



February 14, 2006

HAND-DELIVERED

Mark E. Fesmire, P.E.
Director
Oil Conservation Division
New Mexico Energy, Minerals and
Natural Resources Department
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Case 13660

Re: Application of EOG Resources, Inc. for compulsory pooling and horizontal drilling, Eddy County, New Mexico.

Dear Mr. Fesmire:

Enclosed is the application of EOG Resources, Inc. in the above-referenced case as well as a copy of a legal advertisement. EOG Resources, Inc. requests that this matter be placed on the docket for the March 16, 2006 Examiner hearings.

Sincerely,

Ocean Munds-Dry
Ocean Munds-Dry

Enclosures

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

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION

2006 FEB 14 PM 3 38

**IN THE MATTER OF THE APPLICATION
OF EOG RESOURCES, INC. FOR
COMPULSORY POOLING AND
HORIZONTAL DRILLING, EDDY
COUNTY, NEW MEXICO.**

CASE NO. 13660

APPLICATION

EOG RESOURCES, INC., ("EOG") through its undersigned attorneys, hereby makes application to the Oil Conservation Division pursuant to the provisions of N.M. Stat. Ann. § 70-2-17 (1978), for an order pooling all mineral interests in the Wolfcamp formation, in the S/2 of Section 11, Township 16 South, Range 24 East, N.M.P.M., Eddy County, New Mexico to form a 320-acre project area for a horizontal well and in support of its application states:

1. EOG is a working interest owner in the S/2 of said Section 11 and has the right to drill thereon.
2. EOG proposes to dedicate the above-referenced pooled project area to its Brazos "B" 11 Fee Well No. 1H to be drilled from a surface location 1730 feet from the South line and 660 feet from the East line (Unit I) to a depth of approximately 5100 feet and then in a westerly direction approximately 3986 feet in the Wolfcamp formation to a bottomhole location 1880 feet from the South line and 660 feet from the West line (Unit L) of said Section 11.
3. EOG has been unable to locate and seek voluntary agreement for the development of these lands from certain working interest owners in the subject spacing unit. These owners are identified on Exhibit A to this application.
4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

5. In order to permit EOG to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled, and EOG Resources, Inc. should be designated the operator of the well to be drilled.

WHEREFORE, EOG Resources, Inc. requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 16, 2006 and, after notice and hearing as required by law, the Division enter its order:

- A. pooling all mineral interests in the subject project area,
- B. designating EOG Resources, Inc. operator of this project area and the well to be drilled thereon,
- C. authorizing EOG Resources, Inc. to recover its costs of drilling, equipping and completing the well,
- D. approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures, and
- E. imposing a 200% penalty for the risk assumed by EOG Resources, Inc. in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,
HOLLAND & HART LLP

By: 
WILLIAM F. CARR
OCEAN MUNDS-DRY
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR EOG RESOURCES, INC.

EXHIBIT A

**APPLICATION OF
EOG RESOURCES, INC.
FOR COMPULSORY POOLING AND HORIZONTAL DRILLING
S/2 OF SECTION 11, TOWNSHIP 16 SOUTH, RANGE 24 EAST, N.M.P.M.
EDDY COUNTY, NEW MEXICO.**

Unknown Heirs of Mary Pearl Whiteside

CASE 13660:

Application of EOG Resources, Inc. for compulsory pooling and horizontal drilling drilling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests in the Wolfcamp formation, in the S/2 of Section 11, Township 16 South, Range 24 East, N.M.P.M., Eddy County, New Mexico to form a 320-acre project area for a horizontal well. Said unit is to be dedicated to its Brazos "B" 11 Fee Well No. 1H to be horizontally drilled from a surface location 1730 feet from the South line and 660 feet from the East line to a depth of 5100 feet and then in a westerly direction for approximately 3986 feet in the Wolfcamp formation to a bottomhole location 1880 feet from the South line and 660 feet from the West line of said Section 11. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of EOG Resources, Inc. as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 9 miles northwest of Artesia, New Mexico.