

July 17, 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 S/2 of Section 11, Township 16 South, Range 24 East, N.M.P.M., Eddy County, New Mexico to its proposed Brazos "B" 11 Fee Well No. 2H and the existing Brazos "B" 11 Fee Well No. 1H.

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 S/2 of Section 11, Township 16 South, Range 24 East, N.M.P.M., Eddy County, New Mexico. This spacing unit is dedicated to EOG's Brazos "B" 11 Fee No. 1H 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 **Brazos B 11 Fee Well No. 1H (API No. 30-015-34483)** horizontally drilled from a surface location 1730 feet from the South line and 660 feet from the East line to a proposed end point or bottomhole location 1880 feet from the South line and 660 feet from the West line of said Section 11; and
- B. the proposed **Brazos B 11 Fee Well No. 2H (API No. 30-015 -34482)** to be horizontally drilled from a surface location 660 feet from the South line and 660 feet from the East line to a proposed end point or bottomhole location 760 feet from the South line and 660 feet from the West line of said Section 11.



Both the penetration point and the bottomhole location for the Brazos B 11 Fee Well No. 1H 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 Brazos B 11 Fee Well No. 2H to be drilled to the targeted subsurface end-point or bottomhole location 760 feet from the South line and 660 feet from the West line (Unit M) of Section 11. 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 11. **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 S/2 of said Section 11 to the Brazos B 11 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". The signature is written in a cursive, flowing style.

Ocean Munds-Dry  
Attorney for EOG Resources, Inc.

Enclosures

**DISTRICT I**

1625 N. French Dr., Hobbs, NM 88240

State of New Mexico

Form C-102

**DISTRICT II**

1301 W. Grand Avenue, Artesia, NM 88210

Energy, Minerals, and Natural Resources Department

Revised August 15, 2000

Submit to Appropriate District Office

State Lease - 4 copies

Fee Lease - 3 copies

**DISTRICT III**

1000 Rio Brazos Rd., Aztec, NM 87410

1220 South St. Francis Dr.

Santa Fe, New Mexico 87505

**DISTRICT IV**

1220 S. St. Francis Dr., Santa Fe, NM 87505

☐ AMENDED REPORT**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number <b>30-015-34482</b>	Pool Code <b>75260</b>	Pool Name <b>Co-Hamwood Creek; WC, West (Gas)</b>
Property Code <b>35318</b>	Property Name <b>BRAZOS "B" 11 FEE</b>	Well Number <b>2H</b>
GRID No. <b>7377</b>	Operator Name <b>BOG RESOURCES, INC.</b>	Elevation <b>3573'</b>

**10 Surface Location**

UL or lot no.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
<b>P</b>	<b>11</b>	<b>16 SOUTH</b>	<b>24 EAST, N.M.P.M.</b>		<b>660'</b>	<b>SOUTH</b>	<b>660'</b>	<b>EAST</b>	<b>EDDY</b>

**11 Bottom Hole Location If Different From Surface**

UL or lot no.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
<b>M</b>	<b>11</b>	<b>16 SOUTH</b>	<b>24 EAST, N.M.P.M.</b>		<b>760'</b>	<b>SOUTH</b>	<b>660'</b>	<b>WEST</b>	<b>EDDY</b>

Dedicated Acres <b>320</b>	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p><b>BH1</b> X = 428811 Y = 702854 LAT: N 32.9320045 LONG: W 104.5853565</p> <p><b>WHD 27 NME ZONE</b> X = 432788 Y = 702808 LAT: N 32.9319033 LONG: W 104.5823603</p> <p>PROJECT AREA</p> <p>PRODUCING AREA</p> <p>660' 760' 660'</p> <p>62' = 271.5' - 397.2'</p>	<b>17 OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <i>Donny G. Glanton</i> Signature <b>Donny G. Glanton</b> Printed Name <b>Sr. Lease Operations Rep.</b> Title <b>3/19/07</b> Date
	<b>18 SURVEYOR CERTIFICATION</b> I hereby certify that the plat containing information on this plat was prepared and submitted to me by the operator under my supervision, and I have examined the same and found it correct to the best of my belief.  Date of Survey Signature and Printed Name of Professional Surveyor <i>V. L. Bezner</i> <b>V. L. BEZNER</b> Commission # <b>R.P.S. #7920</b> JOB #107982 / 101 NE / J.W.W.

