

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
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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



30-015-34485

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 Munds Dry

Print or Type Name

Ocean Munds Dry

Signature

attorney

Title

4-18-06

Date

omundsdry@hollandhart.com

e-mail Address



April 18, 2006

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 S/2 of Section 7, Township 16 South, Range 25 East, N.M.P.M., Eddy County, New Mexico to its proposed Yellow B7 Fee Well No. 2H and the existing Yellow B7 Fee Well No. 1H.

Dear Mr. Fesmire:

EOG Resources, Inc. is the operator of a standard 320-acre spacing unit in the Undesignated West Cottonwood Creek-Wolfcamp Gas Pool (**Pool Code 75260**) comprised of the S/2 of Section 7, Township 16 South, Range 25 East, N.M.P.M., Eddy County, New Mexico. This spacing unit is dedicated to EOG's Yellow B7 Fee Well No. 1H 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 Yellow B7 Fee Well No. 1H (**API No. 30-015-34486**) horizontally drilled from a surface location 660 feet from the East line and 1880 feet from the South line to a bottomhole location in the Wolfcamp formation 660 feet from the West line and 1880 feet from the South line of said Section 7; and
- B. the proposed Yellow B7 Fee Well No. 2H (**API No. 30-015-34485**) to be horizontally drilled from a surface location 660 feet from the East line and 760 feet from the South line to a proposed end point or bottomhole location 660 feet from the West line and 760 feet from the South line of said Section 7.

HOLLAND & HART



The wellbore directional survey of the Yellow B7 Fee Well No. 1H has been filed with the Division and shows the path of the wellbore within the Wolfcamp formation to be standard pursuant to Division Rules 104.C (2) (a) and 111.A (7). EOG now intends to horizontally drill and complete its proposed Yellow B7 Fee Well No. 2H in such a manner that its path meets the set-back requirements of Division Rules 104.C (2) (b) and 111.A (7) for deep gas wells in southeast New Mexico. The well will be drilled to the targeted subsurface end-point or bottomhole location, 760 feet from the South line and 660 feet from the West line (Unit M) of Section 7.

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 EOG's Planning Report for the well that confirms the projected wellbore deviation.

The simultaneous dedication of the S/2 of said Section 7 to the Yellow B7 Fee 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 nor will either well be closer to the outer boundary of the horizontal well project area than permitted by Division Rules. Accordingly, there are no other interest owners who are affected by this application.

Your attention to this application is appreciated.

Sincerely,

Ocean Munds-Dry
Attorney for EOG Resources, Inc.

Enclosures

cc: Mr. Donny G. Glanton
EOG Resources, Inc.
Post Office Box 2267
Midland, Texas 79702

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

COPY

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 30-015-34485	Pool Code 75260	Pool Name Cottonwood Creek; WC, West (Gas)
Property Code	Property Name YELLOW B 7 FEE	Well Number 2H
OGRID No. 7377	Operator Name EOG RESOURCES, INC	Elevation 3530.3'

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	7	16 SOUTH	25 EAST, N.M.P.M.		760	SOUTH	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
M	7	16 SOUTH	25 EAST, N.M.P.M.		760	SOUTH	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.

<p align="center">RECEIVED DEC 19 2005 COURTESY</p>		<p align="center">OPERATOR CERTIFICATION</p> <p>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.</p> <p><i>Donny G. Glanton</i> 12/16/05 Signature Date</p> <p>Donny G. Glanton Printed Name</p>
<p>BOTTOM HOLE LOCATION NEW MEXICO EAST NAD 1927 Y=702977.2 X=443368.3 LAT.: N 32.9324167 LONG.: W 104.5308056</p>	<p>SURFACE LOCATION NEW MEXICO EAST NAD 1927 Y=702977.3 X=443368.3 LAT.: N 32.9324167 LONG.: W 104.5179167</p>	<p align="center">SURVEYOR CERTIFICATION</p> <p>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.</p> <p align="center">DECEMBER 2, 2005 Date of Survey</p> <p>Signature and Seal of Professional Surveyor: <i>Terry J. Ouel</i> 12/5/05 Certificate Number 15078</p> <p align="right">WOF 051122WL-e (COE)</p>

EXHIBIT A