

4/18/06 DATE IN	SUSPENSE	MEKESTOG, NLR ENGINEER	4/18/06 LOGGED IN	TYPE 5D	APP NO. PTDS0610858423
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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



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 Ocean Munds-Dry Attorney 4-18-06
 Print or Type Name Signature Title Date
 omundsdry@hollandhart.com
 e-mail Address

2006 APR 18 PM 3 42

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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 E/2 of Section 23, Township 16 South, Range 24 East, N.M.P.M., Eddy County, New Mexico to its proposed Rio Grande "23" Federal Well No. 1H and the existing Rio Grande "23" Federal Well No. 2H.

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 E/2 of Section 23, Township 16 South, Range 24 East, N.M.P.M., Eddy County, New Mexico. This spacing unit is dedicated to EOG's Rio Grande "23" Federal Well No. 2H 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~~ ^{proposed} Rio Grande "23" Federal Well No. 2H (**API No. 30-015-34590**) horizontally drilled from a surface location 660 feet from the South line and 1880 feet from the East line to a bottomhole location in the Wolfcamp formation 660 feet from the North line and 1880 feet from the East line of said Section 23; and
- B. the ~~proposed~~ ^{existing} Rio Grande "23" Federal Well No. 1H (**API No. 30-015-34296**) to be horizontally drilled from a surface location 660 feet from the South line and 760 feet from the East line to a proposed end point or bottomhole location 660 feet from the North line and 760 feet from the East line of said Section 23.



The wellbore directional survey of the Rio Grande "23" Federal Well No. 2H 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 Rio Grande "23" Federal Well No. 1H 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, 660 feet from the North line and 1880 feet from the East line (Unit A) of Section 23.

Attached hereto as **Exhibit A** is a copy of Division Form C-102 for this well that shows the Point of Entry at the top of the Wolfcamp formation to be 660 feet from the South and East lines of Section 14. **Exhibit B** is EOG's Planning Report for the well that confirms the projected wellbore deviation. **Exhibit C** is a plat that shows the subject area, the 320-acre spacing unit comprised of the E/2 of Section 23 and the proposed surface and bottomhole location of the well.

The simultaneous dedication of the E/2 of said Section 23 to the Rio Grande "23" Federal 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,

A handwritten signature in black ink that reads "Ocean Munds-Dry".

Ocean Munds-Dry
Attorney for EOG Resources, Inc.

Enclosures

cc: Mr. Rick Lanning
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, 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 75260		3 Pool Name Undes Cottonwood Creek; Wolfcamp, West	
4 Property Code		5 Property Name RIO GRANDE "23" FED			6 Well Number 2H
7 OGRID No. 7377		8 Operator Name EOG RESOURCES, INC.			9 Elevation 3629'

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
0	23	16 SOUTH	24 EAST, N.M.P.M.		660'	SOUTH	1880'	EAST	EDDY

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
B	23	16 SOUTH	24 EAST, N.M.P.M.		660'	NORTH	1880'	EAST	EDDY

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

<div>16</div> <p>NMNM 108950 640 ac</p> <p>BHL X = 431553 Y = 696186 LAT.: N 32.9138933 LONG.: W 104.5583746</p> <p>PRODUCING AREA AZ = 02.15° 38.11S</p> <p>PROJECT AREA</p> <p>NAD 27 NME ZONE X = 431542 Y = 692252 LAT.: N 32.9028813 LONG.: W 104.5583828</p>	<div>17 OPERATOR CERTIFICATION</div> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Mike Francis</i> Mike Francis Agent 12/19/2005</p> <div>18 SURVEYOR CERTIFICATION</div> <p>I hereby certify that the well location shown on this plat was plotted from field notes of a survey made by me or under my supervision, and that the same is correct to the best of my belief.</p> <p>NOVEMBER 29, 2006 V. A. BEZNER R.P.S. #7920 JOB # 108528 / 101 SE / E.U.O.</p>
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Standard 640-acre Section

EXHIBIT A

e Planning Report

Company: eogresources		Date: 12/13/2005		Time: 15:55:32		Page: 1	
Field: Thames		Co-ordinate(NE) Reference: Site: Rio Grande 23 Fed #2H, Grid North					
Site: Rio Grande 23 Fed #2H		Vertical (TVD) Reference: SITE 3644.0					
Well: Rio Grande 23 Fed #2H		Section (VS) Reference: Well (0.00N 0.00E, 0.16Azi)					
Wellpath: Rio Grande 23 Fed #2H		Plan: Plan #1					

