

HOLLAND & HART^{LLP}



Ocean Munds-Dry
omundsdry@hollandhart.com

February 17, 2009

HAND-DELIVERED

Mark E. Fesmire, P.E.
Director
Oil Conservation Division
New Mexico Energy, Minerals and
Natural Resources Department
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Case 14 288

RECEIVED
FEB 17 PM 3:36

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

Dear Mr. Fesmire:

Enclosed is the application of EOG Resources, Inc. in the above-referenced case as well as a copy of a legal advertisement. EOG Resources, Inc. requests that this matter be placed on the docket for the March 19, 2009 Examiner hearings.

Sincerely,

Ocean Munds-Dry
Ocean Munds-Dry

Enclosures

cc: Doug Hurlbut
EOG Resources, Inc.
Post Office Box 2267
Midland, Texas 79702

Holland & Hart^{LLP}

Phone [505] 988-4421 Fax [505] 983-6043 www.hollandhart.com

110 North Guadalupe Suite 1 Santa Fe, NM 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Billings Boise Boulder Cheyenne Colorado Springs Denver Denver Tech Center Jackson Hole Salt Lake City Santa Fe Washington, D.C. ♻

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

**IN THE MATTER OF THE APPLICATION
OF EOG RESOURCES, INC. FOR
COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 14288

APPLICATION

EOG RESOURCES, INC., ("EOG") through its undersigned attorneys, hereby makes application to the Oil Conservation Division pursuant to the provisions of N.M. Stat. Ann. § 70-2-17, for an order pooling all mineral interests from the surface to the base of the Morrow formation in the following described spacing and proration units located in the S/2 of Section 3, Township 25 South, Range 27 East, N.M.P.M., Eddy County, New Mexico: the S/2 for all formations and/or pools developed on 320-acre spacing within this vertical extent including the Undesignated North Hackberry Draw-Morrow Gas Pool, the Undesignated West Salt Draw Morrow Gas Pool and the Undesignated Waterhole Corral-Atoka Gas Pool; the SW/4 for all formations and/or pools developed on 160-acre spacing within this vertical extent; and the NW/4 SW/4 for all formations and/or pools developed on 40-acre spacing within this vertical extent including the Undesignated South Sulphate Draw-Delaware Pool and in support of its application states:

1. EOG is a working interest owner in the S/2 of said Section 3 and has the right to drill thereon.
2. EOG proposes to dedicate the above-referenced spacing or proration units to its Hoyt 3 State Com Well No. 1 to be drilled from a location 1930 feet from the South line and 660 feet from the West line (Unit L) of said Section 3.

3. EOG has been unable to obtain voluntary agreement for the development of these lands from certain working interest owners in the subject spacing unit. These owners are identified on Exhibit A to this application.

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

5. 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 Resources, Inc. should be designated the operator of the well to be drilled.

WHEREFORE, EOG Resources, Inc. requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 19, 2009 and, after notice and hearing as required by law, the Division enter its order:

- A. pooling all mineral interests in the subject project area,
- B. designating EOG Resources, Inc. operator of this project area and the well to be drilled thereon,
- C. authorizing EOG Resources, Inc. 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 EOG Resources, Inc. in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,
HOLLAND & HART LLP

By: Ocean Munds-Dry
OCEAN MUNDS-DRY
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
S/2 OF SECTION 3, TOWNSHIP 25 SOUTH, RANGE 27 EAST, N.M.P.M.
EDDY COUNTY, NEW MEXICO.**

Samson Resources Co.
200 N. Lorraine Suite 1010
Midland, Texas 79702

CASE 14288:

Application of EOG Resources, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface to the base of the Morrow formation in the following described spacing and proration units located in the S/2 of Section 3, Township 25 South, Range 27 East, N.M.P.M., Eddy County, New Mexico: the S/2 for all formations and/or pools developed on 320-acre spacing within this vertical extent including the Undesignated North Hackberry Draw-Morrow Gas Pool, the Undesignated West Salt Draw Morrow Gas Pool and the Undesignated Waterhole Corral-Atoka Gas Pool; the SW/4 for all formations and/or pools developed on 160-acre spacing within this vertical extent; and the NW/4 SW/4 for all formations and/or pools developed on 40-acre spacing within this vertical extent including the Undesignated South Sulphate Draw-Delaware Pool. Said unit is to be dedicated to its Hoyt 3 State Com No. 1 to be drilled from a location 1930 feet from the South line and 660 feet from the West line of said Section 3. 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 10 miles southwest of Loving, New Mexico.