

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO
5/28/03	N/A	WVS	MJ	NSL	PKR/03/5349575

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



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 _____

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Oil Conservation Division

- [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.

Michael Feldewer [Signature] Attorney 5/28/03
 Print or Type Name Signature Title Date

Mfeldewer@HollandHart.com
 e-mail Address

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Michael H. Feldewert

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44497-0032

May 28, 2003

HAND-DELIVERED

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, NM 87505

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Oil Conservation Division

Re: *Application of EOG Resources, Inc. for Administrative Approval of an Unorthodox Well Location for its proposed Brown Stonefly "1" Well No. 1, Lea County, New Mexico.*

Dear Ms. Wrotenbery:

EOG Resources, Inc. ("EOG") seeks administrative approval pursuant to the provisions of Division Rule 104.F for an unorthodox well location in the Undesignated North Shoe Bar – Morrow Gas Pool, the Undesignated North Shoe Bar – Atoka Gas Pool, and any other potentially productive gas pools spaced on 320-acres. EOG proposes to drill and complete its Brown Stonefly "1" Well No. 1 at an unorthodox bottom hole location 3432 feet from the North line and 945 feet from the East line (Unit I) of Section 1, Township 16 South, Range 35 East, N.M.P.M., Lea County, New Mexico. Due to an oversized legal subdivision in this Section, a 342.42-acre stand-up spacing unit comprised of Lots 1, 2, 7, 8 and Lots 9, 10, 15, 16 on the E/2 of Section 1 are to be dedicated to this well. The referenced pools are governed by the Division's statewide rules that provide for gas wells to be located no closer than 660 feet to the outer boundary of the quarter section on which the well is located. This unorthodox bottom hole location is 444 feet off of the quarter section line, and therefore encroaches on the oversized NE/4 by 216 feet.

EOG's proposed unorthodox location is required by geologic conditions. The primary target for EOG's proposed well is a thickening of the Morrow sands within a structural low of the Mississippian formation. Total depth is expected to be 12,800 feet. Figure 1 is a Mississippian "Upper" Time Structure Map, with the high areas designated in red/green and the low areas in

HOLLAND & HART^{LLP}
ATTORNEYS AT LAW

Ms. Lori Wrotenbery
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blue/purple.¹ Figure 2 is a Seismic Line A-A' through the proposed bottom hole location for EOG's well that shows the interpretation of the Morrow and Mississippian reflections. This line shows the structural low in the Mississippian formation targeted by EOG's proposed unorthodox bottom hole location relative to the higher areas at orthodox well locations. EOG believes that it must stay within the axis of this structural low (thick) to have the greatest potential for a productive well.

Also enclosed is a land locator map along with a Division C-102 that shows the spacing unit, the unorthodox bottom hole location, and the adjoining spacing units and wells. EOG is the operator of the NE/4 of the spacing unit, and the lessee of the State leases comprising this spacing unit. As such, this is an internal non-standard location with no affected parties.

Your attention to this application is appreciated.

Sincerely,



Michael H. Feldewert

MHF/jlp

cc: Patrick Tower

Enclosures

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¹ The non-colored areas are of poor seismic quality and therefore areas with no seismic interpretation.

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, and Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-102
Revised August 15, 2000
Submit to Appropriate District Office
State Lease - 4 copies
Fee Lease - 3 copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 96882	³ Pool Name Shoe Bar; Morrow, North (Gas)
⁴ Property Code	⁵ Property Name BROWN STONE FLY "1"	
⁷ OGRID No. 7377	⁸ Operator Name EOG RESOURCES, INC.	⁶ Well Number 1 ⁹ Elevation 3968'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	1	16 SOUTH	35 EAST, N.M.P.M.		3322'	NORTH	1053'	EAST	LEA

¹¹ 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
I	1	16 SOUTH	35 EAST, N.M.P.M.		3432'	NORTH	945'	EAST	LEA

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Stan Wagner
Signature

Stan Wagner
Printed Name

Regulatory Analyst
Title

4/4/03
Date

¹⁸ 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.

MARCH 11, 2003
Date of Survey

V. Lynn Bezner
Signature

V. L. BEZNER R.P.S. #7920
Certificate Number

JOB #86611-A / 96 NE / J.C.P.

BOTTOM HOLE INFORMATION PROVIDED BY EOG RESOURCES, INC.

Brown Stonefly '1' #1

Figure 2
Seismic Line A-A'
DJS

