

DATE IN 10/18/01	SUSPENSE 11/7/01	ENGINEER MS	LOGGED IN KN	TYPE NSL	APP NO. 129148848
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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



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 _____

01 OCT 18 AM 9:52
 01 OCT 18 10:01 AM

- [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.

WILLIAM F. CARR William F. Carr ATTORNEY 10-17-01
 Print or Type Name Signature Title Date

wcarr @ westofpecos.com
 e-mail Address

HOLLAND & HART LLP
AND
CAMPBELL & CARR
ATTORNEYS AT LAW

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BOULDER • COLORADO SPRINGS
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BILLINGS • BOISE
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October 18, 2001

HAND-DELIVERED

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

01 OCT 18 AM 9:52
01 OCT 18 AM 9:52

Re: **Application of EOG Resources, Inc. for Administrative Approval of an Unorthodox Well Location for its Mantaray "13" Federal Well No. 1, located 2306 feet from the South line and 936 feet from the East line of Section 13, Township 18 South, Range 32 East, N.M.P.M., Lea County, New Mexico.**

Dear Ms. Wrotenbery:

EOG Resources, Inc. hereby seeks administrative approval pursuant to the provisions of Division Rule 104 F (2)-(4) adopted on August 12, 1999, of an unorthodox well location for its Mantaray "13" Federal Well No. 1 to be drilled at an unorthodox location at a point 2306 feet from the South line and 936 feet from the East line Section 13, Township 18 South, Range 32 East, N.M.P.M., Lea County, New Mexico. This well will be drilled to a depth sufficient to test the Morrow formation, Undesignated South Corbin-Morrow Gas Pool. A standard 320-acre spacing and proration unit comprised of the E/2 of Section 13 will be dedicated to the well.

This location in the Morrow formation is unorthodox because it is governed by the Division's statewide rules which provide for wells on 320-spacing units to be located no closer than 660 feet to the outer boundary of the quarter section on which the well is located

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
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and no closer than 10 feet to any quarter-quarter section line or subdivision inner boundary. The location is 334 feet from an outer boundary of a quarter section.

EOG proposes to test both the Strawn and the Morrow formations in the Mantaray "13" Federal Well No. 1. It is cognizant of well location requirements for the different producing horizons within this area and is requesting approval of a location that, while not the best location for both horizons, is acceptable in each formation. As fully set out below, the unorthodox location in the Morrow formation is the result of drilling the well at an acceptable location in the Strawn formation and the poor performance of an offsetting Morrow well.

Strawn location:

Interpretation of 3D seismic has identified a thick in the E/2 of Section 13 in the Strawn interval. A copy of a Strawn Isochron Map is enclosed with this application as Exhibit A. This Strawn interval is known to produce in other areas and is a specific zone of interest in this well. EOG's location is based upon this seismic interpretation of the Strawn interval. As can be seen from Exhibit A, the best Strawn location would be 2200 feet from the South line and 1130 feet from the East line of Section 13 which is an unorthodox 40-oil location. While not the best location, the location proposed by EOG is an acceptable orthodox location.

Morrow location:

The potential for Morrow sand at this location is based on geologic subsurface control. Seismic contribution primarily aids in evaluating the subsurface structure of the Morrow interval. The seismic data, in conjunction with the well control, suggests there exists a relative high at the Morrow in the E/2, and specifically the SE/4, of Section 13. Although a Morrow Well could be drilled at a standard location in the Morrow, ~~it would not be an acceptable location in the Strawn formation.~~ EOG drilled and completed its Corbin "18" Federal Com Well No. 1 in Unit O of offsetting Section 18. This well was unsuccessful in

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources

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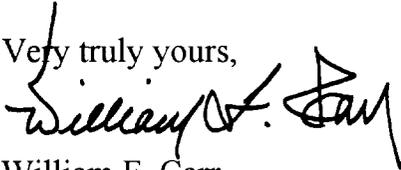
the Morrow and underscores the risk associated with drilling to the Morrow in this area.

