

DATE IN 2/6/08	SUSPENSE	ENGINEER Brooks	LOGGED IN 2/8/08	TYPE SD	APP NO. PKVRO203928677
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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



EOG
Llano Fed # 1H
200808

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

RECEIVED
 2008 FEB 6 AM 11 04

[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 Munds-Dry _____ 2-5-08
 Print or Type Name Signature Title Date

 omundsdry@hollandhart.com
 e-mail Address



February 5, 2008

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 N/2 of Section 1, Township 18 South, Range 23 East, N.M.P.M., Eddy County, New Mexico to its proposed Llano 1 Fed. Well No. 1H and the existing Llano 1 Fed. Well No. 2H.

Dear Mr. Fesmire:

EOG Resources, Inc. is the operator of a standard 320-acre spacing unit in the Rio Penasco Wolfcamp Pool (**Pool Code 97512**) comprised of the N/2 of Section 1, Township 18 South, Range 23 East, N.M.P.M., Eddy County, New Mexico. This spacing unit is dedicated to EOG's Llano 1 Fed. 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 **LLANO 1 FED Well No. 2H (API No. 30-015-36060)** horizontally drilled from a surface location 1,800 feet from the North line and 380 feet from the East line to a proposed end point or bottomhole location 1,880 feet from the North line and 660 feet from the West line of said Section 1; and
- B. the proposed **LLANO 1 FED Well No. 1H (API No. 30-015 -36059)** to be horizontally drilled from a surface location 760 feet from the North line and 660 feet from the East line to a proposed end point or bottomhole location 760 feet from the North line and 660 feet from the West line of said Section 1.



Both the penetration point and the bottomhole location for the Llano 1 Fed. 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 Llano 1 Fed. Well No. 1H to be drilled to the targeted subsurface end-point or bottomhole location 760 feet from the North line and 660 feet from the West line (Unit D) of Section 1. 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 1. **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 N/2 of said Section 1 to the Llano 1 Fed 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,

A handwritten signature in cursive script that reads "Ocean Munds-Dry".

Ocean Munds-Dry
Attorney for EOG Resources, Inc.

Enclosures
cc: Donny Glanton

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 30-015-36060	Pool Code 97512	Pool Name Rio Pecos (Wolfcamp)
Property Code 36958	Property Name LLANO 1 FED.	Well Number 2H
OGRID No. 7377	Operator Name EOG RESOURCES, INC.	Elevation 3860'

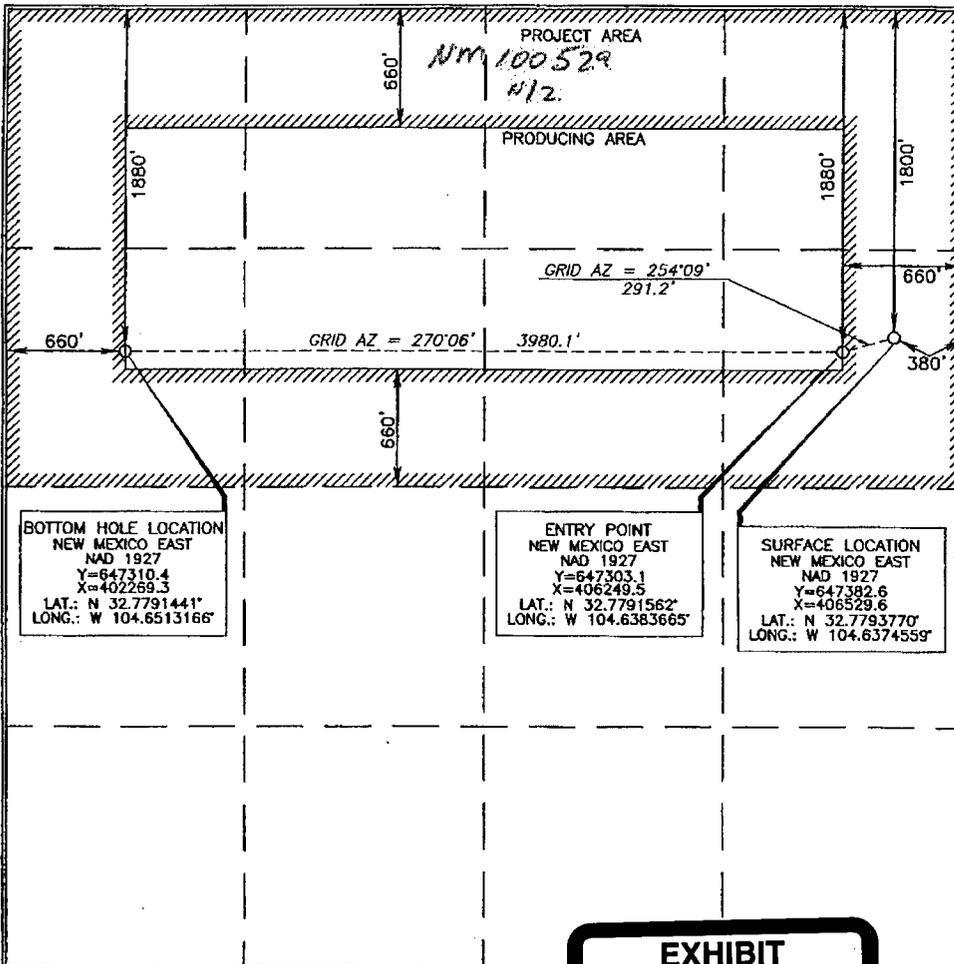
Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	1	18 SOUTH	23 EAST, N.M.P.M.		1800'	NORTH	380'	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
E	1	18 SOUTH	23 EAST, N.M.P.M.		1880'	NORTH	660'	WEST.	EDDY,
Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.						

