordingly, there are no other interest owners who are affected by this application.

Your attention to this application is appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read 'KMA' with a stylized flourish.

Kristina Martinez  
Attorney for EOG Resources

KEM  
Enclosure

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>30-015-35824</b>	Pool Code <b>75260</b>	Pool Name <b>COTTONWOOD CREEK; Wolfcamp West</b>
Property Code	Property Name <b>CRUSOE BKO FED. COM</b>	Well Number <b>2H</b>
OGRID No. <b>7377</b>	Operator Name <b>EOG RESOURCES, INC.</b>	Elevation <b>3614'</b>

Surface Location

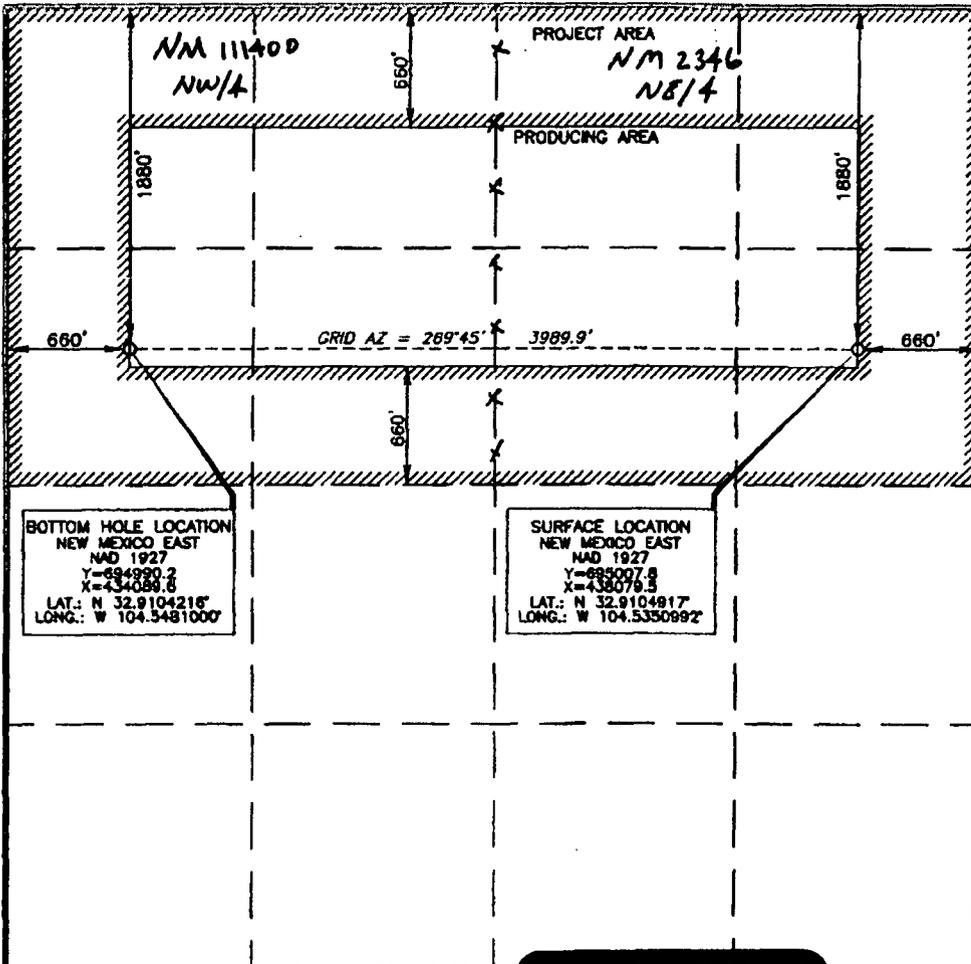
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>H</b>	<b>24</b>	<b>16 SOUTH</b>	<b>24 EAST, N.M.P.M.</b>		<b>1880'</b>	<b>NORTH</b>	<b>660'</b>	<b>EAST</b>	<b>EDDY</b>

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
<b>E</b>	<b>24</b>	<b>16 SOUTH</b>	<b>24 EAST, N.M.P.M.</b>		<b>1880'</b>	<b>NORTH</b>	<b>660'</b>	<b>WEST</b>	<b>EDDY</b>

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

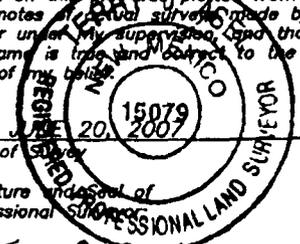
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this 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* 8/30/07

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 legal survey made by me or under my supervision, and that the same is true and correct to the best of my belief.



