



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Betty Rivera
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

November 6, 2002

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

Telefax No. (505) 983-6043

Administrative Order NSL-4806

Dear Mr. Carr:

Reference is made to the following: (i) your application on behalf of the operator, EOG Resources, Inc. ("EOG") dated October 11, 2002 (*application reference No. pKRV-229027324*); and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe: all concerning EOG's request for a unorthodox gas well location in the Upper Pennsylvanian formation, for its Green Drake "9" Well No. 1 to be drilled at a location 2310 feet from the South line and 2280 feet from the East line (Unit J) of Section 9, Township 16 South, Range 37 East, NMPM, Lea County, New Mexico.

The W/2 SE/4 of Section 9, Township 16 South, Range 37 East, NMPM, Lea County, New Mexico being a standard 80-acre gas spacing and proration unit in the Undesignated Northeast Lovington-Upper Pennsylvanian Pool (Oil 40760) is to be dedicated to this well.

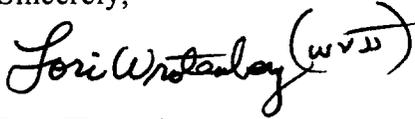
This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No.R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

It is our understanding that EOG is seeking this location exception based on 3-D seismic survey of the immediate area, which indicates that a well drilled at the proposed unorthodox gas well location will be at a more favorable geologic position within the Upper Pennsylvanian formation than a well drilled at a location considered to be standard within the W/2 SE/4 of Section 9. Standard locations being defined by special field rules for the Northeast Lovington-Upper Pennsylvanian Oil Pool in Division Order R-3816 as being within 150 feet of the center of a governmental quarter-quarter section or lot. This well will be located 180 feet North and 150 feet West of a standard-location drilling window.

Administrative Order NSL-4806
EOG Resources, Inc.
November 6, 2002
Page 2 of 2

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox gas well location in the Upper Pennsylvanian formation within this 80-acre unit comprising the W/2 SE/4 of Section 9 is hereby approved.

Sincerely,



Lori Wrotenbery
Director

cc: New Mexico Oil Conservation Division – Hobbs
State Land Office – Santa Fe
EOG Resources, Inc. – Patrick J. Tower (Midland, TX)