

28. March. 07 DATE IN	SUSPENSE	D. Brooks ENGINEER	29. March. 07 LOGGED IN	SD TYPE	PCLP0708824118 APP NO.
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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  
POB1 Fee #1H  
200714

## 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 MAR 28 AM 9 30

[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.

Oceans Monds-Dry      Oceans Monds-Dry      Attorney      3/28/07  
 Print or Type Name      Signature      Title      Date  
 omundsdry@hollandhart.com  
 e-mail Address



March 28, 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 north 320 acres of Irregular Section 1, Township 16 South, Range 24 East, N.M.P.M., Eddy County, New Mexico to its proposed PO B1 Fee Well No. 1H and the existing PO B 1 Fee Well No. 2H.

Dear Mr. Fesmire:

EOG Resources, Inc. is the operator of a standard 320-acre spacing unit in the West Cottonwood Creek-Wolfcamp Gas Pool (**Pool Code 75260**) comprised of the north 320 acres of Irregular 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 B 1 Fee Well No. 2H 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 B 1 Fee Well No. 2H (API No. 30-015-34752)** horizontally drilled from a surface location 2622 feet from the North line and 660 feet from the East line to a proposed end point or bottomhole location 2458 feet from the North line and 660 feet from the West line of said Section 1; and
- B. the proposed **PO B 1 Fee Well No. 1H (API No. 30-015 -34751)** to be horizontally drilled from a surface location 3400 feet from the South line and 660 feet from the East line to a proposed end point or bottomhole location 3400 feet from the South line and 660 feet from the West line of said Section 1.



Both the penetration point and the bottomhole location for the PO B 1 Fee Well No. 2H are at a standard location in the Wolfcamp formation pursuant to Division Rules 104.C (2) (a) and 111.A (7). EOG now intends to horizontally drill and complete its proposed PO B 1 Fee Well No. 1H to be drilled to the targeted subsurface end-point or bottomhole location 3400 feet from the South line and 660 feet from the West line (Lot 13) of Section 1. EOG proposes to drill this well in compliance with the set-back requirements of Division Rules 104.C(2)(b) 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 1. **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 north 320 acres of said Section 1 to the PO B 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



March 28, 2007

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

**AFFECTED INTEREST OWNERS**

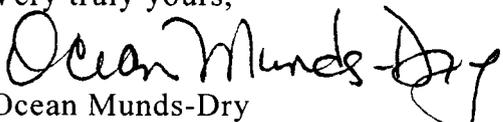
Re: Application of EOG Resources, Inc., for simultaneous dedication,  
Eddy County, New Mexico.

Ladies and Gentlemen:

This letter is to advise you that EOG Resources, Inc. has filed the enclosed application with the New Mexico Oil Conservation Division seeking the simultaneous dedication of the proposed PO B1 Fee Well No. 1H and the existing PO B 1 Fee Well No. 2H to the north 320 acres of Irregular Section 1, Township 16 South, Range 24 East, NMPM, Eddy County, New Mexico.

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 30-015-34751	Pool Code 75260	Pool Name Cottonwood Creek; WC, West (Gas)
Property Code 35559	Property Name PO B 1 FEE	Well Number 1H
OGRD No. 7377	Operator Name EOG RESOURCES, INC.	Elevation 3556'

