

HOLLAND & HART<sup>LLP</sup>  
ATTORNEYS AT LAW

DENVER • ASPEN  
BOULDER • COLORADO SPRINGS  
DENVER TECH CENTER  
BILLINGS • BOISE  
CHEYENNE • JACKSON HOLE  
SALT LAKE CITY • SANTA FE  
WASHINGTON, D.C.

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

TELEPHONE (505) 988-4421  
FACSIMILE (505) 983-6043

William F. Carr

wcarr@hollandhart.com

August 26, 2003

**HAND-DELIVERED**

**RECEIVED**

AUG 26 2003

Oil Conservation Division

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

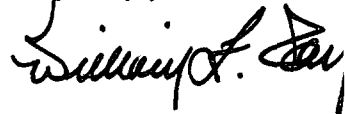
*Case 13146*

Re: Application of EOG Resources, Inc. for compulsory pooling and a nonstandard gas spacing unit, Lea County, New Mexico

Dear Ms. Wrotenbery:

Enclosed in duplicate is an 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 18, 2003 Examiner hearings.

Very truly yours,



William F. Carr

Enclosures

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

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

**RECEIVED**

**IN THE MATTER OF THE APPLICATION  
OF EOG RESOURCES, INC. FOR COMPULSORY  
POOLING AND A NONSTANDARD GAS  
SPACING UNIT, LEA COUNTY, NEW MEXICO.**

AUG 26 2000

Oil Conservation Division

CASE NO. 13146

**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 below the base of the Strawn formation in Lots 3, 4, 5, 6, 11, 12, 13, and 14 of irregular Section 1 Township 16 South, Range 35 East, NMPM to form a 342.06 nonstandard gas spacing unit for any and all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated North Shoe Bar-Atoka Gas Pool, and in support of its application states:

1. EOG is a working interest owner in said Section 1, on which it is located its Giant Stone Fly "1" Well No. 1 that was drilled at a standard surface location 2264 feet from the North line and 1018 feet from the West line to a bottomhole location in the Morrow formation 2314 feet from the North line and 910 feet from the West line (Unit E). This well was dry in the Morrow formation and has subsequently been recompleted in the Atoka formation at a location 2304 feet from the north line and 947 feet from the West line of said Section 1.
2. EOG proposes to dedicate a nonstandard spacing unit comprised of the Lots 3, 4, 5, 6, 11, 12, 13, and 14 of Section 1 to this well.
3. EOG has sought and been unable to obtain either voluntary agreement for pooling or farmout from those interest owners 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 should be designated the operator of the well.

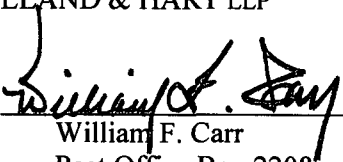
WHEREFORE, EOG Resources, Inc. requests that this application be set for hearing before an Examiner of the Oil Conservation Division on September 18, 2003, and, after notice and hearing as required by law, the Division enter its order:

- 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,
- 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, and
- F. approving the 342.06 nonstandard gas spacing unit dedicated to 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**

William R. Crow  
2118 West Florida  
Midland, Texas 79701

Lisa L. Crow Stone  
2118 West Florida  
Midland, Texas 79701

Leonardo S. Anderson, Jr.  
71332 San Gorgonia Road  
Rancho Mirage, California 92270

HOLLAND & HART<sup>LLP</sup>  
ATTORNEYS AT LAW

DENVER • ASPEN  
BOULDER • COLORADO SPRINGS  
DENVER TECH CENTER  
BILLINGS • BOISE  
CHEYENNE • JACKSON HOLE  
SALT LAKE CITY • SANTA FE  
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SANTA FE, NEW MEXICO 87501-6525

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FACSIMILE (505) 983-6043

William F. Carr

wcarr@hollandhart.com

August 28, 2003

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

TO ALL AFFECTED INTEREST OWNERS:

Re: Application of EOG Resources, Inc. for Compulsory Pooling and a nonstandard gas well location, Lea County, New Mexico

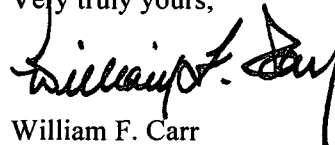
Ladies and Gentlemen:

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 below the base of the Strawn formation in Lots 3, 4, 5, 6, 11, 12, 13 and 14 of Section 1, Township 16 South, Range 35 East, N.M.P.M., Eddy County, New Mexico. EOG proposes to dedicate the referenced pooled units to its Giant Stone Fly "1" Well No. 1 at a standard location in the Atoka formation, Undesignated North Shoe Bar-Atoka Gas Pool, 2304 feet from the North line and 947 feet from the West line (Unit E) of said Section 1.

This application has been set for hearing before a Division Examiner on September 18, 2003. The hearing will be held in Porter Hall located in the Division's Santa Fe Offices at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. 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 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.

Very truly yours,



William F. Carr  
ATTORNEY FOR EOG RESOURCES, INC.

cc: Patrick J. Tower