

| | | | | | |
|--------------------|----------|----------------------|----------------------|------------|---------------------------|
| DATE IN 1/25/07 | SUSPENSE | ENGINEER W. Jones | LOGGED IN 1/26/07 | TYPE SD | APP NO. PTD50702636319 |
|--------------------|----------|----------------------|----------------------|------------|---------------------------|

ABOVE THIS LINE FOR DIVISION USE ONLY

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



EOG
POC Fee #2H
200702

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

2007 JUN 25 PM 3 22

[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 1-25-07
 Print or Type Name Signature Title Date
 omundsdry@hollandhart.com
 e-mail Address

January 25, 2007

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 S/2 of Section 1, Township 16 South, Range 24 East, N.M.P.M., Eddy County, New Mexico to its proposed PO C 1 Fee Well No. 2H and the existing PO C 1 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 S/2 of Section 1, Township 16 South, Range 24 East, N.M.P.M., Eddy County, New Mexico. This spacing unit is dedicated to EOG's PO C 1 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 **PO C 1 Fee Well No. 1H (API No. 30-015-34753)** horizontally drilled from a surface location 1,880 feet from the South line and 660 feet from the East line to an end point or bottom hole location 1929 feet from the South line and 1343 feet from the West line of said Section 1 which was approved on December 12, 2006 by Administrative Order NSL-5527; and
- B. the proposed **PO C 1 Fee Well No. 2H (API No. 30-015-34754)** to be horizontally drilled from a surface location 760 feet from the South line and 660 feet from the East line to a proposed end point or bottomhole location 760 feet from the South line and 660 feet from the West line of said Section 1.



The wellbore directional survey of the PO C 1 Fee Well No. 1H shows the path of the wellbore within the Wolfcamp formation to be non-standard pursuant to Division Rules 104.C (2) (a) and 111.A (7). However, the Division approved the non-standard location in Administrative Order NSL-5527. EOG now intends to horizontally drill and complete its proposed PO C 1 Fee Well No. 2H to be drilled to the targeted subsurface end-point or bottomhole location, 760 feet from the South line and 660 feet from the West line (Unit M) of Section 1. 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 EOG's Directional Survey for the 1H Well that confirms the projected wellbore deviation.

Exhibit C is a map of offset operators around the spacing unit in Section 1. **Exhibit D** 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 S/2 of said Section 1 to the PO C 1 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



January 25, 2007

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

AFFECTED INTEREST OWNERS

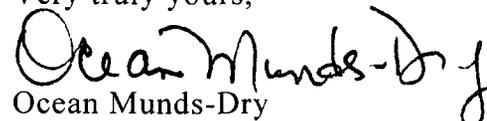
Re: Application of EOG Resources, Inc. for administrative approval of the simultaneous dedication of the S/2 of Section 1, Township 16 South, Range 24 East, N.M.P.M., Eddy County, New Mexico to its proposed PO C Fee Well No. 2H and the existing PO C 1 Fee Well No. 1H.

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date by EOG Resources, Inc. for administrative approval of simultaneous dedication of the PO C 1 Fee Well No. 2H and the existing PO C 1 Fee Well No. 1H to the S/2 of said Section 1.

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

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 30-015-34754 | Pool Code 75260 | Pool Name Cottonwood Creek, WC, West (Gas) |
| Property Code 35560 | Property Name PO C 1 FEE | |
| OGRID No. 7377 | Operator Name EOG RESOURCES, INC. | Well Number 2H |
| | | Elevation 3562' |