Surface Location

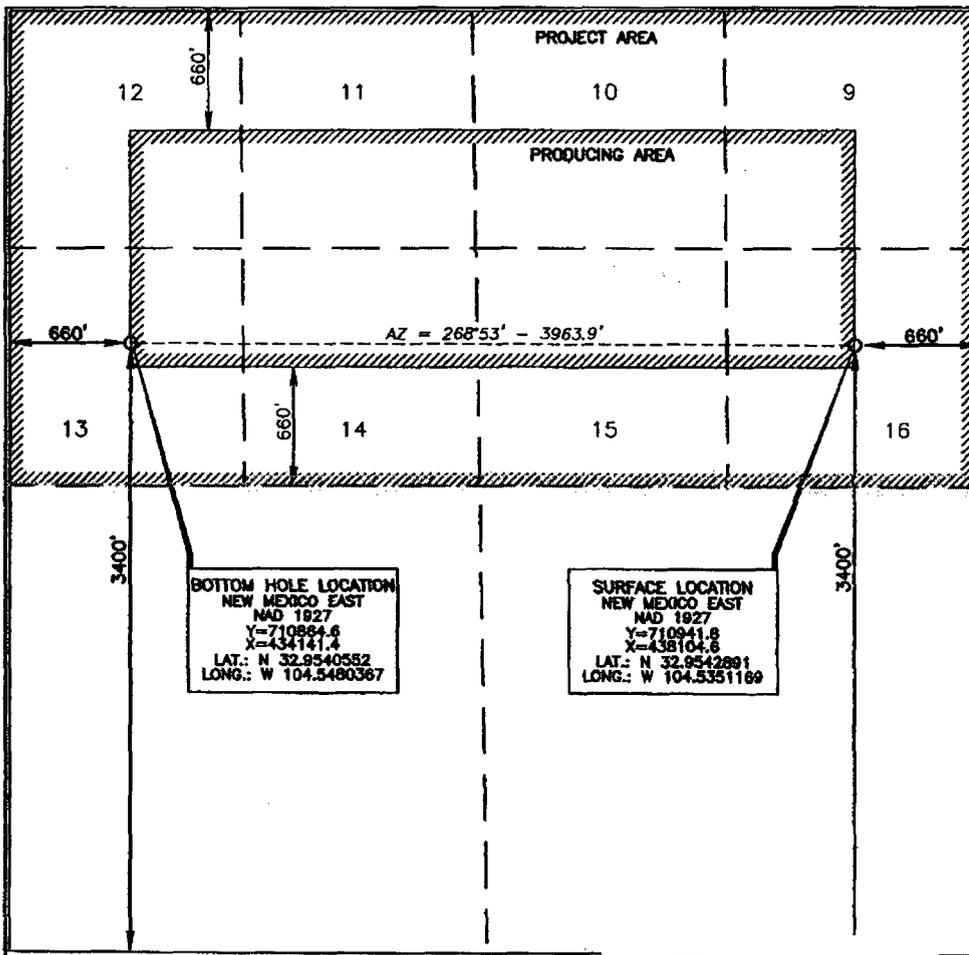
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
16	1	16 SOUTH	24 EAST, N.M.P.M.		3400	SOUTH	660	EAST	EDDY

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
13	1	16 SOUTH	24 EAST, N.M.P.M.		3400	SOUTH	660	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320			

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 located 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.

15079  
MARCH 7, 2006  
Date of Survey  
Signature and Seal of Professional Surveyor  
*Terry G. Noel*  
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 <b>30-015-34752</b>	Pool Code <b>75260</b>	Pool Name <b>Cottonwood Creek; WC, West (Gas)</b>
Property Code <b>35559</b>	Property Name <b>PO B 1 FEE</b>	Well Number <b>2H</b>
OGRID No. <b>7377</b>	Operator Name <b>EOG RESOURCES, INC.</b>	Elevation <b>3553'</b>