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.

Don D. Muth 8/16/2007
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 surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Jerry A. Osel
Date of Survey

Signature and Seal of Professional Surveyor

Jerry A. Osel 8/10/2007
Certificate Number 15079

WO# 070614WL-c (JL)

EXHIBIT

A

tabbles

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
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State of New Mexico
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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
Fee Lease- 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-36059	Pool Code 97512	Pool Name Rio Penasco (Wolfcamp)
Property Code 36958	Property Name LLANO 1 FED.	Well Number 1H
OGRD No. 7377	Operator Name EOG RESOURCES, INC.	Elevation 3872'

Surface Location

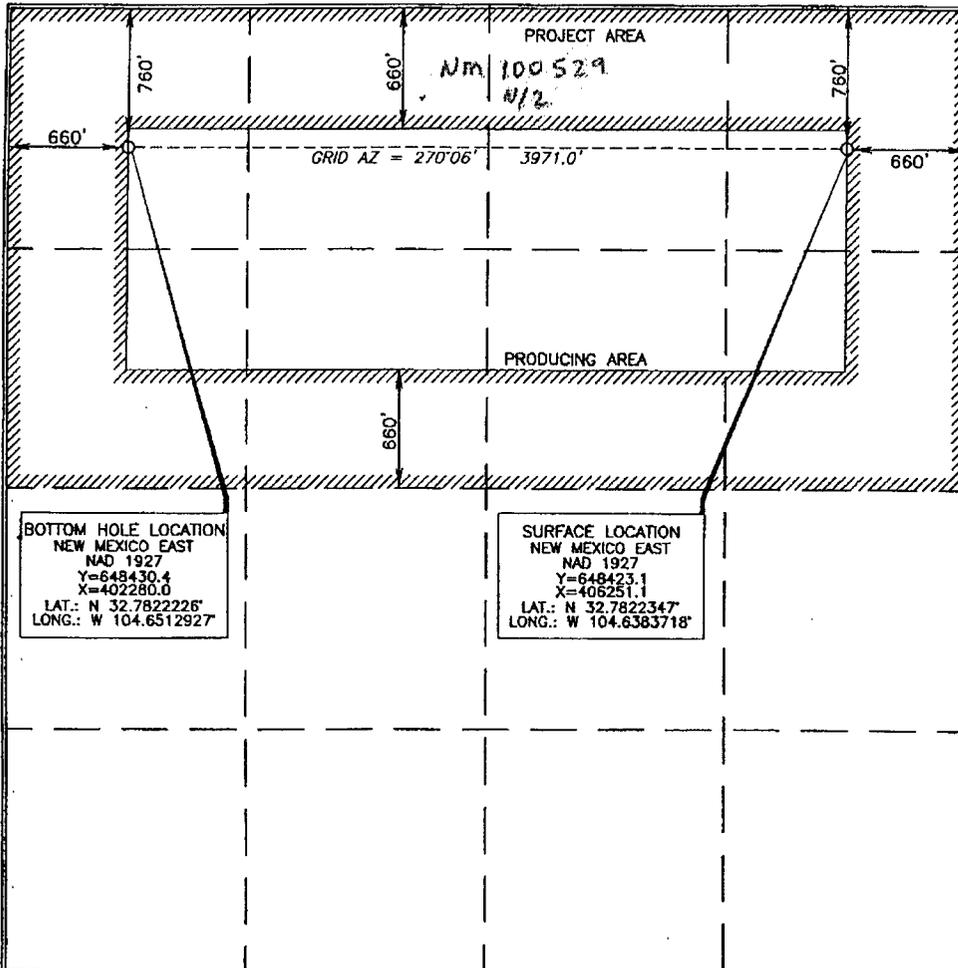
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	1	18 SOUTH	23 EAST, N.M.P.M.		760'	NORTH	660'	EAST	EDDY

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
D	1	18 SOUTH	23 EAST, N.M.P.M.		760'	NORTH	660'	WEST	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 8/16/2007
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 surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

15079
AUG 14, 2007
Date of Survey

Signature and Title of Professional Surveyor

Terry A. Paul 8/16/2007
Certificate Number 15079

OFFSETS IN SECTION 1

ARRINGTON (35)	LCX (34)				LCX (31)
EOG LCX Arrington (2)	D	C	B	A	AMOCO + PANOS
Steele Trust	E	F	G	H	
LCX	L	K	J	I	(6) Sharbro + Pitch
	M	N	O	P	
(11)	EOG				(7)

Exhibit C

**Application of EOG Resources, Inc.
Simultaneous Dedication of
N/2 of Section 1, Township 18 South, Range 23 East, NMPM
Eddy County, New Mexico**

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

David H. Arrington Oil & Gas
214 West Texas, Suite 400
Midland, Texas 79701

J.J. Steele Testamentary Trust
c/o Mr. Ribble Holloman
P.O. Box 58
Clovis, New Mexico 88101

Amoco Production Co.
500 Jefferson Building
P.O. Box 8092
Houston, Texas 77001

Panos Investment Co.
P.O. Box 2151
Salt Lake City, Utah 84110

Pitch Energy Corp.
P.O. Box 304
Artesia, New Mexico 88211-0304

Sharbro Oil Ltd.
P.O. Box 840
Artesia, New Mexico 88210