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October 24, 2000

HAND-DELIVERED

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco
Santa Fe, New Mexico 87503

12543

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OIL CONSERVATION DIV

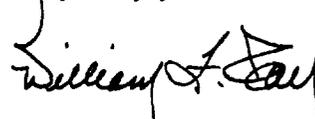
Re: Application of EOG Resources, Inc. for amendment of Division Order No. R-11433, for approval of an unorthodox well location, Eddy County, New Mexico.

Dear Ms. Wrotenbery:

Enclosed in triplicate is the application of EOG Resources, Inc., in the above-referenced case as well as a legal advertisement. EOG Resources, Inc. requests that this case be placed on the docket for the November 16, 2000 Examiner Hearings.

Your attention to this request is appreciated.

Very truly yours,



William F. Carr

cc: Patrick J. Tower (w/enclosures)

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE APPLICATION
OF EOG RESOURCES, INC. FOR
AMENDMENT OF DIVISION ORDER NO. R-11433,
FOR APPROVAL OF AN UNORTHODOX WELL
LOCATION, EDDY COUNTY, NEW MEXICO.**

CASE NO. 12543

OIL CONSERVATION DIV.
00 OCT 21 AM 4:43

APPLICATION

EOG RESOURCES, INC. ("EOG"), through its undersigned attorneys, hereby makes application for amendment of Division Order No. R-11433 to correctly identify and approve an unorthodox location for its proposed Warp Speed "7" Federal Com Well No. 1 which EOG proposed to drill at a point 2280 feet from the North line and 1930 feet from West line in the NW/4 of Section 7, Township 17 South, Range 29 East, NMPM, and in support hereof states:

1. By Order No. R-11433, dated August 3, 2000, the Division granted the application of EOG for compulsory pooling of all mineral interests in the following two non-standard spacing and proration units in the N/2 of said Section 7:
 - A. N/2 to form a non-standard 292.32-acre gas spacing and proration unit for formations and/or pools developed on 320-acre spacing within that vertical extent, including but not limited to the Undesignated South Empire-Morrow Gas Pool, Aid-Morrow Gas Pool and Undesignated North Empire-Atoka Gas Pool; and

- B. The NW/4 to form a non-standard 132.32-acre gas spacing and proration unit for formations and/or pools developed on 160-acre spacing within that vertical extent.

Pursuant to Order No. 11433, these spacing and proration units were to be dedicated to EOG's proposed Warp Speed "7" Federal Com Well No. 1 to be drilled and completed at a standard location 1980 feet from the North line and 800 feet from the West line of said Section 7.

2. Subsequent to the entry of Division Order No. R-11433, EOG further refined its interpretation of the data on the subject acreage and concluded that moving the well to the proposed unorthodox location would best enable EOG to recover the reserves under this acreage. Furthermore, since the original hearing on this application, the BLM has required EOG move the well for surface reasons.

3. EOG therefore requests that Division Order R-11433 be amended to authorize the drilling of the Warp Speed "7" Federal Com Well No. 1 at an unorthodox location 2280 feet from the North line and 1930 feet from the West line of said Section 7.

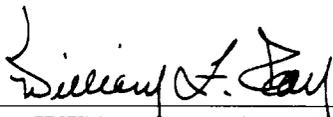
4. Amendment of this order to approve the unorthodox well location for the Warp Speed "7" Federal Com Well No. 1 will be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, EOG Resources, Inc. requests that this application be set for hearing before an Examiner of the Oil Conservation Division on November 16, 2000 and, after notice

and hearing as required by law, the Division amend Order No. R-11433 to approve an unorthodox well location for the Warp Speed "7" Federal Com Well No. 1 at an unorthodox well location 2280 feet from the North line and 1930 feet from the West line of Section 7, Township 17 South, Range 29 East, NMPM, Eddy County, New Mexico.

Respectfully submitted,

CAMPBELL, CARR, BERGE,
AND SHERIDAN, P.A.

By: 
WILLIAM F. CARR
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Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR EOG RESOURCES, INC.

CASE i2543:

Application of EOG Resources, Inc. for amendment of of Division Order No. R-11433 for approval of an unorthodox well location, Eddy County, New Mexico. Applicant in the above-styled cause seeks amendment of Division compulsory pooling Order No. R-11433 to approve an unorthodox well location for its Warp Speed "7" Federal Com Well No. 1 to be drilled 2280 feet from the North line and 1930 feet from the West line of Section 7, Township 17 South, Range 29 East, NMPM. Said area is located approximately 7 miles northwest of Loco Hills, New Mexico.