

DATE IN 8/18/02	SUSPENSE 9/1/02	ENGINEER MS	LOGGED IN KN	TYPE NSL	APP NO. 223140443
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ABOVE THIS LINE FOR DIVISION USE ONLY

124

**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]

**RECEIVED**

AUG 14 2002

Oil Conservation Division

- [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.

<u>WILLIAM F. CARR</u> Print or Type Name	<u>William F Carr</u> Signature	<u>ANDEWEY</u> Title	<u>8/14/02</u> Date
<u>wcarr@hollandhart.com</u> e-mail Address			

HOLLAND & HART<sup>LLP</sup>  
ATTORNEYS AT LAW

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William F. Carr

wcarr@hollandhart.com

August 14, 2002

**HAND-DELIVERED**

Lori Wrotenbery, 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. administrative approval of an unorthodox well location for its Sand Tank "18" Federal Com Well No. 1, to be drilled 2175 feet from the South line and 786 feet from the West line of irregular Section 18, Township 18 South, Range 30 East, N.M.P.M., Eddy 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 Sand Tank "18" Federal Com Well No. 1 to be drilled at a location 2175 feet from the South line and 786 feet from the West line of Section 18, Township 18 South, Range 30 East, N.M.P.M., Eddy County, New Mexico. The proposed location is required by the BLM due to archeological sites. This well will be drilled to a depth sufficient to test the Morrow and the Mississippian Chester formations, Undesignated Sand Tank-Morrow Gas Pool. A non-standard 312<sup>3</sup>/<sub>26</sub>-acre spacing and proration unit comprised of the W/2 of irregular Section 18 will be dedicated to the well.

This location in the Morrow and Mississippian Chester formations 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 and no closer than 10 feet to any quarter-quarter section line or subdivision inner boundary. The proposed

Administrative application for unorthodox well location  
Sand Tank "18" Federal Com Well No. 1  
August 14, 2002  
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unorthodox well location is 465 feet from the outer boundary of a quarter section on which it is located.

EOG's original location for the well was 1980 feet from the South line and 810 feet from the West line of Section 18 and was based on seismic information intergrated with well control. This location was a seismic thick in a structurally higher position. EOG's geologic model for this area is that there is greater potential for Morrow sands in thicker intervals rather than thins. Seismic data does not "see" Morrow sands but shows a thickening of the Morrow interval which suggests the potential for Morrow sands at the original location.

An unorthodox location for this well is required by archeological conditions. Mesa Field Services identified an archeological site at EOG's original location and also an additional archeological site to the east. Due to this discovery and after field inspections and agreement with the BLM, the location was moved to the north and west in order to honor geologic and geophysical interpretations and avoid any archeological impact.

Exhibit 1 is a north-south seismic line A-A' through EOG's proposed unorthodox location. This figure shows the interpretation of the Morrow M Marker and the Lower Morrow seismic reflections. This location shows to be thicker between the Morrow M Marker and the Morrow Lower reflections. Also this location is structurally higher in time than the Morrow M Marker as compared to locations to the south.

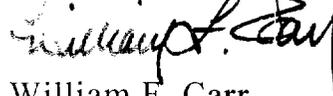
Exhibit 2 is an isochron map between a marker in the Morrow M Marker and the Lower Morrow. The blue areas are thicker than the areas in yellow. Our proposed location is in the seismic thick.

Attached hereto as Exhibit 3 is a plat which shows the subject area, the 312.36-acre spacing unit comprised of all of the W/2 of irregular Section 18 and the proposed unorthodox location. Since this well location only encroaches on the NW/4 of the Section and this acreage will be dedicated to the well, the ownership in this tract and the drill tract is identical and there are no "affected parties" to whom notice of this application is required pursuant to Division Rule 1207.

Your attention to this application is appreciated.

Administrative application for unorthodox well location  
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Very truly yours,

