

HOLLAND & HART^{LLP}
and
CAMPBELL & CARR
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DENVER TECH CENTER
BILLINGS • BOISE
CHEYENNE • JACKSON HOLE
SALT LAKE CITY • SANTA FE
WASHINGTON, D.C.

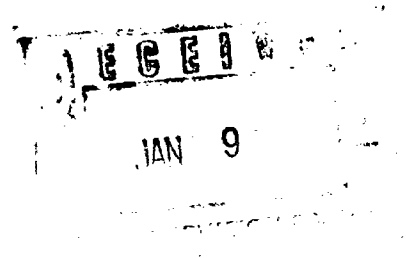
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SANTA FE, NEW MEXICO 87501

TELEPHONE (505) 988-4421
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January 9, 2001

BY HAND DELIVERY

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals, and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505



Re: Case No. 12568: Application of Pogo Producing Company for compulsory pooling, Lea County, New Mexico.

Dear Ms. Wrotenbery;

Enclosed is EOG Resources, Inc.'s Motion to Dismiss Pooling Application in the above referenced case. This motion has been served by facsimile on James Bruce, attorney for the applicant, Pogo Producing Company.

Very truly yours,

A handwritten signature in black ink, appearing to read 'William F. Carr'.

William F. Carr

cc: David R. Catanach
James Bruce

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

APPLICATION OF POGO PRODUCING COMPANY
FOR COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.

CASE NO. 12568

**EOG RESOURCES, INC.'S
MOTION TO DISMISS POOLING APPLICATION**

EOG Resources, Inc. ("EOG") hereby moves the Examiner for an order dismissing the application of the Pogo Producing Company ("Pogo") in this case. With this application, Pogo seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the E/2 of Section 23, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico for a well it proposes to drill on EOG acreage in the SE/4 NE/4 of this section. In support of this motion EOG states:

1. EOG, the leaseholder of record of 100% of the working interest in the N/2, SW/4 and W/2 SE/4 of Section 23, is an owner of interest in the mineral estate sought to be pooled by Pogo.
2. By letter dated September 29, 2000, EOG proposed to Pogo the drilling of a well to test the Morrow formation on a spacing unit comprised of the S/2 of Section 23 and the creation of a working interest unit covering all of Section 23. In the alternative, EOG sought a farmin agreement or term assignment covering Pogo's interest in this section. EOG requested from Pogo the earliest possible response to this proposal due to time needed to obtain APD approval from the BLM and to schedule a rig. Pogo declined to participate in a well drilled on a S/2 spacing unit and declined to join in a one section working interest unit.

3. On October 24, 2000, EOG sent Pogo a revised Joint Operating Agreement for a S/2 unit. Pogo responded on November 2, 2000 by proposing a well on an E/2 spacing unit with the well to be drilled on EOG acreage in the SE/4 NE/4 of this section.

4. Being unable to reach voluntary agreement for the development of the Morrow reserves underlying Section 23, on November 7, 2000 EOG filed an application with the Oil Conservation Division seeking an order compulsory pooling the S/2 of Section 23 for a Morrow well to be drilled in the NW/4 SE/4 of the section. This case was included on the Division's December 7, 2000 hearing docket.

5. On November 16, 2000, EOG wrote Pogo and advised Pogo that it had filed with the BLM an Application for Permit to Drill a well on a N/2 spacing unit in Section 23 and further advised Pogo that it believed that "lay down" proration units in Section 23 were the optimum method of developing this acreage.

6. EOG requested that the hearing on its application be continued to January 11, 2001 because Pogo advised that it was going to file a competing pooling application. A continuance of EOG's application would avoid multiple hearings in this dispute.

7. Pogo filed an application seeking a Division order pooling the E/2 of Section 23 on December 19, 2000. This application was also set for hearing on January 11, 2001.

8. EOG has proceeded with its plans for the development of its Morrow reserves underlying Section 23 in accordance with its letter to Pogo dated November 16, 2000.

