



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

April 15, 2003

EOG Resources, Inc.
c/o Holland & Hart LLP
P. O. Box 2208
Santa Fe, New Mexico 87504-2208
Attention: William F. Carr

Telefax No. (505) 983-6043

Administrative Order NSL-4858

Dear Mr. Carr:

Reference is made to the following: (i) your application dated March 20, 2003, on behalf of the operator, EOG Resources, Inc. ("EOG") (*administrative application reference No. pKRV0-308039399*); and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico: all concerning EOG's request for a non-standard Atoka gas well location for the existing Field Well No. 1-Y (API No. 30-025-33908), located 1650 feet from the South line and 625 feet from the East line (Unit Q) of irregular Section 3, Township 16 South, Range 35 East, NMPM, Lea County, New Mexico.

Our records indicate that this well was initially drilled in 1997 by Amerind Oil Company Limited Partnership to a total depth of 11,880 feet and completed as an oil well within the South Big Dog-Strawn Pool (96690) at a standard oil well location within a standard 80-acre lay-down oil spacing and proration unit comprising the N/2 SE/4 of irregular Section 3. This well produced until September, 2000 and has remained inactive since that time.

It is our understanding that EOG now intends to recomplete this well by deepening down to the Atoka formation within a standard 320-acre stand-up gas spacing unit for the Undesignated North Shoe Bar-Atoka Gas Pool (96763) comprising Lots 9, 10, 15, and 16 and the SE/4 of irregular Section 3 and, pursuant to Rule 104.C (2) (a), as revised, this location is considered to be unorthodox for the proposed 320-acre unit.

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

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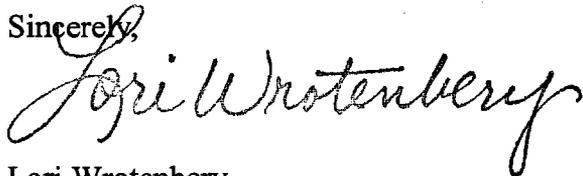
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By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox Atoka gas well location for the Field Well No. 1-Y is hereby approved.

Sincerely,

A handwritten signature in cursive script that reads "Lori Wrotenbery".

Lori Wrotenbery

Director

LW/MES/kv

cc: New Mexico Oil Conservation Division – Hobbs