

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	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



30-015-34296

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

[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.

Ocean Munds-Dry Ocean Munds-Dry Attorney 4-18-06
 Print or Type Name Signature Title Date
 omundsdry@hollandhart.com
 e-mail Address



April 18, 2006

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 E/2 of Section 23, Township 16 South, Range 24 East, N.M.P.M., Eddy County, New Mexico to its proposed Rio Grande "23" Federal Well No. 1H and the existing Rio Grande "23" Federal Well No. 2H.

Dear Mr. Fesmire:

EOG Resources, Inc. is the operator of a standard 320-acre spacing unit in the Undesignated West Cottonwood Creek-Wolfcamp Gas Pool (**Pool Code 75260**) comprised of the E/2 of Section 23, Township 16 South, Range 24 East, N.M.P.M., Eddy County, New Mexico. This spacing unit is dedicated to EOG's Rio Grande "23" Federal 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 Rio Grande "23" Federal Well No. 2H (**API No. 30-015-34590**) horizontally drilled from a surface location 660 feet from the South line and 1880 feet from the East line to a bottomhole location in the Wolfcamp formation 660 feet from the North line and 1880 feet from the East line of said Section 23; and
- B. the proposed Rio Grande "23" Federal Well No. 1H (**API No. 30-015-34296**) to be horizontally drilled from a surface location 660 feet from the South line and 760 feet from the East line to a proposed end point or bottomhole location 660 feet from the North line and 760 feet from the East line of said Section 23.



The wellbore directional survey of the Rio Grande "23" Federal Well No. 2H has been filed with the Division and shows the path of the wellbore within the Wolfcamp formation to be standard pursuant to Division Rules 104.C (2) (a) and 111.A (7). EOG now intends to horizontally drill and complete its proposed Rio Grande "23" Federal Well No. 1H in such a manner that its path meets the set-back requirements of Division Rules 104.C (2) (b) and 111.A (7) for deep gas wells in southeast New Mexico. The well will be drilled to the targeted subsurface end-point or bottomhole location, 660 feet from the North line and 1880 feet from the East line (Unit A) of Section 23.

Attached hereto as **Exhibit A** is a copy of Division Form C-102 for this well that shows the Point of Entry at the top of the Wolfcamp formation to be 660 feet from the South and East lines of Section 14. **Exhibit B** is EOG's Planning Report for the well that confirms the projected wellbore deviation. **Exhibit C** is a plat that shows the subject area, the 320-acre spacing unit comprised of the E/2 of Section 23 and the proposed surface and bottomhole location of the well.

The simultaneous dedication of the E/2 of said Section 23 to the Rio Grande "23" Federal 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 nor will either well be closer to the outer boundary of the horizontal well project area than permitted by Division Rules. Accordingly, there are no other interest owners who are affected by this application.

Your attention to this application is appreciated.

Sincerely,

Ocean Munds-Dry
Attorney for EOG Resources, Inc.

Enclosures

cc: Mr. Rick Lanning
EOG Resources, Inc.
Post Office Box 2267
Midland, Texas 79702