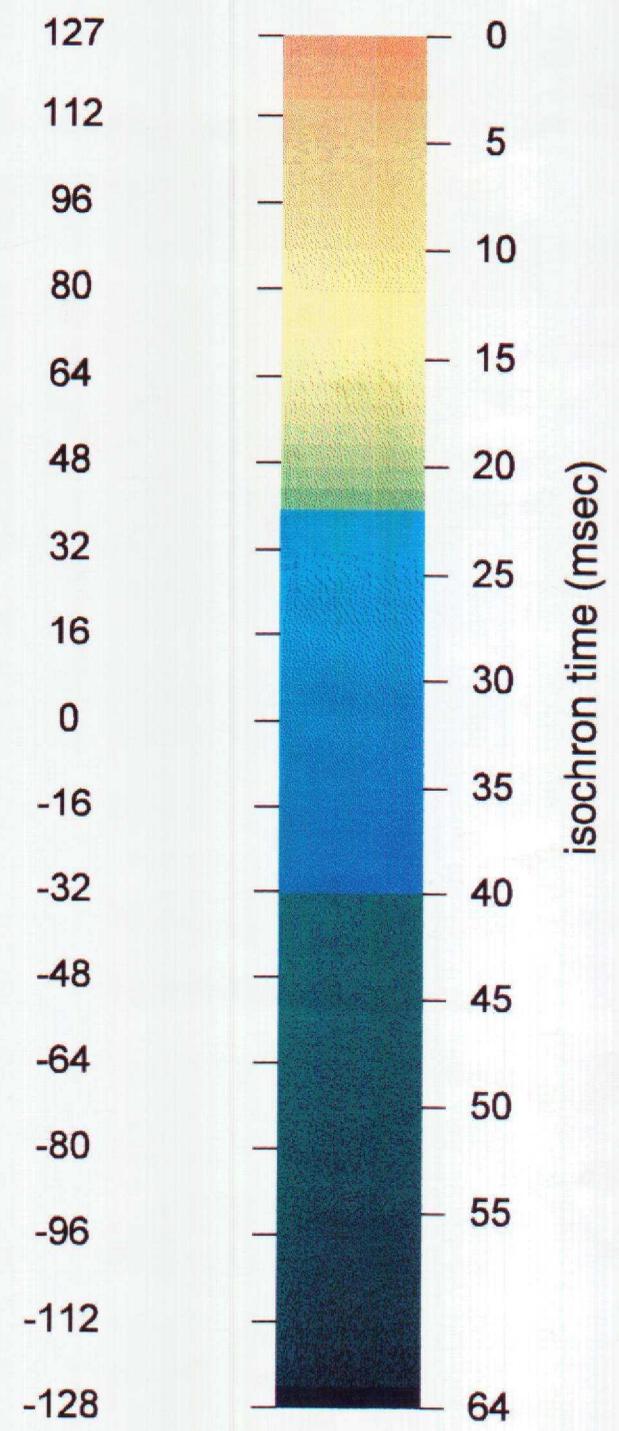
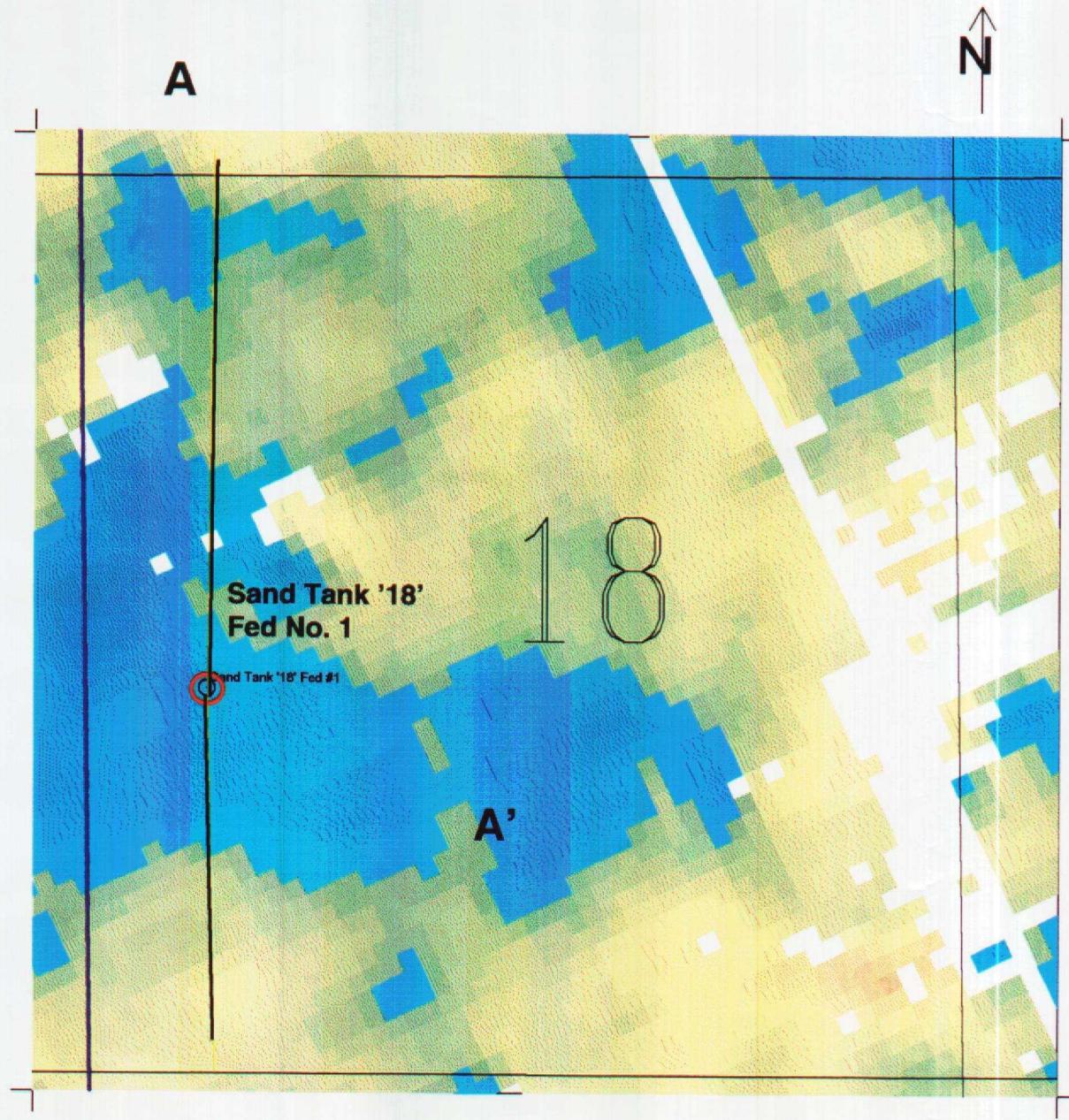