Therefore, to reduce the cumulative risk of both objectives and maximize reserve potential from this tract, EOG is proposing this location to test both intervals. This location results in a well being drilled in a location which is acceptable for both intervals and is standard in the Strawn formation, will permit the testing of the Morrow at this location as a tag along zone and will permit both formations to be tested with a single wellbore.

Exhibit B, is a plat which shows the subject area, the 320-acre spacing unit comprised of all of the E/2 of Section 13 and the proposed unorthodox location. Since this location is only unorthodox to an interior quarter-quarter section line, there are no adjoining or diagonal spacing units towards which the well location encroaches. Accordingly, there are no affected parties to whom this application needs to be provided.

Enclosed for your consideration, in hard copy and on disc, is a draft order granting this application.

Your attention to this application is appreciated.

Very truly yours,

William F. Carr
Attorney for EOG Resources, Inc.

Enclosures

cc: Patrick J. Tower, Project Landman
EOG Resources, Inc.
Post Office Box 2267
Midland, Texas 79702

EOG Resources, Inc.
Post Office Box 2267
Midland, Texas 79705

Attention: Patrick J. Tower

Administrative Order NSL-_____

Dear Mr. Tower:

Reference is made to your application dated October 17, 2001 for an unorthodox well location for a well to be drilled to the Strawn and Morrow formations for your proposed Mantaray "13" Federal Well No. 1. Said well to be drilled to a standard location in the Strawn formation and an unorthodox bottomhole location in the Morrow formations 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. A 320-acre spacing and proration unit in the Morrow formation comprising the E/2 of said Section 13 is to be dedicated to said well.

Approval of this unorthodox gas well location in the Morrow formation will result in a well being drilled in a location which is acceptable for both the Strawn and Morrow intervals (and is standard in the Strawn formation), will permit the testing of the Morrow at this location as a tag along zone and will permit both formations to be tested with a single wellbore.

By authority granted me under the provisions of Rule 104.F(2) of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10533, issued by the New Mexico Oil Conservation Commission in Case 11,351 on January 18, 1996, the above-described unorthodox well location is hereby approved.

