

**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:**

**CASE NO. 13639**

2006 JUN 25 PM 59

**APPLICATION OF EOG RESOURCES, INC., FOR  
COMPULSORY POOLING AND HORIZONTAL  
DRILLING, EDDY 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**

Mr. Rick Lanning  
EOG Resources, Inc.  
P. O. Box 2267  
Midland, Texas 79702  
(432) 686-3730

**ATTORNEY**

Ocean Munds-Dry, Esq.  
William F. Carr, Esq.  
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**STATEMENT OF CASE**

**APPLICANT**

Applicant in the above-styled cause seeks an order pooling all mineral interests in the Wolfcamp formation, Undesignated West Cottonwood Creek-Wolfcamp Gas Pool, in the S/2 of Section 7, Township 16 South, Range 25 East, N.M.P.M., Eddy County, New Mexico to form a 320-acre project area for a horizontal well. Said unit is to be dedicated to its Yellow B7 Fee Well No. 1H to be horizontally drilled from a surface location 1880 feet from the South line and 660 feet from the East line to a depth of 5,100 feet and then in a westerly direction for approximately 3965.23 feet in the Wolfcamp formation to a bottomhole location 1880

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feet from the South line and 660 feet from the West line of said Section 7. 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 EOG Resources, Inc. as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 7 miles northwest of Artesia, New Mexico.

**PROPOSED EVIDENCE**

**APPLICANT**

**WITNESSES**  
(Name and Expertise)

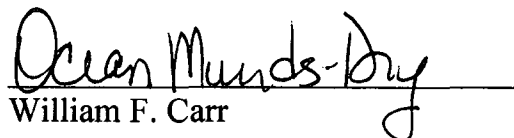
**ESTIMATED TIME**

**EXHIBITS**

**BY AFFIDAVIT**

**PROCEDURAL MATTERS**

Pursuant to Division policy EOG Resources, Inc., will present this case by Affidavit.

  
William F. Carr  
Ocean Munds-Dry  
Attorneys for Yates Petroleum Corporation