



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**GARY E. JOHNSON**  
Governor  
**Jennifer A. Salisbury**  
Cabinet Secretary

August 3, 2001

**Lori Wrotenbery**  
Director  
Oil Conservation Division

**EOG Resources, Inc.**  
c/o William F. Carr  
**Holland & Hart L.L.P. and Campbell & Carr**  
P. O. Box 2208  
Santa Fe, New Mexico 87504-2208

**Telefax No. (505) 983-6043**

*Administrative Order NSL-4621*

Dear Mr. Carr:

Reference is made to the following: (i) your application on behalf of the operator, EOG Resources, Inc. ("EOG"), dated July 31, 2001 (*application reference No. pKRV0-121447461*); and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe: all concerning EOG's request for an unorthodox Wolfcamp oil well location for its Starbuck "19" Federal Com. Well No. 1 (**API No. 30-015-31327**), which was recently drilled (spud on November 24, 2000) to a total depth of 9,975 feet and completed in the Empire-Pennsylvanian Pool within a standard stand-up gas spacing and proration unit comprising the W/2 of Section 19, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico, at a standard gas well location 1140 feet from the North line and 1650 feet from the West line (Unit C) of Section 19.

It is our understanding that the Pennsylvanian interval is now depleted and that EOG intends to recomplete up-hole into the shallower oil bearing Wolfcamp formation; however, pursuant to Rule 104.B (1), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, the location of the Starbuck "19" Federal Com. Well No. 1 is considered to be unorthodox. Further, the NE/4 NW/4 of Section 19 is to be dedicated to this well in order to form a standard 40-acre oil spacing and proration unit for the Undesignated Empire-Wolfcamp Pool (22420).

This application has been duly filed under the provisions of Division Rule 104.F, as revised.

By the authority granted me under the provision of Division Rule 104.F (2), the above-described unorthodox Wolfcamp oil well location is hereby approved.

PLEASE NOTE HOWEVER THAT, in the future, EOG, as a prudent operator, should take all necessary steps to locate wells at a location considered to be standard for all possible zones to be encountered and should be more cognizant of well location requirements for different producing horizons within the immediate area of operations. Any future disregard to the Division's well spacing rules with respect to recompletions may subject all future requests to the Division's hearing process.

Administrative Order NSL-4621  
EOG Resources Inc.  
August 3, 2001  
Page 2

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Jurisdiction of this matter shall be further retained for the entry of any such subsequent orders, as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "Lori Wrotenbery", followed by a large, stylized flourish or scribble.

Lori Wrotenbery  
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia  
U. S. Bureau of Land Management - Carlsbad