

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

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

CASE NO. 2300

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 to the base of the Pennsylvanian formation underlying the N/2 of Section 15 Township 25 South, Range 33 East, in the following described manner for any and all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Draper-Mill-Wolfcamp Gas Pool, and in support of its application states:

1. EOG Resources, Inc. is a working interest owner in the N/2 of said Section 15, on which it proposes to drill its Ochoa "15" Federal Well No. 2 at a standard well location 1700 feet from the North Line and 1760 feet from the West line (Unit F) to an approximate total depth of 14,100 feet to test any and all formations from the surface to the base of the Pennsylvanian formation.

2. EOG has sought and been unable to obtain either voluntary agreement for

pooling or farmout from Mobil Exploration & Producing U. S. Inc. owner of a 50% Working Interest in the N/2 of said Section 15.

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 December 2, 1999, 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,

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.

By: 
WILLIAM F. CARR
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR EOG RESOURCES, INC.

CASE 17708

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 to the base of the Pennsylvanian formation underlying the N/2 of Section 15, Township 25 South, Range 33 East, N.M.P.M. to form a standard 320-acre spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent including the Draper-Mill - Wolfcamp Gas Pool. Applicant proposes to dedicate these pooled units to its Ochoa "15" Federal Well No. 2 to be drilled at a standard location 1700 feet from the North line and 1760 feet from the West line (Unit F) of said Section 15. Also to be considered will 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 20 miles Southwest of Jal, New Mexico.