Field: Thames			
Map System: US State Plane Coordinate System 1927		Map Zone: New Mexico, Eastern Zone	
Geo Datum: NAD27 (Clarke 1866)		Coordinate System: Site Centre	
Sys Datum: Mean Sea Level		Geomagnetic Model: igrf2000	

Site: Rio Grande 23 Fed #2H					
Site Position:		Northing: 692252.00 ft		Latitude: 32 54 10.370 N	
From: Map		Easting: 431542.00 ft		Longitude: 104 33 22.977 W	
Position Uncertainty: 0.00 ft				North Reference: Grid	
Ground Level: 3629.00 ft				Grid Convergence: -0.12 deg	

Well: Rio Grande 23 Fed #2H				Slot Name:	
Well Position:		Northing: 692252.00 ft		Latitude: 32 54 10.370 N	
+N/-S 0.00 ft		Easting: 431542.00 ft		Longitude: 104 33 22.977 W	
+E/-W 0.00 ft					
Position Uncertainty: 0.00 ft					

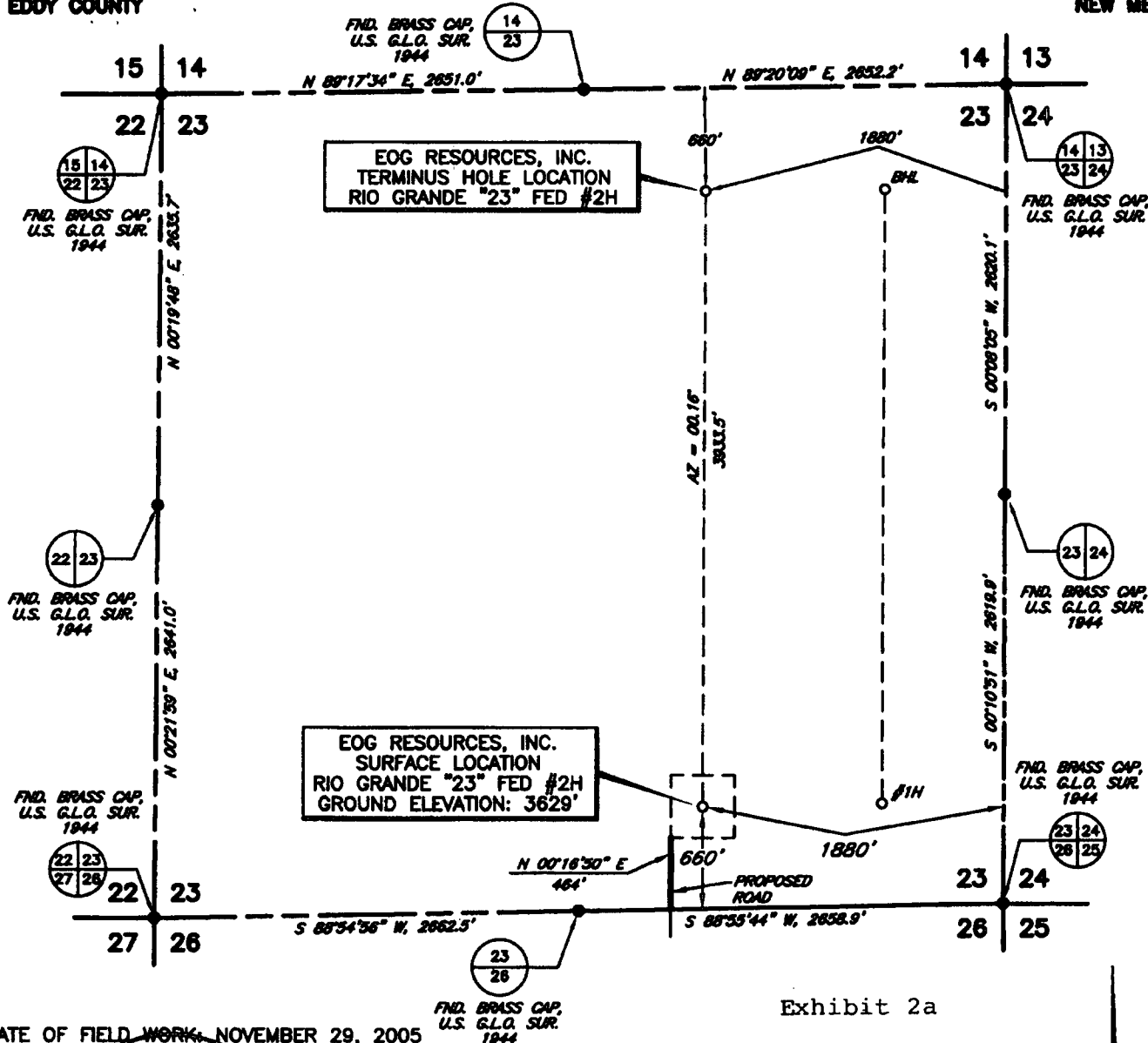
Wellpath: Rio Grande 23 Fed #2H				Drilled From: Surface	
Current Datum: SITE		Height 3644.00 ft		Tie-on Depth: 0.00 ft	
Magnetic Data: 12/13/2005				Above System Datum: Mean Sea Level	
Field Strength: 49666 nT				Declination: 9.02 deg	
Vertical Section: Depth From (TVD)		+N/-S		Mag Dip Angle: 60.87 deg	
ft		ft		ft	
4900.00		0.00		0.00	
				Direction deg	
				0.16	