Surface Location

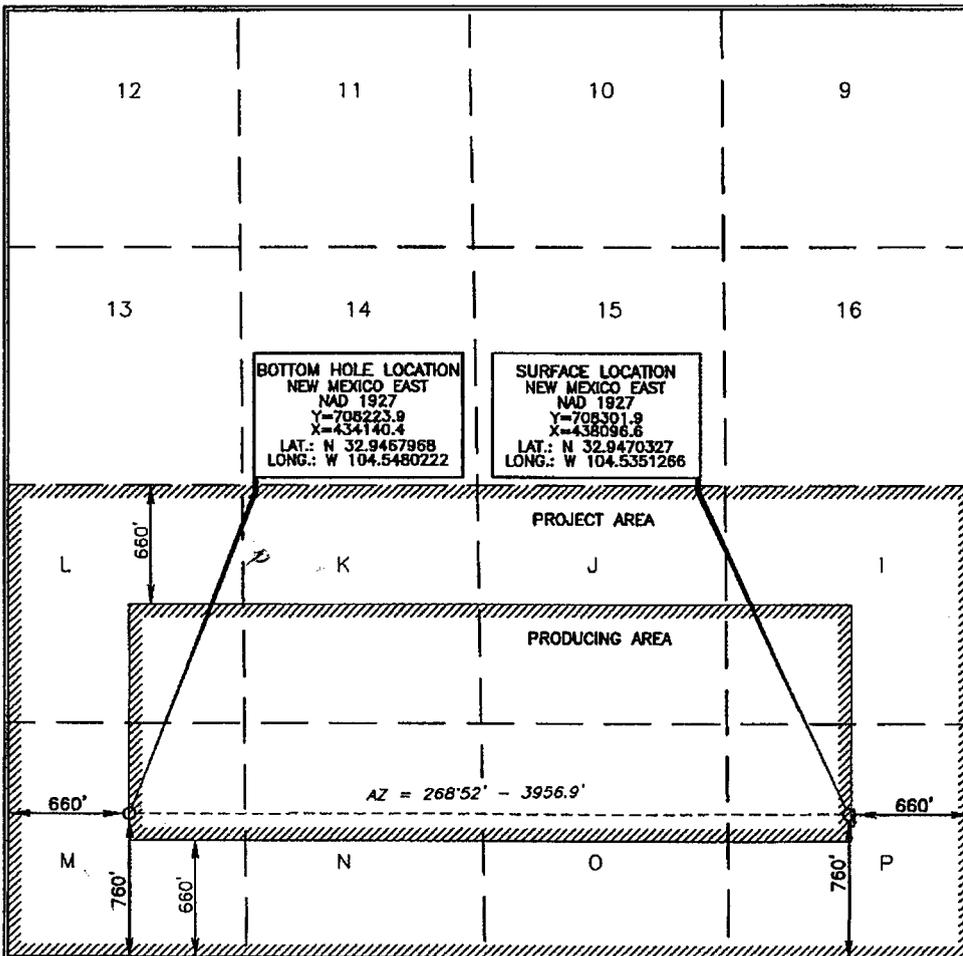
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|----------|-----------------|--------------------------|---------|---------------|------------------|---------------|----------------|-------------|
| P | 1 | 16 SOUTH | 24 EAST, N.M.P.M. | | 760 | SOUTH | 660 | 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 |
|---------------|----------|-----------------|--------------------------|---------|---------------|------------------|---------------|----------------|-------------|
| M | 1 | 16 SOUTH | 24 EAST, N.M.P.M. | | 760 | SOUTH | 660 | WEST | EDDY |

| | | | |
|-------------------------------|-----------------|--------------------|-----------|
| Dedicated Acres 320 | Joint or Infill | Consolidation Code | Order No. |
|-------------------------------|-----------------|--------------------|-----------|

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. Glanton 3/29/06
Signature Date

Donny G. Glanton
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.

MARCH 7, 2006
Date of Survey

Signature and Seal of Professional Surveyor

Terry J. Auel
Certificate Number 15079

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 30-015-3A753 | Pool Code 75260 | Pool Name Cottonwood Creek; WC, West (gas) |
| Property Code 355600 | Property Name PO C 1 FEE | Well Number 1H |
| OGRID No. 7377 | Operator Name EOG RESOURCES, INC. | Elevation 3565' |

