

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

IN THE MATTER OF THE APPLICATION OF)	
EOG RESOURCES, INC. FOR AN ORDER)	
EXPANDING ORDER 421-1 TO INCLUDE)	
ADDITIONAL LANDS AND ESTABLISH)	
ADDITIONAL DRILLING AND SPACING)	Cause No. 421
UNITS AND WELL LOCATION RULES FOR)	Docket No. _____
THE NIOBRARA FORMATION OF CERTAIN)	
DESCRIBED LANDS LOCATED IN)	
TOWNSHIP 12 NORTH, RANGE 61 WEST,)	
TOWNSHIPS 10, 11, & 12 NORTH, RANGE)	
62 WEST, TOWNSHIPS 10, 11, AND 12)	
NORTH, RANGE 63 WEST, AND)	
TOWNSHIPS 11 & 12 NORTH, RANGE 64)	
WEST IN WELD COUNTY, COLORADO)	

APPLICATION

EOG Resources, Inc. (“Applicant”), by and through its attorneys, Beatty & Wozniak, P.C., respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the “Commission”) for an order expanding Order No. 421-1 to include an additional eighty-five (85) approximate 640-acre drilling and spacing units and corresponding well location rules applicable to the drilling and producing of wells from the Niobrara Formation covering certain described lands in Weld County, Colorado and in support of its Application, Applicant states and alleges as follows:

1. Applicant is a corporation duly authorized to conduct business in the State of Colorado.
2. Applicant owns leasehold interests in the lands described on Exhibit B attached hereto and incorporated herein by reference (hereafter the “Application Lands”).
3. On February 22, 2010 the Commission entered Order No. 421-1 which established fifty-eight (58) approximate 640-acre drilling and spacing units in Townships 11 and 12 North, Ranges 62 and 62 West for the production of oil, gas and associated hydrocarbons from the Niobrara Formation with no more than one (1) horizontal well to be drilled in each unit. The lands subject to Order No. 421-1 are outlined in blue/purple on Exhibit B attached hereto and incorporated by reference herein. Order No. 421-1 further ordered that the surface location for each horizontal well shall be located anywhere within the unit, provided that the horizontal leg into the Niobrara Formation shall not be closer than 600 feet to the outside boundary of the drilling unit and the terminus of the horizontal leg shall not be any closer than 600 feet to the outside boundary of the drilling and spacing unit without exception being granted by the Director of the Oil and Gas Conservation Commission.
4. The Application Lands are subject to Commission Rule 318.a. which provides that a well to be drilled in excess of two thousand five hundred (2,500) feet in depth shall be located not less than six hundred (600) feet from any lease line, and shall be located not less than one thousand two hundred (1,200) feet from any other producible or drilling oil or gas well when drilling to the same source of supply, unless authorized by order of the Commission upon hearing. The Application Lands are outlined in pink on Exhibit B. There are no other specific Commission Orders applicable to the Niobrara Formation underlying the Application Lands.
5. The Niobrara Formation in this area is defined as the stratigraphic equivalent of the interval between 7,200’ and 7,492’ as found in the LaMotta 5-01 M Well located in Township 11 North, Range 63 West, Section 1: SW/4NE/4. The Niobrara Formation is a common source of supply underlying the Application Lands.

6. To promote efficient drainage within the Niobrara Formation of the Application Lands, to protect correlative rights and to avoid waste, the Commission should expand Order No. 421-1 to include the Application Lands and to establish drilling and spacing units of approximately 640 acres as more particularly described in Exhibit B attached hereto and incorporated herein by reference.

7. That Applicant has drilled, tested and completed wells in the Niobrara Formation upon the lands nearby to Application Lands.

8. That the above-proposed drilling and spacing units will allow efficient drainage of the Niobrara Formation; will prevent waste; will not adversely affect correlative rights and will assure the greatest ultimate recovery of gas and associated hydrocarbon substances from the reservoirs. Drilling and spacing units of the size and shape specified above are not smaller than the maximum area that can be economically and efficiently drained by the proposed well in each such drilling and spacing unit.

