

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

April 29, 2003

**HAND-DELIVERED**

Lori Wrotenbery, Director  
Oil Conservation Division  
New Mexico Energy, Minerals &  
Natural Resources Department  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

RECEIVED

APR 29 2003

Oil Conservation Division

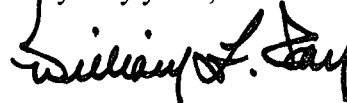
*Case 13073*

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

Dear Ms. Wrotenbery:

Enclosed in triplicate is an Application of EOG Resources, Inc. in the above-referenced case as well as a copy of a legal advertisement. EOG Resources, Inc. respectfully requests that this matter be placed on the docket for the May 22, 2003 Examiner hearings.

Very truly yours,



William F. Carr  
Attorney for EOG Resources, Inc.

Enclosures

cc: Patrick J. Tower  
Division Land Specialist  
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,  
LEA COUNTY, NEW MEXICO.**

APR 29 2003

CASE NO. 13073 Oil Conservation Division

**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 through the Mississippian Chester formation in Lots 3 and 4, the E/2 SW/4 and the SE/4 (S/2 equivalent) of Section 31, Township 15 South, Range 35 East, NMPM, to form a 322.3 acre spacing and proration unit for all formations developed on 320-acre spacing within that vertical extent which includes but is not necessarily limited to the Undesignated Southwest Austin-Mississippian Gas Pool and the Undesignated Southwest Austin-Morrow Gas Pool, and in support thereof states:

1. EOG is a working interest owner in the S/2 equivalent of said Section 31, Township 15 South, Range 35 East, NMPM, on which it proposes to drill its Watson "31" Well No. 1 at a standard gas well location 660 feet from the South line and 1980 feet from the East line of the section to an approximate total depth of 12,700 feet to test any and all formations from the surface through the Mississippian Chester formation developed on 320-acre spacing.

2. EOG has sought and been unable to obtain either a voluntary agreement for the development of this acreage from the owners of interest in the S/2 equivalent of Section 31 identified on Exhibit A to this application to whom notice of this application will be provided in accordance with the rules of the Division.

3. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

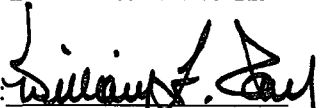
4. In order to permit EOG to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled, and EOG should be designated the operator of the well.

WHEREFORE, EOG Resources, Inc. requests that this application be set for hearing before an Examiner of the Oil Conservation Division on May 22 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, 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  
LEA COUNTY, NEW MEXICO.**

**NOTICE LIST**

Devon Energy Production Company, L.P.  
20 North Broadway  
Oklahoma City, Oklahoma 73102  
Attention: Richard Winchester

Diana Darks Brunel  
5622 East 97th  
Tulsa, Oklahoma 74137

Roy G. Barton Trust  
1919 North Turner  
Hobbs, New Mexico 88240

Roy G. Barton Trust  
2120 Redbird Drive  
Las Vegas, Nevada 89134

Kenneth G. Cone  
2533 Old Broadmoor Road  
Colorado Springs, Colorado 80906

Kenneth G. Cone, Trustee Kenneth G. Cone Trust  
Post Office Box 11310  
Midland, Texas 79702

Long Trusts  
Post Office Box 3096  
Kilgore, Texas 75663

Charles L. Cobb  
c/o American State Bank Agent for Margaret Cobb  
Post Office Box 1401  
Lubbock, Texas 79408

Ms. Ruth Schnaubert  
(Whereabouts Unknown)

Ms. Joan Howard Garrison  
5651 Hemingway Court  
Fort Pierce, Florida 34982-7911

Ms. Mary Irwinsky  
4400 Odessa Avenue  
Ft. Worth, Texas 76133

Majorie Cone Kastman  
Post Office Box 5930  
Lubbock, Texas 79408

Owen McWhorter, Jr.  
3019 21st Street  
Lubbock, Texas 79410

Tommy Gene Schaubert  
(Whereabouts Unknown)

Bobby Joe Schnaubert  
(Whereabouts Unknown)

CASE 15073 **Application of EOG Resources, Inc. for compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface through the Mississippian Chester formation in in Lots 3 and 4, E/2 SW/4 and SE/4 (S/2 equivalent) of Section 31, Township 15 South, Range 35 East, N.M.P.M., Lea County, New Mexico to form a 322.3-acre spacing unit for all formations developed on 320-acre spacing that includes but is not necessarily limited to the Undesignated Southwest Austin-Mississippian Gas Pool and the Undesignated Southwest Austin-Morrow Gas Pool. Applicant proposes to dedicate the pooled units to its Watson "31" Well No. 1 to be drilled at a standard gas well location 660 feet from the South line and 1980 feet from the East line of said Section 31. Also to be considered will be 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 5 miles northwest of Lovington, New Mexico.

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

May 1, 2003

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

**TO: AFFECTED INTEREST OWNERS:**

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

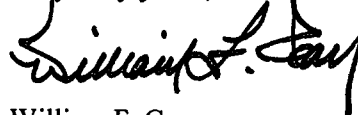
Ladies and Gentlemen:

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 from the surface through the Mississippian Chester formation in Lots 3 and 4 , E/2 SW/4 and SE/4 (S/2 equivalent) of Section 31, Township 15 South, Range 35 East, NMPM, Lea County, New Mexico. EOG proposes to dedicate the referenced pooled unit to its Watson "31" Well No. 1 to be drilled at a standard gas well location 660 feet from the South line and 1980 feet from the East line of said Section 31.

This application has been set for hearing before a Division Examiner on May 22, 2003. 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 with the Oil Conservation Division's Santa Fe office located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505, three days in advance of a scheduled hearing. This statement must 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.

Enclosure

cc: Patrick J. Tower  
EOG Resources, Inc.