Surface Location

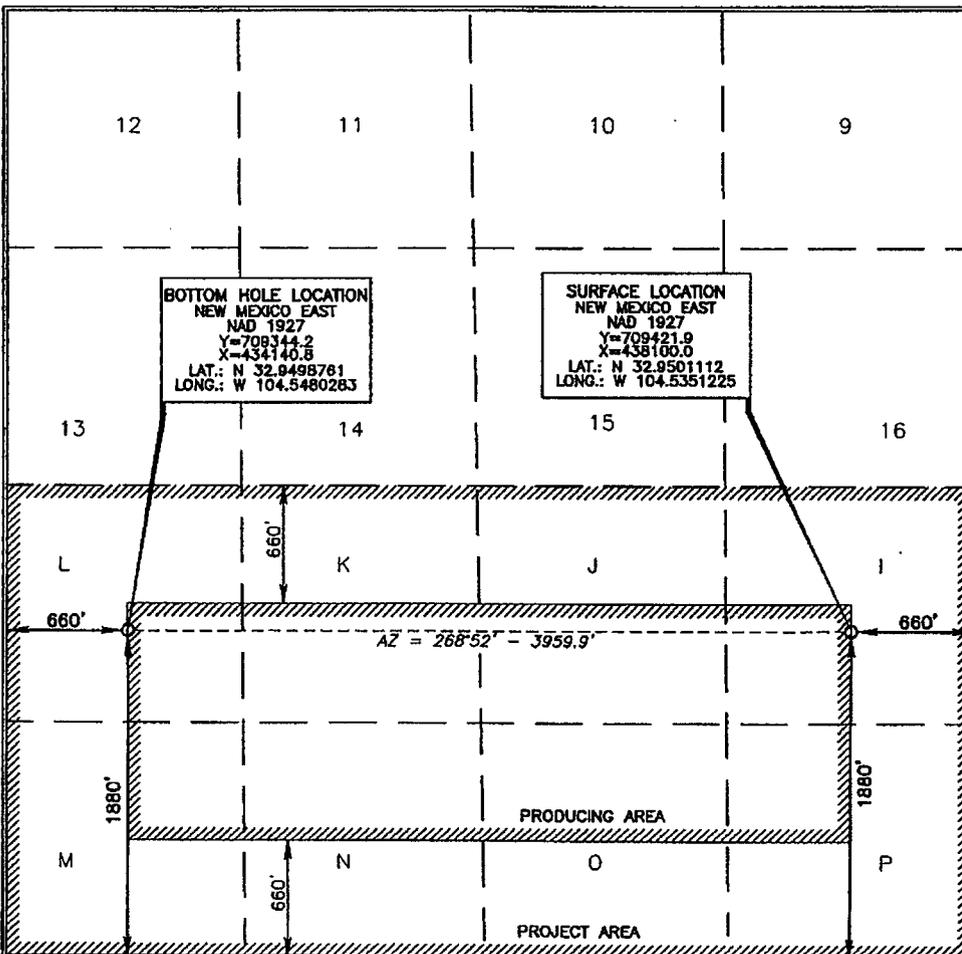
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|----------|-----------------|--------------------------|---------|---------------|------------------|---------------|----------------|-------------|
| 1 | 1 | 16 SOUTH | 24 EAST, N.M.P.M. | | 1880 | SOUTH | 660 | 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 |
|---------------|----------|-----------------|--------------------------|---------|---------------|------------------|---------------|----------------|-------------|
| L | 1 | 16 SOUTH | 24 EAST, N.M.P.M. | | 1880 | SOUTH | 660 | WEST | EDDY |

| | | | |
|-------------------------------|-----------------|--------------------|-----------|
| Dedicated Acres 320 | Joint or Infill | Consolidation Code | Order No. |
|-------------------------------|-----------------|--------------------|-----------|

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. Glanton 3/29/06
Signature Date

Donny G. Glanton
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.

15079
MARCH 7, 2006
Date of Survey

Terry J. Asel
Signature and Seal of Professional Surveyor

15079
Certificate Number

WOP 060307ML-d (006)

Po C 1 Fee #1H Gyro.txt
 ° S C I E N T I F I C D R I L L I N G C O N T R O L S °
 %

KEEPER GYRO SURVEY
 Directional Survey Report

for
 UAAA
 3 EOG 3
 3
 AAAU

Well Number : PO C1 FEE #1-H
 Well Location : EDDY COUNTY, NEW MEXICO
 Job Number : 32K110696E
 Location Latitude : 32.950
 Survey Date : 29-NOV-2006
 S.D.C. Personnel : ROBERT GONZALES
 Length Units : Feet
 North Reference : GRID North
 Grid Correction : 0.11 Degrees
 Survey Depth Zero : RKB
 Proposal Direction : 268.88
 Calculation Method : Minimum Curvature

