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April 10, 2001

**HAND DELIVERED**

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

*Case 12649*

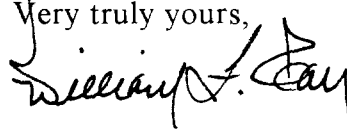
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**Re: Application of EOG Resources, Inc. for pool creation,  
special pool rules, and a discovery allowable, Eddy County,  
New Mexico.**

Dear Ms. Wrotenbery:

Enclosed in triplicate is the application of EOG Resources, Inc. in the above-referenced case and a copy of the legal advertisement. This legal advertisement also has been sent to the Oil Conservation Division by E-mail.

EOG Resources, Inc. requests that this application be included on the May 3, 2001, Examiner Hearing docket.

Very truly yours,  


William F. Carr

Enclosures

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

**IN THE MATTER OF THE APPLICATION  
OF EOG RESOURCES, INC. FOR POOL  
CREATION, SPECIAL POOLS RULES,  
AND A DISCOVERY ALLOWABLE,  
EDDY COUNTY, NEW MEXICO.**

CASE NO. 12649

OL OIL CONSERVATION DIV.  
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**APPLICATION**

EOG Resources, Inc. ("EOG"), through its undersigned attorneys, hereby makes application for an order creating a new oil pool in the Strawn formation as the result of the discovery of hydrocarbons in its Oak Lake "25" Federal Well No. 1 which has been drilled at a standard oil well location in Section 25, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico. EOG also seeks a discovery allowable for the well, and the promulgation of Special Pool Rules and Regulations which provide for (A) 160-acre spacing and proration units, (B) special well location requirements, (C) a special gas-oil ratio of 4,000 cubic feet of gas for each barrel of oil produced, and (D) a special oil depth bracket allowable for the pool. In support of its application, EOG states:

1. EOG has drilled its Oak Lake "25" Federal Well No. 1 to an approximate depth of 10,854 feet at a standard oil well location 850 feet from the North line and 750 feet from the West line of Section 25, Township 17 South, Range 30 East, NMPM.
2. The Oak Lake "25" Federal Well No. 1 is completed uphole in the Strawn

formation at a depth of 10,240 - 10,467 feet in a new source of supply in the Strawn formation capable of producing oil at rates which exceed the depth bracket allowable for the pool.

3. EOG seeks the establishment of a new pool for production of oil from the Strawn formation to be comprised of the following acreage:

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM

Section 25: NW/4

4. EOG seeks the promulgation of Special Pool Rules and Regulations for this new pool which provide for:

- A. 160-acre oil spacing and proration units with wells to be located no closer than 660 feet from the outer boundary of the dedicated acreage;
- B. a special gas-oil ratio for the pool of 4,000 cubic feet of gas for each barrel of oil produced, and
- C. a special depth bracket allowable for the pool of 1,120 barrels of oil per day.

5. Approval of this application will prevent economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, prevent reduced recovery which might result from the drilling of too few wells and otherwise prevent waste, and protect correlative rights.

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, that

after notice and hearing as required by the rules of the Division, this application be granted.

Very truly yours,

HOLLAND & HART, LLP  
AND  
CAMPBELL & CARR

By:   
William F. Carr  
ATTORNEY FOR EOG RESOURCES, INC.

Case 12649:

Application of EOG Resources, Inc. for pool creation, special pool rules, and a discovery allowable, Eddy County, New Mexico. Applicant seeks the creation of a new pool in the Strawn formation as the result of the discovery of hydrocarbons in its Oak Lake "25" Federal Well No. 1 located 850 feet from the North line and 750 feet from the West line of Section 25, Township 17 South, Range 30 East, NMPM, including provisions for 160-acre oil well spacing, special well location requirements, a gas-oil ratio of 4,000 cubic feet of gas for each barrel of oil produced, and a special depth bracket allowable of 1,120 barrels of oil per day for the pool. EOG is also seeking approval of a discovery allowable for this well. The proposed pool is centered approximately 3 miles East of Loco Hills, New Mexico.

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