

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

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:**

**APPLICATION OF EOG RESOURCES, INC.
FOR COMPULSORY POOLING AND AN
UNORTHODOX GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO.**

CASE NO. 12749

01 OCT 25 PM 3:28
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PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Holland & Hart LLP pursuant to Oil Conservation Division Rule 1208.B:

APPEARANCES OF PARTIES

APPLICANT:

EOG Resources, Inc.
Attn: Patrick J. Tower
P.O. Box 2267
Midland, Texas 79702
(915) 686-3776

ATTORNEY:

William F. Carr, Esq.
Holland & Hart LLP
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421

STATEMENT OF CASE

APPLICANT:

Application of EOG Resources, Inc. for compulsory pooling and an unorthodox gas well location, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests in all formations from the surface through the base of the Morrow in the following described spacing and proration units located in Section 13, Township 18 South, Range 32 East, NMPM, Lea County, New Mexico: the E/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated South Corbin-Morrow Gas Pool; the SE/4 for all formations and/or pools developed on 160-acre spacing; the N/2 SE/4 for all formations and/or pools developed on 80-acre spacing which includes but is not necessarily limited to the Undesignated South Corbin-Wolfcamp Pool and the NE/4 SE/4 for all formations and/or pools developed on 40-acre spacing which includes but is not necessarily limited to the Undesignated Querecho Plains-Upper Bone Spring Pool, to be dedicated to the Mantaray "13" Federal Com Well No. 1 to be drilled at an unorthodox gas well location in all formations developed on 320-acre and 160-acre and 80-acre spacing at a point 2306 feet from the South line and 936 feet from the East line of said Section 13. 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.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

(Name and expertise)

EST. TIME

EXHIBITS

Patrick J. Tower (Land)

15 Minutes

Approx. 6

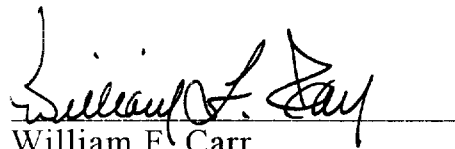
David Godsey (Geology)

10 Minutes

Approx. 3

PROCEDURAL MATTERS

EOG Resources, Inc. will request that the portion of this case concerning the unorthodox well location be dismissed. The location was approved by Division Administrative Order NSL-4656, dated October 22, 2001. EOG remains hopeful that all interest owners in the acreage to be dedicated to this well will voluntarily participate and that the compulsory pooling case can then be dismissed. If not, EOG needs to go to hearing on the compulsory pooling portion of this application because it plans to commence drilling in the near future.

A handwritten signature in black ink, appearing to read "William F. Carr", is written over a horizontal line.

William F. Carr
Attorney for EOG Resources, Inc.