



March 2, 2007

**HAND-DELIVERED**

Mark 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



30 - C15 - 35383

Re: Application of EOG Resources, Inc. for administrative approval of a 227.96-acre non-standard gas spacing unit for its Yangtze A 3 Fee Well No. 1H in Irregular Section 3, Township 16 South, Range 25 East, NMPM, Eddy County, New Mexico.

Dear Mr. Fesmire:

EOG Resources, Inc. ("EOG"), pursuant to the provisions of Division Rule 104 D (2)(b) and (c) adopted on January 18, 1996, hereby seeks administrative approval of a 227.96-acre non-standard gas spacing and proration unit for the Yangtze A 3 Fee Well No. 1H to be drilled to test the Wolfcamp formation from a surface location 934 feet from the North line and 310 feet from the East line and a bottomhole location of 918 feet from the North line and 660 feet from the West line in Irregular Section 3, Township 16 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

EOG's well will test the Wolfcamp formation which is developed on 320-acre spacing pursuant to the general rules of the Division.

This non-standard gas spacing and proration unit is necessary because of a variation in the legal subdivision of the United States Public Land Surveys. This unit is comprised of contiguous lots which lie wholly within a single governmental section and are joined by a common side. This non-standard spacing unit is a result of an oversized section on the northern township line. EOG plans to drill the Yangtze C 3 Fee Well No. 1H in the south 320 acres of this section and the Yangtze B 3 Fee Well No. 1H immediately north. Due to the oversized nature of the section, that leaves the 227.96 acres on the north end of the section unallocated. Attached as **Exhibit A** is the C-102 showing the subject spacing unit. **Exhibit B** is a plat showing the offsetting spacing units. EOG is

**Holland & Hart LLP**Phone [505] 988-4421 Fax [505] 983-6043 [www.hollandhart.com](http://www.hollandhart.com)

110 North Guadalupe Suite 1 Santa Fe, NM 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Billings Boise Boulder Cheyenne Colorado Springs Denver Denver Tech Center Jackson Hole Salt Lake City Santa Fe Washington, D.C. ☐



March 2, 2007

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED****AFFECTED INTEREST OWNERS**

Re: Application of EOG Resources, Inc. for administrative approval of a 227.96-acre non-standard gas spacing unit for its Yangtze Fee Well No. 1H in Irregular Section 3, Township 16 South, Range 25 East, NMPM, Eddy County, New Mexico.

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date by EOG Resources, Inc. for administrative approval of a 227.96-acre non-standard gas spacing unit for its Yangtze A 3 Fee Well No. 1H, to be drilled from a surface location 934 feet from the North line and 310 feet from the East line to a proposed bottomhole location 918 feet from the North line and 660 feet from the West line of Irregular Section 3, Township 16 South, Range 25 East, N.M.P.M., 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

**Holland & Hart** LLP

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Aspen Billings Boise Boulder Cheyenne Colorado Springs Denver Denver Tech Center Jackson Hole Salt Lake City Santa Fe Washington, D.C. ☻

**Exhibit C**  
**Application of EOG Resources, Inc.**  
**Non-Standard Spacing Unit**  
**Section 3, Township 16 South, Range 25 East**  
**Eddy County, New Mexico**

Myco Industries, Inc.  
P.O. Box 840  
Artesia, New Mexico 88211-0840

McBride Oil & Gas Corporation  
400 N. Pennsylvania Ave. #1200  
Roswell, New Mexico 88201

District I  
1825 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<br><b>30-015-35383</b> | Pool Code<br><b>75250</b>                   | Pool Name<br><b>COTTONWOOD CREEK WOLFCAMP (GAS)</b> |
| Property Code<br><b>36265</b>     | Property Name<br><b>YANGTZE "A" 3 FEE</b>   | Well Number<br><b>1H</b>                            |
| OGRID No.<br><b>7377</b>          | Operator Name<br><b>EOG RESOURCES, INC.</b> | Elevation<br><b>3463'</b>                           |