9. On November 17, 2000 The Bureau of Land Management approved EOG's Application for Permit to Drill its Red Tank "23-N" Federal Well No. 1 on a standard 320-acre spacing unit in of the N/2 of Section 23 (copy enclosed). This spacing unit is comprised of 100%

federal lands and is covered by one federal lease.

9. At 7:00 A.M. on January 9, 2001, EOG commenced the drilling of its Red Tank "23-N" Federal Well No. 1. Accordingly, the NE/4 of Section 23 may not now be dedicated to the E/2 spacing unit proposed by Pogo. Pogo's application must be dismissed.

WHEREFORE, EOG Resources, Inc. requests that the Examiner dismiss the application of Pogo Producing Company for an order pooling the E/2 of Section 23, Township 22 South, Range 32 East, NMPM, on the grounds that the NE/4 of this section is dedicated to EOG's Red Tank "23-N" Federal Well No. 1 and may not now be dedicated to Pogo's proposed spacing unit in the E/2 of this section.

Respectfully submitted,

HOLLAND & HART LLP
AND
CAMPBELL & CARR

By: 

William F. Carr
Post Office Box 2088
Santa Fe, New Mexico 87501
(505) 988-4412

ATTORNEYS FOR EOG RESOURCES,
INC.

Form 3160-3
(August 1999)OPER. OGHID NO. 7377PROPERTY NO. 26922POOL CODE 83730EFF. DATE 11/22/00API NO. 30-025-35260Division five
10
**APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS**FORM APPROVED
OSMB No. 1994-8136
Expires November 30, 2000UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: ☒ DRILL ☐ REENTER1b. Type of Well: ☐ Oil Well ☐ Gas Well ☒ Other ☐ Single Zone ☐ Multiple Zone2. Name of Operator
EOG Resources, Inc.3a. Address
P.O. Box 2287, Midland, TX 797023b. Phone No. (Include area code)
(915)886-3714

4. Location of Well (Report location clearly and in accordance with any State requirements.)

At surface

1,660' FNC

CANFIELD CONTROLLED WATER BASIN

At proposed prod. Zone

Same

14. Distance in miles and direction from nearest town or post office

7. If Unit or CA Agreement, Name and No.

8. Lease Name and Well No.
Red Tank "23-N" Federal No. 1

9. API Well No.

10. Field and Pool or Exploratory
2-Red Tank (Morrow)

11. Sec., T., R., M., or BLM And Survey or Area

Sec 23, T22S, R32E

12. County or Parish

13. State

15. Distance from proposed
location to nearest
property or lease line, ft.
(Also to nearest dip. Unit line, if any)
1,660'16. No. of Acres in lease
64017. Spacing Unit dedicated to this well
N/2 32018. Distance from proposed location
to nearest well, drilling, completed
applied for, on this lease, ft.
32019. Proposed Depth
15,400'20. BLM/BIA Bond No. on file
NM230821. Elevations (Show whether DF, KDB, RT, GL, etc.)
GL-375322. Approximate date work will start
12/10/200023. Estimated duration
30 days

24. Attachments

The following completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.

2. A Drilling Plan.

3. A Surface Use Plan (if the location is on National Forest System Lands, the
SUPO shall be filed with the appropriate Forest Service Office)4. Bond to cover the operations unless covered by an existing bond on file (see
item 20 above)

5. Operator certification.

6. Such other site specific information and/or plans as may be required by the
authorized officer.25. Signature
*Mike Francis*Name (Printed/Typed)
Mike FrancisDate
10/13/2000

Title

Agent

Approved by (Signature) /SLARRY D. BRAY

Name (Printed/Typed) /SLARRY D. BRAY

Date
NOV 17 2000Title
Assistant Field Manager,
Leads And MineralsOffice
ROSWELL FIELD OFFICE

APPROVED FOR 1 YEAR

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would enable the applicant to conduct
operations thereon.

