

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

November 27, 2007

Administrative Order NSL-5721

EOG Resources, Inc.
C/o Holland & Hart
P.O. Box 2208
Santa Fe, NM 87504-2208

Attention: Mr. William F. Carr, Esq.

EOG's NSL Application: Lusk "22" Federal Well No. 1 (API No. 30-025-35590)

Vertical Well: 715' FNL, 1130' FWL, Unit C (NON-STANDARD)

Section 22 T19S, R32E, NMPM, Lea County, New Mexico

40 Acre, Unit C of Section 22 Oil Spacing and Proration Unit (First Well)

Undesignated West Lusk-Delaware Pool (41540)

Reference is made to: EOG Resources, Inc.'s ("EOG") application for a non-standard well location (*administrative application reference No. pKVR0729944496*) for the subject well that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on October 22, 2007; and the Division's records pertinent to EOG's request.

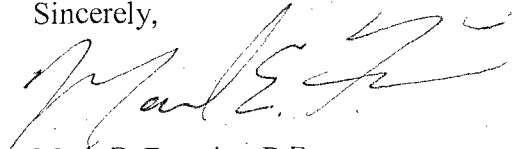
EOG requests authority to re-complete this Morrow well into the Delaware formation at a non-standard location only 10 feet from the western boundary of the proration unit. This well will be dedicated to Unit C of Section 22 and will be the first Delaware oil well in this unit. The Undesignated West Lusk-Delaware Pool has no special pool rules and is governed by Division Rule 104.

Re-completion of this well will save drilling costs of a new well at a standard location.

It is our understanding that EOG has notified the operator of the affected spacing unit to the west and no objection has been received.

Pursuant to the authority granted under the provisions of Division Rule 104, the above-described unorthodox location for the Undesignated West Lusk-Delaware Pool is hereby approved.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark E. Fesmire', with a stylized flourish at the end.

Mark E. Fesmire, P.E.
Division Director

MEF/wvjj

cc: New Mexico Oil Conservation Division – Hobbs
Bureau of Land Management – Carlsbad