



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joaquin Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

March 28, 2007

EOG Resources, Inc.
C/O Ms Ocean Munds-Dry
P.O. Box 2208
Santa Fe, New Mexico 87504-2208

**RE: Existing Meramec C 4 Fee Well No. 2H
API No. 30-015-35161
Surface Location: 760 feet FSL & 200 feet FEL
Bottomhole Location: 760 feet FSL & 660 feet FWL**

**Proposed Meramec C 4 Fee Well No. 1H
API No. 30-015-35406
Surface Location: 1880 feet FSL & 760 feet FEL
Bottomhole Location: 1880 feet FSL & 660 feet FWL**

**Both in Section 4, Township 16-S, Range 25-E, NMPM
Eddy County, New Mexico**

Administrative Order SD-200709

Dear Ms Munds-Dry:

Reference is made to the following:

(a) your application on behalf of EOG Resources, Inc. ("EOG") (**administrative application reference No. pRE0706556747**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on March 6, 2007; and

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

EOG requests approval to simultaneously dedicate the S/2 of Section 4, Township 16 South, Range 25 East, NMPM, Eddy County, New Mexico, in the Cottonwood Creek-Wolfcamp West Gas Pool (**Pool Code 75260**) to the existing Meramec C 4 Fee Well No. 2H, drilled at a surface location 760 feet from the South line, and 200 feet from the East line, to a bottomhole location 760 feet from the South line and 660 feet from the West line, and to its proposed Meramec C 4 Fee Well No. 1H to be drilled at a surface location

1880 feet from the South line, 760 feet from the East line , to a bottomhole location 1880 feet from the South line, and 660 feet from the West line .

The Cottonwood Creek-Wolfcamp West Gas Pool is currently governed by Division Rule 104.C. Horizontal drilling is governed by Division rule 111. These rules require that horizontal wells be fully contained within the producing area, the producing area being defined as that area within the spacing unit that is located 660 feet or more from the outer boundary of the spacing unit.

It is our understanding that the horizontal producing portion of the wellbore will be fully contained within the producing area.

The applicant provided notice of this application to the operators of all units that offset the S/2 of Section 4.

No offset operator objected to the application.

Pursuant to the authority granted under the provisions of Division Rule 104.D (3), the above-described simultaneous dedication of these wells in the Cottonwood Creek-Wolfcamp West Gas Pool to the S/2 of Section 4 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', followed by a horizontal line.

Mark E. Fesmire, P.E.
Director

MEF/re

cc: New Mexico Oil Conservation Division - Artesia