

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

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

CASE NO. 13871

AFFIDAVIT OF RICHARD L. LANNING

STATE OF TEXAS)
) ss.
COUNTY OF MIDLAND)

I, Richard L. Lanning, being first duly sworn on oath, states as follows:

1. My name is Richard L. Lanning. I reside in Midland County, Texas. I am the Landman employed by EOG Resources, Inc. ("EOG") who is familiar with the status of the lands in Irregular Section 5, Township 16 South, Range 25 East, NMPM, Eddy County, New Mexico.

2. EOG seeks an order pooling certain interest owners in the E/2 of Section 5 in the Wolfcamp formation, to form a standard 320-acre project area for a horizontal well.

3. EOG owns a working interest in the E/2 of Section 5 and has dedicated this proposed project area to its Tiber B 5 Fee Well No. 1H (API 30-015-34989) to be drilled from a surface location 187 feet from the South line and 2239 feet from the East line (Unit O) to a depth of approximately 4,756 feet to a bottomhole location 2448 feet from the North line and 1880 feet from the East line (Lot 10) of said Irregular Section 5. Attachment A is a plat of the subject lands showing the proposed project area, the producing area and the well location.

4. The proposed project area consists entirely of Fee leases. Attachment B lists the nature and percentage of the ownership interests in the subject project area.

5. All mineral owners in the project area have voluntarily agreed to pool their interests. This application has been instituted solely to pool the interests of working interest owners who have not been found.

6. EOG has conducted a diligent search to locate Donald R. Schaub, Helen J. Triggs and Audrey M. DeMartino.

a. These individuals own a .00033333 mineral interest (.001 total) in

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 13871 Exhibit No. 1
Submitted by:
EOG RESOURCES, INC.
Hearing Date: February 15, 2007

the 120 acre tract and a .000375 interest in the proposed spacing unit. EOG searched county records and found a lease executed in 1978 by these owners. EOG sent a certified letter to the address on the lease. This letter was returned and is marked as Attachment C. There are no other records of probate, deeds, leases or other instruments in the Eddy County records.

- b. EOG also performed an internet search for these individuals; and
- c. EOG also employed certain phone databases to attempt to locate these individuals.

7. EOG requests that the interests of Mr. Schaub, Ms. Triggs and Ms. DeMartino be pooled and EOG be designated operator of the well and the project area.

8. EOG proposes overhead charges (combined fixed rates) of \$4,500.00 per month while drilling and \$450.00 per month while producing.

9. EOG has proposed a horizontal well because vertical wells in the Wolfcamp formation in this area are generally not economic. A horizontal wellbore allows a much greater extent of the formation to be exposed and treated. This typically results in greater production rates and recoverable reserves.

10. EOG plans to run and cement casing in the horizontal portion of the wellbore. The formation will then be stimulated by a high volume water and sand frac.

11. Horizontal wells are more expensive to drill and complete than vertical wells. There is more mechanical risk involved in drilling a horizontal well than a vertical well.

12. Attachment D is a copy of the authorization for expenditure (AFE) for this well This AFE was completed December 15, 2006.

13. Attachment E is the returned green cards sent to their last known address and an affidavit of publication.

14. Approval of this application will avoid the drilling of unnecessary wells, will prevent waste, will protect correlative rights, and allow EOG and the other interest owners in the E/2 of Section 5 an opportunity to obtain their just and fair share of the oil and gas under the subject lands.

FURTHER AFFIANT SAYETH NOT.

Richard Amey

SUBSCRIBED AND SWORN before me on this 13th day of Feb. 2007.

