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

APPLICATION OF EOG RESOURCES INC.,
FOR A NON-STANDARD SPACING UNIT,
LEA COUNTY, NEW MEXICO

ORIGINAL

CASE NO. 14093

MARCH 20, 2008

1220 South St. Francis Drive
Santa Fe, New Mexico

EXAMINER: RICHARD EZEANYIM

LEGAL ADVISOR: David Brooks
ALSO PRESENT: Terry Warnell

ATTORNEY FOR THE APPLICANT:

OCEAN MUNDS-DRY, ESQ.
Holland & Hart, LLC
110 North Guadalupe, Suite 1
Santa Fe, New Mexico 87501

EXHIBIT: 5

REPORTED BY: JOYCE CALVERT, P-03
Paul Baca Court Reporters
500 Fourth Street, NW, Suite 105
Albuquerque, New Mexico 87102

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1 HEARING EXAMINER EZEANYIM: Now, let's go to Page 5.
2 And at this time, I call Case No. 14093. This has been
3 continued from February 21. This is the application of EOG
4 Resources, Inc. for a non-standard spacing unit, Lea County,
5 New Mexico. Call for appearances.

6 MS. MUNDS-DRY: Good morning, Mr. Hearing Examiner.
7 Ocean Munds-Dry from the law firm of Holland and Hart,
8 representing EOG Resources this morning. Mr. Ezeanyim, I have
9 Exhibit No. 5. As you mentioned, this case was heard on
10 February 21st by Examiner Jones. And at that time, he asked us
11 to do some follow-up on notice. The issue was, we are asking
12 for a non-standard spacing unit that will cover the north --
13 or, I guess, the west half of this section.

14 And his question was -- because there were no other
15 acre spacing units in this area, it would be possible to
16 instead have a north half-spacing unit, so he thought it would
17 be appropriate for us to give notice to both that north half
18 and the west half.

19 We since went back and checked what kind of notice we
20 gave. I've handed you Exhibit No. 5. This is a map from the
21 Division order title opinion that was taken for this tract for
22 this area. And we gave notice to all the interest owners in
23 these tracts, and as you can see -- it's sort of hard to
24 read -- but we gave notice to Tracts 1 and Tract 2, which cover
25 that northwest quarter.

1 So we confirmed, essentially, that notice was given
2 to all interest owners previously. Exhibit No. 4 was submitted
3 at the last hearing but indicated that all notices were given,
4 and the green cards were included and the letter and so forth.

5 So I'd ask that Exhibit No. 5 be admitted into
6 evidence.

7 HEARING EXAMINER EZEANYIM: Exhibit No. 5 will be
8 admitted into evidence.

9 Are you saying that the reason why this case was
10 continued was to verify you did all your public notices.

11 MS. MUNDS-DRY: That is correct. And we didn't
12 realize, really, until after the hearing that that Tract No. 2
13 covered the same area. So we weren't sure if we had given
14 notice. So we've just since confirmed that notice was given in
15 that quarter-quarter section.

16 HEARING EXAMINER EZEANYIM: Okay. At that time, was
17 the case taken under advisement?

18 MS. MUNDS-DRY: It was not. So I would ask that it
19 be taken under advisement.

20 HEARING EXAMINER EZEANYIM: Any questions?

21 MR. BROOKS: No questions.

22 HEARING EXAMINER EZEANYIM: At this time, Case
23 No. 14093 will be taken under advisement.

24 MS. MUNDS-DRY: Thank you, Mr. Examiner.

25 [Hearing concluded.] I do hereby certify that the foregoing is
a correct and true report of the proceedings in
the hearing of Case No. _____
heard on _____

Examiner

REPORTER'S CERTIFICATE

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I, JOYCE D. CALVERT, Provisional Court Reporter for the State of New Mexico, do hereby certify that I reported the foregoing proceedings in stenographic shorthand and that the foregoing pages are a true and correct transcript of those proceedings and was reduced to printed form under my direct supervision.

I FURTHER CERTIFY that I am neither employed by nor related to any of the parties or attorneys in this case and that I have no interest in the final disposition of this proceeding.



JOYCE D. CALVERT
New Mexico P-03
License Expires: 7/31/08

1 STATE OF NEW MEXICO)
2 COUNTY OF BERNALILLO)

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I, JOYCE D. CALVERT, a New Mexico Provisional Reporter, working under the direction and direct supervision of Paul Baca, New Mexico CCR License Number 112, hereby certify that I reported the attached proceedings; that pages numbered 1-3 inclusive, are a true and correct transcript of my stenographic notes. On the date I reported these proceedings, I was the holder of Provisional License Number P-03.

Dated at Albuquerque, New Mexico, this 29th day of March, 2008.



Joyce D. Calvert
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