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OCC - SANTA FE, NM

May 31, 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 south 320 acres of Irregular Section 2, Township 16 South, Range 24 East, N.M.P.M., Eddy County, New Mexico to its proposed Gila C 2 Fed Com Well No. 2H and the existing Gila C 2 Fee Com 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 south 320 acres of Irregular Section 2, Township 16 South, Range 24 East, N.M.P.M., Eddy County, New Mexico. This spacing unit is dedicated to EOG's Gila C 2 Fee Com 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 GILA C 2 FEE COM Well No. 1H (API No. 30-015-35567) horizontally drilled from a surface location 2,392 feet from the South line and 288 feet from the East line to an end point or bottom hole location 1,880 feet from the South line and 660 feet from the West line of said Section 2; and
- B. the proposed GILA C 2 FED COM Well No. 2H (API No. 30-015 -35185) to be horizontally drilled from a surface location 504 feet from the South line and 196 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 2.



Both the penetration point and the bottomhole location for the Gila C 2 Fee Com 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 Gila C 2 Fed Com 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 2. 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.

As shown on **Exhibit B** EOG is the only offset operator around the spacing unit in Section 2. In addition, working interest ownership is common in the offsetting spacing units. Therefore, there are no affected parties as defined by Division rules.

The simultaneous dedication of the south 320 acres of said Section 2 to the Gila C 2 Fee/Fed Com 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,

Ocean Munds-Dry
Attorney for EOG Resources, Inc.

Enclosures

cc: Donny Glanton, EOG
OCD - Artesia

District I
1625 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 30-015-35567	Pool Code 75260	Pool Name COTTONWOOD CREEK: WC, WEST (GAS)
Property Code 36469	Property Name GILA "C" 2 FEE COM	Well Number 1H
OGRID No. 7377	Operator Name EOG RESOURCES, INC.	Elevation 3558'

Surface Location

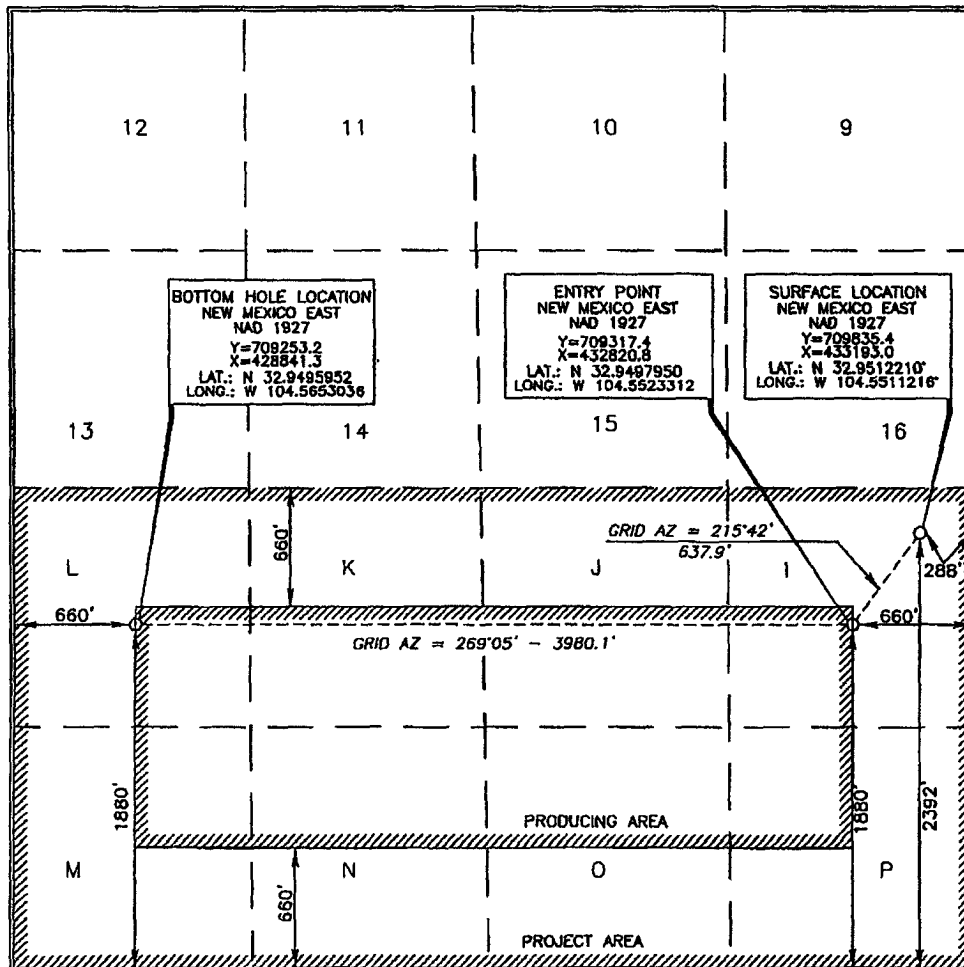
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	2	16 SOUTH	24 EAST, N.M.P.M.		2392'	SOUTH	288'	EAST	EDDY