Barbara Hart-Hope
Notary Public

My Commission Expires:

3/28/08

District I
1825 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	Pool Code	Pool Name
Property Code	Property Name TIBER B 5 FEE	Well Number 1H
OCFBD No.	Operator Name EOG RESOURCES INC.	Elevation 3507'

Surface Location

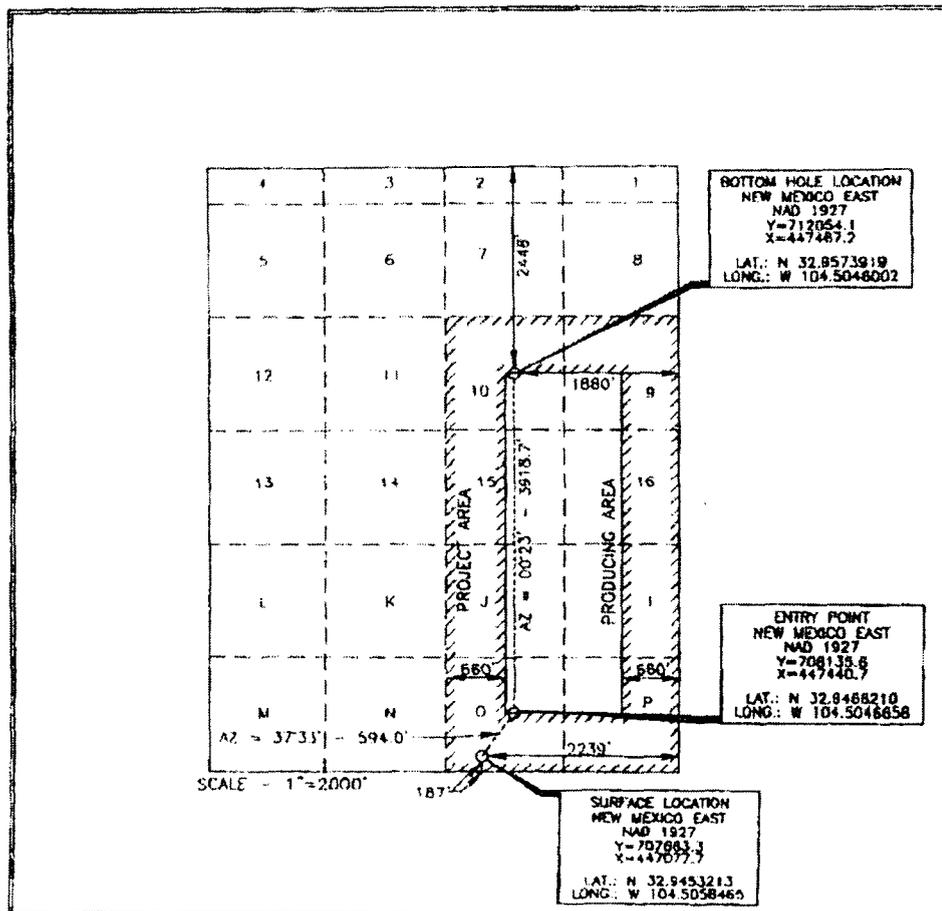
UL or lot no.	Section	Township	Range	Lot idn	Feet from the	North/South line	Feet from the	East/West line	County
0	5	18 SOUTH	25 EAST, N.M.P.M.		187	SOUTH	2239	EAST	EDDY

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
10	5	18 SOUTH	25 EAST, N.M.P.M.		2448	NORTH	1880	EAST	EDDY

Dedicated Acres	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.

Signature _____ Date _____

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.

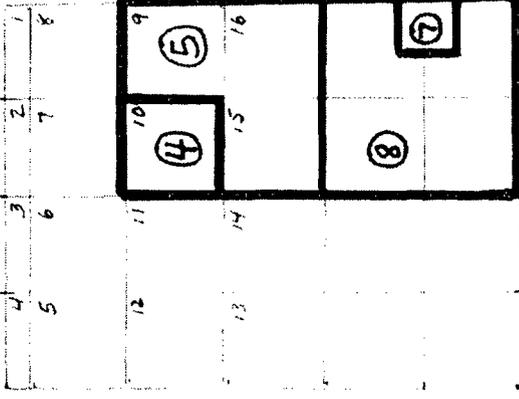
JUL 13 2006
Date of Survey

Signature and Seal of Professional Surveyor
Terry J. Deel

Certificate Number 15079

NEW MEXICO PROFESSIONAL LAND SURVEYOR
15079

W08 080604M_b (1A)