**EXHIBIT****A**

tabbles

**DISTRICT I**  
1625 N. French Dr., Hobbs, NM 88240

**DISTRICT II**  
1361 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, and Natural Resources Department

### OIL CONSERVATION DIVISION

1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

Form C-102  
Revised August 15, 2000  
Submit to Appropriate District Office  
State Lease - 4 copies  
Fee Lease - 3 copies

☐ AMENDED REPORT

### WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <b>30-015-34483</b>	Pool Code <b>75260</b>	Pool Name <b>CoHornwood Creek; Wc West (Gas)</b>
Property Code <b>35318</b>	Property Name <b>BRAZOS "B" 11</b>	Well Number <b>1H</b>
OGRID No. <b>7377</b>	Operator Name <b>EOG RESOURCES, INC.</b>	Elevation <b>3668'</b>

#### 12 Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
<b>I</b>	<b>11</b>	<b>16 SOUTH</b>	<b>24 EAST, N.M.P.M.</b>		<b>1730'</b>	<b>SOUTH</b>	<b>660'</b>	<b>EAST</b>	<b>EDDY</b>

#### 11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
<b>L</b>	<b>11</b>	<b>16 SOUTH</b>	<b>24 EAST, N.M.P.M.</b>		<b>1880'</b>	<b>SOUTH</b>	<b>660'</b>	<b>WEST</b>	<b>EDDY</b>

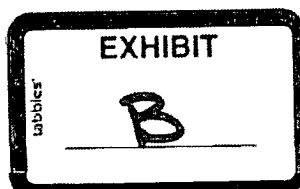
13 Dedicated Acres <b>320</b>	14 Joint or Infill	15 Consolidation Code	16 Order No.
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NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<div>16</div> <p>PROJECT AREA</p> <p>PRODUCING AREA</p> <p>271.35'</p> <p>3966.0'</p> <p>1880'</p> <p>1730'</p>	<div>17 OPERATOR CERTIFICATION</div> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Donny G. Glanton</i></p> <p>Signature <b>Donny G. Glanton</b></p> <p>Printed Name <b>Sr. Lease Operations Rep</b></p> <p>Title <b>7/12/2007</b></p> <p>Date</p> <div>18 SURVEYOR CERTIFICATION</div> <p>I hereby certify that I am a duly licensed surveyor in the State of New Mexico and that I am duly qualified to perform the survey shown on this plat and plotted from field notes and other data in my possession and that I am duly qualified to perform the survey to the best of my belief.</p> <p><b>NOVEMBER 9, 2006</b></p> <p>Date of Survey</p> <p><i>V. K. Hezner</i></p> <p>Signature of Professional Surveyor</p> <p><b>V. K. HEZNER</b> R.P.S. #7920</p> <p>JOB #107981 / 101 NE / J.W.W.</p>
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OFFSETS IN SECTION 11

	D	C	B	A	
EOG	E	EOG F	G	H	EOG
	E	K	J	I	
	Brazos B 11				
	M	N	O	P	
LCX	EOG		Yates	EOG	



**Exhibit C**

**Application of EOG Resources, Inc.  
Simultaneous Dedication of  
S/2 of Section 11, Township 16 South, Range 24 East, NMPM  
Eddy County, New Mexico**

Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, New Mexico 88210

LCX Energy, LLC  
101 N. Marenfeld Suite 200  
Midland, Texas 79701



**Ocean Munds-Dry  
Associate**  
omundsdry@hollandhart.com

July 17, 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 Brazos B 11 Fee Well No. 2H and the existing Brazos B 11 Fee Well No. 1H to the S/2 of Section 11, 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*  
Ocean Munds-Dry

ATTORNEY FOR EOG RESOURCES, INC.

Enclosures