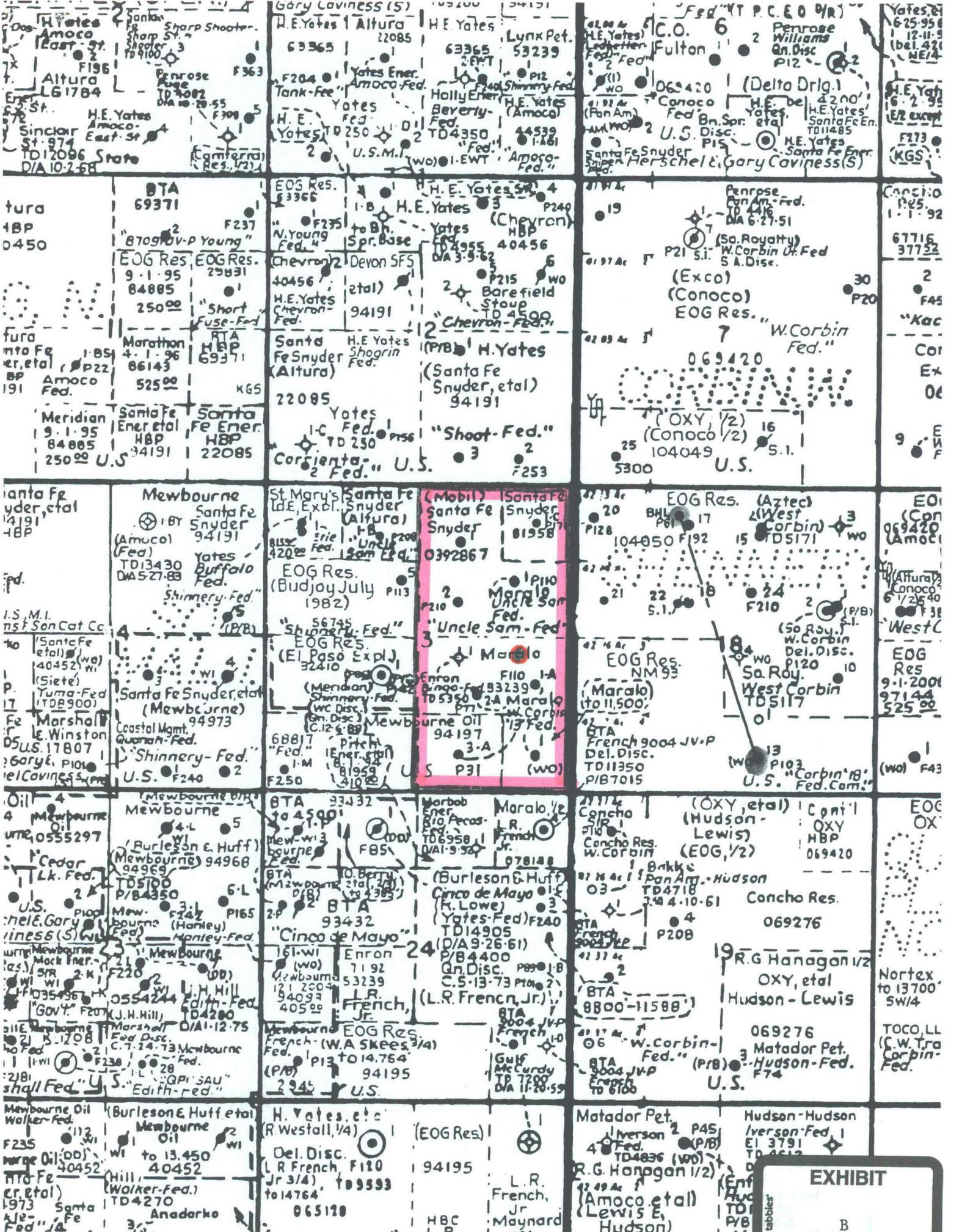
Sincerely,

Lori Wrotenbery
Director

cc: Oil Conservation Division - Hobbs/Artesia
U. S. Bureau of Land Management - Carlsbad

**LARGE FORMAT
EXHIBIT HAS
BEEN REMOVED
AND IS LOCATED
IN THE NEXT FILE**

**LARGE FORMAT
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AND IS LOCATED
IN THE NEXT FILE**



EXHIBIT

B

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

10/22/01 08:06:59
OGOMES -TPXW
PAGE NO: 1

Sec : 13 Twp : 18S Rng : 32E Section Type : NORMAL

D 40.00 Federal owned A	C 40.00 Federal owned A	B 40.00 Federal owned A	A 40.00 Federal owned A
E 40.00 Federal owned	F 40.00 Federal owned A	G 40.00 Federal owned A	H 40.00 Federal owned A

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

10/22/01 08:07:04
OGOMES -TPXW
PAGE NO: 2

Sec : 13 Twp : 18S Rng : 32E Section Type : NORMAL

L 40.00 Federal owned	K 40.00 Federal owned A	J 40.00 Federal owned A A	I 40.00 Federal owned A
M 40.00 Federal owned A	N 40.00 Federal owned	O 40.00 Federal owned A	P 40.00 Federal owned A

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

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***New Mexico Oil Conservation Division---Engineering Bureau
Administrative Application Process Documentation***

Date Application Received: 10-18-2001

Date of Preliminary Review: 10-22-2001
(Note: Must be within 10-days of received date)

Results: Application Complete Application Incomplete

Date Incomplete Letter Sent: NA

Deadline to Submit Requested Information: NA

Phone Call Date: NA
(Note: Only applies if requested data is not submitted within the 7-day deadline)

Phone Log Completed? Yes No

Date Application Processed: _____

Date Application Returned: _____
(Note: Only as a last resort & only after repeated attempts by the Division to obtain the necessary information to process the application)