



February 24, 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 13681*

2006 FEB 24 PM 2 48

Re: Application of EOG Resources, Inc. for compulsory pooling, 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 30, 2006 Examiner hearings.

Very truly yours,

William F. Carr

Enclosures

cc: Mr. 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**

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

2008 FEB 24 PM 2:48  
CASE NO. 13681

**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 from the surface to the base of the Wolfcamp formation in the spacing and proration unit/horizontal well Project/Area comprised of the E/2 of Section 17, Township 17 South, Range 24 East, N.M.P.M., Eddy County, New Mexico for all formations and/or pools developed on 320-acre spacing which includes but is not limited to the Undesignated Collins Ranch-Wolfcamp Gas Pool; and in support of its application states:

1. EOG is a working interest owner in the E/2 of said Section 17, which is a standard 320-acre spacing unit, and has the right to drill thereon.
2. EOG proposes to dedicate the above-referenced pooled units to its Joliba "17" Fee Well No. 1H to be drilled from a standard gas well surface location 660 feet from the South line and 1815 feet from the East line and then horizontally drilled in the Wolfcamp formation in a northerly direction to a projected bottomhole location 660 feet from the North line and 1880 feet from the East line of said Section 15. The well will test all formations from the surface through the Wolfcamp formation.
3. EOG has sought and been unable to obtain a voluntary agreement for the development of these lands from David H. Arrington Oil & Gas, Inc., Post Office Box 2071, Midland, Texas 79702, the owner of working interest in the subject spacing unit/horizontal well Project Area.
4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

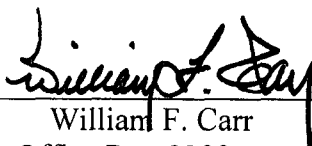
5. In order to permit the EOG to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled, and EOG Resources, Inc. should be designated the operator of the well to be drilled.

WHEREFORE, EOG Resources, Inc. requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 30, 2005 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 unit/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

Post Office Box 2208  
Santa Fe, New Mexico 87504  
Telephone: (505) 988-4421

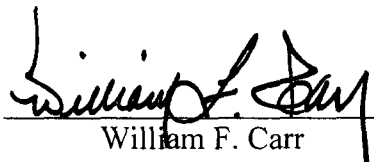
ATTORNEYS FOR EOG  
RESOURCES, INC.

**CERTIFICATE OF SERVICE**

I certify that on February 23, 2006 I served a copy of the foregoing document to the following by

- ☐ U.S. Mail, postage prepaid
- ☐ Hand Delivery
- ☒ Fax
- ☐ Electronic Service by LexisNexis File & Serve

J. Scott Hall  
Post Office Box 1986  
Santa Fe, NM 87504-1986  
ATTORNEY FOR DAVID H. ARRINGTON OIL & GAS,  
INC.  
(505) 989-9614  
(505) 989-9857 (facsimile)

  
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William F. Carr

CASE 13681:

**Application of EOG Resources, Inc. for compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation in the spacing and proration unit/horizontal well Project Area comprised of the E/2 of Section 17, Township 17 South, Range 24 East, N.M.P.M., Eddy County, New Mexico for all formations and/or pools developed on 320-acre spacing which includes but is not limited to the Undesignated Collins Ranch-Wolfcamp Gas Pool. This spacing unit/horizontal well Project Area is to be dedicated to the Joliba "17" Fee Well No. 1H to be drilled from a standard gas well surface location 660 feet from the South line and 1815 feet from the East line and then horizontally drilled in the Wolfcamp formation in a northerly direction to a projected bottomhole location 660 feet from the North line and 1880 feet from the west line of said Section 15. The well will test all formations from the surface through the Wolfcamp formation. 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 6 miles west of Artesia, New Mexico.



February 24, 2006

**CERTIFIED MAIL -RETURN RECEIPT REQUESTED**

David H. Arrington Oil & Gas, Inc.  
Post Office Box 2071  
Midland, Texas 79702

Re: Application of EOG Resources, Inc. for compulsory pooling, 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 an order pooling all mineral interests from the surface to the base of the Wolfcamp formation in a spacing and proration unit/horizontal well Project Area comprised of the E/2 of Section 17, Township 17 South, Range 24 East, N.M.P.M., Eddy County, New Mexico. Said pooled units are to be dedicated to the EOG Resources, Inc. Joliba "17" Fee Well No. 1H to be drilled from a standard gas well surface location 660 feet from the South line and 1815 feet from the East line and then horizontally drilled in the Wolfcamp formation in a northerly direction to a projected bottomhole location 660 feet from the North line and 1880 feet from the East line of said Section 17. The well will test all formations from the surface through the base of the Wolfcamp formation and will be at a standard location in all formations.

This application has been set for hearing before a Division Examiner on March 30, 2006. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 1208.B to file a Pre-hearing Statement four days in advance of a scheduled hearing but in no event later than 5:00 pm, mountain time, on the Thursday preceding the scheduled hearing date. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

Very truly yours,

William F. Carr  
ATTORNEY FOR EOG RESOURCES, INC.  
cc: Rick Lanning