

HOLLAND & HART^{LLP}
and
CAMPBELL & CARR
ATTORNEYS AT LAW

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

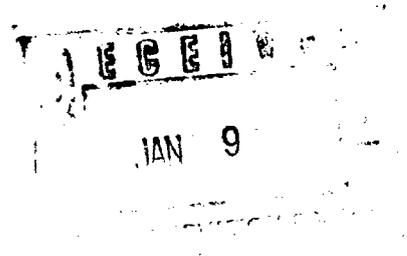
P O BOX 2208
SANTA FE NEW MEXICO 87504-2208
110 NORTH GUADALUPE, SUITE 1
SANTA FE, NEW MEXICO 87501

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

January 9, 2001

BY HAND DELIVERY

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals, and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505



Re: Case No. 12568: Application of Pogo Producing Company for compulsory pooling, Lea County, New Mexico.

Dear Ms. Wrotenbery;

Enclosed is EOG Resources, Inc.'s Motion to Dismiss Pooling Application in the above referenced case. This motion has been served by facsimile on James Bruce, attorney for the applicant, Pogo Producing Company.

Very truly yours,

William F. Carr

cc: David R. Catanach
James Bruce

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

APPLICATION OF POGO PRODUCING COMPANY
FOR COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.

CASE NO. 12568

**EOG RESOURCES, INC.'S
MOTION TO DISMISS POOLING APPLICATION**

EOG Resources, Inc. ("EOG") hereby moves the Examiner for an order dismissing the application of the Pogo Producing Company ("Pogo") in this case. With this application, Pogo seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the E/2 of Section 23, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico for a well it proposes to drill on EOG acreage in the SE/4 NE/4 of this section. In support of this motion EOG states:

1. EOG, the leaseholder of record of 100% of the working interest in the N/2, SW/4 and W/2 SE/4 of Section 23, is an owner of interest in the mineral estate sought to be pooled by Pogo.
2. By letter dated September 29, 2000, EOG proposed to Pogo the drilling of a well to test the Morrow formation on a spacing unit comprised of the S/2 of Section 23 and the creation of a working interest unit covering all of Section 23. In the alternative, EOG sought a farmin agreement or term assignment covering Pogo's interest in this section. EOG requested from Pogo the earliest possible response to this proposal due to time needed to obtain APD approval from the BLM and to schedule a rig. Pogo declined to participate in a well drilled on a S/2 spacing unit and declined to join in a one section working interest unit.

3. On October 24, 2000, EOG sent Pogo a revised Joint Operating Agreement for a S/2 unit. Pogo responded on November 2, 2000 by proposing a well on an E/2 spacing unit with the well to be drilled on EOG acreage in the SE/4 NE/4 of this section.

4. Being unable to reach voluntary agreement for the development of the Morrow reserves underlying Section 23, on November 7, 2000 EOG filed an application with the Oil Conservation Division seeking an order compulsory pooling the S/2 of Section 23 for a Morrow well to be drilled in the NW/4 SE/4 of the section. This case was included on the Division's December 7, 2000 hearing docket.

5. On November 16, 2000, EOG wrote Pogo and advised Pogo that it had filed with the BLM an Application for Permit to Drill a well on a N/2 spacing unit in Section 23 and further advised Pogo that it believed that "lay down" proration units in Section 23 were the optimum method of developing this acreage.

6. EOG requested that the hearing on its application be continued to January 11, 2001 because Pogo advised that it was going to file a competing pooling application. A continuance of EOG's application would avoid multiple hearings in this dispute.

7. Pogo filed an application seeking a Division order pooling the E/2 of Section 23 on December 19, 2000. This application was also set for hearing on January 11, 2001.

8. EOG has proceeded with its plans for the development of its Morrow reserves underlying Section 23 in accordance with its letter to Pogo dated November 16, 2000.

