

DATE IN 3/2/07	SUSPENSE	ENGINEER D. CATANACH	LOGGED IN 3/2/07	TYPE NSP	APP NO. TDS0706153273
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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



1914

**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 \_\_\_\_\_

**[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.

Ocean Monde-Dry      Ocean Monde-Dry      attorney      3-2-07  
 Print or Type Name      Signature      Title      Date  
 omundsdry@hollandhart.com  
 e-mail Address

2007 MAR 2 PM 12:41



March 2, 2007

**HAND-DELIVERED**

Mark 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 a 227.96-acre non-standard gas spacing unit for its Yangtze A 3 Fee Well No. 1H in Irregular Section 3, Township 16 South, Range 25 East, NMPM, Eddy County, New Mexico.

Dear Mr. Fesmire:

EOG Resources, Inc. ("EOG"), pursuant to the provisions of Division Rule 104 D (2)(b) and (c) adopted on January 18, 1996, hereby seeks administrative approval of a 227.96-acre non-standard gas spacing and proration unit for the Yangtze A 3 Fee Well No. 1H to be drilled to test the Wolfcamp formation from a surface location 934 feet from the North line and 310 feet from the East line and a bottomhole location of 918 feet from the North line and 660 feet from the West line in Irregular Section 3, Township 16 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

EOG's well will test the Wolfcamp formation which is developed on 320-acre spacing pursuant to the general rules of the Division.

This non-standard gas spacing and proration unit is necessary because of a variation in the legal subdivision of the United States Public Land Surveys. This unit is comprised of contiguous lots which lie wholly within a single governmental section and are joined by a common side. This non-standard spacing unit is a result of an oversized section on the northern township line. EOG plans to drill the Yangtze C 3 Fee Well No. 1H in the south 320 acres of this section and the Yangtze B 3 Fee Well No. 1H immediately north. Due to the oversized nature of the section, that leaves the 227.96 acres on the north end of the section unallocated. Attached as **Exhibit A** is the C-102 showing the subject spacing unit. **Exhibit B** is a plat showing the offsetting spacing units. EOG is

HOLLAND & HART<sup>LLP</sup>



the operator of the adjoining spacing units in Sections 2 and 4. MYCO Industries, Inc. is the operator to the north in Section 32 and in Section 31, McBride Oil & Gas Corp. has a leasehold interest.

There are no interest owners being excluded from the spacing unit pursuant to Division Rule 1210. EOG has sent notice to those affected parties in **Exhibit C** with a copy of this application (with attachments) and has 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.

Your attention to this application is appreciated.

Very truly yours,

Ocean Munds-Dry

Attorney for EOG Resources, Inc.

cc: Mr. Rick Lanning  
Mr. Donny Glanton  
EOG Resources



March 2, 2007

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED****AFFECTED INTEREST OWNERS**

Re: Application of EOG Resources, Inc. for administrative approval of a 227.96-acre non-standard gas spacing unit for its Yangtze Fee Well No. 1H in Irregular Section 3, Township 16 South, Range 25 East, NMPM, Eddy County, New Mexico.

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date by EOG Resources, Inc. for administrative approval of a 227.96-acre non-standard gas spacing unit for its Yangtze A 3 Fee Well No. 1H, to be drilled from a surface location 934 feet from the North line and 310 feet from the East line to a proposed bottomhole location 918 feet from the North line and 660 feet from the West line of Irregular Section 3, Township 16 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

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

**Exhibit C**  
**Application of EOG Resources, Inc.**  
**Non-Standard Spacing Unit**  
**Section 3, Township 16 South, Range 25 East**  
**Eddy County, New Mexico**

Myco Industries, Inc.  
P.O. Box 840  
Artesia, New Mexico 88211-0840

McBride Oil & Gas Corporation  
400 N. Pennsylvania Ave. #1200  
Roswell, New Mexico 88201

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

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>30-015-35383</b>	Pool Code <b>75250</b>	Pool Name <b>COTTONWOOD CREEK WOLFCAMP (GAS)</b>
Property Code <b>36265</b>	Property Name <b>YANGTZE "A" 3 FEE</b>	Well Number <b>1H</b>
OGRID No. <b>7377</b>	Operator Name <b>EOG RESOURCES, INC.</b>	Elevation <b>3463'</b>

