

**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, EDDY COUNTY, NEW MEXICO.**

CASE NO. 12893

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 base of the Morrow formation in the S/2 of Section 23 Township 19 South, Range 27 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 Angell Ranch Atoka-Morrow Gas Pool, and in support of its application states:

1. EOG is a working interest owner in the S/2 of said Section 23, on which it proposes to drill its Gordon "23" State Com Well No. 1 at a standard well location 997 feet from the South line and 1445 feet from the West line (Unit N) to an approximate total depth of 11,200 feet to test any and all formations developed on 320-acre spacing.

2. EOG proposes to dedicate a standard spacing unit comprised of the S/2 of Section 23 to this well.

3. EOG has sought and been unable to obtain either voluntary agreement for pooling or farmout from Devon Energy Production Company, L.P.

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 July 11, 2002, and, after notice and hearing as required by law, the Division enter its order:

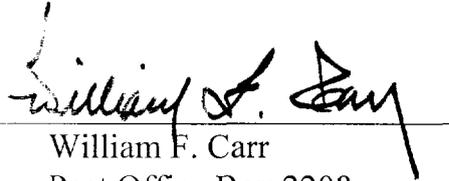
- A. pooling all mineral interests in the subject spacing and proration units,
- B. designating EOG Resources, Inc. operator of the unit and the well to be drilled thereon,
- C. authorizing EOG to recover its costs of drilling, equipping and completing the well,

- 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

By:



William F. Carr
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,
EDDY COUNTY, NEW MEXICO.**

NOTICE LIST

Devon Energy Production Company, L.P.
20 North Broadway, Suite 1500
Oklahoma City, Oklahoma 73102

Attention: Ken Gray

CASE 12893

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 from the surface through the base of the Morrow formation underlying the S/2 of Section 23, Township 19 South, Range 27 East, N.M.P.M. to form a 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 Angell Ranch Atoka-Morrow Gas Pool. Applicant proposes to dedicate these pooled units to its Gordon "23" State Com Well No. 1 to be drilled at a standard location 997 feet from the South line and 1445 feet from the West line (Unit N) of said Section 23. 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 15 miles North of Carlsbad, New Mexico.

HOLLAND & HART LLP
ATTORNEYS AT LAW

DENVER • ASPEN
BOULDER • COLORADO SPRINGS
DENVER TECH CENTER
BILLINGS • BOISE
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William F. Carr

wcarr@hollandhart.com

June 18, 2002

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Devon Energy Production Company, L.P.
20 North Broadway, Suite 1500
Oklahoma City, Oklahoma 73102

Attention: Ken Gray

Re: Application of EOG Resources, Inc. for compulsory pooling,
Eddy County, New Mexico.

Dear Mr. Gray:

This letter is to advise you that EOG Resources, Inc. has filed the enclosed application with the New Mexico Oil Conservation Division seeking the force pooling of all mineral interests from the surface through the base of the Morrow formation in the S/2 of Section 23, Township 19 South, Range 27 East, N.M.P.M., Eddy County, New Mexico. EOG proposes to dedicate the referenced pooled units to its Gordon "23" State Com Well No. 1 to be drilled at a standard location 997 feet from the South line and 1445 feet from the West line of said Section 23.

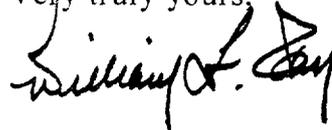
This application has been set for hearing before a Division Examiner on July 11, 2002. The hearing will be held in the Aztec City Council Chambers located at 201 West Chaco, Aztec, New Mexico. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, 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 three days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505 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.

HOLLAND & HART^{LLP}
ATTORNEYS AT LAW

June 18, 2002
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Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr". The signature is written in a cursive style with a large, stylized initial 'W'.

William F. Carr
ATTORNEY FOR EOG
RESOURCES, INC.

cc: Rick Lanning
Patrick J. Tower