TRACT 4 - 40 acres
 5 - 120
 7 - 15
 8 - 145
 320 acres

Section 5-16S-25E
 Eddy County, NM

Lease Number	Lessor	Date	Term	Expiration	Royalty	Tract 4	Unit Fact 125 Tract 5	Unit Fact 375 Tract 7	Unit Fact 046875 Tract 8	Unit Fact 453125	Well Participation
0088987007	CAROLE M PEARSON	05/10/04	3	05/09/07	0.1875			0.2500000	0.0117188	0.2500000	0.11328125
0088987008	ABBBIE PEARSON JETER	05/09/04	3	05/05/07	0.1875			0.5000000	0.0234375	0.5000000	0.2285625
0088987011	HAFUGER DAIRY LLC	05/05/04	3	05/04/07	0.1875			0.2500000	0.0117188	0.2500000	0.11328125
0088987122	JOHN HAFUGER ET UX	06/06/06	3	06/05/09	0.2			0.2500000			
0088988001	DOUBLE L FARMS	03/07/04	3	06/06/07	0.1875						
0088982001	MICHAEL O HILL	08/16/06	3	08/15/09	0.1875		0.0078125				
0088982002	JAMES W HILL	08/16/05	3	08/15/08	0.1875		0.0078125				
EOG TOTAL					0.1250000		0.0156250		0.0468750	1.0000000	0.4531250
LCX SHARE	Roy Ingram Company, Inc	04/14/04	5	04/13/09	0.1875						
LCX SHARE TOTAL	Lorene Hunnicutt	102/404									
LCX 76.5%											
Capstone 12.5%											
Parallel 8.5%											
CMW 1.25%											
Eggr 1.25%											
NO LCX											
02/28/05	Jack Hill Anderson	02/27/08	3	02/27/08	0.2	0.6666667	0.0833333				
02/28/05	Mary B. Jarvis, Trustee	02/27/08	3	02/27/08	0.2	0.1666667	0.0266667				
03/08/05	Doris Mae Taylor	03/08/05	3	03/08/08	0.2						
03/08/05	Ruth Taylor Whigitt	03/08/05	3	03/08/08	0.2						
03/10/05	West Comm Br - Cecil Holeman	03/10/05	3	03/09/08	0.2						
03/10/05	West Comm Br - Ella B. Holeman	03/10/05	3	03/09/08	0.2						
03/16/05	Bette Taylor Garner	03/16/05	3	03/16/08	0.2						
06/24/06	New Mexico Boys Ranch	06/24/06	3	06/23/08	0.2						
06/24/06	E. E. Leedingham	06/24/06	3	06/23/08	0.2						
06/24/06	Felix Stampel	06/24/06	3	06/23/08	0.2						
06/24/06	Julian Rayburn	06/24/06	3	06/23/08	0.2						
06/24/06	Barbara Poe	06/24/06	3	06/23/08	0.2						
06/24/06	James Clifford Leedingham	06/24/06	3	06/23/08	0.2						
07/14/05	Lorenda Williams	07/14/05	3	07/13/08	0.2						
07/24/05	William E. Leedingham	07/24/05	3	07/23/08	0.2						
07/28/05	Live Oak Mineral Partners	07/28/05	3	07/27/08	0.25						
08/15/06	Leonard L. Boggs	08/15/06	3	08/14/08	0.2						
08/15/06	Janice N. Vinyard	08/15/06	3	08/14/08	0.2						
08/15/06	Shirley W. Pennington	08/15/06	3	08/14/08	0.2						
	Live Oak Mineral Partners					0.0418687	0.0332083				
NO LCX TOTAL						0.3750000	0.1093750	0.7061750	0.2844406		
Capstone 12.5%						0.1093750	0.0135719	0.0881469	0.0330551		
Parallel 8%						0.1437600	0.0929687	0.0893387	0.2247748		
CMW 1.25%						0.0109375	0.0073872	0.0088147	0.0033055		
Eggr 1.25%						0.0109375	0.0073872	0.0088147	0.0033055		
UNLMI TOTAL						1.0000000	0.1250000	1.0000000	0.3750000	1.0000000	0.453125
EOG + UNLMI						1.0000000	0.1250000	1.0000000	0.3750000	1.0000000	0.453125
LCX						0.1250000	0.0156250	0.0468750	0.0468750	1.0000000	0.453125
Capstone						0.1093750	0.0135719	0.0881469	0.0330551		
Parallel						0.1437600	0.0929687	0.0893387	0.2247748		
CMW						0.0109375	0.0073872	0.0088147	0.0033055		
Eggr						0.0109375	0.0073872	0.0088147	0.0033055		
RECAP						1.0000000	0.1250000	1.0000000	0.3750000	1.0000000	0.453125



SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Donald R. Schaub
 Helen J. Trigg
 Audrey M. DeMartino
 2718 Long View Lane
 Madison WI 53713

COMPLETE THIS SECTION ON DELIVERY

- A. Signature Agent
- / Address
- B. Received by (Printed Name) C. Date of Delivery
- D. Is delivery address different from item 1? Yes
 if YES, enter delivery address below: No

3. Service type

- Certified Mail Express Mail
- Registered Return Receipt for Merchandise
- Insured Mail C.O.D.
4. Restricted Delivery? (Extra Fee) Yes

2. Article Number 7006 0100 0001 2429 7531

(Transfer from S...)

Office
(432) 685-1291

LYLE D. CANNON
414 W. Texas, Suite 400-G
Midland, Texas 79701

Fax
(432) 683-1715

January 8, 2007

EOG Resources, Inc.
P. O. Box 2267
Midland, Texas 79702

Attention: Mr. Rick Lanning

RE: Thames Prospect
Eddy County, New Mexico

Dear Rick,

Enclosed please find my returned letter, sent certified, to Donald R. Schaub, Helen J. Triggs, and Audrey M. DeMartino. These lessors own in Township 16 South, Range 25 East, N.M.P.M., Section 5: Lots 9, 11, 12, 13, 14, 15, 16, and SW/4. The address to which this letter was sent was the address shown on a lease executed by the owners in 1978 and is the last known address available.

I had previously searched for these owners on the internet using various web sites and had also searched my Powerfinder PhoneDisc data base, all without success.

If you have any questions, please don't hesitate to give me a call.

Sincerely,



Lyle D. Cannon

/ldc
Enclosures



MIDLAND Printed: 12/15/2006

AFE No.	103578	Original
Property No.	043069-000	
EOG W.I.(BCP)	56.77%	(ACP) 56.77%
EOG AFE Amt:	(Drig)	\$567,189
	(Completion)	\$586,434
	Total Cost	\$1,153,623

AFE Type : DEVELOPMENT DRILLING	AFE Name : TIBER B 5 FEE #1H D&C	AFE Date : 12/07/2006	Budget Year : 2006
Reg. Lease No. :	Prospect Name : THAMES	TVD / MD : 5200 / 9200	Begin Date :
Location : Section 5-T16S-R25E, 187 FSL & 2239 FEL BH(LATERAL #1): Section 5-T16S-R25E, 2448 FNL & 1880 FEL		Formation :	DD&A Field :
Operator : EOG RESOURCES, INC	County & State : EDDY NEW MEXICO	Field : COTTONWOOD CREEK	Water Depth :
AFE Description : TIBER B 5 FEE #1H D&C a 5,200' vertical pilot hole, plugging back and drilling a 4000' lateral in the Wolfcamp. Funds include 18 days to reach TD and two days to run and cement the production casing.		Product : GAS	Days : 0 / 0

