



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

July 26, 2004

EOG Resources, Inc.

Midland, TX 79702

Attn: Mr. Stan Wagner or To Whom It May Concern

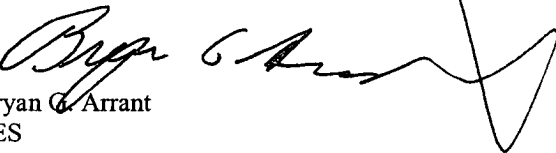
RE: Well Shut-in notice for the Sibyl '1' Federal #1, located in Section 1 of Township 18 South, Range 30 East, in Unit H, 1960'FNL and 1134' FEL, Eddy County, New Mexico. API # 30-015-31276

Dear Mr. Wagner,

This is to remind you by letter that the above noted well is in non-compliance with the New Mexico Oil Conservation Division's Rules and Regulations as a producing oil well. The legal location for the above stated well is non-standard for an oil well. As you area aware on 07/02/2004 our office received by fax a "Test Allowable Request" which I denied. During that day following the faxed request, I called to inform you that the well was to be shut-in and a Non-Standard Location (NSL) be applied for and approved with our Santa Fe office. On 7/16/2004 one of our compliance officers discovered during one his inspections that this well was still producing oil. That afternoon I called your office to inform what our inspector had found and to again remind an employee with your company that said well could not be produced without an approved NSL.

Of the particular violations with the NMOCD's rules and regulations I have found, said well is in violation of Division's Rule 104.F (2) and Rule 1104. C. Please note that until an approved NSL is issued, this well cannot be produced as a Bone Spring oil well. Please feel free to call if you have any questions on this or other matters.

Respectfully yours,



Bryan G. Arrant
PES

E-Mail: Stan_wagner@eogresources.com

Mark Fesmire, Division Director-Santa Fe

Tim Gum, District Supervisor-Artesia

Michael Stogner, Chief Hearing Examiner- Santa Fe



P.O. Box 2267
4000 N. Big Spring Street, Suite 500
Midland, Texas 79705
(915) 686-3600

FAX COVER SHEET

DATE: 7/2/2004

NO. PAGES 2

TO: _____

COMPANY NMOCD

TELE NO.: _____

FAX NO.: _____

FROM: Stan Wagner

TELE NO.: 432 686 3689

FAX NO.: 432 686 6983

IF PAGES ARE NOT RECEIVED OR IF THERE ARE ANY TRANSMISSION PROBLEMS,
PLEASE CALL NUMBER LISTED ABOVE.

☐ URGENT

☐ CONFIDENTIAL

☒ REPLY REQUESTED

MESSAGE: Test Allowable Request

I am unsure of the pool name.