pMESO-523641241



William F. Carr wcarr@hollandhart.com

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August 17, 2005

## **VIA HAND DELIVERY**

Mr. Michael E. Stogner
Oil Conservation Division
Energy, Minerals and Natural Resources Department
1220 South Saint Francis Drive
Santa Fe. New Mexico 87505

Re: Application of EOG Resources, Inc. for approval of a second horizontal wellbores on a standard 320-acre gas spacing unit, lea County, New Mexico.

Dear Mr. Stogner:

In response to your e-mail of August 2nd, I am enclosing copies of two Well Location and Acreage Dedication Plats for the horizontal wells that EOG Resources, Inc. is proposing to drill in the W/2 of Section 13, Township 16 South, Range 24 East, NMPM, Eddy County, New Mexico. As you will recall, Bryan Arrant believes that Rule 104 does not authorize a second horizontal wellbore on this unit.

Rule 104 allows two wells on a standard deep gas spacing unit. However, it requires that the infill well be located on the quarter section not containing the original well. Since the first horizontal wellbore traverses both quarter sections in this spacing unit, the question is whether or not this wellbore precludes the drilling of the second well unless an exception to this rule is first obtained. Horizontal drilling technology seems to me to be forcing the amendment, of certain spacing and production rules. For example, spacing units are combined for single horizontal well "project areas" / "producing areas," and allowable limits are amended for wells that develop multiple units. Other questions are presented where multiple laterals are proposed from a single vertical wellbore, and now multiple horizontal wellbores are being proposed on a single spacing unit.

It appears to me that in the near future the Division is going to have a number of requests for multiple horizontal wellbores on a single spacing unit and therefore your guidance on how to proceed will be helpful to both the Division and to operators.

William F. Carr

Enclosures

cc: Rick Lanning, EOG Resources, Inc.

Bryan Arrant, OCD, Artesia

Form C-102

1H

Elevation

3590

County

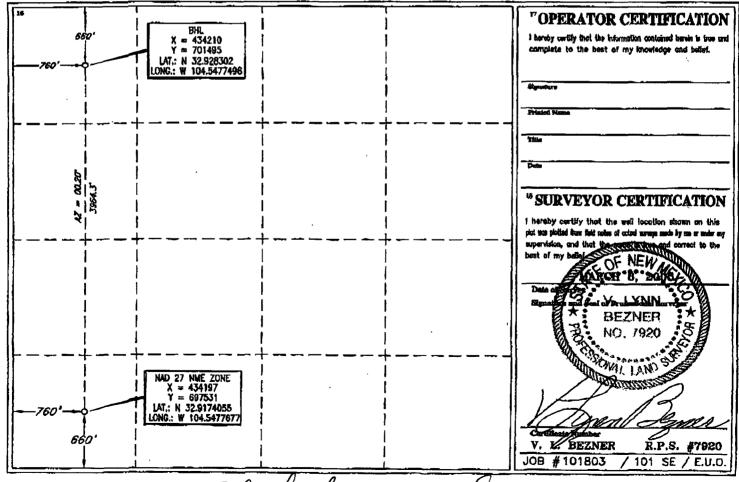
EDDY

DISTRICT I State of New Mexico 1625 N. French Dr., Hobbs, NM 88240 Revised August 15, 2000 Energy, Minerals, and Natural Resources Department Submit to Appropriate District Office DISTRICT II 1301 W. Grand Avenue, Artesia, NM 88210 **OIL CONSERVATION DIVISION** State Lease - 4 copies Fee Lease - 3 copies 1220 South St. Francis Dr. DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410 Santa Fe, New Mexico 87505 AMENDED REPORT 1220 S. St. Francis Dr., Santa Fe, NM 87505 WELL LOCATION AND ACREAGE DEDICATION PLAT API Namber Pool Code Pool Name Well Number Property Name Property Code MACKENZIE "13" FEE 6 Openiator Name OGRID No. EOG RESOURCES, INC. **Surface Location** Range Let Idn Feet from the North/South line UL or lot no. Section Feet from the Past/West line 24 EAST, N.M.P.M. 660' M 13 16 SOUTH SOUTH 760' WEST

Bottom Hole Location If Different From Surface

UL or lot no.	Section 13	Township 16 SOUTH	Range 24 EAST, N.M.P.M.		Feet from the 660'	North/South line NORTH	Feet from the 760°	East/West line WEST	County BDDY
12 Dedicated Acres 13 Joint or Juffil 14 Consolid		14 Consolidation Code	<sup>15</sup> Order N	0.					

## 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



Stundenel 6 40-acre Section

## Bill Carr 505-983-6043

DISTRICT I

State of New Mexico

Form C-102

1625 N. French Dr., Hobbs, NM 88240

Energy, Minerals, and Natural Resources Department

Revised August 15, 2000

Submit to Appropriate District Office

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210

1228 S. St. Francis Dr., Santa Fe, NM 87505

4326863773

State Lease - 4 copies

DISTRICT III

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Fee Lease - 3 copies

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

Santa Fe, New Mexico 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

3 API Number	Pool Code P	ool Name
Property Code	Property Name  MACKENZIE "13" FEE	Wall Stumber 2H
OGRID No.	EOG RESOURCES, INC.	Revation 3584°

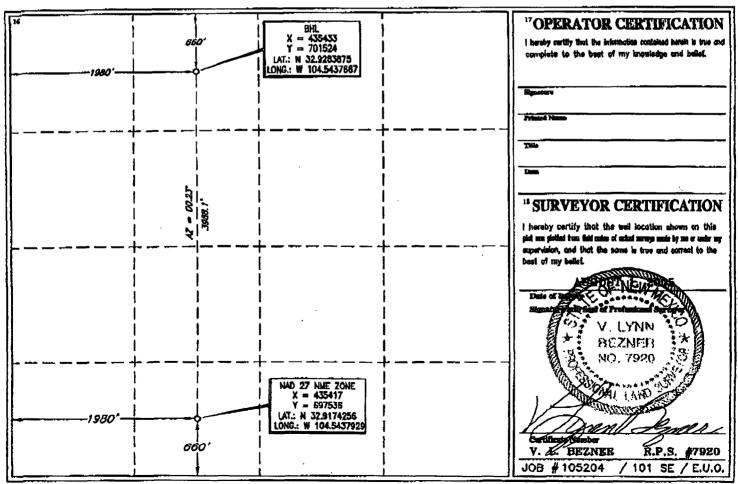
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