

DATE IN 11/27/06	SUSPENSE	ENGINEER Will Jones	LOGGED IN 11/28/06	TYPE SD	APP NO. PTD50633237/63
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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



EOG  
Fris B8 Fee #2H  
200631

2006 NOV 23 37

## 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.

OceanMundsdy OceanMundsdy Attorney 11-27-06  
 Print or Type Name Signature Title Date  
 omundsdy@hollandhart.com  
 e-mail Address

November 27, 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 simultaneous dedication of the E/2 of Section 8, Township 16 South, Range 25 East, N.M.P.M., Eddy County, New Mexico to its proposed Frio B 8 Fee Well No. 2H and the existing Frio B 8 Fee Well No. 1H.

Dear Mr. Fesmire:

EOG Resources, Inc. is the operator of a standard 320-acre spacing unit in the Cottonwood Creek-Wolfcamp West Gas Pool (**Pool Code 75260**) comprised of the E/2 of Section 8, Township 16 South, Range 25 East, N.M.P.M., Eddy County, New Mexico. This spacing unit is dedicated to EOG's Frio B 8 Fee 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 Frio B 8 Fee Well No. 1H (**API No. 30-015-34666**) 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 8; and
- B. the proposed Frio B 8 Fee Well No. 2H (**API No. 30-015-34667**) 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 8.



The wellbore directional survey of the Frio B 8 Fee Well No. 1H 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 Frio B 8 Fee Well No. 2H to be drilled to the targeted subsurface end-point or bottomhole location, 660 feet from the North line and 760 feet from the East line (Unit A) of Section 8. EOG proposes to drill this well in compliance with the set-back requirements of Division Rules 104.C(2) 9b) 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 8. **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 E/2 of said Section 8 to the Frio B 8 Fee 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,

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

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 <b>30-015-34667</b>	Pool Code <b>75260</b>	Pool Name <b> Cottonwood Creek; WC, West (Gas)</b>
Property Code	Property Name <b>FRIO B 8 FEE</b>	Well Number <b>2H</b>
OCRD No. <b>7377</b>	Operator Name <b>EOG RESOURCES INC.</b>	Depth <b>3515'</b>

Surface Location

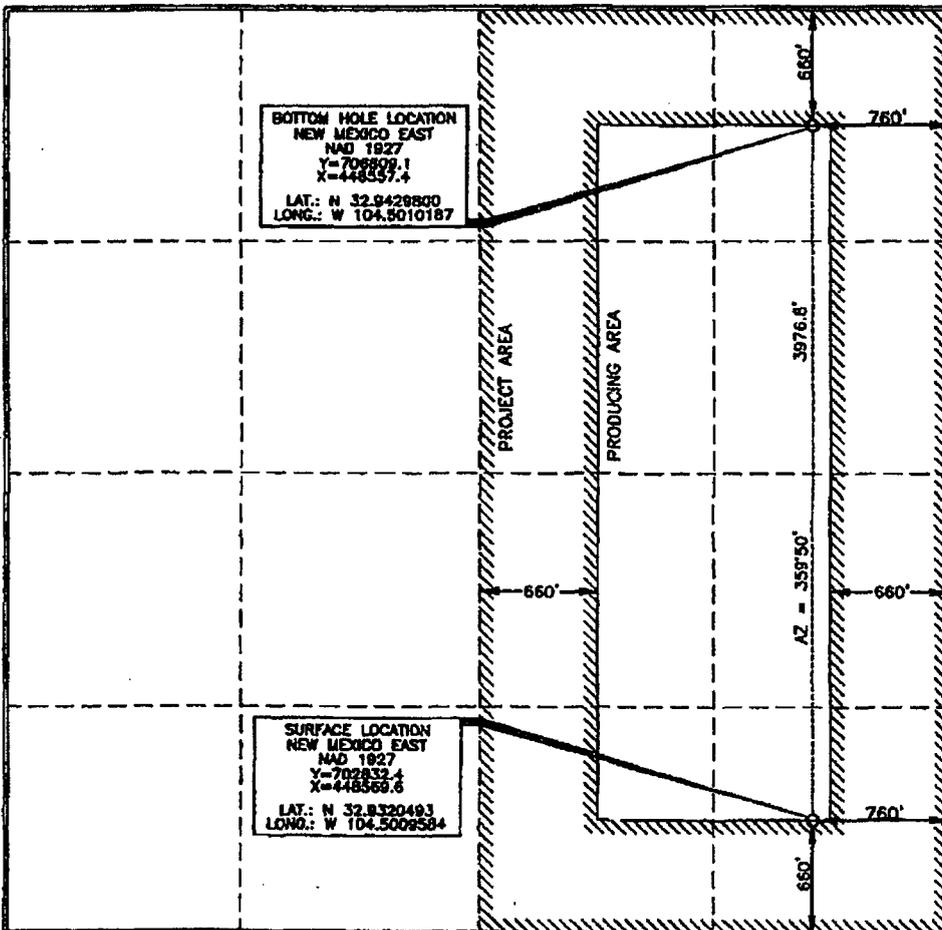
UL or lot no.	Section	Township	Range	Lot	Feet from the	North/South line	Feet from the	East/West line	County
<b>P</b>	<b>8</b>	<b>16 SOUTH</b>	<b>25 EAST, N.M.P.M.</b>		<b>680</b>	<b>SOUTH</b>	<b>760</b>	<b>EAST</b>	<b>EDDY</b>

Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot	Feet from the	North/South line	Feet from the	East/West line	County
<b>A</b>	<b>8</b>	<b>16 SOUTH</b>	<b>25 EAST, N.M.P.M.</b>		<b>680</b>	<b>NORTH</b>	<b>760</b>	<b>EAST</b>	<b>EDDY</b>

Dedicated Acres <b>320</b>	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.

*Donny G. Stanton* 6/8/06  
Signature Date

**Donny G. Stanton**  
Printed Name

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes or actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

**JERRY D. CARL**  
Date of Survey

Signature and Seal of Professional Surveyor

*Jerry D. Carl*  
Certificate Number **15079**

WOP 060603ML-d (LA)

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

RECEIVED  
JUN 12 2006  
WARRANTY

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 <b>30-015-34666</b>	Pool Code <b>75260</b>	Pool Name <b>Cottonwood Creek; WC West (Gas)</b>
Property Code	Property Name <b>FRIO B B FEE</b>	Well Number <b>1H</b>
OGRD No. <b>7377</b>	Operator Name <b>EOG RESOURCES INC.</b>	Elevation <b>3519'</b>

Surface Location

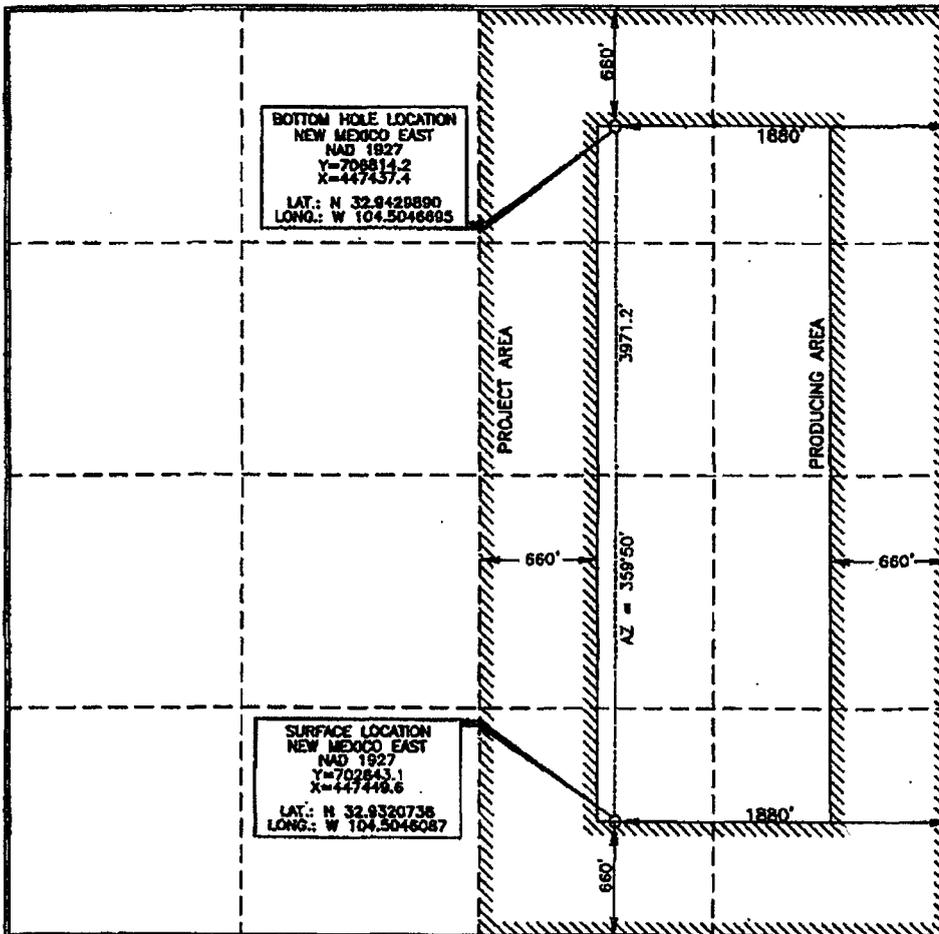
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	8	16 SOUTH	25 EAST, N.M.P.M.		660	SOUTH	1880	EAST	EDDY