Remarks : The OTRUN Survey will be called definitive

° S C I E N T I F I C D R I L L I N G C O N T R O L S °
 %

Outrun Survey
 for
 EOG

Page 1

Well No.: PO C1 FEE #1-H Date : 29-NOV-2006
 Job No. : 32K110696E GRID Proposal : 268.88

| Depth (Feet) | T.V.D. (Feet) | V.S. (Feet) | Inc Deg. | Azimuth Deg. | Latitude (Feet) | Departure (Feet) | D-leg /100 |
|-------------------|--------------------|------------------|-------------|-----------------|----------------------|-----------------------|---------------|
| 0.00 | 0.00 | 0.00 | 0.00 | 0.11 | 0.00 | 0.00 | 0.00 |
| 100.00 | 100.00 | -0.22 | 0.35 | 132.89 | -0.21 | 0.22 | 0.35 |
| 200.00 | 200.00 | -0.70 | 0.48 | 139.85 | -0.74 | 0.72 | 0.14 |
| 300.00 | 299.99 | -1.45 | 0.76 | 131.71 | -1.50 | 1.48 | 0.29 |
| 400.00 | 399.98 | -2.50 | 0.76 | 121.95 | -2.29 | 2.54 | 0.13 |
| 500.00 | 499.97 | -3.44 | 0.69 | 138.28 | -3.09 | 3.50 | 0.22 |

Page 1

Po C 1 Fee #1H Final Surveys.txt

~Version Information

VERS. 2.00: PATHFINDER ENERGY SERVICES LAS - Version 2.00
 WRAP. NO: One line per depth step

~Well Information

STRT.FT 3999.9998:
 STOP.FT 7717.2603:
 STEP.FT 0.0000:
 NULL. -999.25:
 COMP. EOG RESOURCES: COMPANY
 WELL. PO C1 FEE #1H: WELL
 FLD. COTTONWOOD CREEK: FLD
 SRVC. Pathfinder Energy Services: SERVICE COMPANY
 LOC. : LOCATION
 DATE. 08-Dec-06: LOG DATE
 UWI. 30-015-34753: API NUMBER
 APD .FT 14.00: ELEVATION ABOVE PERMANENT DATUM
 CNTY. EDDY: COUNTY
 CTRY. USA: COUNTRY
 DMF . ROTARY TABLE: DRILLING-LOG MEASURED FROM
 EPD .FT 3565.00: ELEVATION OF PERMANENT DATUM
 FL1 . 1880' FSL 660' FEL 660' FWL: WELL LOCATION 1
 FL2 . X=438100 Y=70942.9: WELL LOCATION 2
 PDAM. MEAN SEA LEVEL - SEA BED: ELEVATION OF PERMANENT DATUM REF
 PDAT. MEAN SEA LEVEL: PERMANENT DATUM
 RANG. 24 E: RANGE
 SECT. 1: SECTION
 STAT. NM: STATE
 TOWN. 16 S: TOWNSHIP

~Curve Information

DEPT.FT : MWD Tool Measurement Depth
 MTVD.FT : MWD Tool Measurement TVD
 INC .DEG : Inclination
 AZI .DEG : Azimuth
 SECT.FT : Section
 RCN .FT : Rectangular Co-ordinates North
 RCE .FT : Rectangular Co-ordinates East
 DLSEV.DG/HFT : Dog-leg Severity

