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Kristina Martinez
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August 7, 2007

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Case 13982

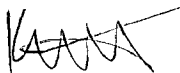
Mark E. Fesmire, P.E.
Director
Oil Conservation Division
New Mexico Energy, Minerals and
Natural Resources Department
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

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 September 6, 2007 Examiner hearings.

Sincerely,



Kristina Martinez

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

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

CASE NO. 13982

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 a non-standard 224.56-acre spacing unit / project area for a horizontal well in the Wolfcamp formation, Cottonwood Creek-Wolfcamp Gas Pool, comprised of Lots 1-8 of Irregular Section 4, Township 16 South, Range 25 East, N.M.P.M., Eddy County, New Mexico. In support of its application, EOG states:

1. EOG is a working interest owner in the above described 224.56-acre, non-standard spacing unit which was approved by Division NSP-1915, and has the right to drill thereon.

2. EOG proposes to dedicate the above-referenced spacing unit / project area to its Meramec "A" 4 Fee Well No. 1H to be drilled as a horizontal well from a surface location 918 feet from the North line and 200 feet from the East line (Lot 8) and then drilled in a westerly direction in the Wolfcamp formation to a terminus at a standard bottom hole location 898 feet from the North line and 660 feet from the West line (Lot 5) of Irregular Section 4.

3. EOG has been unable to obtain voluntary agreement for the development of these lands from Mr. William F. Lawless, who owns an undivided 1/2 mineral interest in: Lots 1 and 8 and the East 631 feet of Lots 2 and 7 of the subject spacing unit. His contact information is identified on Exhibit A to this application.

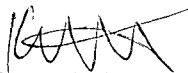
4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

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 September 6, 2007 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
Kristina Martinez
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
LOTS 1-8 OF IRREGULAR SECTION 4, TOWNSHIP 16 SOUTH,
RANGE 25 EAST, N.M.P.M.
EDDY COUNTY, NEW MEXICO.**

Mr. William F. Lawless
c/o Derek V. Larson
SUTIN, THAYER & BROWNE
A Professional Corporation
Post Office Box 1945
Albuquerque, New Mexico 87103-1945

CASE 13982:

Application of EOG Resources, Inc. for compulsory pooling and horizontal drilling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests in the Wolfcamp formation, Cottonwood Creek-Wolfcamp Gas Pool, in Lots 1-8 of Irregular Section 4, Township 16 South, Range 25 East, N.M.P.M., Eddy County, New Mexico, in a non-standard 224.56-acre spacing unit / project area for a horizontal well. Said unit is to be dedicated to its Meramec "A" 4 Fee Well No. 1H to be horizontally drilled from a surface location 918 feet from the North line and 200 feet from the East Line (Lot 8) and then drilled in a westerly direction in the Wolfcamp formation to a terminus at a standard bottom hole location 898 feet from the North line and 660 feet from the West line (Lot 5) of Irregular Section 4. 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 Artesia, New Mexico.