

**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. 12552**

**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 top 100 feet of the Mississippian Chester formation underlying the S/2 of Section 23, Township 22 South, Range 32 East for any and all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated Bootleg Ridge-Morrow Gas Pool and the Undesignated East Red Tank-Atoka Gas Pool, and in support of its application states:

1. EOG is a working interest owner in the S/2 of said Section 23, on which it proposes to drill its Red Tank "23" Federal Com Well No. 1 at a standard well location in the NW/4 SE/4 (Unit J) to an approximate total depth of 15,400 feet to test any and all formations from the surface through the top 100 feet of the Mississippian Chester formation.
2. EOG has sought and been unable to obtain either a voluntary agreement for pooling or a farmout from Pogo Producing Company, Post Office Box 10340, Midland,

Texas 79702-7340 (Attention: Terry Gant) owner of a working interest in the E/2 SE/4 of said Section 23.

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, E)G Resources, Inc. requests that this application be set for hearing before an Examiner of the Oil Conservation Division on November 16, 2000, 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:   
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ATTORNEYS FOR EOG RESOURCES, INC.

CASE 1252

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 through the top 100 feet of the Mississippian Chester formation underlying the S/2 of Section 23, Township 22 South, Range 32 East, N.M.P.M. for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated Bootleg- Morrow Gas Pool and the Undesignated East Red Tank-Atoka Gas Pool. Applicant proposes to dedicate the pooled units to its Red Tank "23" Federal Com Well No. 1 to be drilled at a standard gas well in the NW/4 SE/4 said Section 23. 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 30 miles west of Eunice, New Mexico.

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