**Surface Location**

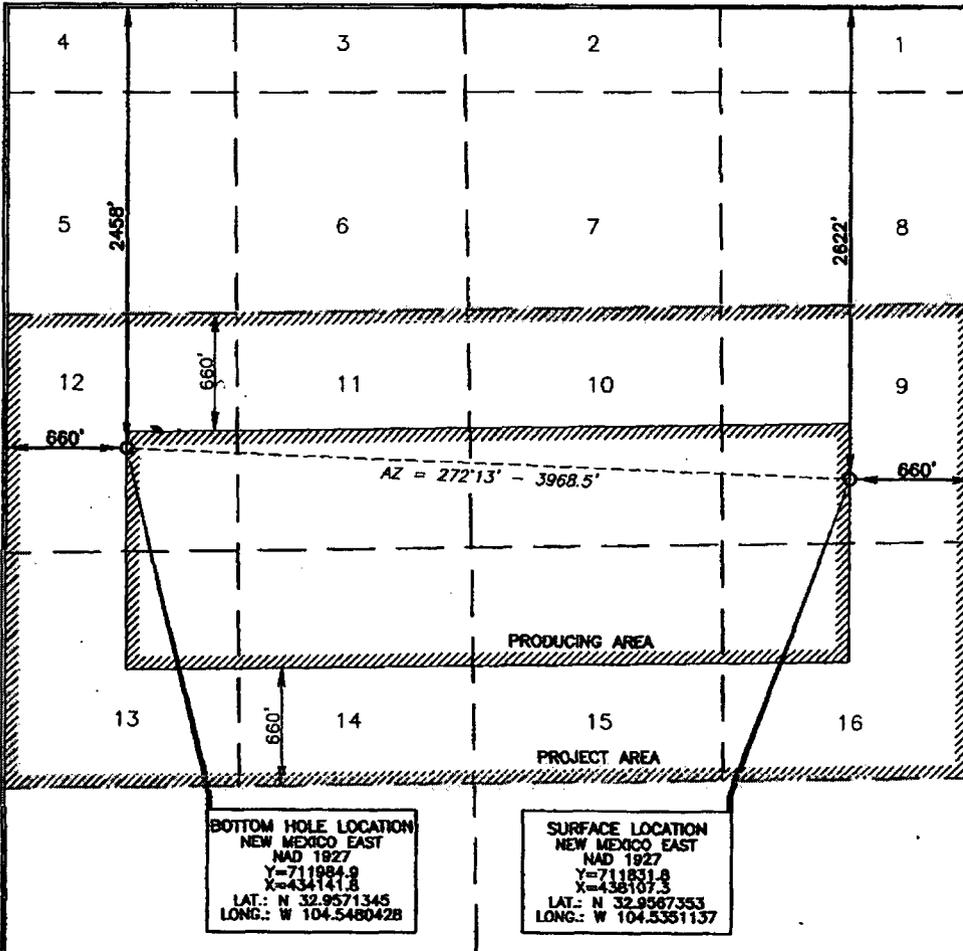
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
9	1	16 SOUTH	24 EAST, N.M.P.M.		2622	NORTH	660	EAST	EDDY

**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
12	1	16 SOUTH	24 EAST, N.M.P.M.		2458	NORTH	660	WEST	EDDY

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. 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 or 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. Reed*  
Certificate Number 15079

OFFSETS IN SECTION 1



EXHIBIT B

**Exhibit C**

**Application of EOG Resources, Inc.  
Simultaneous Dedication of  
North 320 acres 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

**Brooks, David K., EMNRD**

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**From:** Ocean Munds-Dry [Omundsdry@hollandhart.com]  
**Sent:** Monday, April 23, 2007 4:17 PM  
**To:** Brooks, David K., EMNRD  
**Subject:** RE: EOG Resources - PO B 1 Fee No. 1H, SD Application

David - the acreage is 320 acres. This is an irregular size section so when I say the north 320 it is because the top part of the section is less than 320. But, it is the middle spacing unit for this section. EOG holds 100% WIO in adjacent units. Thanks.  
Ocean

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**From:** Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]  
**Sent:** Monday, April 23, 2007 11:03 AM  
**To:** Ocean Munds-Dry  
**Subject:** EOG Resources - PO B 1 Fee No. 1H, SD Application

Ocean

I have the referenced application before me, and I need the following.

1. Please confirm the actual acreage in this unit. Your letter states that the unit to be dedicated to this well is the north 320 acres of Section 1, but it is apparent from the C-102 that that is not the case. It would appear to be the middle 320 acres. However, since it is irregular, we need to confirm the acreage, and I cannot do that from the well footages since I do not know how far apart these wells are.
2. Please confirm, if that is the case, that EOG is 100% working interest owner of the adjacent units shown as operated by EOG.

Thanks

David Brooks

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4/24/2007

**Brooks, David K., EMNRD**

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**From:** Brooks, David K., EMNRD  
**Sent:** Monday, April 23, 2007 10:03 AM  
**To:** 'Ocean Munds-Dry'  
**Subject:** EOG Resources - PO B 1 Fee No. 1H, SD Application

Ocean

I have the referenced application before me, and I need the following.

1. Please confirm the actual acreage in this unit. Your letter states that the unit to be dedicated to this well is the north 320 acres of Section 1, but it is apparent from the C-102 that that is not the case. It would appear to be the middle 320 acres. However, since it is irregular, we need to confirm the acreage, and I cannot do that from the well footages since I do not know how far apart these wells are.
2. Please confirm, if that is the case, that EOG is 100% working interest owner of the adjacent units shown as operated by EOG.

Thanks

David Brooks