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February 13, 2001

HAND-DELIVERED

Lori Wrotenberg, Director
Oil Conservation Division
New Mexico Energy, Minerals and
Natural Resources Department
1220 South St. Francis Drive
Santa Fe, New Mexico 87504

5000 12611

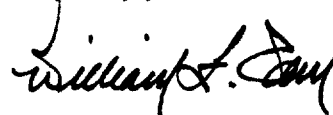
RECEIVED
FEB 13 2001
NEW MEXICO

Re: Application of EOG Resources, Inc. for Compulsory, Lea County, New Mexico

Dear Ms. Wrotenberg:

Enclosed in triplicate is an Application of EOG Resources, Inc. in the above-referenced case as well as a copy of a legal advertisement. EOG Resources, Inc. respectfully requests that this matter be placed on the docket for the March 8, 2001 Examiner hearings.

Very truly yours,



William F. Carr

Enclosures

cc: Larry Cunningham, Project Landman
EOG Resources, Inc.
Post Office Box 2267
Midland, TX 79702

**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. 2611

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 top 100 feet of the Mississippian Chester formation in the W/2 of Section 7, Township 24 South, Range 34 East, NMPM for any and all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the South Bell Lake-Morrow Gas Pool, and in support of its application states:

1. EOG is a working interest owner in the W/2 of said Section 7, on which it proposes to drill its Bell Lake Unit Well No. 8 at a standard well location 1980 feet from the North line and 660 feet from the West line (Unit E) to an approximate total depth of 14,500 feet to test any and all formations developed on 320-acre spacing.

2. EOG has sought and been unable to obtain either voluntary agreement for pooling or farmout from certain owners of working interest in the W/2 of this section which are identified on Exhibit A to the application.

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 March 8, 2001, 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,

HOLLAND & HART LLP and
CAMPBELL & CARR

By: 

WILLIAM F. CARR

Post Office Box 2208

Santa Fe, New Mexico 87504

Telephone: (505) 988-4421

ATTORNEYS FOR EOG RESOURCES, INC.

CASE _____:

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 through the top 100 feet of the Mississippian Chester formation underlying the W/2 of Section 7, Township 24 South, Range 34 East, N.M.P.M. for any formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the South Bell Lake-Morrow Gas Pool. Applicant proposes to dedicate these pooled units to its Bell Lake Unit Well No. 8 to be drilled at a standard location 1980 feet from the North line and 660 feet from the East line (Unit E) of said Section 7. 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 22 miles northwest of Jal, New Mexico.

EXHIBIT A

**APPLICATION OF EOG RESOURCES, INC.
FOR COMPULSORY POOLING AND
A NON-STANDARD SPACING AND PRORATION UNIT,
EDDY COUNTY, NEW MEXICO.
NOTICE LIST**

Lee R. Bass, Inc.
201 Main Street, Suite 3100
Fort Worth, Texas 76102
Attention Wayne Bailey

Kaiser-Francis Oil Company
Post Office Box 21468
Tulsa, Oklahoma 74121-1468

Sid R. Bass, Inc.
201 Main Street, Suite 3100
Fort Worth, Texas 76102
Attention: Wayne Bailey

Brady M. Lowe, Trustee of the
Brady M. Lowe Family Trust UTA
308 Comet
Austin, Texas 78734

Keystone, Inc.
210 Main Street, Suite 3100
Fort Worth, Texas 76102
Attention: Wayne Bailey

ExxonMobil Corporation
Post Office Box 4697
Houston, Texas 77210-4697
Attention: Paul Keffer

Thru Line, Inc.
201 Main Street, Suite 3100
Fort Worth, Texas 76102
Attention: Wayne Bailey

Perry R. Bass, Inc.
201 Main Street, Suite 3100
Fort Worth, Texas 76102
Attention: Wayne Bailey

Perry R. Bass, Trustee
201 Main Street, Suite 3100
Fort Worth, Texas 76102
Attention: Wayne Bailey