DESCRIPTION	SUB ACT	DRILLING	COMPLETION	TOTAL
ACCESS LOCATION,ROADS & SURVEY	401	50,000	2,500	52,500
RIG MOVE	402	75,000	0	75,000
DAY WORK COST	1672 DAYS @ \$18,000 / \$18,000	404 288,000	36,000	324,000
BITS & BHA	405	85,000	6,000	91,000
FUEL	1672 DAYS @ \$2,000 / \$2,000	408 32,000	4,000	36,000
WATER	407	20,000	37,000	57,000
MUD & CHEMICALS	408	45,000	0	45,000
CEMENTING & SERVICE	409	45,000	65,000	110,000
OPEN HOLE LOGGING & TESTING	411	20,000	11,500	31,500
MUD LOGGING	14 DAYS @ \$950	412 13,300	0	13,300
COMP-PERFORATING	413	0	85,000	85,000
COMP-STIMULATION	414	0	350,000	350,000
TRANSPORTATION	415	15,000	15,000	30,000
DRILLING OVERHEAD	18710 DAYS @ \$250 / \$200	416 4,500	2,000	6,500
EQUIPMENT RENTAL	417	100,000	25,000	125,000
COMP-COMPLETION RIG	10 DAYS @ \$3,500	418 0	35,000	35,000
OTHER DRILLING EXPENSE	419	15,000	25,000	40,000
ENVIRONMENTAL & SAFETY CHARGES	421	4,000	1,500	5,500
DIRECTIONAL DRILLING	10 DAYS @ \$9,500	422 95,000	0	95,000
SUPERVISION	20715 DAYS @ \$1,300 / \$1,000	424 26,000	15,000	41,000
COMMUNICATIONS	18 DAYS @ \$150	431 2,700	0	2,700
TUBULAR INSPECTION/HANDLING	438	20,000	0	20,000
COMP-SPECIALTY SERVICES	441	0	16,000	16,000
WIRELINE SERVICES	442	10,000	5,500	15,500
DISPOSAL COSTS	447	10,000	75,000	85,000
TITLE OPINION-DRILL SITE	453	10,000	5,000	15,000
TOTAL INTANGIBLES		\$985,500	\$797,000	\$1,782,500

	UOM	QTY	SIZE	GRADE	RATE			
SURFACE CASING	FEET	900	8.625	J-55	24.00	102	21,600	0
COMP-PRODUCTION CASING	FEET	9,000	5.5	N-80	14.00	104	0	126,000
COMP-TUBING			2.375	1.80		106	0	30,000
WELLHEAD EQUIPMENT						107	12,000	24,000
COMP-FLOW LINES						109	0	25,000
COMP-VALVES & FITTINGS						110	0	10,000
COMP-OTHER EQUIPMENT						118	0	23,000
COMP-CONSTRUCTION COST						122	0	10,000
TOTAL TANGIBLES							\$33,600	\$238,000
TOTAL COST							\$999,100	\$1,033,000
								\$2,032,100

By <i>Joel Z. Beltz</i>	Date 12/15/06	By	Date
By	Date	By	Date

JOINT OPERATOR APPROVAL

Firm	By	Title	Date
------	----	-------	------

ATTACHMENT D

Affidavit of Publication

NO. 19559

STATE OF NEW MEXICO

County of Eddy:

Gary D. Scott being duly

sworn, says: That he is the Publisher of The

Artesia Daily Press, a daily newspaper of general

circulation, published in English at Artesia, said county

and county and state, and that the here to attached

Legal Notice

was published in a regular and entire issue of the said

Artesia Daily Press, a daily newspaper duly qualified

for that purpose within the meaning of Chapter 167 of

the 1937 Session Laws of the state of New Mexico for

1 Consecutiv week/days on the same

day as follows:

First Publication January 19 2007

Second Publication _____

Third Publication _____

Fourth Publication _____

Fifth Publication _____

Subscribed and sworn to before me this

31st Day January 2007

Barbara Ann Beers
Notary Public, Eddy County, New Mexico

My Commission expires September : 23, 2007

Copy of Publication:

LEGAL NOTICE

NOTICE OF PUBLICATION
STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
SANTA FE, NEW MEXICO

The State of New Mexico through its Oil Conservation Division pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on February 15, 2007, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appointed for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact: Florene Davidson at 505-476-3458 or through the New Mexico Relay Network: 1-800-659-1779 by February 5, 2007. Public documents including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible form is needed.