Plan: Plan #1		Date Composed: 12/13/2005	
Principal: Yes		Version: 1	
		Tied-to: From Surface	

Plan Section Information										
MD	Incl	Azin	TVD	+N/-S	+E/-W	DLS	Build	Turn	TFO	Target
ft	deg	deg	ft	ft	ft	deg/100ft	deg/100ft	deg/100ft	deg	
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
4568.00	0.00	0.00	4568.00	0.00	0.00	0.00	0.00	0.00	0.00	
5168.00	90.00	0.16	4949.97	381.97	1.07	15.00	15.00	0.00	0.16	
5184.69	90.50	0.16	4949.90	398.66	1.11	3.00	3.00	0.00	0.03	
8720.15	90.50	0.16	4919.00	3933.97	11.00	0.00	0.00	0.00	0.00	
8720.18	90.50	0.16	4919.00	3934.00	11.00	3.00	-2.87	-0.87	-163.06	BHL

Section 1 : Start Hold										
MD	Incl	Azin	TVD	+N/-S	+E/-W	VS	DLS	Build	Turn	TFO
ft	deg	deg	ft	ft	ft	ft	deg/100ft	deg/100ft	deg/100ft	deg
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
100.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
200.00	0.00	0.00	200.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
400.00	0.00	0.00	400.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
500.00	0.00	0.00	500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
600.00	0.00	0.00	600.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
700.00	0.00	0.00	700.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
800.00	0.00	0.00	800.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
900.00	0.00	0.00	900.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1000.00	0.00	0.00	1000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1100.00	0.00	0.00	1100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1200.00	0.00	0.00	1200.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1300.00	0.00	0.00	1300.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1400.00	0.00	0.00	1400.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1500.00	0.00	0.00	1500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1600.00	0.00	0.00	1600.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1700.00	0.00	0.00	1700.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

SECTION 23, TOWNSHIP 16 SOUTH, RANGE 24 EAST, N.M.P.M.
EDDY COUNTY NEW MEXICO



DATE OF FIELD WORK: NOVEMBER 29, 2005

I, V. L. BEYER, A PROFESSIONAL SURVEYOR IN THE STATE OF NEW MEXICO, AND AUTHORIZED AGENT OF TOPOGRAPHIC LAND SURVEYORS, HEREBY CERTIFY THIS PLAT TO BE A TRUE REPRESENTATION OF A SURVEY PERFORMED IN THE FIELD UNDER MY SUPERVISION, THAT I AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF AND THAT THIS PLAT AND FIELD SURVEY FROM WHICH IT IS BASED MEET THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO. (RULE 500.6 BASEMENT SURVEYING)

V. L. Beyer
V. L. BEYER, P.S. NO. 1820

0 1000
1" = 1000'
BEARINGS AND COORDINATES
BASED ON NEW MEXICO
STATE PLANE GRID - EAST
ZONE, NAD 27

				EOG RESOURCES, INC.	SCALE: 1" = 1000'
					DATE: NOVEMBER 29, 2005
NO.	REVISION	DATE	BY		JOB NO.: 108528-F
SURVEYED BY: R.M.				SURVEYING AND MAPPING BY TOPOGRAPHIC LAND SURVEYORS MIDLAND, TEXAS	QUAD NO.: 101 SE
DRAWN BY: E.U.O.					
APPROVED BY: V.L.B.					SHEET : 1 OF 2

EXHIBIT C