

30-015-36129
30-015-36166

MAY - 5 2008
OCD-ARTESIA

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

April 30, 2008

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 Pembina "A" 33 State Well No. 2H and the existing Pembina "A" 33 State Well No. 1H to the N/2 of Section 33, 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. ♻

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



MAY - 5 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 Monnds-Dry
 Print or Type Name

Ocean Monnds-Dry
 Signature

Attorney
 Title

4-28-08
 Date

omundsdry@hollandhart.com
 e-mail Address

RECEIVED
 2008 APR 30 PM 3 48



April 30, 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-Half of Section 33, Township 18 South, Range 23 East, N.M.P.M., Eddy County, New Mexico to its proposed Pembina "A" 33 State Well No. 2H and the existing Pembina "A" 33 State Well No. 1H.

Dear Mr. Fesmire:

EOG Resources, Inc. is the operator of a standard 320-acre spacing unit in the Four Mile Draw Wolfcamp Gas Pool (**Pool Code 97415**) comprised of the north-half of Section 33, Township 18 South, Range 23 East, N.M.P.M., Eddy County, New Mexico. This spacing unit is dedicated to EOG's Pembina "A" 33 State 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 **PEMBINA A 33 STATE Well No. 1H (API No. 30-015-36129)** 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 33; and
- B. the proposed **PEMBINA A 33 STATE Well No. 2H (API No. 30-015 - 36166)** to be horizontally drilled from a surface location 1830 feet from the North line and 360 feet from the East line to a proposed end point or bottomhole location 1880 feet from the North line and 660 feet from the West line of said Section 33.



Both the penetration point and the bottomhole location for the Pembina "A" 33 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 Pembina "A" 33 State Well No. 2H to be drilled to the targeted subsurface end-point or bottomhole location 1880 feet from the North line and 660 feet from the West line (Unit E) of Section 33. 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 33. **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 3 to the Pembina "A" 33 State 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- 36129	Pool Code 97415	Pool Name Four Mile Draw; Wolfcamp (G)
Property Code 37011	Property Name PEMBINA "A" 33 STATE	Well Number 1H
OCRID No. 7377	Operator Name EOG RESOURCES, INC.	Elevation 3949'

Surface Location

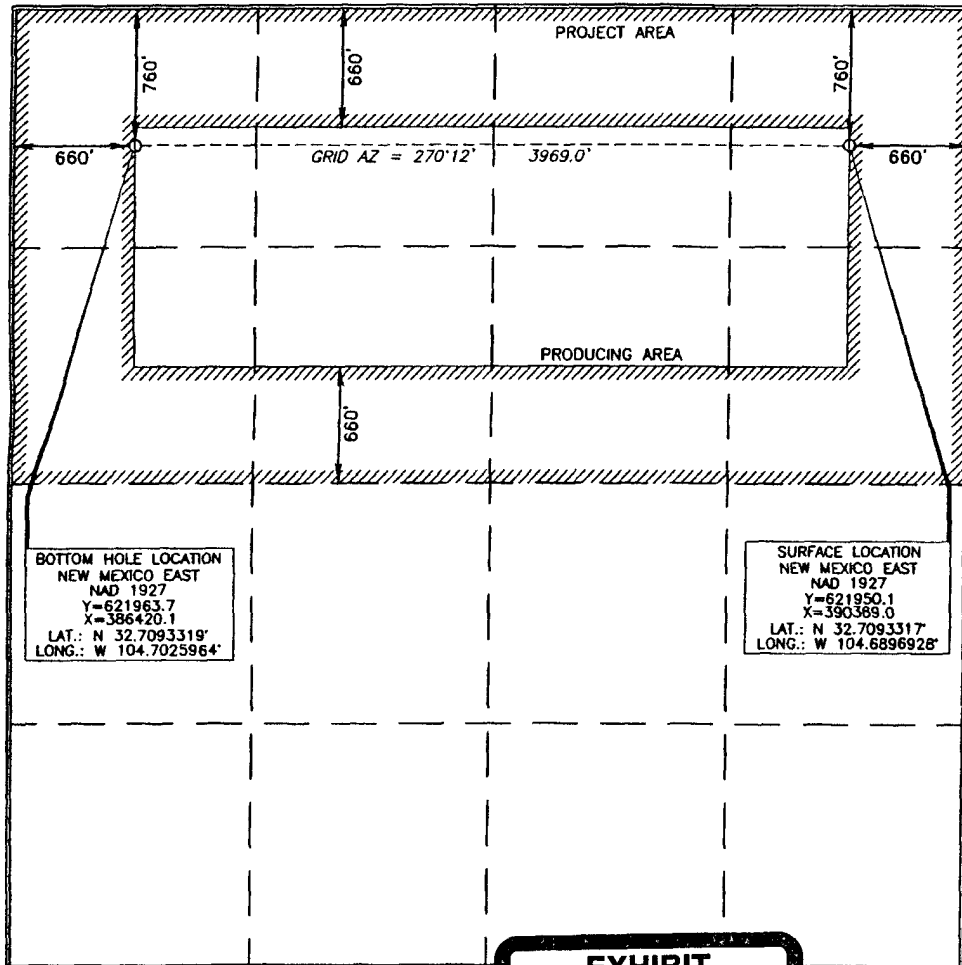
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	33	18 SOUTH	23 EAST, N.M.P.M.		760	NORTH	660	EAST	EDDY

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	33	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.

