

HOLLAND & HART LLP



Both the penetration point and the bottomhole location for the Salmon B 32 State Well No. 1H 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 Salmon B 32 State Well No. 2H to be drilled to the targeted subsurface end-point or bottomhole location 760 feet from the South line and 660 feet from the East line (Unit P) of Section 32. EOG proposes to drill this well in compliance with the set-back requirements of Division Rules 104.C(2)(b) 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 32. **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 S/2 of said Section 32 to the Salmon B 32 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

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 30-015- 35912	Pool Code 97415	Pool Name FOUR MILE DRAW; WOLFCAMP (G)
Property Code 36784	Property Name SALMON "B" 32 STATE	Well Number 2H
OCRID No. 7377	Operator Name EOG RESOURCES, INC.	Elevation 4011'

Surface Location

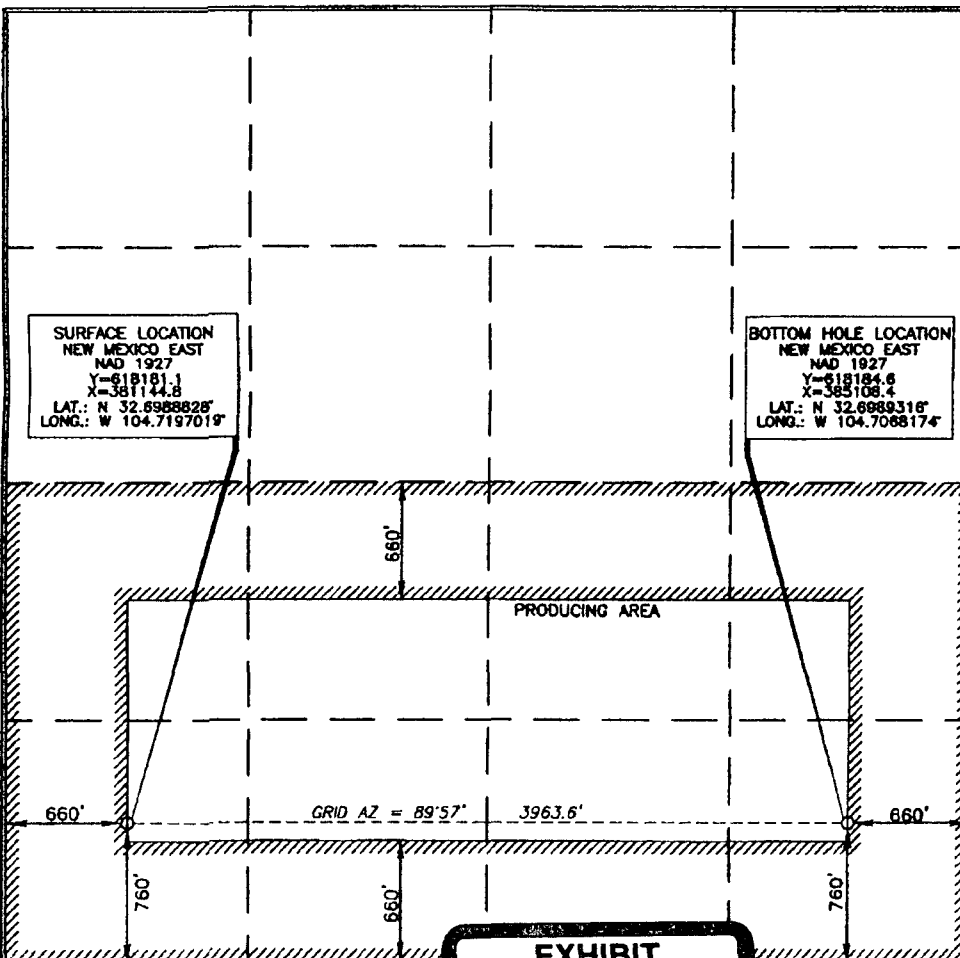
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	32	18 SOUTH	23 EAST, N.M.P.M.		760'	SOUTH	660'	WEST	EDDY

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
P	32	18 SOUTH	23 EAST, N.M.P.M.		760'	SOUTH	660'	EAST	EDDY

Dedicated Acres 320	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 11/2/2007
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 survey made by me or under my supervision and that the same is true and correct to the best of my belief.

15079
OCTOBER 17, 2007
Date of Survey

Signature and Seal of Professional Surveyor

Fernando J. Ortiz 10-22-2007
Certificate Number 15079

WOL 071017WL-d (NA)

EXHIBIT

A

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.
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Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease- 4 Copies
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-35862	Pool Code 97415	Pool Name Four Mile Draw; Wolfcamp (G)
Property Code 36784	Property Name SALMON "B" 32 STATE	Well Number 1H
GRID No. 7377	Operator Name EOG RESOURCES, INC.	Elevation 4018'

