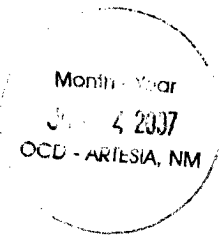




May 31, 2007

**HAND-DELIVERED**

Mark E. Fesmire, P. E.  
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. for administrative approval of the simultaneous dedication of the north (middle) 320 acres of Irregular Section 6, Township 16 South, Range 25 East, N.M.P.M., Eddy County, New Mexico to its proposed Seine B 6 Fee Well No. 1H and the existing Seine B 6 Fee Well No. 2H.

Dear Mr. Fesmire:

EOG Resources, Inc. is the operator of a standard 320-acre spacing unit in the Cottonwood Creek-Wolfcamp West Gas Pool (**Pool Code 75260**) comprised of the north (or middle) 320 acres of Irregular Section 6, Township 16 South, Range 25 East, N.M.P.M., Eddy County, New Mexico. This spacing unit is dedicated to EOG's Seine B 6 Fee Well No. 2H which has been horizontally drilled and produces from the Wolfcamp formation.

EOG seeks administrative approval of the simultaneous dedication of this standard 320-acre gas spacing unit to the following two horizontal gas wells:

- A. the existing SEINE B 6 FEE Well No. 2H (API No. 30-015-35612) horizontally drilled from a surface location 1990 feet from the North line and 225 feet from the East line to a proposed end point or bottomhole location 2395 feet from the North line and 660 feet from the West line of said Section 6; and
- B. the proposed SEINE B 6 FEE Well No. 1H (API No. 30-015 -35611) to be horizontally drilled from a surface location 2910 feet from the South line and 255 feet from the East line to a proposed end point or bottomhole location 3400 feet from the South line and 660 feet from the West line of said Section 6.

**HOLLAND & HART**

Both the penetration point and the bottomhole location for the Seine B 6 Fee Well No. 2H are at a standard location in the Wolfcamp formation pursuant to Division Rules 104.C (2) (a) and 111.A (7). EOG now intends to horizontally drill and complete its proposed Seine B 6 Fee Well No. 1H to be drilled to the targeted subsurface end-point or bottomhole location, 3400 feet from the South line and 660 feet from the West line (Unit 13) of Section 6. EOG proposes to drill this well in compliance with the set-back requirements of Division Rules 104.C(2) 9b) and 111.A(7) for deep gas wells in southeast New Mexico.

Attached hereto as **Exhibit A** is a copy of Division Form C-102 for this well that shows the proposed surface and bottomhole location of the well.

**Exhibit B** is a map of offset operators around the spacing unit in Section 6. EOG is the only offset operator around the spacing unit however certain working interest owners are not common in Section 5. **Exhibit C** is a list of affected parties as defined by Division Rules. As required by Rule 1210, a copy of this application (with attachments) has been sent to those affected parties in accordance with Rule 1207(A)(5) and they have been advised that if they have an objection to this application it must be filed in writing with the Division's Santa Fe office within twenty days from the date this notice was sent.

The simultaneous dedication of the north 320 acres of said Section 6 to the Seine B 6 Fee Well Nos. 1H and 2H will afford EOG the opportunity to efficiently produce the Wolfcamp formation under this spacing unit. EOG's proposed simultaneous dedication of these wells does not exceed the number of wells allowed by Division Rule for this spacing unit.

Your attention to this application is appreciated.

Sincerely,

Ocean Munds-Dry  
Attorney for EOG Resources, Inc.

Enclosures

cc: Donny Glanton  
OCD - Artesia

HOLLAND & HART LLP



**Ocean Munds-Dry  
Associate**  
omundsdry@hollandhart.com

May 31, 2007

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**AFFECTED INTEREST OWNERS**

Re: Application of EOG Resources, Inc., for simultaneous dedication,  
Eddy County, New Mexico.

Ladies and Gentlemen:

This letter is to advise you that EOG Resources, Inc. has filed the enclosed application with the New Mexico Oil Conservation Division seeking the simultaneous dedication of the proposed Seine B 6 Fee Well No. 1H and the existing Seine B 6 Fee Well No. 2H to the north 320 acres in said Section 6.

As an owner of an interest that may be affected by the proposed well, you may object to this application. Objections must be filed in writing within twenty days from this date at the Division's Santa Fe office that is located at 1220 South Saint Francis Drive, Santa Fe, New Mexico. 87505. If no objection is received within this twenty-day period, this application for an unorthodox well location may be approved.

Very truly yours,

Ocean Munds-Dry  
ATTORNEY FOR EOG RESOURCES, INC.