| DEPT FT | MTVD FT | INC DEG | AZI DEG | SECT FT | RCN FT | RCE FT | DLSEV DG/HFT |
|------------|------------|------------|------------|------------|-----------|-----------|-----------------|
| 4084.00 | 4083.60 | 1.93 | 56.71 | -8.95 | 13.44 | 8.69 | 0.30 |
| 4116.00 | 4115.58 | 1.32 | 48.71 | -9.68 | 13.98 | 9.41 | 2.03 |
| 4148.00 | 4147.58 | 1.41 | 293.40 | -9.61 | 14.37 | 9.33 | 7.21 |
| 4179.00 | 4178.53 | 4.57 | 273.01 | -8.03 | 14.59 | 7.75 | 10.60 |
| 4210.00 | 4209.33 | 8.35 | 268.88 | -4.55 | 14.61 | 4.26 | 12.28 |
| 4242.00 | 4240.81 | 12.22 | 268.00 | 1.17 | 14.45 | -1.45 | 12.10 |
| 4273.00 | 4270.88 | 15.83 | 267.38 | 8.68 | 14.14 | -8.95 | 11.66 |
| 4305.00 | 4301.37 | 19.43 | 268.44 | 18.36 | 13.80 | -18.64 | 11.29 |
| 4336.00 | 4330.23 | 23.39 | 268.96 | 29.68 | 13.54 | -29.95 | 12.79 |
| 4367.00 | 4358.10 | 28.49 | 271.16 | 43.23 | 13.58 | -43.50 | 16.74 |
| 4399.00 | 4385.93 | 30.60 | 268.70 | 59.00 | 13.55 | -59.28 | 7.60 |
| 4430.00 | 4412.10 | 34.21 | 267.82 | 75.61 | 13.04 | -75.88 | 11.74 |
| 4462.00 | 4438.00 | 37.72 | 267.38 | 94.40 | 12.25 | -94.65 | 11.00 |
| 4494.00 | 4462.66 | 41.42 | 267.38 | 114.77 | 11.32 | -115.01 | 11.56 |
| 4525.00 | 4485.25 | 45.02 | 267.65 | 135.99 | 10.40 | -136.22 | 11.63 |
| 4556.00 | 4506.53 | 48.28 | 268.52 | 158.53 | 9.65 | -158.75 | 10.71 |
| 4588.00 | 4527.08 | 51.79 | 268.88 | 183.05 | 9.10 | -183.26 | 11.00 |
| 4619.00 | 4545.44 | 55.57 | 269.14 | 208.02 | 8.67 | -208.23 | 12.21 |
| 4650.00 | 4562.17 | 59.09 | 269.14 | 234.11 | 8.28 | -234.32 | 11.35 |
| 4681.00 | 4577.10 | 63.31 | 269.32 | 261.27 | 7.91 | -261.48 | 13.62 |
| 4713.00 | 4590.58 | 66.83 | 269.14 | 290.28 | 7.52 | -290.49 | 11.01 |
| 4745.00 | 4602.06 | 71.14 | 268.26 | 320.15 | 6.84 | -320.34 | 13.71 |
| 4776.00 | 4611.15 | 74.74 | 267.56 | 349.78 | 5.76 | -349.95 | 11.81 |

