

HOLLAND & HART LLP
AND
CAMPBELL & CARR
ATTORNEYS AT LAW

DENVER • ASPEN
BOULDER • COLORADO SPRINGS
DENVER TECH CENTER
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SALT LAKE CITY • SANTA FE
WASHINGTON, D.C.

SUITE 1
110 NORTH GUADALUPE
SANTA FE, NEW MEXICO 87501-6525
MAILING ADDRESS
P.O. BOX 2208
SANTA FE, NEW MEXICO 87504-2208

TELEPHONE (505) 988-4421
FACSIMILE (505) 983-6043
www.hollandhart.com

February 13, 2001

HAND-DELIVERED

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Energy, Minerals and
Natural Resources Department
1220 South St. Francis Drive
Santa Fe, New Mexico 87504

Case 12612

*FILED IN 12612
OCT 13 2001*

Re: Application of EOG Resources, Inc. for Compulsory Pooling and a Non-Standard Spacing and Proration Unit, Eddy County, New Mexico

Dear Ms. Wrotenbery:

Enclosed in triplicate is an Application of EOG Resources, Inc. in the above-referenced case as well as a copy of a legal advertisement. EOG Resources, Inc. respectfully requests that this matter be placed on the docket for the March 8, 2001 Examiner hearings.

Very truly yours,



William F. Carr

Enclosures

cc: Patrick J. Tower, Project Landman
EOG Resources, Inc.
Post Office Box 2267
Midland, Texas 79702

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

**IN THE MATTER OF THE APPLICATION
OF EOG RESOURCES, INC. FOR COMPULSORY
POOLING AND A NON-STANDARD SPACING AND
PRORATION UNIT, EDDY COUNTY, NEW MEXICO.**

CASE NO. 12612

APPLICATION

EOG RESOURCES, INC. ("EOG"), 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 from the surface to the top 100 feet of the Mississippian Chester formation in the W/2 equivalent of irregular Section 6 Township 18 South, Range 31 East, NMPM for any and all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated North Shugart-Morrow Gas Pool, and in support of its application states:

1. EOG is a working interest owner in the W/2 of said irregular Section 6, on which it proposes to drill its Canadian 6 Federal Com Well No. 1 at a standard well location 1650 feet from the South line and 1780 feet from the West line (Unit K) to an approximate total depth of 12,000 feet to test any and all formations developed on 320-acre spacing.

2. EOG proposes to dedicate the W/2 of irregular 6 to this well which, due to a variation in the United States Public Lands Survey, is a non-standard unit containing only 295.19 acres.

3. EOG has sought and been unable to obtain either voluntary agreement for pooling or farmout from certain owners of working interest in the W/2 of this section identified on Exhibit A to the 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 should be designated the operator of the well.

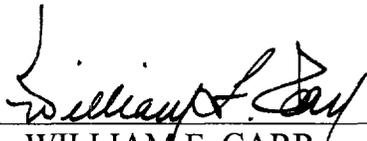
WHEREFORE, EOG Resources, Inc. requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 8, 2001, and, after notice and hearing as required by law, the Division enter its order:

- A. pooling all mineral interests in the subject spacing and proration units,
- B. designating EOG Resources, Inc. operator of the unit and the well to be drilled thereon,
- C. authorizing EOG 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 the EOG in drilling and completing the well against any working interest owner who does not voluntarily participate in the well.

Respectfully submitted,

HOLLAND & HART LLP and
CAMPBELL & CARR

By: 
WILLIAM F. CARR

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

ATTORNEYS FOR EOG RESOURCES, INC.

CASE 12612

Application of EOG Resources, Inc. for compulsory pooling and a non-standard spacing and proration unit, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface through the top 100 feet of the Mississippian Chester formation underlying the W/2 equivalent of irregular Section 6, Township 18 South, Range 31 East, N.M.P.M. to form a 295.19-acre non-standard spacing and proration unit for any formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated North Shugart-Morrow Gas Pool. Applicant proposes to dedicate these pooled units to its Canadian "6" Federal Com Well No. 1 to be drilled at a standard location 1650 feet from the South line and 1780 feet from the West line (Unit K) of said Section 6. Also to be considered will 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 applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 4 miles southeast of Loco Hills, New Mexico.

EXHIBIT A

**APPLICATION OF EOG RESOURCES, INC.
FOR COMPULSORY POOLING AND
A NON-STANDARD SPACING AND PRORATION UNIT,
EDDY COUNTY, NEW MEXICO.**

NOTICE LIST

Magnum Hunter Resources, Inc.
Magnum Hunter Production, Inc.
Gruy Petroleum Management Company
Post Office Box 140907
Irving, Texas 75014-0907

Attention: Greg Jessup

Camterra Resources Partners, Ltd.
Post Office Box 2069
Marshall, Texas 75761

Attention: Bill Cochran