9. On November 17, 2000 The Bureau of Land Management approved EOG's Application for Permit to Drill its Red Tank "23-N" Federal Well No. 1 on a standard 320-acre spacing unit in of the N/2 of Section 23 (copy enclosed). This spacing unit is comprised of 100%

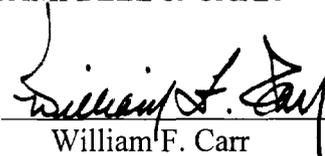
federal lands and is covered by one federal lease.

9. At 7:00 A.M. on January 9, 2001, EOG commenced the drilling of its Red Tank "23-N" Federal Well No. 1. Accordingly, the NE/4 of Section 23 may not now be dedicated to the E/2 spacing unit proposed by Pogo. Pogo's application must be dismissed.

WHEREFORE, EOG Resources, Inc. requests that the Examiner dismiss the application of Pogo Producing Company for an order pooling the E/2 of Section 23, Township 22 South, Range 32 East, NMPM, on the grounds that the NE/4 of this section is dedicated to EOG's Red Tank "23-N" Federal Well No. 1 and may not now be dedicated to Pogo's proposed spacing unit in the E/2 of this section.

Respectfully submitted,

HOLLAND & HART LLP
AND
CAMPBELL & CARR

By: 

William F. Carr
Post Office Box 2088
Santa Fe, New Mexico 87501
(505) 988-4412

ATTORNEYS FOR EOG RESOURCES,
INC.

OPER. OGHID NO. 7377
 PROPERTY NO. 26922
 POOL CODE 83730
 EFF. DATE 11/22/00
 API NO. 30-025-35260

Division five
APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS

Form 3160-3
 (August 1999)

UNITED STATES
 DEPARTMENT OF THE INTERIOR
 BUREAU OF LAND MANAGEMENT

FORM APPROVED
 OMB No. 1004-0134
 Expires November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		7. If Unit or CA Agreement, Name and No.	
1b. Type of Well: <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		8. Lessee Name and Well No. Red Tank "23-N" Federal No. 1	
2. Name of Operator EOG Resources, Inc.		9. API Well No.	
3a. Address P.O. Box 2267, Midland, TX 79702		3b. Phone No. (include area code) (915)896-3714	
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface <u>Unit G</u> 1,660' FNC CAPTURED CONTROLLED WATER BASIN		10. Field and Pool or Exploratory E-102-1301 (Morrow) 11. Sec., T., R., M., or BLM And Survey or Area Sec 29, T22S, R32E	
14. Distance in miles and direction from nearest town or post office		12. County or Parish	13. State
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest dip. Unit line, if any) 1,660'	16. No. of Acres in lease 640	17. Spacing Unit dedicated to this well N/2 320	
18. Distance from proposed location to nearest well, drilling, completed applied for, on this lease, ft. 320	19. Proposed Depth 15,400'	20. BLM/BIA Bond No. on file NM2308	
21. Elevations (Show whether DF, KDB, RT, GL, etc) GL-3753	22. Approximate date work will start 12/10/2000	23. Estimated duration 30 days	

24. Attachments

The following completed in accordance with the requirements of Onshore Oil & Gas Order No. 1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office)
- Bond to cover the operations unless covered by an existing bond on file (see item 20 above)
- Operator certification.
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature <i>Mike Francis</i>	Name (Printed/Typed) Mike Francis	Date 10/13/2000
Title Agent		
Approved by (Signature) <i>LARRY D. BRAY</i>	Name (Printed/Typed) <i>LARRY D. BRAY</i>	Date <i>NOV 17 2000</i>
Title Assistant Field Manager, Leads And Minerals	Office ROSWELL FIELD OFFICE	APPROVED FOR 1 YEAR

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would enable the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 49 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

GNW

PRODUCTION

Form 3160-3
(August 1999)

**APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
STIPULATIONS**

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. 81633
1b. Type of Well: <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator EOG Resources, Inc.		7. If Unit or CA Agreement, Name and No.
3a. Address P.O. Box 2267, Midland, TX 79702		8. Lease Name and Well No. Red Tank "23-N" Federal No. 1
3b. Phone No. (include area code) (915)886-3714		9. API Well No.
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 1,860' ENL & 1,980' FEL (Unit Letter G) CARBONATE CONTROLLED WATER BASIN At proposed prod. Zone Same		10. Field and Pool or Exploratory CASH RE-STACK
14. Distance in miles and direction from nearest town or post office*		11. Sec., T., R., M., or B/L And Survey or Area Sec 23, T25S, R32E 93730
15. Distance from proposed* location to nearest property or lease line, ft. 1,680' (Also to nearest drilg. Unit line, if any)	16. No. of Acres in lease 640	17. Spacing Unit dedicated to this well N2 320
18. Distance from proposed location* to nearest well, drilling, completed applied for, on this lease, ft. 320	19. Proposed Depth 15,400'	20. BLM/BIA Bond No. on file NM2308
21. Elevations (Show whether DF, KDB, RT, GL, etc) GL-3753	22. Approximate date work will start* 12/10/2000	23. Estimated duration 30 days

24. Attachments

The following completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- | | |
|---|--|
| <ul style="list-style-type: none"> 1. Well plat certified by a registered surveyor. 2. A Drilling Plan. 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office) | <ul style="list-style-type: none"> 4. Bond to cover the operations unless covered by an existing bond on file (see item 20 above) 5. Operator certification. 6. Such other site specific information and/or plans as may be required by the authorized officer. |
|---|--|

25. Signature <i>Mike Francis</i>	Name (Printed/Typed) Mike Francis	Date 10/13/2000
Title Agent		
Approved by (Signature) <i>Larry D. Gray</i>	Name (Printed/Typed) LARRY D. GRAY	Date NOV 17 2000
Title Assistant Field Manager, Lands And Minerals		

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

Surface Casing must be in Top of Rustler (Anhydrite) minimum ~~900~~ **975** ft,
- (Top 25 to 50 ft into Rustler.) SEE STRIPS AT 975 Ft.

District I
PO Box 1680, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesa, NM 88811-0719
District III
1000 Rio Brazos Ed., Artesa, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-10
Revised February 21, 199
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

APN Number		Pool Code 8730	Pool Name Section Ridge East Red Tank (Moran)
Property Code	Property Name RED TANK "23-N" FEDERAL		Well Number 1
OCED No. 7377	Operator Name EOG RESOURCES INC.		Elevation 3753

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	23	22	32		1660	NORTH	1980	EAST	LEA

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 320	Joint or InHH	Consolidation Code	Order No.
-------------------------------	---------------	--------------------	-----------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>16</p> <p>EOG RESOURCES INC. RED TANK "23-N" FEDERAL No. 1 ELEV.-3753 Y=502808.88 X=713178.85 LAT.=32°22'47.63" LONG.=103°38'34.04"</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Mike Francis</i> Signature Mike Francis Printed Name Agent Title 10/16/00 Date</p>
	<p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to best of my belief.</p> <p>OCTOBER 10, 2000 Date of Survey</p> <p><i>James E. Tompkins</i> Signature and Title of Professional Surveyor</p> <p>JAMES E. TOMPKINS NEW MEXICO REGISTERED PROFESSIONAL LAND SURVEYOR 14729</p> <p>Certificate Number 14729</p>

CERTIFICATE OF SERVICE

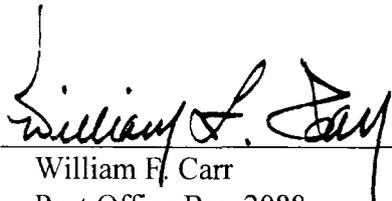
THIS WILL CERTIFY that a true and correct copy of the foregoing Motion to Dismiss was hand-delivered or delivered by facsimile this 9th day of January, 2001 to the following:

David R. Catanach
Hearing Examiner
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
Attorney for Pogo Producing Company

Respectfully submitted,

HOLLAND & HART LLP
AND
CAMPBELL & CARR

By: 
William F. Carr
Post Office Box 2088
Santa Fe, New Mexico 87501
(505) 988-4412