



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

October 22, 2001

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

Telefax No. (505) 983-6043

Administrative Order NSL-4656

Dear Mr. Carr:

Reference is made to the following: (i) your application dated October 18, 2001 on behalf of the operator, EOG Resources, Inc. ("EOG") (*application reference No. pKRV0-129148848*); and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe: all concerning EOG's request to drill its Mantaray "13" Federal Well No. 1 at an unorthodox gas well location in the Undesignated South Corbin-Morrow Gas Pool (75080) 2306 feet from the South line and 936 feet from the East line (Unit I) of Section 13, Township 18 South, Range 32 East, NMPM, Lea County, New Mexico.

It is our understanding that the other primary objective for this well is the shallower Strawn interval, in which the NE/4 SE/4 of Section 13 is to be dedicated to form a standard 40-acre oil spacing and proration unit [pursuant to Division Rule 104.B (1), this location is standard]. However, pursuant to Division 104.C (2) (a), this location is considered to be an unorthodox gas well location for the Morrow interval in which the E/2 of Section 13 is to be dedicated in order to form a standard 320-acre stand-up gas spacing and proration unit.

The geologic interpretation submitted with this application indicates that a well drilled at the proposed location will be at a more favorable geologic position within both the gas bearing Morrow and oil bearing Strawn formations, thereby increasing the likelihood of encountering commercial quantities of hydrocarbons in both zones.

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox Morrow gas well location within the proposed 320-acre stand-up unit comprising the E/2 of Section 13 for EOG's proposed Mantaray "13" Federal Well No. 1 is

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hereby approved.

Sincerely,

A handwritten signature in black ink, appearing to read "Lori Wrotenbery". The signature is fluid and cursive, with a large, sweeping flourish at the end.

Lori Wrotenbery
Director

LW/MES/kv

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