

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

**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:**

RECEIVED

SEP 16 2003

Oil Conservation Division
CASE NO. 13146

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

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Holland & Hart LLP, as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

EOG Resources, Inc.
Attn: Patrick Tower
P.O. Box 2267
Midland, Texas 79702
(915) 686-3776

ATTORNEY

William F. Carr, Esq.
Holland & Hart LLP
Post Office Box 2208
Santa Fe, New Mexico 87504
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WVJ
9/18/03

STATEMENT OF CASE

APPLICANT

Applicant in the above-styled cause seeks an order pooling all mineral interests below the base of the Strawn formation underlying Lots 3, 4, 5, 6, 11, 12, 13 and 14 of Section 1, Township 16 South, Range 35 East, N.M.P.M. to form a 342.06-acre nonstandard gas 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 Shoe Bar Atoka-Gas Pool. Applicant proposes to dedicate these pooled units to its Giant Stone Fly "1" Well No. 1 that was drilled at a surface location 2264 feet from the North line and 1018 feet from the West line to test the Morrow formation. The well has been recompleted in the Atoka formation 2304 feet from the North line and 947 feet from the West line (Unit E) of said Section 1. 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 northwest of Lovington, New Mexico.

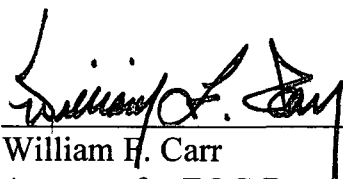
PROPOSED EVIDENCE

APPLICANT

| WITNESSES (Name and Expertise) | ESTIMATED TIME | EXHIBITS |
|---|-----------------------|-----------------|
| Patrick Tower (Land) | Approx. 15 Minutes | Approx. 7 |

PROCEDURAL MATTERS

EOG Resources, Inc., has none at this time.



William H. Carr
Attorney for EOG Resources, Inc.