William F. Carr  
Attorney for EOG Resources, Inc.

Enclosures

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

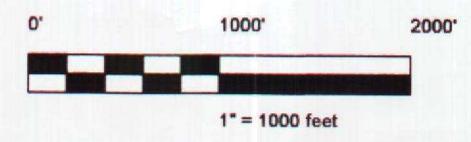




Morrow M Marker to Morrow Lower Isochron Map

Panel 1 of 1  
 Date: 31-Jul-2002 11:33  
 Filename: st18map\_out.egm

Fig. 2  
 Isochron Map



Sand Tank '18' Fed No. 1  
 DJS  
 July 15, 2002

EXHIBIT 2







CMD : ONGARD  
 OGSSECT INQUIRE LAND BY SECTION

08/27/02 07:53:55  
 OGOMES -TPET  
 PAGE NO: 1

Sec : 18 Twp : 18S Rng : 30E Section Type : NORMAL

1	C	40.00	B	40.00	A	40.00
38.02	Federal owned					
2	F	40.00	G	40.00	H	40.00
38.07	Federal owned					

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

CMD : ONGARD  
 OGSSECT INQUIRE LAND BY SECTION

08/27/02 07:53:58  
 OGWMS -TPET  
 PAGE NO: 2

Sec : 18 Twp : 185 Rng : 30E Section Type : NORMAL

	K	J	I
3 38.11 CB OPEN R	40.00 Federal owned U	40.00 Federal owned U	40.00 Federal owned U
4 38.16 CB OPEN R	N 40.00 Federal owned	O 40.00 Federal owned	P 40.00 Federal owned

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

CMD : ONGARD 08/27/02 07:54:39  
OG6C101 C101-APPLICATION FOR PERMIT TO DRILL OGMES -TPET

OGRID Idn : 7377 API Well No: 30 15 29721 APD Status(A/C/P) : C  
Opr Name, Addr: EOG RESOURCES INC Aprvl/Cncl Date : 12-07-2000  
PO BOX 2267  
MIDLAND, TX 79702

Prop Idn: 21095 SAND TANK 18 FEDERAL COM Well No: 1

U/L Sec Township Range Lot Idn North/South East/West  
-----  
Surface Locn : 2 18 18S 30E FTG 1650 F N FTG 660 F W  
OCD U/L : E API County : 15

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C) : G Cable/Rotary (C/R) : R  
Lease typ(F/S/P/N/J/U/I) : F Ground Level Elevation : 3514

State Lease No: Multiple Comp (S/M/C) : N  
Prpsd Depth : 11950 Prpsd Frmtn : MORROW

E6927: Well is cancelled  
PF01 HELP PF02 PF03 EXIT PF04 GOTO PF05 PF06 CONFIRM  
PF07 PF08 PF09 PRINT PF10 C102 PF11 HISTORY PF12