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AND
CAMPBELL & CARR
ATTORNEYS AT LAW

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BOULDER • COLORADO SPRINGS
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SALT LAKE CITY • SANTA FE
WASHINGTON, D.C.

SUITE 1
110 NORTH GUADALUPE
SANTA FE, NEW MEXICO 87501-6525
MAILING ADDRESS
P.O. BOX 2208
SANTA FE, NEW MEXICO 87504-2208

TELEPHONE (505) 988-4421
FACSIMILE (505) 983-6043
www.hollandhart.com

April 4, 2001

HAND-DELIVERED

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

Case 12648

01 APR -4 PM 12:51
01 APR 2001

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

Dear Ms. Wrotenbery:

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 May 3, 2001 Examiner hearings.

Very truly yours,



William F. Carr
Attorney for EOG Resources, Inc.

Enclosures

cc: Larry D. Cunningham
Project Landman
EOG Resources, Inc.
Post Office Box 2267
Midland, Texas 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. 12648

OIL CONSERVATION DIV.
01 APR -4 PM 12:51

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 in the following described acreage in Section 24, Township 22 South, Range 32 East, NMPM: the S/2 to form a spacing and proration unit for all formations developed on 320-acre spacing within that vertical extent which includes but is not necessarily limited to the Undesignated East Red Tank-Cisco Canyon Gas Pool, Undesignated East Red Tank-Atoka Gas Pool, Undesignated East Red Tank-Morrow Gas Pool and Undesignated Bootleg Ridge-Morrow Gas Pool; SW/4 to form a standard spacing and proration unit for all formations developed on 160-acre spacing within that vertical extent; and the SW/4 SW/4 to form a standard spacing and proration unit for all formations developed on 40-acre spacing within that vertical extent which includes but is not necessarily limited to the West Red Tank-Delaware Pool and the Red Tank-Bone Spring Pool, and in support thereof states:

1. EOG is a working interest owner in the S/2 of said Section 24, Township 22 South, Range 32 East, NMPM, on which it proposes to drill its Red Tank "24" Federal Well No. 3 at a standard gas well location 660 feet from the South and West lines of the section 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 the development of this acreage from the owners of interest in the S/2 of Section 24 identified on Exhibit A to this application to whom notice of this application will be provided in accordance with the rules of the Division.

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.

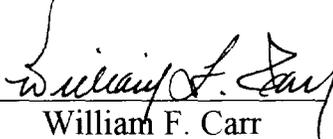
WHEREFORE, EOG Resources, Inc. requests that this application be set for hearing before an Examiner of the Oil Conservation Division on May 3, 2001, and, after notice and hearing as required by law, the Division enter its order:

- 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.

EXHIBIT A

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

NOTICE LIST

C. W. Trainer
Post Office Box 754
Midland, Texas 79702

Pogo Producing Company
Post Office Box 10340
Midland, Texas 79702-7340

Anne Losee
c/o Jerry Losee
Losee, Carson, Haas & Carroll, PA
Post Office Box 1720
Artesia, New Mexico 88211-1720

Elizabeth Losee
c/o Jerry Losee
Losee, Carson, Haas & Carroll, PA
Artesia, New Mexico 88211-1720

CASE 12648:

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 in all formations developed on 320-acre spacing in the S/2 which includes but is not necessarily limited to the Undesignated East Red Tank-Cisco Gas Pool, Undesignated East Red Tank-Atoka Gas Pool, Undesignated East Red Tank-Morrow Gas Pool and Undesignated Bootleg Ridge-Morrow Gas Pool; in all formations developed on 160-acre spacing in the SW/4; and in all formations developed on 40-acre spacing under the SW/4 SW/4 which includes but is not necessarily limited to the, West Red Tank-Delaware Pool and the Red Tank-Bone Spring Pool all in Section 24, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico. Applicant proposes to dedicate the pooled units to its Red Tank "24" Federal Well No. 3 to be drilled at a standard gas well location 660 feet from the South and West lines of said Section 24. 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 13 miles southeast of the intersection of State Highway 176 and U. S. Highway 62/180.