Surface Location

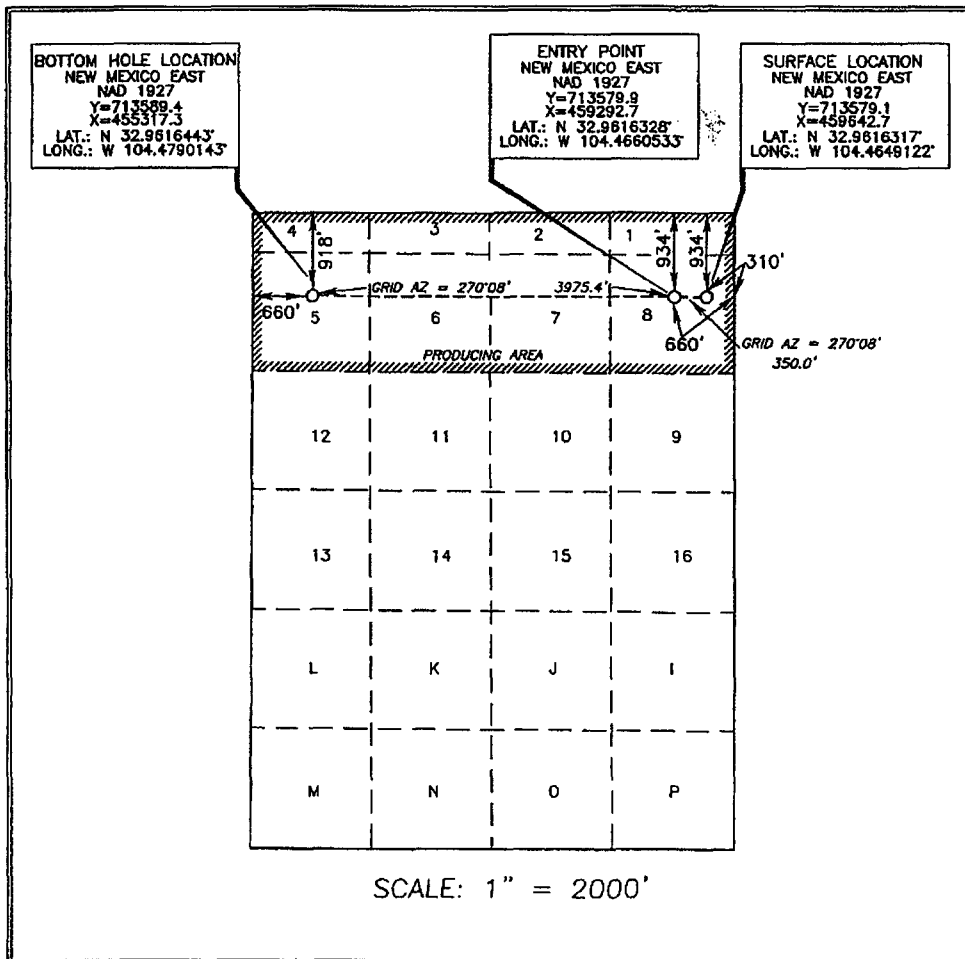
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>8</b>	<b>3</b>	<b>16 SOUTH</b>	<b>25 EAST, N.M.P.M.</b>		<b>934'</b>	<b>NORTH</b>	<b>310'</b>	<b>EAST</b>	<b>EDDY</b>

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
<b>5</b>	<b>3</b>	<b>16 SOUTH</b>	<b>25 EAST, N.M.P.M.</b>		<b>918'</b>	<b>NORTH</b>	<b>660'</b>	<b>WEST</b>	<b>EDDY</b>

Dedicated Acres <b>227.96</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. Glanton* 1/18/07  
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 is true and correct to the best of my belief.

DECEMBER 05, 2006  
Date of Survey

Signature and Seal of Professional Surveyor

*Tommy G. Abel* 1/10/2007  
Certificate Number 15079

WO# 061206WL-h (JL)

EXHIBIT A

OFFSETS IN SECTION 3

McBride (31)		myco (32)	
EOG	D C yangtze "A"	B A'	EOG
E	F	G	H
(4)	L K EOG	J	I (2)
M	N	O	P

EXHIBIT B