Surface Location

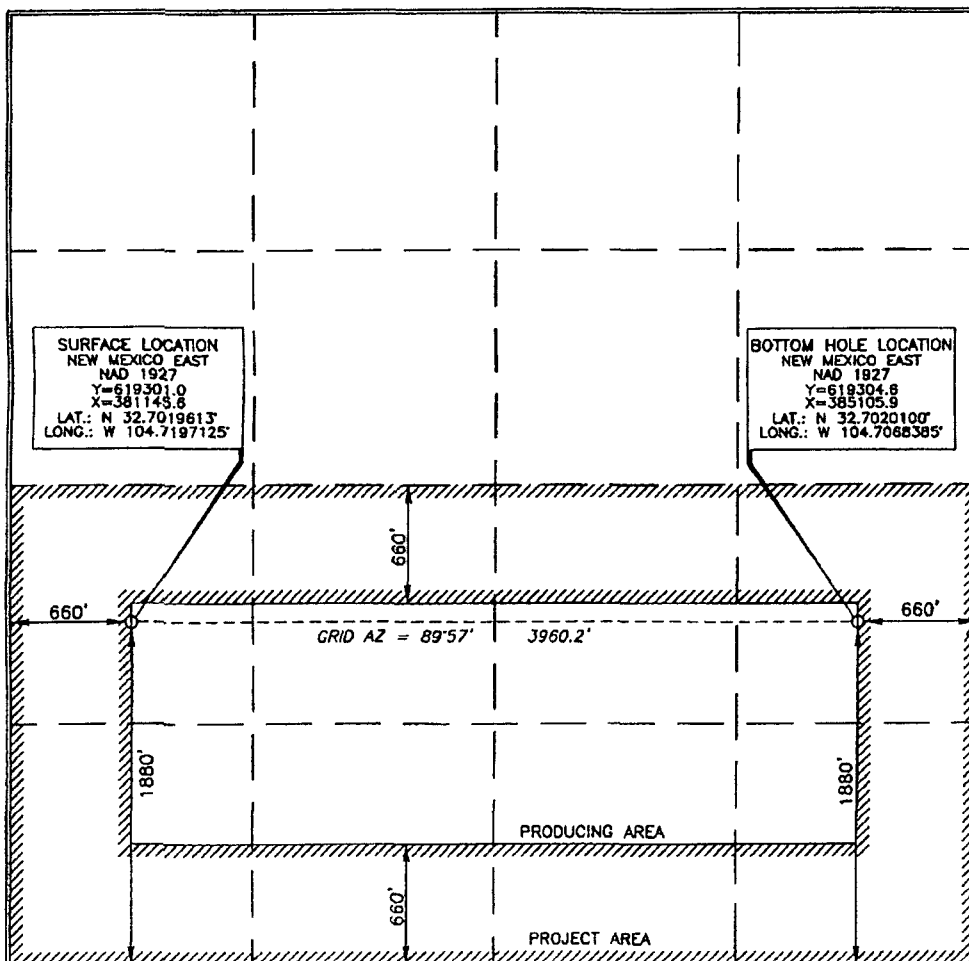
UL or lot no. L	Section 32	Township 18 SOUTH	Range 23 EAST, N.M.P.M.	Lot Idn	Feet from the 1880'	North/South line SOUTH	Feet from the 660'	East/West line WEST	County EDDY
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Bottom Hole Location If Different From Surface

UL or lot no. I	Section 32	Township 18 SOUTH	Range 23 EAST, N.M.P.M.	Lot Idn	Feet from the 1880'	North/South line SOUTH	Feet from the 660'	East/West line EAST	County EDDY
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Dedicated Acres 320	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 11/12/2007
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 a duly surveyed and approved by me or under my supervision, and that the same is true and correct to the best of my belief.

Serry G. Glanton 10-19-2007
Date of Survey

Serry G. Glanton
Signature and Seal of Professional Surveyor

Serry G. Glanton 10-19-2007
Certificate Number 15079

WD# 071017WL-c (XA)

OFFSETS IN SECTION 32

	D	C	B	A	
		EOG			
Mack	E	F	G	H	EOG
(31)		(32)			(33)
Energy	L	K	J	I	
		Salmon B 32 State			
	M	N	O	P	ED RAY
Bold		Parallel			GATES
(4) Energy		(5)			(4)

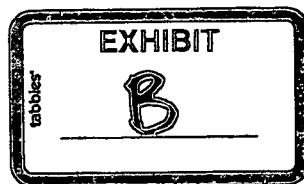


Exhibit C

**Application of EOG Resources, Inc.
Simultaneous Dedication of
S/2 of Section 32, Township 18 South, Range 23 East, NMPM
Eddy County, New Mexico**

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

Mack Energy Corporation
Post Office Box 960
Artesia, New Mexico 88211-0960

Bold Energy
415 W. Wall Suite 500
Midland, TX 79701

Parallel Petroleum Corporation
Post Office Box 10587
Midland, TX 79702

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

C.D. Ray
303 Veterans Airpark Lane
Midland, TX 79705

HOLLAND & HART LLP



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

November 28, 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 Salmon B 32 State Well No. 2H and the existing Salmon B 32 State Well No. 1H to the S/2 of Section 32, Township 18 South, Range 23 East, NMPM, 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
Ocean Munds-Dry

ATTORNEY FOR EOG RESOURCES, INC.

Enclosures

Holland & Hart LLP

Phone [505] 988-4421 Fax [505] 983-6043 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. ♻