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
B	8	16 SOUTH	25 EAST, N.M.P.M.		660	NORTH	1880	EAST	EDDY

Dedicated Acres <b>3.20</b>	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.

*Donny G. Glantz* 6/8/06  
Signature Date  
**Donny G. Glantz**  
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.

JUNE 8 2006  
Date of Survey  
Signature and Seal of Professional Surveyor  
*Terry J. Deal*  
Certificate Number 15079  
WOLF 060603WL-c (LA)

OFFSETS IN SECTION 8

EOG	LCX	LCX	EOG	EOG	EOG
EOG	D	C	B	A	EOG
EOG	E	F	G	H	EOG
EOG	L	K	J	I	LCX
EOG	M	N	O	P	LCX
LCX	YATES	YATES	YATES	YATES	LCX

EXHIBIT B

**Exhibit C**  
**Application of EOG Resources, Inc.**  
**Simultaneous Dedication of**  
**E/2 of Section 8, Township 16 South, Range 25 East, NMPM**  
**Eddy County, New Mexico**

Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, New Mexico 88210-2118

LCX Energy, LLC  
101 N. Marenfeld Suite 200  
Midland, Texas 79701

November 27, 2006

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**AFFECTED INTEREST OWNERS**

Re: Application of EOG Resources, Inc. for administrative approval of the simultaneous dedication of the E/2 of Section 8, Township 16 South, Range 25 East, N.M.P.M., Eddy County, New Mexico to its proposed Frio B 8 Fee Com Fee Well No. 2H and the existing Frio B 8 Fee Com Well No. 1H.

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on November 27th by EOG Resources, Inc. for administrative approval of simultaneous dedication of the Frio B 8 Fee Well No. 2H and the existing Frio B 8 Fee Well No. 1H to the E/2 of said Section 8.

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  
ATTORNEY FOR EOG RESOURCES, INC.

Enclosures

**Brooks, David K., EMNRD**

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**From:** Ocean Munds-Dry [Omundsdry@hollandhart.com]  
**Sent:** Thursday, December 21, 2006 8:59 AM  
**To:** Brooks, David K., EMNRD  
**Subject:** RE: EOG SD Application - Frio B 8 No. 2H

David: I can confirm that the working interest is identical for all offsetting units operated by EOG.  
Ocean

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**From:** Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]  
**Sent:** Tuesday, December 19, 2006 3:16 PM  
**To:** Ocean Munds-Dry  
**Subject:** EOG SD Application - Frio B 8 No. 2H

Dear Ocean

I have reviewed your letter of November 27, which shows that EOG is the operator of all units offsetting the E/2 of Section 8-16S-25E, except as indicated on Exhibit B to that letter.

Can you confirm that working interest is identical for all offsetting units operated by EOG?

Thanks  
David Brooks

Confidentiality Notice: This e-mail, including all attachments is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited unless specifically provided under the New Mexico Inspection of Public Records Act. If you are not the intended recipient, please contact the sender and destroy all copies of this message. -- This email has been scanned by the Sybari - Antigen Email System.

**Brooks, David K., EMNRD**

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**From:** Brooks, David K., EMNRD  
**Sent:** Tuesday, December 19, 2006 3:16 PM  
**To:** Ocean Munds-Dry  
**Subject:** EOG SD Application - Frio B 8 No. 2H

Dear Ocean

I have reviewed your letter of November 27, which shows that EOG is the operator of all units offsetting the E/2 of Section 8-16S-25E, except as indicated on Exhibit B to that letter.

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Thanks  
David Brooks