

**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.**

CASE NO. _____

#12398

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OIL CONSERVATION DIV.

APPLICATION

EOG Resources, Inc. ("EOG Resources"), through its undersigned attorneys, hereby makes application pursuant to the provisions of N.M.Stat.Ann. § 70-2-17, (1978), for an order pooling all mineral interests in all formations developed on 320-acre spacing in the E/2, which includes but is not necessarily limited to the Undesignated Crow Flats-Morrow Gas Pool, in all formations developed on 160-acre spacing in the SE/4, which includes but is not necessarily limited to the Vandagriff Keyes-Queen Gas Pool, and in all formations developed on 40-acre spacing under the SE/4 SE/4, which includes but is not necessarily limited to the Undesignated East Red Lake Queen-Grayburg Pool. all in Section 33, Township 16 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, and in support thereof states:

1. EOG Resources is a working interest owner in the E/2 of Section 33 and has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced spacing or proration units to its Zephyr "33" State Com Well No. 1 to be drilled to a standard location in the SE/4 SE/4

of said Section 33, to a depth sufficient to test any and all formations from the surface to the base of the top of the Mississippain formation. The primary objective in the well will be the Morrow formation, Undesignated Southeast Crow Flats-Morrow Gas Pool.

3. Applicant has sought and been unable to obtain either voluntary agreement for pooling or farmout from certain interest owners in the subject spacing units 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 the Applicant 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 May 4, 2000 and, after notice and hearing as required by law, the Division enter its order:

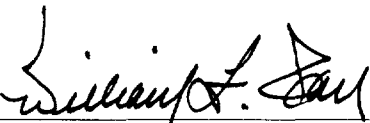
- A. pooling all mineral interests in the subject spacing and proration units,
- B. designating EOG Resources, Inc. operator of these units and the well to be drilled thereon,
- C. authorizing EOG Resources, Inc. to recover its costs of drilling, equipping and completing the well,
- D. approving the 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 penalty for the risk assumed by the Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.

By: 

WILLIAM F. CARR

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ATTORNEYS FOR EOG RESOURCES, INC.

EXHIBIT A

**APPLICATION OF
EOG RESOURCES, INC.
FOR COMPULSORY POOLING
E/2 OF SECTION 33, TOWNSHIP 16 SOUTH, RANGE 28 EAST, N.M.P.M.
EDDY COUNTY, NEW MEXICO**

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Yates Petroleum Corporation
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Attn: Kathy Porter

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Attn: Carla Wood
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Attn: James Enlow
Land Department

LEGAL ADVERTISEMENT

CASE 12345: 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 all formations developed on 320-acre spacing in the E/2, including but not limited to the Undesignated Crow flats-Morrow Gas Pool, in all formations developed on 160-acre spacing in the SE/4, including but not limited to the Vandagriff Keyes-Queen Gas Pool, and in all formations developed on 40-acre spacing in the SE/4 SE/4 including but not limited to the Undesignated East Red Lake Queen-Grayburg Pool all in Section 33 Township 16 South, Range 28 East. Said unit is to be dedicated to its Zephyr "33" State Com Well No. 1 to be drilled at a standard location SE/4 SE/4 of said Section 33 to a depth sufficient to test all formations from the surface to the top of the Mississippian 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 charge for risk involved in drilling said well. Said area is located approximately 13 miles east of Artesia, New Mexico.