Don J. M 2/12/08
Signature Date

Danny 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.

Jerry J. Paul 2/4/2008
Date of Survey

Signature and Seal of Professional Surveyor

Jerry J. Paul 2/4/2008
Certificate Number 15079

WO# 080115WL-a (KA)

EXHIBIT

A

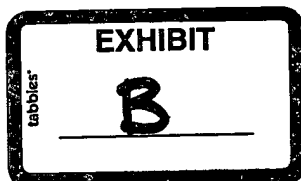
OFFSETS IN SECTION 33

LCX	MACK	(28)	EOG +WIO	
	D	C	B	A
	Pembina A 33			
	E	F	G	H
EOG (32)				
	L	K	J	I
	EOG			
	M	N	O	P

Chase

(34)

EOG
+WIO



District I
1625 N. French Dr., Hobbs, NM 88240
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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
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Fee Lease- 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-36166	Pool Code 97415	Pool Name Four mile Draw; Wolfcamp (G)
Property Code 37011	Property Name PEMBINA "A" 33 STATE	Well Number 2H
OGRID No. 7377	Operator Name EOG RESOURCES, INC.	Elevation 3937'

Surface Location

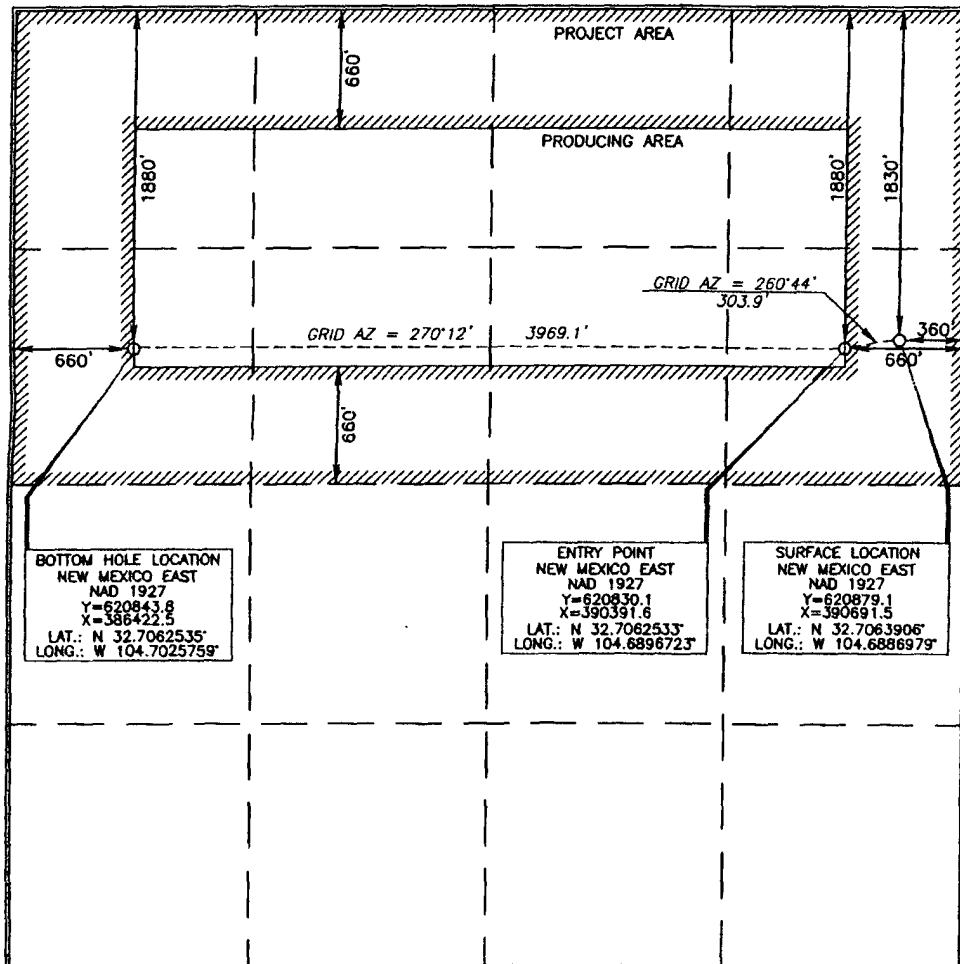
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	33	18 SOUTH	23 EAST, N.M.P.M.		1830	NORTH	360	EAST	EDDY

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	33	18 SOUTH	23 EAST, N.M.P.M.		1880	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.

Don G. Glanton 2/29/08
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.

JANUARY 15, 2008
Date of Survey

Signature and Seal of
Professional Surveyor

Terry J. Paul 2/4/2008
Certificate Number 15079

WOF 080115WL-b (KA)

Exhibit C

**Application of EOG Resources, Inc.
Simultaneous Dedication of
N/2 of Section 33, 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
P.O. Box 960
Artesia, New Mexico 88211

Chase Oil, Inc.
PO Box 1767
Artesia, NM 88211-1767

COG Operating LLC
350 W. Texas Ave. Suite 1300
Midland, TX 79701

Kaiser-Francis Oil Company
PO Box 21468
Tulsa, OK 74121-1468