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December 28, 1999

HAND-DELIVERED

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87503

12329

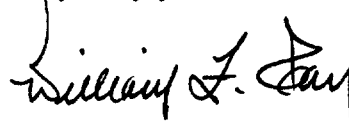
CLERK OF DISTRICT COURT
99 DEC 28 AM 11:04

Re: Application of EOG Resources, Inc. for approval of a Unit Agreement, Lea
County, New Mexico

Dear Ms. Wrotenbery:

Enclosed in triplicate is the Application of EOG Resources, Inc. in the above-referenced case as well as a copy of the legal advertisement. EOG Resources, Inc. requests that this matter be placed on the January 20, 2000 Examiner Hearing docket.

Very truly yours,



William F. Carr

WFC/md
Enclosures

cc: Mr. Larry D. Cunningham
EOG Resources, Inc.
Post Office Box 2267
Midland, Texas 79702

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

**APPLICATION OF EOG RESOURCES, INC.
FOR APPROVAL OF A UNIT AGREEMENT,
LEA COUNTY, NEW MEXICO.**

CASE NO. 12329

OIL CONSERVATION DIV.
DEC 28 AM 11:05

APPLICATION

EOG RESOURCES, INC. ("EOG"), through its undersigned attorneys, hereby makes application for an order approving its Red Hills North Unit and in support of this application states:

1. That the proposed Unit consists of 4198.20 acres, more or less, of Federal and State lands, situated in Lea County, New Mexico. The horizontal limits of said unit are described as follows:

Township 25 South, Range 34 East, N.M.P.M.

Section 6:	S/2
Section 7:	All
Section 8:	SW/4
Sections 17 & 18:	All

Township 25 South, Range 33 East, N.M.P.M.

Section 1:	S/2, NE/4, S/2 NW/4, NE/4 NW/4
Section 12 & 13:	All

2. The Unit Agreement has been approved by a sufficient percentage of the interest owners within the proposed Unit Area to provide effective control of unit operations.

3. The Applicant, EOG Resources, Inc., is designated as Unit Operator in said

Unit Agreement and all oil and gas in the all formations are unitized.

4. The proposed Unit Area covers all, or substantially all, of the geological structures or anomaly involved.

5. Said Unit Agreement and the unitized operation and management of the Unit Area will be in the interest of conservation and the prevention of waste, and that it will protect the correlative rights of all parties concerned.

WHEREFORE, EOG Resources, Inc. requests that this application be set for hearing before an Examiner of the Oil Conservation Division on January 20, 2000, that notice be given as required by law and the rules of the Division, and that the Red Hills North Unit be approved.

Respectfully submitted,

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.

By: 

WILLIAM F. CARR
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Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR EOG RESOURCES, INC.