

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)
ALLOWING AN ADDITIONAL HORIZONTAL) Cause No. 421
WELL IN A 640-ACRE DRILLING AND)
SPACING UNIT FOR THE NIOBRARA) Docket No. _____
FORMATION IN SECTION 36, TOWNSHIP 12)
NORTH, RANGE 63 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 to permit a third horizontal well in a 640-acre drilling and spacing unit for the Niobrara Formation 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 Weld County, Colorado, located within the area requested for infill drilling set forth below:

Township 12 North, Range 63 West, 6th P.M.
Section 36: All

These lands are hereinafter referred to as the “Infill Application Lands.” A reference map is attached hereto.

3. Commission Order No. 421-1 established, among other things, a 640-acre drilling and spacing unit for the Infill Application Lands and allowed one (1) horizontal well on the Application Lands. Order No. 421-1 also provided 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.

4. Commission Order No. 421-2 approved one (1) additional horizontal well, for a total of up to two (2) horizontal wells, could be drilled on the Infill Application Lands. Order No. 421-2 also provided that the additional well would be drilled from a common pad.

5. Applicant requests that one (1) additional horizontal well be allowed for production of oil, gas and associated hydrocarbons from the Niobrara Formation on the Infill Application Lands for a total of three (3) permitted horizontal wells in the Infill Application Lands. Applicant states that the third well shall be drilled in the designated 640-acre drilling and spacing unit with initial perforation of the Niobrara Formation and the ultimate bottomhole location no closer than 600’ from the boundaries of the drilling and spacing unit.

6. The surface location of the third well shall be located on a new pad which will result in a total of two surface well pads on the Infill Application Lands. Applicant has a surface use agreement with place with the surface owner for the additional well pad.

7. Applicant asserts that this third well is an exploratory horizontal well that will be used to determine if an additional well is required to efficiently and economically drain the Infill Application Lands. Applicant determined that the Infill Application Lands provide the best location to drill this exploratory horizontal well because: (a) monitoring wells currently exist on the Infill Application Lands, (b) a surface use agreement is already in place for the new well pad, and (c) the two (2) existing horizontal wells have already achieved production and will be useful in Applicant’s determination of whether an additional well is necessary to efficiently and economically drain the Infill Application Lands.

8. Applicant asserts that the additional infill well, for a total of three (3) wells on the Infill Application Lands, is necessary to prevent waste, protect correlative rights and to assure the greatest recovery of oil, gas and associated hydrocarbons from the Niobrara formation all in accordance with the Colorado statutes and the Commission rules.

9. Applicant asserts the infill well can be developed in a manner consistent with protection of public health, safety and welfare.

10. 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:

A. Establishing that one (1) additional horizontal infill well (for a total of three authorized horizontal Niobrara wells) may be completed in the Infill Application Lands for oil, gas and associated hydrocarbons from the Niobrara Formation underlying the Infill Application Lands.

B. Establishing that the infill well shall be drilled in the designated 640-acre drilling and spacing unit with initial perforation of the Niobrara Formation and the ultimate bottomhole location no closer than 600' from the outer boundaries of the drilling and spacing unit with no interwell setback required.

C. Establishing that the infill well shall be no closer than 100' from another drilled or producing wellbore on the Infill Application Lands.

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

Dated this 2nd day of February, 2011.

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 1100
Denver, CO 80202

EXHIBIT A

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 A.

Celia Greenman
Colorado Division of Wildlife
6060 Broadway
Denver, CO 80216

Kent Kuster
Colorado Department of
Public Health & Environment
4300 Cherry Creek Drive South
Denver, CO 80246-1530

Bruce T. Barker
Weld County
P.O. Box 758
Greeley, CO 80632

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)
ALLOWING AN ADDITIONAL WELL IN A) Cause No. 421
640-ACRE DRILLING AND SPACING UNIT)
FOR THE NIOBRARA FORMATION IN) Docket No. _____
SECTION 36, TOWNSHIP 12 NORTH, RANGE)
63 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., that on or before February 11, 2011, 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 February ____, 2011.

Witness my hand and official seal.

My commission expires: _____.

Notary Public