Enclosures

**Holland & Hart LLP**

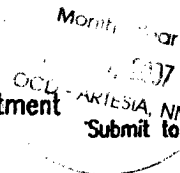
Phone [505] 988-4421 Fax [505] 983-6043 [www.hollandhart.com](http://www.hollandhart.com)

110 North Guadalupe Suite 1 Santa Fe, NM 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Billings Boise Boulder Cheyenne Colorado Springs Denver Denver Tech Center Jackson Hole Salt Lake City Santa Fe Washington, D.C. ♻

District I  
1623 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505



Form C-102  
Revised October 12, 2005  
Submit to Appropriate District Office  
State Lease-4 Copies  
Fee Lease-3 Copies

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-35611	Pool Code 75260	Pool Name Cottonwood Creek; WC West (Gas)
Property Code 35612	Property Name SEINE B 6 FEE	Well Number 1H
OGRD No. 7377	Operator Name EOG RESOURCES, INC.	Elevation 3521'

Surface Location

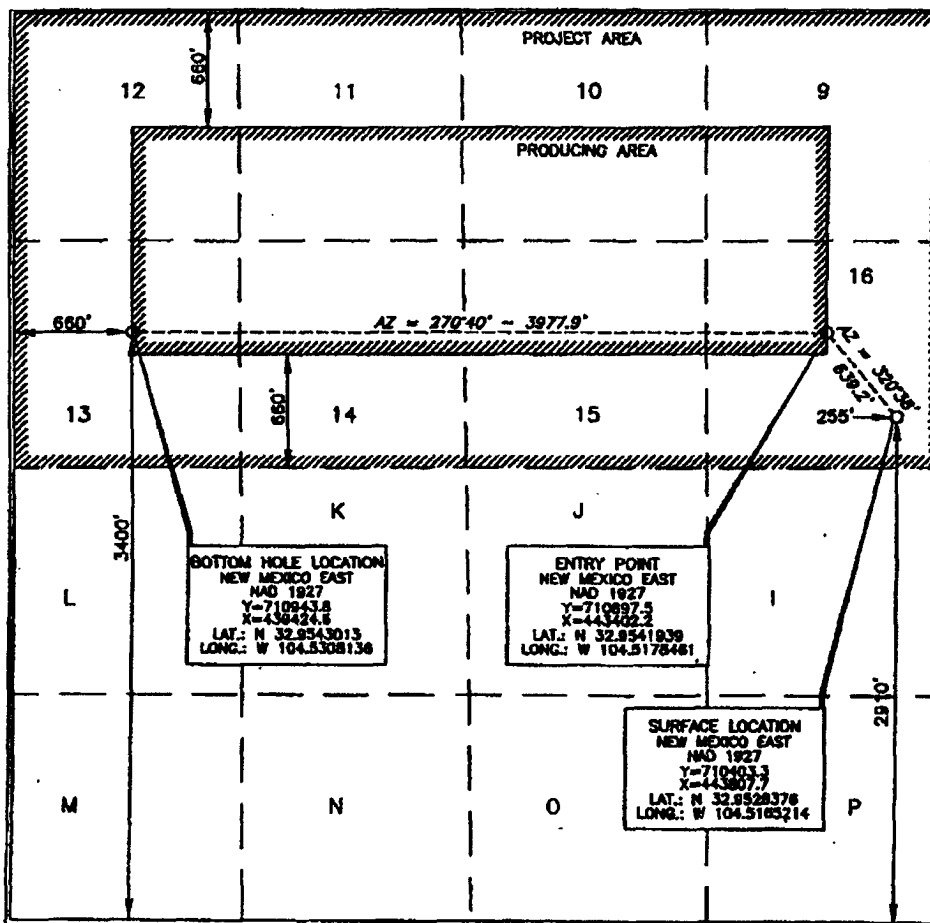
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
16	6	16 SOUTH	25 EAST, N.M.P.M.		2910	SOUTH	255	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
13	6	16 SOUTH	25 EAST, N.M.P.M.		3400	SOUTH	660	WEST	EDDY

Dedicated Acres 319.52	Joint or Infill	Consolidation Code	Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

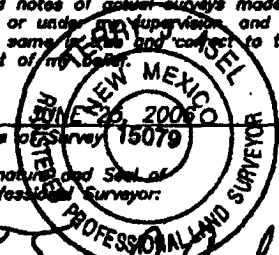
*Donny G. Glanton* 6/8/06  
Signature Date

Donny G. Glanton  
Printed Name

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same are true and correct to the best of my belief.

