



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

October 16, 2006

EOG Resources, Inc.
c/o Ms. Ocean Munds-Dry
Holland & Hart LLP
P.O. Box 2208
Santa Fe, NM 87504

Administrative Order NSP-1903

Re: N/2 Section 6, Twsp 16S, Range 25E
Eddy County

Dear Ms. Munds-Dry:

Reference is made to the following:

(a) your application (**administrative application reference No. pTDS0-625634409**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on September 12, 2006, on behalf of EOG Resources, Inc. (EOG); and

(d) the Division's records pertinent to EOG's request.

EOG has requested approval of a non-standard 219.19-acre gas spacing unit in the Cottonwood Creek-Wolfcamp gas pool (75250). This pool is governed by Statewide Rule 104.C(2), which provides that a unit shall consist of 320 acres, comprising two contiguous quarter sections of a single section.

Your application on behalf of EOG has been duly filed under the provisions of Division Rules 104.D(2) and 1210.A(3).

The proposed unit consists of lots 1 through 8 of irregular Section 6, Twsp 16S, Range 25E. All of these lots are contiguous and, together, constitute the N/2 equivalent of this irregular section. However, it is our understanding that, due to irregularities of the governmental survey, the proposed unit contains only 219.19 acres.

No tract in this half section is excluded from the proposed unit. It is our understanding that Myco Industries Inc. is the only operator of an offsetting unit other than EOG, and that you have duly notified Myco Industries, Inc. of this application.

Pursuant to the authority granted me under the provisions of Division Rules 104.D(2)(b), the above-described non-standard 219.19-acre Wolfcamp spacing and proration unit is hereby approved.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in dark ink, appearing to read "Mark E. Fesmire", is written over a light blue horizontal line.

Mark E. Fesmire, P.E.
Director

MEF/db

cc: New Mexico Oil Conservation Division - Artesia