Surface Location

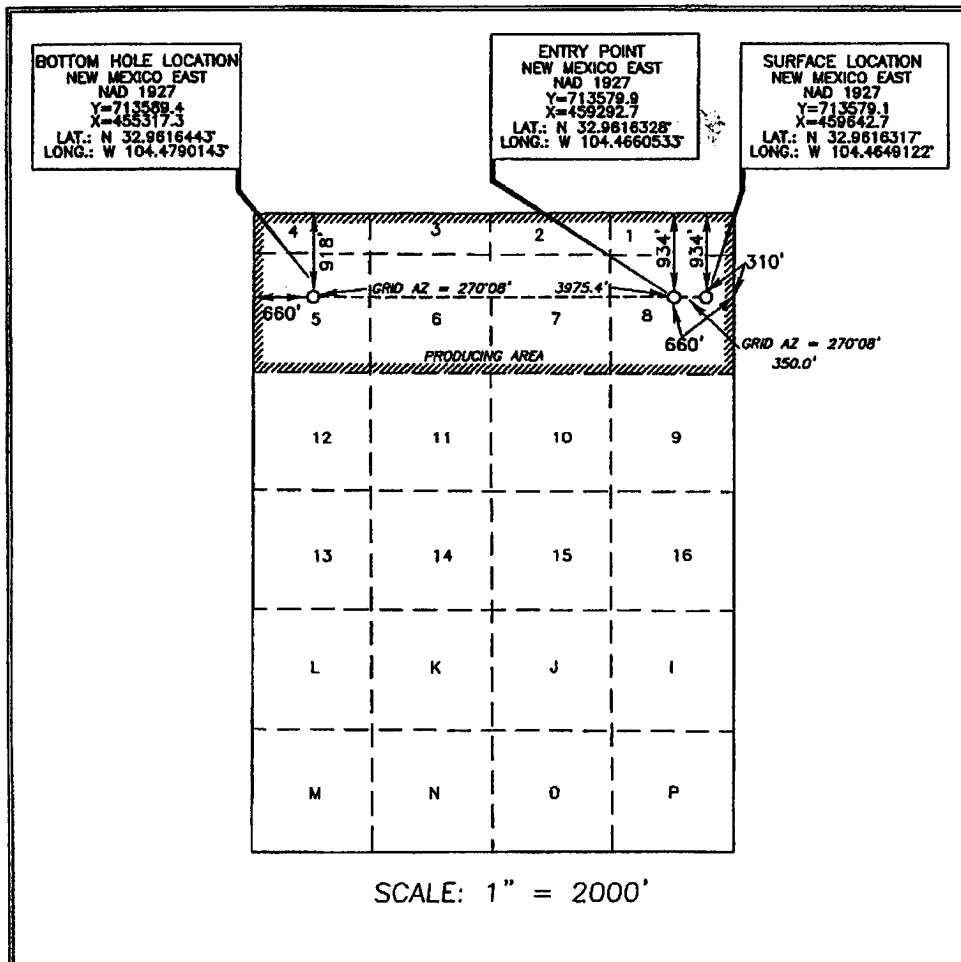
| UL or lot no. | Section | Township | Range             | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------------------|---------|---------------|------------------|---------------|----------------|--------|
| 8             | 3       | 16 SOUTH | 25 EAST, N.M.P.M. |         | 934'          | NORTH            | 310'          | 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 |
|---------------|---------|----------|-------------------|---------|---------------|------------------|---------------|----------------|--------|
| 5             | 3       | 16 SOUTH | 25 EAST, N.M.P.M. |         | 918'          | NORTH            | 660'          | WEST           | EDDY   |

|                                  |                 |                    |           |
|----------------------------------|-----------------|--------------------|-----------|
| Dedicated Acres<br><b>227.96</b> | Joint or Infill | Consolidation Code | Order No. |
|----------------------------------|-----------------|--------------------|-----------|