*Samuel J. Hall*  
Date of Survey 15079  
Signature and Seal of Professional Surveyor  
Certificate Number 15079



WOF 080330W-C2 (RA)

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Monthly or Form C-102  
Revised October 12, 2005  
Submit to Appropriate District Office  
State Lease- 4 Copies  
Fee Lease- 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <b>30-015-35612</b>	Pool Code <b>75260</b>	Pool Name <b>Cottonwood Creek; WC West (Gas)</b>
Property Code	Property Name <b>SEINE B 6 FEE</b>	Well Number <b>2H</b>
OGRD No. <b>7377</b>	Operator Name <b>EOG RESOURCES, INC.</b>	Elevation <b>3521'</b>

Surface Location

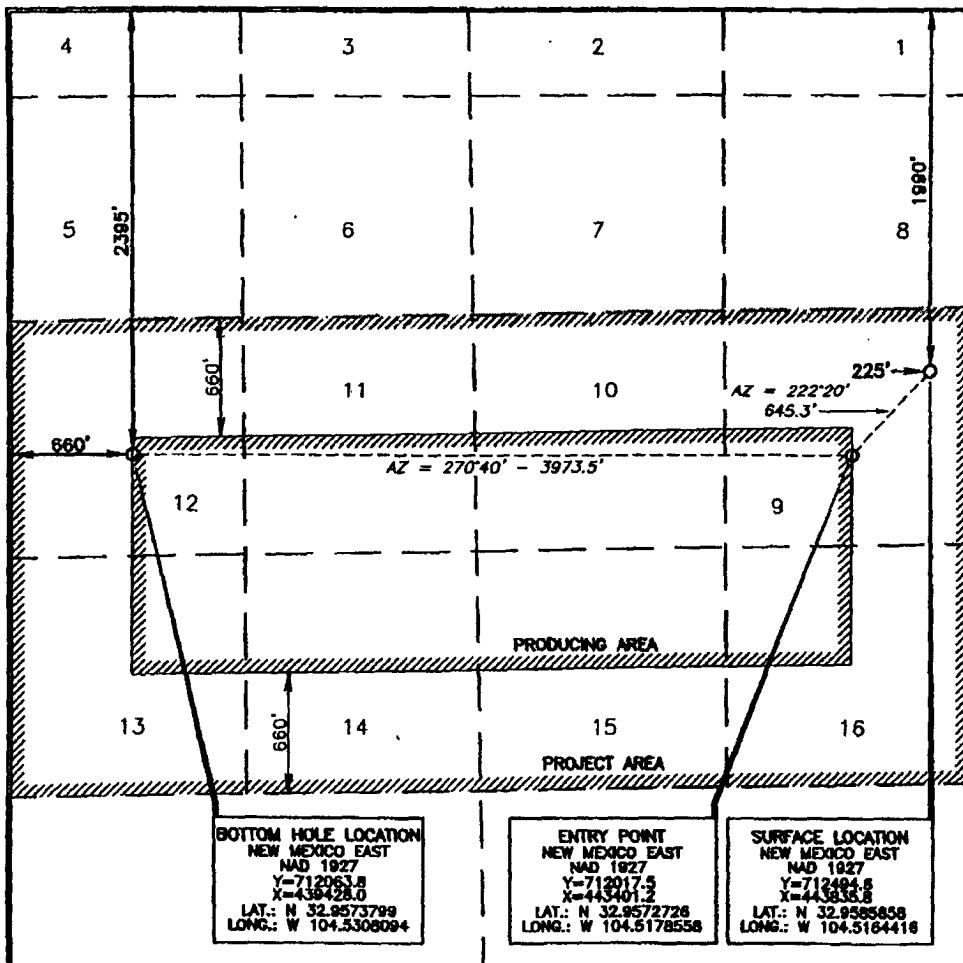
UL or lot no.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
9	6	16 SOUTH	25 EAST, N.M.P.M.		1990	NORTH	225	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
12	6	16 SOUTH	25 EAST, N.M.P.M.		2395	NORTH	660	WEST	EDDY

Dedicated Acres <b>319.52</b>	Joint or Infill	Consolidation Code	Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*Donny G. Ganton* 4/17/06  
Signature Date

Donny G. Ganton  
Printed Name

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of a survey made by me or under my supervision and that the same is true and correct to the best of my belief.