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
L	2	16 SOUTH	24 EAST, N.M.P.M.		1880'	SOUTH	660'	WEST	EDDY

Dedicated Acres 320	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 4/25/07
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, or actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

APR 19 2007
Date of Survey

Tony G. Asel
Signature and Seal of Professional Surveyor

4/23/07
Certificate Number 15079

WD# 070419WL (JL)

EXHIBIT A

L-06-06

9/05/06

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
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Form C-102
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Fee Lease- 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-35185	Pool Code 75260	Pool Name COTTONWOOD CREEK; WC, WEST (GAS)
Property Code	Property Name GILA "C" 2 FED COM	Well Number 2H
OGRID No. 7377	Operator Name EOG RESOURCES, INC.	Elevation 3557'

Surface Location

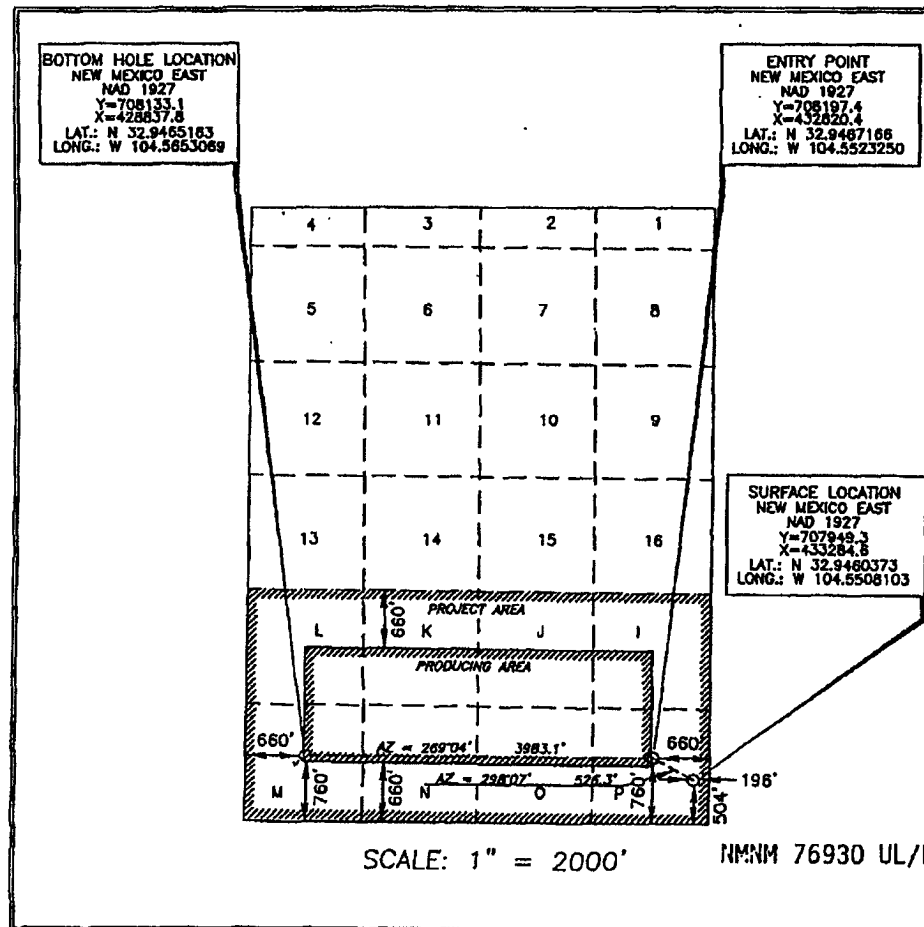
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	2	16 SOUTH	24 EAST, N.M.P.M.		504	SOUTH	196	EAST	EDDY

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
M	2	16 SOUTH	24 EAST, N.M.P.M.		760	SOUTH	660	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320			

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 8/15/06
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.

JULY 25, 2006
Date of Survey

Signature and Seal of Professional Surveyor

Terry J. Arel 7/3/06
Certificate Number 15079

WOF 080725WL-E (L)

OFFSETS IN SECTION 2