STATE OF NEW MEXICO TO:

LEGAL NOTICE

All named parties and persons having any right, title, interest or claim in the following cases and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

CASE 13571:

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 in the Wolfcamp formation in the E/2 of Section 5, Township 16 South, Range 25 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 Tiber B 5 Fee Well No. 1H to be horizontally drilled from a surface location 187 feet from the South line and 2239 feet from the East line to a depth of 4756 feet to penetrate the Wolfcamp formation to a bottomhole location 2448 feet from the North line and 1880 feet from the East line of said Section 5. 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 8 miles northwest of

LEGAL NOTICE

Artesia, New Mexico. Given under the Seal of the State of New Mexico Oil Conservation Commission at Santa Fe, New Mexico on the 18th day of January 2007.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Mark E. Fesmire, P. Director
Published in the Artesia Daily Press, Artesia, N.M. January 19, 2007
Legal 19:

January 18, 2007

CERTIFIED MAIL

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 in the Wolfcamp formation in certain spacing and proration units in the E/2 of Section 5, Township 16 South, Range 25 East, N.M.P.M., Eddy County, New Mexico. Said pooled unit is to be dedicated to EOG's Tiber B 5 Fee Well No. 1H to be drilled at a surface location 187 feet from the South line and 2239 feet from the East line and a bottomhole location 2448 feet from the North line and 1880 feet from the East line, NMPM, Eddy County, New Mexico to test the Wolfcamp formation.

This application has been set for hearing before a Division Examiner at 8:15 a.m. on February 15, 2007. 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. 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.

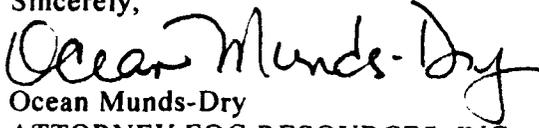
Sincerely,

Ocean Munds-Dry
ATTORNEY EOG RESOURCES, INC.

EXHIBIT A

**APPLICATION OF
EOG RESOURCES, INC.
FOR COMPULSORY POOLING
E/2 OF SECTION 5, TOWNSHIP 16 SOUTH, RANGE 25 EAST, N.M.P.M.
EDDY COUNTY, NEW MEXICO.**

**Donald R. Schaub
2718 Long View Lane
Madison, Wisconsin 53713**

**Helen J. Triggs
2718 Long View Lane
Madison, Wisconsin 53713**

**Audrey M. DeMartino
2718 Long View Lane
Madison, Wisconsin 53713**

MAIL Returned

MAIL Returned

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only, No Insurance Coverage Provided)

OFFICIAL USE

7001 1140 0002 9558 8242

Postage	\$ 1.87
Return Receipt Fee (Endorsement Required)	2.40
Restricted Delivery Fee (Endorsement Required)	1.85
Total Postage & Fees	\$ 5.12

Sent To: Audrey M. DeMartino
 Street, Apt. No.: 2718 Long View Lane
 or PO Box No.
 City, State, ZIP: Madison, Wisconsin 53713
 PS Form 3800

CORONADO STATION 87505
 JUN 19 2006
 Here
 USPS

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only, No Insurance Coverage Provided)

OFFICIAL USE

7001 1140 0002 9558 8242

Postage	\$ 1.87
Return Receipt Fee (Endorsement Required)	2.40
Restricted Delivery Fee (Endorsement Required)	1.85
Total Postage & Fees	\$ 5.12

Sent To: Donald R. Schaub
 Street, Apt. No.: 2718 Long View Lane
 or PO Box No.
 City, State, ZIP: Madison, Wisconsin 53713
 PS Form 3800

CORONADO STATION 87505
 JUN 19 2006
 Here
 USPS

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only - No Insurance Coverage Provided)

051101A1 288

OM D	Postage	\$ 1.87
etc	Return Receipt Fee (Endorsement Required)	2.40
7171	Certified Fee	1.85
	Restricted Delivery Fee (Endorsement Required)	
	Total Postage & Fees	\$ 5.12



Mail Returned

Sent To Helen J. Triggs
 Street, Apt. No. 2718 Long View Lane
 or PO Box No. Madison, Wisconsin 53713
 City, State, ZIP

PS Form 3800

7002 1140 0002 9558 8254