| Po C 1 Fee #1H Final Surveys.txt | | | | | | | |
|----------------------------------|---------|-------|--------|---------|--------|----------|-------|
| 4808.00 | 4618.67 | 78.08 | 267.56 | 380.87 | 4.43 | -381.03 | 10.44 |
| 4839.00 | 4624.21 | 81.34 | 268.08 | 411.36 | 3.27 | -411.50 | 10.64 |
| 4871.00 | 4628.22 | 84.24 | 268.35 | 443.10 | 2.29 | -443.23 | 9.10 |
| 4933.00 | 4631.26 | 90.13 | 270.02 | 504.99 | 1.41 | -505.12 | 9.87 |
| 5028.00 | 4629.44 | 92.07 | 271.34 | 599.92 | 2.53 | -600.09 | 2.47 |
| 5122.00 | 4626.84 | 91.10 | 269.93 | 693.84 | 3.58 | -694.04 | 1.82 |
| 5216.00 | 4624.68 | 91.54 | 270.81 | 787.78 | 4.18 | -788.01 | 1.05 |
| 5310.00 | 4624.10 | 89.16 | 268.79 | 881.76 | 3.85 | -882.00 | 3.32 |
| 5436.00 | 4624.40 | 90.57 | 269.93 | 1007.75 | 2.45 | -1007.99 | 1.44 |
| 5562.00 | 4622.28 | 91.36 | 271.60 | 1133.66 | 4.13 | -1133.95 | 1.47 |
| 5688.00 | 4618.42 | 92.15 | 272.22 | 1259.42 | 8.33 | -1259.82 | 0.80 |
| 5814.00 | 4617.65 | 88.55 | 268.00 | 1385.34 | 8.57 | -1385.77 | 4.40 |
| 5941.00 | 4618.42 | 90.75 | 271.25 | 1512.30 | 7.74 | -1512.74 | 3.09 |
| 6067.00 | 4617.07 | 90.48 | 272.13 | 1638.14 | 11.45 | -1638.68 | 0.73 |
| 6224.00 | 4614.30 | 91.54 | 272.39 | 1794.84 | 17.64 | -1795.53 | 0.70 |
| 6351.00 | 4611.18 | 91.28 | 274.32 | 1921.41 | 25.07 | -1922.27 | 1.53 |
| 6510.00 | 4607.63 | 91.28 | 274.94 | 2079.57 | 37.90 | -2080.71 | 0.39 |
| 6636.00 | 4607.14 | 89.16 | 274.06 | 2204.95 | 47.79 | -2206.31 | 1.82 |
| 6760.00 | 4609.14 | 88.99 | 273.36 | 2328.50 | 55.81 | -2330.03 | 0.58 |
| 6981.00 | 4616.61 | 87.14 | 267.12 | 2549.19 | 56.74 | -2550.79 | 2.94 |
| 7075.00 | 4620.07 | 88.64 | 266.94 | 2643.07 | 51.88 | -2644.59 | 1.61 |
| 7170.00 | 4621.02 | 90.22 | 266.06 | 2737.98 | 46.08 | -2739.41 | 1.90 |
| 7264.00 | 4619.86 | 91.19 | 265.36 | 2831.83 | 39.05 | -2833.13 | 1.27 |
| 7358.00 | 4616.98 | 92.33 | 263.51 | 2925.50 | 29.93 | -2926.64 | 2.31 |
| 7452.00 | 4613.23 | 92.24 | 262.64 | 3018.94 | 18.61 | -3019.88 | 0.93 |
| 7547.00 | 4611.11 | 90.31 | 259.03 | 3112.96 | 3.48 | -3113.63 | 4.31 |
| 7642.00 | 4614.39 | 85.74 | 257.80 | 3206.30 | -15.57 | -3206.61 | 4.98 |