9. That the Applicant is requesting to drill and complete one horizontal well in each of the established 640-acre drilling and spacing units comprised of the Application Lands. The Applicant states that each proposed horizontal well shall be drilled in the designated drilling and spacing unit with initial penetration of the Niobrara Formation and an ultimate bottomhole location no closer than 600' from the boundaries of the drilling and spacing unit. The Applicant further maintains that the proposed horizontal wells will have no adverse effect on correlative rights of adjacent owners.

10. That the Applicant requests that the Commission take administrative notice of the testimony and exhibits presented by Applicant as referenced in Order No. 421-1.

11. That the names and addresses of the interested parties according to the information and belief of the Applicant are set forth in Exhibit A attached hereto and made a part hereof, and the undersigned certifies that copies of this Application shall be served on each interested party within the next seven days as required by Rule 503.e.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing, that notice be given as required by law and that upon such hearing this Commission enter its order consistent with Applicant's proposals as set forth above.

Dated this 1st day of September, 2010.

Respectfully submitted,

EOG RESOURCES, INC.

By: _____
Michael J. Wozniak
Jamie L. Jost
Beatty & Wozniak, P.C.
Attorneys for Applicant
216 16th Street, Suite 1100
Denver, Colorado 80202
(303) 407-4499

Applicant's Address:

600 17th Street, Suite 1100N
Denver, CO 80202

VERIFICATION

STATE OF COLORADO)
) ss.
CITY & COUNTY OF DENVER)

Jason McLaren, Landman with EOG Resources, Inc., upon oath deposes and says that he has read the foregoing Application and that the statements contained therein are true to the best of his knowledge, information and belief.

EOG RESOURCES, INC.

Jason McLaren, Landman

Subscribed and sworn to before me this _____ day of September, 2010 by Jason McLaren, Landman for EOG Resources, Inc.

Witness my hand and official seal.

My commission expires:_____

Notary Public

EXHIBIT A

INTERESTED PARTIES

EXHIBIT B

LIST OF DRILLING AND SPACING UNITS

Weld County, Colorado

Township 10 North, Range 62 West, 6th P.M.
Sections 2-9

Township 10 North, Range 63 West, 6th P.M.
Sections 1, 2, 3-5, 10, 11, 14-16

Township 11 North, Range 62 West, 6th P.M.
Sections 1-4, 9-16, 21, 22-28, 31-36

Township 11 North, Range 63 West, 6th P.M.
Sections 6, 7, 18, 19, 30-36

Township 11 North, Range 64 West, 6th P.M.
Section 1, 11-16, 22-25, 35, 36

Township 12 North, Range 61 West, 6th P.M.
Section 31

Township 12 North, Range 62 West, 6th P.M.
Sections 23, 24, 25, 33-36

Township 12 North, Range 63 West, 6th P.M.
Sections 19, 20, 29, 30, 31, 32

Township 12 North, Range 64 West, 6th P.M.
Sections 23, 24, 25

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

IN THE MATTER OF THE APPLICATION OF)	
EOG RESOURCES, INC. FOR AN ORDER)	
EXPANDING ORDER 421-1 TO INCLUDE)	
ADDITIONAL LANDS AND ESTABLISH)	
ADDITIONAL DRILLING AND SPACING)	Cause No. 421
UNITS AND WELL LOCATION RULES FOR)	Docket No. _____
THE NIOBRARA FORMATION OF CERTAIN)	
DESCRIBED LANDS LOCATED IN)	
TOWNSHIP 12 NORTH, RANGE 61 WEST,)	
TOWNSHIPS 10, 11, & 12 NORTH, RANGE)	
62 WEST, TOWNSHIPS 10, 11, AND 12)	
NORTH, RANGE 63 WEST, AND)	
TOWNSHIPS 11 & 12 NORTH, RANGE 64)	
WEST IN WELD COUNTY, COLORADO)	

AFFIDAVIT OF MAILING

STATE OF COLORADO)
)ss.
CITY AND COUNTY OF DENVER)

Jamie L. Jost, of lawful age, and being first duly sworn upon her oath, states and declares:

That she is the attorney for EOG Resources, Inc. and that on or before September __, 2010, she caused a copy of the attached Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit A to the Application.

Jamie L. Jost

Subscribed and sworn to before me September __, 2010.

Witness my hand and official seal.

My commission expires: _____.

Notary Public