Date of Survey  
Signature of Professional Land Surveyor  
*Jerry G. Paul* 7/19/2007  
Certificate Number 15079

WOP 070620ML-b (A)

EXHIBIT

A

**Brooks, David K., EMNRD**

---

**From:** Brooks, David K., EMNRD  
**Sent:** Monday, November 19, 2007 9:56 AM  
**To:** 'Kristina Martinez'  
**Subject:** RE: EOG SD applications

Kristina

I have reviewed the application for the Crusoe BKO Fed Well No. 2H. Today is the 20<sup>th</sup> day on this application; so it can be issued tomorrow, and I will calendar it so that that can be done, assuming, of course, that we do not receive a protest today.

However, I need you to confirm specifically that the list of parties notified (Exhibit C to your letter of Oct 30) includes all parties who own working interests in adjoining spacing units that EOG operates, whose interest in any of the adjoining spacing units is larger than their interest in the N/2 of Section 24.

Thanks  
David K. Brooks  
Legal Examiner  
505-476-3450

---

**From:** Kristina Martinez [mailto:KEMartinez@hollandhart.com]  
**Sent:** Friday, November 16, 2007 7:09 AM  
**To:** Brooks, David K., EMNRD  
**Subject:** RE: EOG SD applications

Thank you. I do understand that you are absolutely buried right now with the Pit Rule hearing. If it helps, the spud dates for the wells are as follows:

Crusoe: 11/23  
Robinson: 12/10  
Trinity: 12/1

Therefore, if we can get the Crusoe app approved before Thanksgiving, we'll still have some time on the others.

Kristina

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**From:** Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]  
**Sent:** Thursday, November 15, 2007 5:35 PM  
**To:** Kristina Martinez  
**Subject:** RE: EOG SD applications

Kristina

I will put them at the top of my list. Mr. Carr may be able to give you an indication, however, of how likely it is that I will even reach my list in the near future.

David Brooks

---

**From:** Kristina Martinez [mailto:KEMartinez@hollandhart.com]  
**Sent:** Wednesday, November 14, 2007 4:25 PM

11/19/2007

**To:** Brooks, David K., EMNRD  
**Subject:** EOG SD applications

Mr. Brooks,

On October 30, 2008, I provided you with the information requested below for the following simultaneous dedication applications submitted by EOG Resources:

Trinity B 28 State 2H  
Crusoe BKO Fed Com 2H  
Robinson HW Fed Com 2H

By my calculations, the objection period ends on November 19th. The spud date for these wells is approaching quickly. I was wondering if it would be possible to have the applications approved on an expedited basis once the objection period runs? Please let me know.

Thank you,  
Kristina

**Kristina Martinez**  
Holland & Hart LLP  
P.O. Box 2208  
Santa Fe, New Mexico 87504-2208  
Phone (505) 988-4421  
E-mail: kemartinez@hollandhart.com



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**From:** Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]  
**Sent:** Wednesday, October 24, 2007 1:31 PM  
**To:** Kristina Martinez  
**Subject:** EOG Resources: Robinson HW Fed Com Well No. 2H; Eddy County

Kristina

OCD's interpretation is that the completion of a second horizontal well across both quarter sections of a 320-acres gas unit *does* exceed the number of wells authorized by division rules for these units. That is true because Rule 104.C(2) requires that the two wells allowed in a 320-acre unit be in different quarter sections. A horizontal well running across the section is located in *both* quarter sections. This is why we require Simultaneous Dedication approval for such wells.

Rule 1210 does not specify the notice requirements for Simultaneous Dedication applications. Accordingly, Rule 1210.A(9) applies, requiring that the applicant "shall give notice as the division requires." Division policy in this type of case is that we require notice to "affected persons" in all spacing units in the same formation directly or diagonally adjoining the subject unit.

Accordingly, I am coding your application for the referenced unit "returned to operator." I will retain physical possession of the materials submitted, and will re-activate your application upon receipt of proof of notice in accordance with the stated policy.

11/19/2007

Thanks

David K. Brooks  
Legal Examiner  
505-476-3450

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11/19/2007

**Brooks, David K., EMNRD**

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**From:** Kristina Martinez [KEMartinez@hollandhart.com]  
**Sent:** Monday, November 19, 2007 10:40 AM  
**To:** Brooks, David K., EMNRD  
**Subject:** RE: EOG SD applications

Mr. Brooks,

Thank you for your timely attention to this application. I can confirm that Exhibit C includes all working interest owners whose interest in any of the adjoining spacing units is larger than their interest in the N/2 of Section 24.

Tomorrow when you issue the order, please call me so I can have someone pick up a copy to send to my client.

Kristina

---

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**Kristina Martinez**  
Holland & Hart LLP  
P.O. Box 2208  
Santa Fe, New Mexico 87504-2208  
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E-mail: kemartinez@hollandhart.com



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