



May 4, 2007

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**VIA HAND-DELIVERY**

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

30-015-3557~

**Re: Application of EOG Resources, Inc. for administrative approval of a 238 acre non-standard gas spacing unit for its Indian A 1 Fee Well No. 1H in Irregular Section 1, 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 238-acre non-standard gas spacing and proration unit for the Indian A 1 Fee Well No. 1H to be drilled to test the Wolfcamp formation from a surface location 220 feet from the North line and 205 feet from the East line and a bottomhole location of 972 feet from the North line and 660 feet from the West line in Irregular Section 1, 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 Indian B 1 Fee Well No. 1H which is dedicated to the 320 acre spacing unit in the middle part of the section. Due to the oversized nature of the section, 238 acres on the north end of the section are left unallocated.

HOLLAND & HART<sup>LLP</sup>



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 the operator/leasholder of the adjoining spacing units in Sections 2 (Township 16S, Range 25E) and 6 (Township 16S, Range 26E). Myco Industries, Inc. and Parallel Petroleum Corp. are the offset operators to the north in Sections 33 and Section 34, Township 15 South, Range 25 East.

There are no interest owners being excluded from the spacing unit pursuant to Division Rule 1210. EOG has sent notice to Myco and Parallel with a copy of this application (with attachments) and has 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.

Your attention to this application is appreciated.

Very truly yours,

*Ocean Munds-Dry*

Ocean Munds-Dry  
Attorney for EOG Resources, Inc.

cc:   OCD - Artesia  
      Mr. Rick Lanning  
      Mr. Donny Glanton

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazas 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 <b>30-015-35572</b>	Pool Code <b>97489</b>	Pool Name <b>WILDCAT; WOLFCAMP GAS</b>
Property Code <b>36470</b>	Property Name <b>INDIAN "A" 1 FEE</b>	Well Number <b>1H</b>
OGRID No. <b>7377</b>	Operator Name <b>EOG RESOURCES, INC.</b>	Elevation <b>3404'</b>

Surface Location

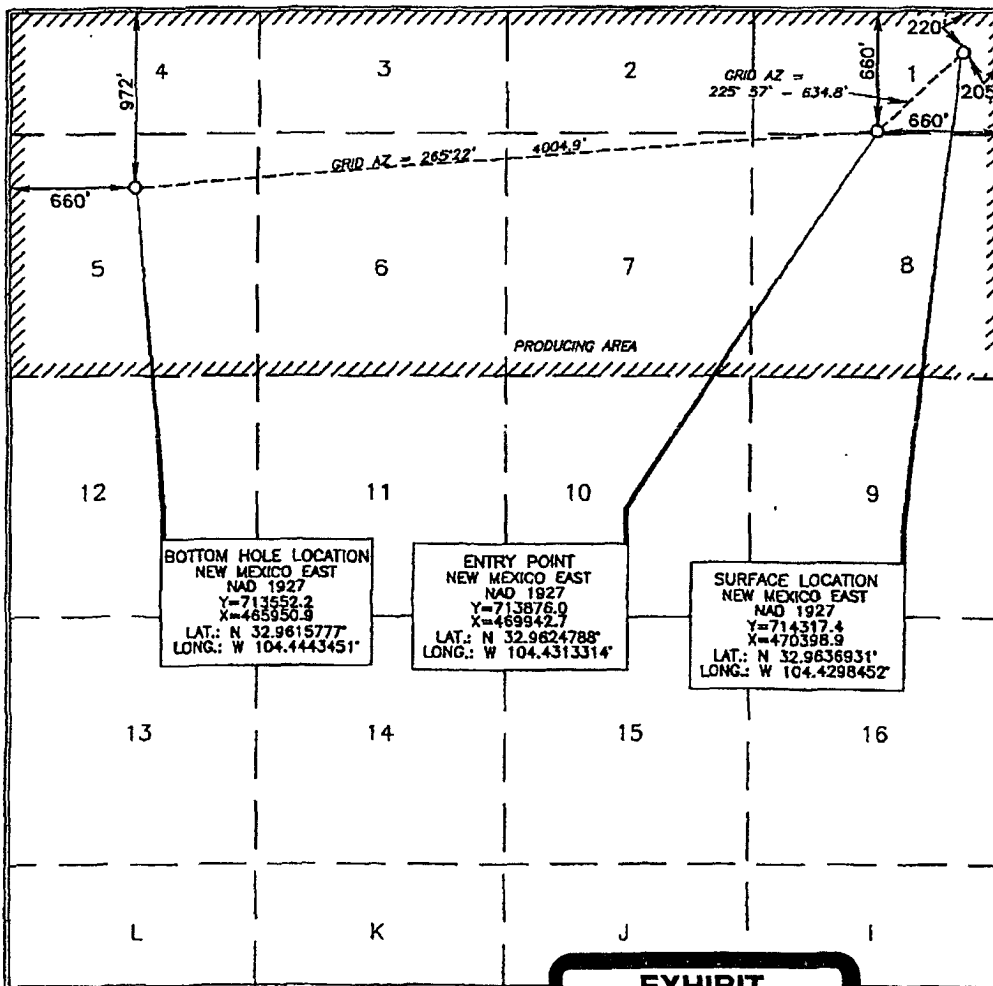
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	1	16 SOUTH	25 EAST, N.M.P.M.		220'	NORTH	205'	EAST	EDDY

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	1	16 SOUTH	25 EAST, N.M.P.M.		972'	NORTH	660'	WEST	EDDY

Dedicated Acres <b>238.0</b>	Joint or Infill	Consolidation Code	Order No.
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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* 4/30/2007  
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.

APR 24 2007  
Date of Survey  
Signature and Seal of Professional Surveyor  
Certificate Number 15079

EXHIBIT

A

WOF 070424WL-a (JL)

OFFSETS IN SECTION 1

MYCO (33)			Parallel (34)	
	D	C	B	A
	Indian A 1 Fee			
	E	F	G	H
EOG (2)		(1) K		
	L	EOG	J	I
	M	N	O	P



May 4, 2007

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**AFFECTED INTEREST OWNERS**

**Re: Application of EOG Resources, Inc. for administrative approval of a 238-acre non-standard gas spacing unit for its Indian A 1 Fee Well No. 1H in Irregular Section 1, 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 238-acre non-standard gas spacing unit for its Indian A 1 Fee Well No. 1H, to be drilled from a surface location 220 feet from the North line and 205 feet from the East line to a proposed bottomhole location 972 feet from the North line and 660 feet from the West line of Irregular Section 1, 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