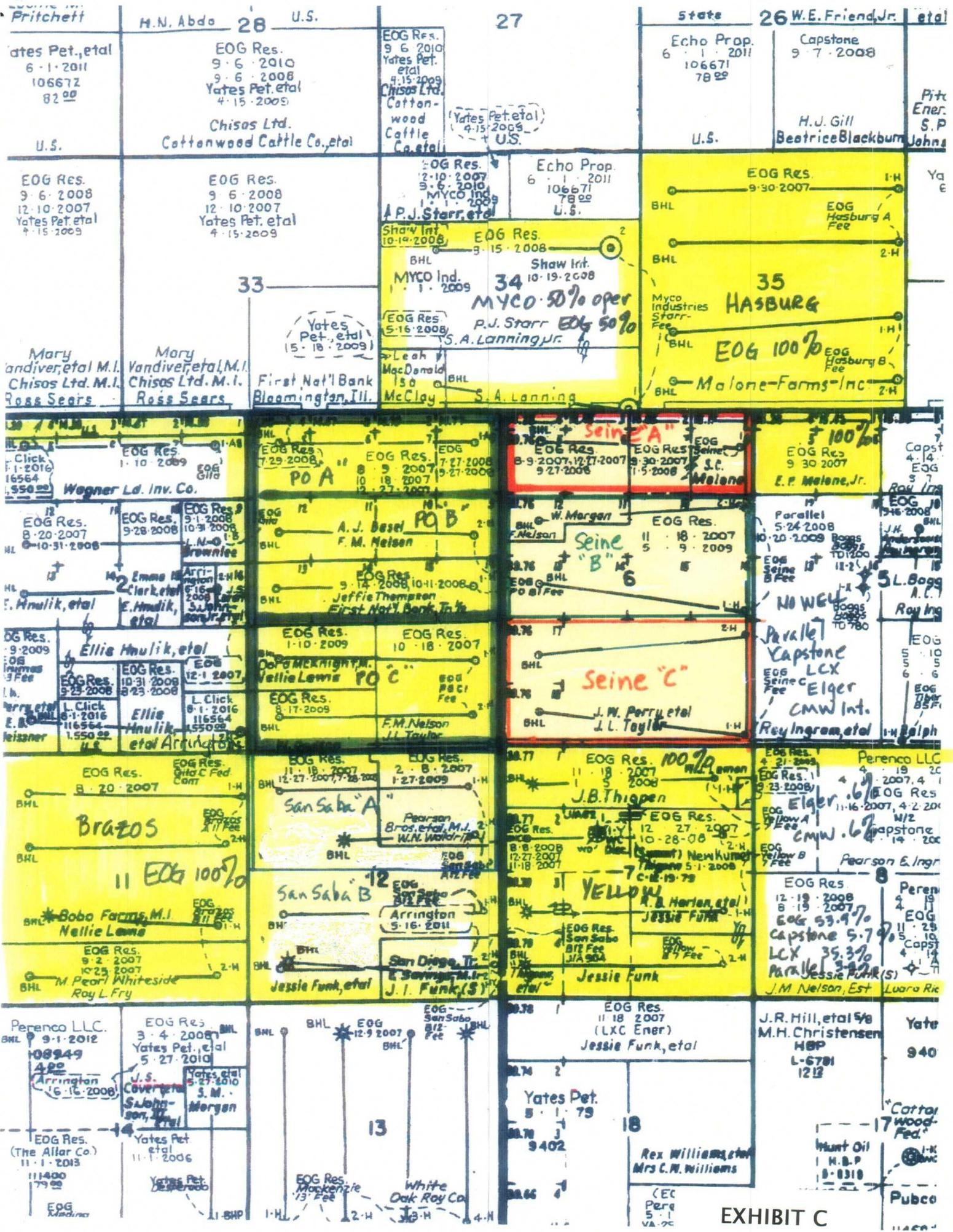


EXHIBIT C

Exhibit D
Application of EOG Resources, Inc.
Simultaneous Dedication of
S/2 of Section 1, Township 16 South, Range 24 East, NMPM
Eddy County, New Mexico

David H. Arrington Oil & Gas
214 West Texas, Suite 400
Midland, TX 79701

Capstone Oil & Gas Company
P.O. Box 10187
Midland, Texas 79702

Parallel Petroleum Corporation
P.O. Box 10587
Midland, Texas 79702

CMW Interests, Inc.
24 Smith Road, Suite 405
Midland, Texas 79705

Elger Exploration, Inc.
P.O. Box 2623
Midland, Texas 79702-2623

Brooks, David K., EMNRD

From: Ocean Munds-Dry [Omundsdry@hollandhart.com]
Sent: Friday, February 23, 2007 10:09 AM
To: Ocean Munds-Dry; Brooks, David K., EMNRD
Subject: Re: SD Application - EOG PO C Fee #2H

David - did I give you what you need for this application? Eog is scheduled to frac this well on tuesday.

Sent from my BlackBerry Wireless Handheld

----- Original Message -----

From: Ocean Munds-Dry
To: 'Brooks, David K., EMNRD' <david.brooks@state.nm.us>
Sent: Tue Feb 20 16:07:11 2007
Subject: RE: SD Application - EOG PO C Fee #2H

David:

Here is what EOG has told me -

Section 11: EOG owns 100% of the working interest.
Section 2: EOG has all the leasehold except for a small portion in the E/2 which is held by David Arrington (who was notified as identified in Ex. D)
Section 7: EOG owns 100% of the working interest.
Section 6: EOG owns 100% of working interest.
Section 12: Working interest owners are: Capstone, Parallel, CMW and Elger

Thanks,
Ocean

From: Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]
Sent: Monday, February 19, 2007 11:14 AM
To: Ocean Munds-Dry
Subject: SD Application - EOG PO C Fee #2H

Ocean

I am looking at this application.

I would like to see a more explicit identification of ownership of the offsetting units. From OCD records, I find that EOG is operator of all offsetting units except the N/2 or E/2 of Section 11, where there is apparently no well. You have marked Section 11 on Exhibit C to your application as "EOG 100%." I assume that means EOG is 100% WI owner in that section. Thus presumably the people you have notified are WI owners in other offset sections where EOG is operator.

Please furnish a list of the working interest owners for each offsetting unit for which WI ownership is not identical to that in the subject spacing unit.

Thanks

David Brooks

2/26/2007

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.

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