

30 015 35668

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO
---------	----------	----------	-----------	------	--------

ABOVE THIS LINE FOR DIVISION USE ONLY

## NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505

MAR 27 2008  
OCD-ARTESIA**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

3-24-08

Date

omundsdry@hollandhart.com

e-mail Address

2008 MAR 24 PM 3:32  
RECEIVED



March 24, 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 north 320 acres of Irregular Section 3, Township 16 South, Range 25 East, N.M.P.M., Eddy County, New Mexico to its proposed Yangtze B 3 Fee Well No. 2H and the existing Yangtze B 3 Fee Well No. 1H.

Dear Mr. Fesmire:

EOG Resources, Inc. is the operator of a standard 320-acre spacing unit in the Cottonwood Creek-Wolfcamp Gas Pool (**Pool Code 75250**) comprised of the north 320 acres of Irregular Section 3, Township 16 South, Range 25 East, N.M.P.M., Eddy County, New Mexico. This spacing unit is dedicated to EOG's Yangtze B 3 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 **Yangtze B 3 Fee Well No. 1H (API No. 30-015-35327)** horizontally drilled from a surface location 2830 feet from the North line and 240 feet from the East line to a proposed end point or bottomhole location 2596 feet from the North line and 660 feet from the West line of said Section 3; and
- B. the proposed **Yangtze B 3 Fee Well No. 2H (API No. 30-015 -35668)** to be horizontally drilled from a surface location 3400 feet from the South line and 230 feet from the East line to a proposed end point or bottomhole location 3400 feet from the South line and 660 feet from the West line of said Section 3.

HOLLAND & HART LLP



Both the penetration point and the bottomhole location for the Yangtze B 3 Fee 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 Yangtze B 3 Fee Well No. 2H to be drilled to the targeted subsurface end-point or bottomhole location 3400 feet from the South line and 660 feet from the West line (Lot 13) of Section 3. EOG proposes to drill this well in compliance with the setback 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 3. EOG is the only offset operator around the spacing unit and working interest ownership is common. Therefore, there are no affected parties as defined by Division Rules.

The simultaneous dedication of the north 320 acres of said Section 3 to the Yangtze B 3 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.

Your attention to this application is appreciated.

Sincerely,

Ocean Munds-Dry  
Attorney for EOG Resources, Inc.

Enclosures

District I  
1825 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 <b>30-015-35668</b>	Pool Code <b>75250</b>	Pool Name <b>COTTONWOOD CREEK; WOLFCAMP (GAS)</b>
Property Code <b>36223</b>	Property Name <b>YANGTZE "B" 3 FEE</b>	Well Number <b>2H</b>
OGRD No. <b>7377</b>	Operator Name <b>EOG RESOURCES, INC.</b>	Elevation <b>3450'</b>

Surface Location

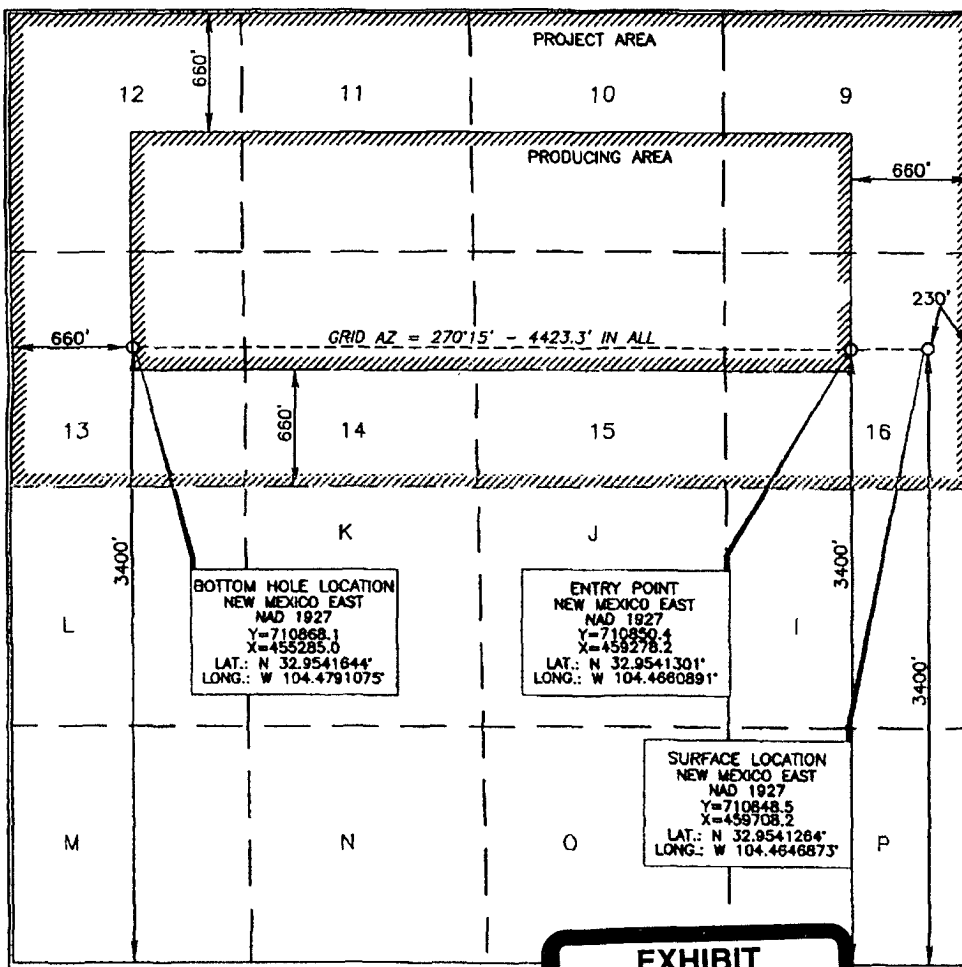
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
16	3	16 SOUTH	25 EAST, N.M.P.M.		3400'	SOUTH	230'	EAST	EDDY

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
13	3	16 SOUTH	25 EAST, N.M.P.M.		3400'	SOUTH	660'	WEST	EDDY

Dedicated Acres <b>320</b>	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.

