



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

April 13, 2007

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

Administrative Order NSP-1918

Re: Lena A 6 Fee Well No. 1H
30-015-35468
Lot 8-6-16S-26E
Eddy County

Dear Ms. Munds-Dry:

Reference is made to the following:

(a) your application (**administrative application reference No. pCLP07-07526942**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on March 13, 2007, on behalf of EOG Resources, Inc. (EOG); and

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

EOG has requested approval of a non-standard 232.65-acre wildcat Wolfcamp gas spacing unit. Spacing for wildcat Wolfcamp gas wells 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. The proposed non-standard gas spacing unit will be dedicated to EOG's Lena A 6 Fee Well No. 1H, API No. 30-015-35468, located 1428 feet from the North line and 225 feet from the East line (Lot 8) of Section 6, Township 16 South, Range 26 East, NMPM in Eddy County, New Mexico.

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 26E. 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 232.65 acres.

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

Pursuant to the authority granted me under the provisions of Division Rules 104.D(2)(b), the above-described non-standard 232.65-acre Wolfcamp spacing 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 black ink, appearing to read 'Mark E. Fesmire', with a long horizontal flourish extending to the right.

Mark E. Fesmire, P.E.
Director

MEF/db

cc: New Mexico Oil Conservation Division - Artesia