Conditions of approval, if any, are attached

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United

States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*Instructions on reverse

GNW

Form 3160-3
(August 1999)

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
STIPULATIONS

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. 81633
1b. Type of Well: <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator EOG Resources, Inc.		7. If Unit or CA Agreement, Name and No.
3a. Address P.O. Box 2267, Midland, TX 79702		8. Lease Name and Well No. Red Tank "23-N" Federal No. 1
3b. Phone No. (include area code) (915)886-3714		9. API Well No.
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 1,860' ENL & 1,960' FEL (Unit Letter G) CARLEAD CONTROLLED WATER BASIN At proposed prod. Zone Same		10. Field and Pool or Exploratory CARLEAD CONTROLLED WATER BASIN
11. Sec., T., R., M., or B.M. And Survey or Area Sec 23, T25S, R32E 83730		
14. Distance in miles and direction from nearest town or post office		12. County or Parish
15. Distance from proposed location to nearest property or lease line, ft. 1,680' (Also to nearest drilg. Unit line, if any)		13. State
16. No. of Acres in lease 640		17. Spacing Unit dedicated to this well N2 320
18. Distance from proposed location to nearest well, drilling, completed applied for, on this lease, ft. 320		20. BLM/BIA Bond No. on file NM2308
21. Elevations (Show whether DF, KDB, RT, GL, etc) GL-3753		22. Approximate date work will start 12/10/2000
		23. Estimated duration 30 days
24. Attachments		

The following completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- | | |
|---|--|
| 1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office) | 4. Bond to cover the operations unless covered by an existing bond on file (see item 20 above)
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the authorized officer. |
|---|--|

25. Signature <i>Mike Francis</i>		Name (Printed/Typed) Mike Francis	Date 10/13/2000
Title Agent			
Approved by (Signature) <i>Larry D. Gray</i>		Name (Printed/Typed) <i>LARRY D. GRAY</i>	Date <i>NOV 1 1 2000</i>
Title <i>Assistant Field Manager, Lands And Minerals</i>		Office	

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

Surface Casing must be in Top of Rustler (Anhydrite) minimum ~~900~~ **975** ft,
 - (Top 25 to 50 ft into Rustler.) SEE STRIPS AT 975 Ft.

District I
PO Box 1680, Hobbs, NM 88241-1880

District II
PO Drawer DD, Artesia, NM 88211-0719

District III
1000 Rio Grande Rd., Artesia, NM 87410

District IV
PO Box 2068, Santa Fe, NM 87504-2068

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-10
Revised February 21, 199
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

'API Number	'Pool Code 8730	'Pool Name Section Ridge East Rd Tank (Alon)
'Property Code	'Property Name RED TANK "23-N" FEDERAL	'Well Number 1
'OCED No. 7377	'Operator Name EOG RESOURCES INC.	'Elevation 3753

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	23	22	32		1660	NORTH	1980	EAST	LEA

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

'Dedicated Acres	'Joint or InHH	'Consolidation Code	'Order No.
320			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>16</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Mike Francis</i></p> <p>Signature Mike Francis</p> <p>Printed Name Agent</p> <p>Title 10/16/00</p> <p>Date</p>
	<p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to best of my belief.</p> <p>OCTOBER 10, 2000</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor: <i>James E. Tompkins</i></p> <p>JAMES E. TOMPKINS REGISTERED PROFESSIONAL LAND SURVEYOR NEW MEXICO 14729</p> <p>Certificate Number 14729</p>

CERTIFICATE OF SERVICE

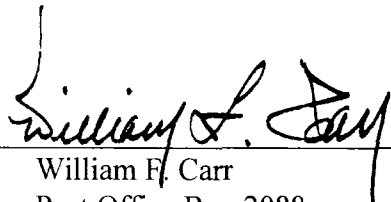
THIS WILL CERTIFY that a true and correct copy of the foregoing Motion to Dismiss was hand-delivered or delivered by facsimile this 9th day of January, 2001 to the following:

David R. Catanach
Hearing Examiner
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
Attorney for Pogo Producing Company

Respectfully submitted,

HOLLAND & HART LLP
AND
CAMPBELL & CARR

By: 
William F. Carr
Post Office Box 2088
Santa Fe, New Mexico 87501
(505) 988-4412