

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

IN THE MATTER OF THE PROMULGATION AND)	CAUSE NOS. 407 & 535
ESTABLISHMENT OF FIELD RULES TO)	
GOVERN OPERATIONS IN THE WATTENBERG)	DOCKET NO. <i>To be assigned</i>
FIELD AND AN UNNAMED FIELD, WELD)	
COUNTY, COLORADO)	

APPLICATION

EOG Resources, Inc. (“EOG” or “Applicant”), by and through its attorneys, Burleson LLP, respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the “Commission”) for an order authorizing an exception surface location for a horizontal well to be drilled and completed in the NW¼ NW¼ of Section 10, Township 6 North, Range 62 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation. In support of the Application, Applicant states and alleges as follows:

1. Applicant is a corporation duly authorized to conduct business in the State of Colorado, and has registered as an operator with the Commission.
2. Applicant owns substantial leasehold interests in the below-listed lands:

Township 6 North, Range 62 West, 6th P.M.
Section 10: All

These lands are hereinafter referred to as the “Application Lands.”

3. On April 27, 1998, the Commission adopted Rule 318A.a., which, among other things, designated the following surface drilling locations (Greater Wattenberg Area “GWA” windows) for wells drilled in the GWA, including Section 10, Township 6 North, Range 62 West, 6th P.M.:

- (1) A square with sides four hundred (400) feet in length, the center of which is the center of any governmental quarter-quarter section (“400’ window”); and
- (2) A square with sides eight hundred (800) feet in length, the center of which is the center of any governmental quarter section (“800’ window”).
- (3) Absent a showing of good cause, which shall include the existence of a surface use or other agreement with the surface owner authorizing a surface well location outside of the GWA window, all surface wellsites shall be located within a GWA window.

4. On February 22, 2011, the Commission issued Order No. 535-4, which, among other things, established an approximate 640-acre drilling and spacing unit for the Application Lands, and approved one horizontal well within the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the initial perforation and the ultimate bottomhole location being no closer than 600 feet from the boundaries of the unit without exception being granted by the Director.

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5. Applicant proposes to drill the Dutch Lake #08-10H Well (the “Well”) from a surface location outside of the GWA window, specifically, 519 feet FNL and 230 feet FWL in the NW¼ NW¼ of Section 10, Township 6 North, Range 62 West, 6th P.M., and alleges that the surface location will allow the optimum wellbore positioning for the horizontal development of the Niobrara Formation within the established drilling and spacing unit while maintaining the setback from the boundaries of the unit. Applicant has attempted, but has been unable, to negotiate an agreement with the surface owner on terms consistent with other surface owners with whom the Applicant has successfully resolved similar issues in the area. A plat reflecting the location is attached as Exhibit A.

6. That in order to promote efficient drainage of the Niobrara Formation underlying the Application Lands, to prevent waste, and to protect correlative rights, the Commission should authorize a surface well location outside of the GWA window for the Well as is proposed above.

7. The granting of this application is in accord with the Oil and Gas Conservation Act, found at §34-60-101, *et seq.*, C.R.S., and the Commission rules.

8. That the names and addresses of the interested parties according to the information and belief of the Applicant are set forth in Exhibit B 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:

A. Authorizing the Dutch Lake #08-10H Well to be drilled from a surface location of 519 feet FNL and 230 feet FWL in the NW¼ NW¼ of Section 10, Township 6 North, Range 62 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

B. For such other findings and orders as the Commission may deem proper or advisable in the premises.

Dated this _____ day of October, 2011.

Respectfully submitted,

EOG RESOURCES, INC.

By: _____
Robert A. Willis (Colorado Bar No. 26308)
Katharine E. Fisher (Colorado Bar No. 39230)
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(303) 801-3200

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 October, 2011, by Jason McLaren, Landman for EOG Resources, Inc.

Witness my hand and official seal.

My commission expires: _____

Notary Public

EXHIBIT B

INTERESTED PARTIES

The names and addresses of the interested parties according to the information and belief of the Applicant are set forth in this Exhibit B.

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P.O. Box 758
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Bailey Blumenreich

My commission expires: _____.

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