

HOLLAND & HART LLP



William F. Carr  
wcarr@hollandhart.com

July 7, 2009

**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

*Pluse 1436058*

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2009 JUL -7 A 10:21

Re: Application of EOG Resources, Inc. for a nonstandard spacing and proration unit,  
Eddy County, New Mexico.

Dear Mr. Fesmire:

Enclosed in duplicate is the Application of EOG Resources, Inc. in the above-referenced case as well as a copy of the legal advertisement. EOG Resources, Inc. requests that this matter be placed on the docket for the August 6, 2009 examiner hearings.

Very truly yours,

William F. Carr

Enclosures

cc: Mr. Doug Hurlbut  
EOG Resources, Inc.  
Post Office Box 2267  
Midland, Texas 79702

Holland & Hart LLP

Phone [505] 988-4421 Fax [505] 983-6043 [www.hollandhart.com](http://www.hollandhart.com)

110 North Guadalupe Suite 1 Santa Fe, NM 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

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**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 A NON-STANDARD  
SPACING AND PRORATION UNIT, EDDY COUNTY,  
NEW MEXICO.**

58  
CASE NO. 143~~40~~

**APPLICATION**

EOG Resources, Inc., ("EOG") through its undersigned attorneys, hereby makes application for an order creating a non-standard spacing and proration unit for a horizontal well project area comprised of the N/2 NE/4 of Section 18 and the N/2 NW/4 of Section 17, Township 18 South, Range 30 East, N.M.P.M., Eddy County, New Mexico, and in support of its application states:

1. EOG is a working interest owner in the N/2 NE/4 of Section 18 and the N/2 NW/4 of Section 17, Township 18 South, Range 30 East, N.M.P.M., Eddy County, New Mexico, and has the right to drill thereon.

2. This proposed non-standard spacing unit is the 160-acre Horizontal Well Project Area to be dedicated to the EOG Sand Tank "18" Federal Com Well No. 2H to be drilled to the Bone Spring formation from a surface location 430 feet from the North line and 2260 feet from the East line of said Section 18 and then drilled in an easterly direction to a bottomhole location 430 feet from the North line and 2310 feet from the West line of said Section 17.

3. In Oil Conservation Division Case No. 14334, presented to the Division on June 25, 2009, EOG sought an order compulsory pooling this acreage. Since the Division is only

authorized by the Oil and Gas Act to compulsory pool interests in "spacing and proration units," it is necessary to create a non-standard spacing unit for this horizontal well as a precondition to pooling.

4. EOG has provided notice of this application as required by the Division's rules.

5. The approval of this application and the creation of the subject non-standard spacing and proration unit is in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, EOG Resources, Inc. requests that this application be set for hearing before an Examiner of the Oil Conservation Division on August 6, 2009 and, after notice and hearing as required by law, the Division enter its order granting this application.

Respectfully submitted,  
HOLLAND & HART LLP

By: 

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

ATTORNEYS FOR EOG RESOURCES, INC.

CASE <sup>58</sup>14360:      **Application of EOG Resources, Inc. for a nonstandard spacing and proration unit, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order creating a non-standard spacing and proration unit for a 160-acre horizontal well project are comprised of the N/2 NE/4 of Section 18 and the N/2 NW/4 of Section 17, Township 18 South, Range 30 East, N.M.P.M., Eddy County, New Mexico. EOG proposes to dedicate this non-standard spacing units to its Sand Tank "18" Federal Com Well No. 2H to be drilled to the Bone Spring formation from a surface location 430 feet from the North line and 2260 feet from the East line of Said Section 18 and then drilled in an easterly direction to a bottomhole location 430 feet from the North line and 2310 feet from the West line of said Section 17. This non-standard unit is located approximately 4.5 miles south of Loco Hills, New Mexico.