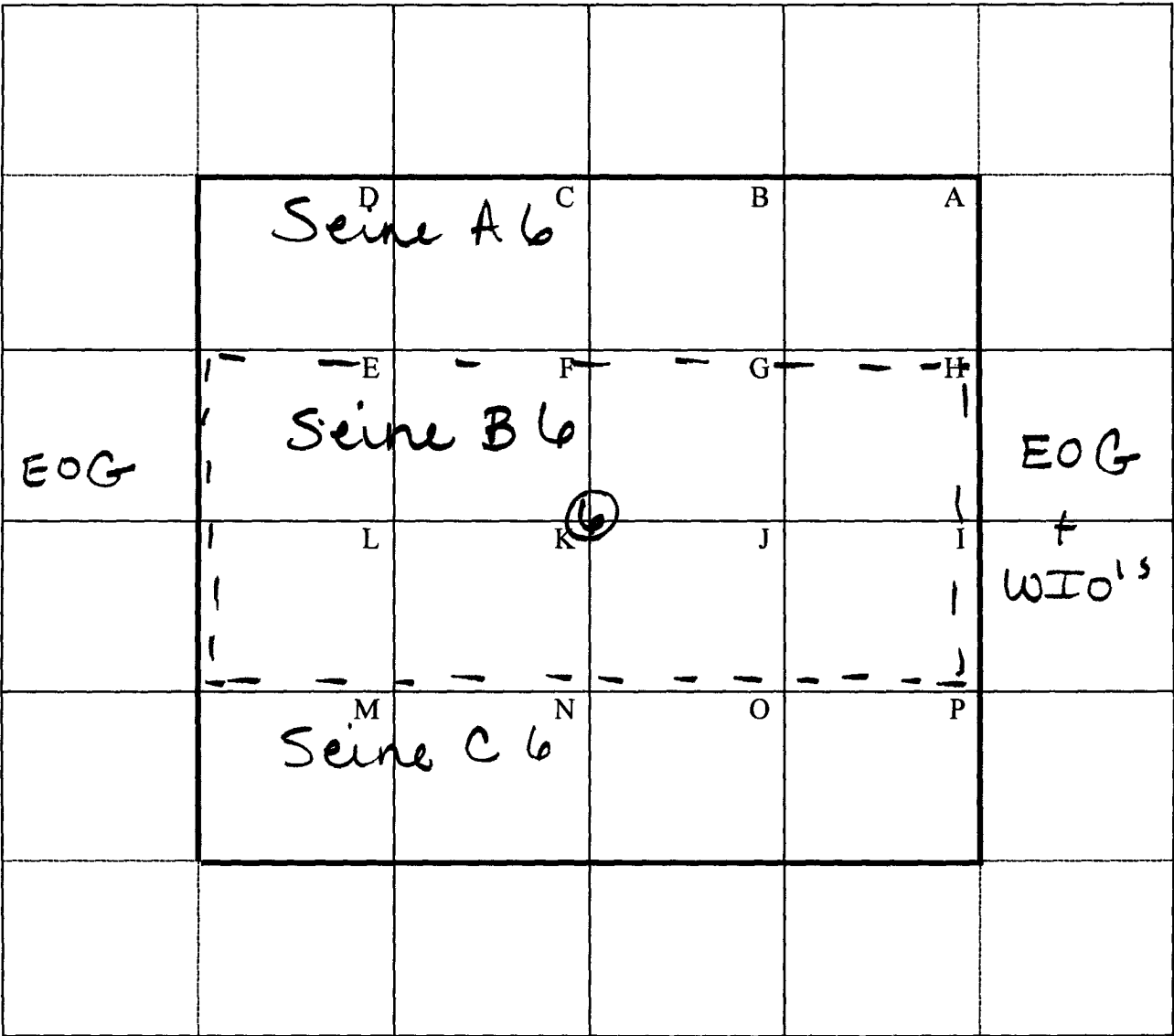
MARCH 30 2006  
Date of Survey

*Donny G. Ganton*  
Signature and Seal of Professional Surveyor

*Donny G. Ganton*  
Certificate Number 15079

WOF 060330WL-b (c06)

OFFSETS IN SECTION 6



**Exhibit C**  
**Application of EOG Resources, Inc.**  
**Simultaneous Dedication of**  
**north 320 acres of Section 6, Township 16 South, Range 25 East, NMPM**  
**Eddy County, New Mexico**

Capstone Oil & Gas Company  
P.O. Box 10187  
Midland, Texas 79702

Parallel Petroleum  
Post Office Box 10587  
Midland, TX 79702

Elger Exploration, Inc.  
P.O. Box 2623  
Midland, Texas 79702-2623

CMW Interests, Inc.  
24 Smith Road, Suite 405  
Midland, Texas 79705

LCX Energy, LLC  
101 N. Marenfeld Suite 200  
Midland, Texas 79701