*Donny G. Glanton* 6/14/07  
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 or actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

15079  
MAY 21 2007  
Date of Survey  
*Terry J. Hall* 5/25/2007  
Signature and Seal of Professional Surveyor  
Certificate Number 15079

WOF 070521WL-B(A)

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.  
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 <b>30-015-35327</b>	Pool Code <b>75250</b>	Pool Name <b>(Cottonwood Creek; Wolfcamp (Gas))</b>
Property Code <b>36223</b>	Property Name <b>YANGTZE "B" 3 FEE</b>	Well Number <b>1H</b>
OGRD No. <b>7377</b>	Operator Name <b>EOG RESOURCES, INC.</b>	Elevation <b>3454'</b>

Surface Location

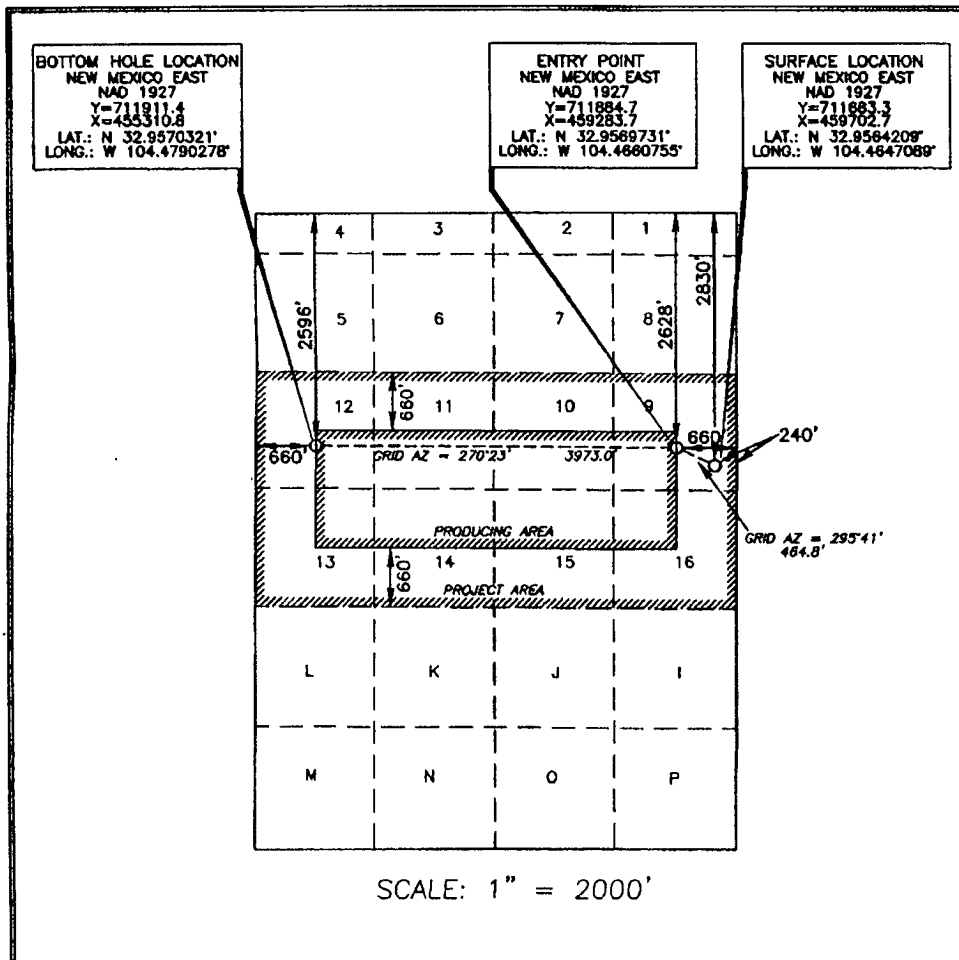
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>9</b>	<b>3</b>	<b>16 SOUTH</b>	<b>25 EAST, N.M.P.M.</b>		<b>2830'</b>	<b>NORTH</b>	<b>240'</b>	<b>EAST</b>	<b>EDDY</b>

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
<b>12</b>	<b>3</b>	<b>16 SOUTH</b>	<b>25 EAST, N.M.P.M.</b>		<b>2596'</b>	<b>NORTH</b>	<b>660'</b>	<b>WEST</b>	<b>EDDY</b>

Dedicated Acres <b>320</b>	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.

*Dave J. Huth* 6/14/07  
Signature Date

*Dorey 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.

DECEMBER 06, 2006  
Date of Survey

*Terry J. Paul*  
Signature and Seal of Professional Surveyor

12/11/2006  
Certificate Number 15079

WFO# 061206WL-g (UL)