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April 10, 2007

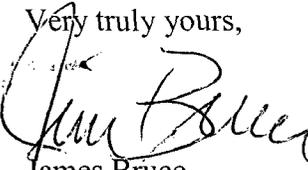
Florene Davidson
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Case 13912

Dear Florene:

Enclosed for filing, on behalf of EOG Resources, Inc., are an original and one copy of an application for compulsory pooling, together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set this matter for the May 10, 2007 Examiner hearing. Thank you.

Very truly yours,


James Bruce

Attorney for EOG Resources, Inc.

PERSONS BEING NOTIFIED

Occidental Permian Ltd.
Suite 6000
6 Desta Drive
Midland, Texas 79705

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF EOG RESOURCES,
INC. FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

2007 APR 12 PM 4 28

Case No. 13912

APPLICATION

EOG Resources, Inc. applies for an order pooling all mineral interests from the surface to the base of the Bone Spring formation underlying the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 17, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 17, and has the right to drill a well thereon.
2. Applicant proposes to drill its Cimarron "17" State Well No. 1, at an orthodox oil well location, to a depth sufficient to test the Bone Spring formation, and seeks to dedicate the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 17 to the well to form a standard 40 acre oil and spacing and proration unit for any formations and/or pools developed on 40 acre spacing within that vertical extent, including the Mescalero Escarpe-Bone Spring Pool Pool.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 17 for the purposes set forth herein.
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 17, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the SW¼NW¼ of Section 17 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all mineral interests in the SW¼NW¼ of Section 17, from the surface to the base of the Bone Spring formation;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling and completing the well, and allocating the cost among the well's working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,



James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for EOG Resources, Inc.

PROPOSED ADVERTISEMENT

Case No. 13912 : **Application of EOG Resources, Inc. for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Bone Spring formation underlying the SW/4NW/4 of Section 17, Township 18 South, Range 34 East, NMPM, to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent. The units are to be dedicated to the Cimarron "17" State Well No. 1, to be drilled at an orthodox location in the SW/4NW/4 of Section 17. Also to be considered will be the cost of drilling and completing the 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 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 12-1/2 miles southeast of Maljamar, New Mexico.

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