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* 1/18/07  
Signature Date

Donny G. Glanton  
Printed Name

SURVEYOR CERTIFICATION

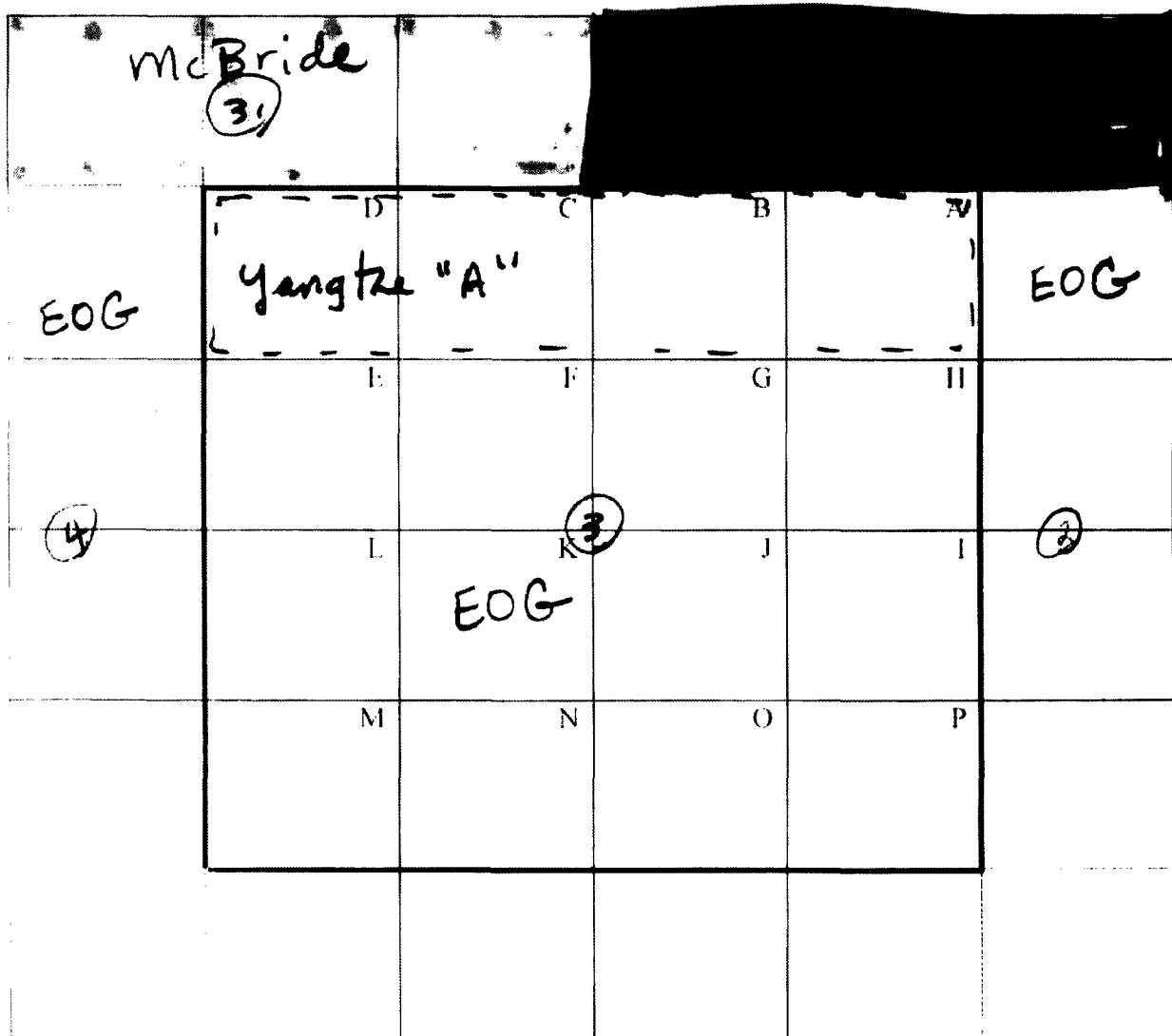
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.

15079  
DECEMBER 05, 2006  
Date of Survey  
Signature and Seal of Professional Surveyor  
*Terry J. Arch* 1/10/2007  
Certificate Number 15079

WO# 061206WL-h (A)

EXHIBIT A

### OFFSETS IN SECTION 3



**EXHIBIT B**