

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

|                                       |                  |
|---------------------------------------|------------------|
| IN THE MATTER OF THE APPLICATION OF ) |                  |
| EOG RESOURCES, INC. FOR AN ORDER )    | Cause No. 531    |
| POOLING ALL NONCONSENTING INTERESTS ) |                  |
| IN THE NIOBRARA FORMATION IN AN )     | Docket No. _____ |
| ESTABLISHED 628-ACRE DRILLING AND )   |                  |
| SPACING UNIT LOCATED IN JACKSON )     |                  |
| COUNTY, COLORADO )                    |                  |

APPLICATION

EOG Resources, Inc. (referred to herein as “Applicant”), by and through its undersigned attorneys, hereby submits this application to the Oil and Gas Conservation Commission of the State of Colorado (“COGCC”), for an order to pool all nonconsenting interests for the drilling of a well in an established 628-acre drilling and spacing unit in the Niobrara Formation consisting of the Section 7, Township 7 North, Range 80 West, 6<sup>th</sup> P.M., Jackson County, Colorado. In support thereof, the Applicant states and alleges as follows:

- 1. That the Applicant is a corporation duly authorized to conduct business in the State of Colorado.
- 2. That the Applicant owns certain leasehold interests in the unit requested for pooling.
- 3. Order No. 531-2 established, among other things, a 628-acre drilling and spacing unit for the production of oil and associated hydrocarbons from the Niobrara Formation for the Application Lands (defined in Paragraph 4 below). Order No. 531-2 also allowed one (1) horizontal well to be drilled and completed in each of the established drilling and spacing units, with the option to drill a second horizontal well in such drilling and spacing unit, and that each proposed horizontal well shall be drilled in the designated drilling and spacing unit with the initial penetration of the Niobrara Formation and ultimate bottomhole location no closer than 600 feet from the boundaries of the drilling and spacing unit.
- 4. Applicant, pursuant to Commission Rule 530 and pursuant to the provisions of C.R.S. § 34-60-116 (6) and (7), seeks an order to pool all nonconsenting interest owners in a 628-acre drilling and spacing unit for the development and operation of the Niobrara Formation from the following described lands:

Township 7 North, Range 80 West, 6<sup>th</sup> P.M.  
Section 7: Lots 1-4, E½W½ and E½

Jackson County, Colorado

(hereinafter referred to as the “Application Lands”)

- 5. Applicant horizontally drilled the Hebron 1-18H Well within the 628-acre drilling and spacing unit described in paragraph 4 above. The spud date of the Hebron 1-18H Well is October 5, 2010. A plat showing the Hebron 1-18H Well’s permitted location is attached. The surface location of the Hebron 1-18H Well is approximately 308’ FNL and 2326’ FEL located in Section 7, Township 7 North, Range 80 West, 6<sup>th</sup> P.M. The bottomhole location is approximately 620’ FNL and 620’ FEL located in the NE¼NE¼ of Section 7, Township 7 North, Range 80 West, 6<sup>th</sup> P.M.
- 6. Applicant owns an approximate 97.84% working interest in the Hebron 1-18H Well and holds an approved Application for Permit to Drill for the Hebron 1-18H Well.
- 7. Applicant requests that the Commission’s involuntary pooling order issued with respect to this Application be retroactive to the date of spudding of the Hebron 1-18H Well.
- 8. Exhibit A attached hereto lists the unleased mineral interest owner and royalty owners for the 628-acre drilling and spacing unit together with their addresses. The unleased mineral owner (not otherwise voluntarily pooled) has been offered an AFE and the opportunity to participate in the

drilling of the Hebron 1-18H Well. To date, however, such owner has not elected to participate by agreeing to bear its proportionate shares of the costs and risks of drilling, completing and operating the well. In addition, Applicant has made an offer to lease to the unleased mineral interest owner (not otherwise voluntarily pooled) as required by Commission Rule 530.c. and C.R.S. §34-60-116(7)(d). To date, however, the unleased mineral owner has not accepted such offer. The AFE and offer to participate in drilling and the offer to lease was sent to the unleased mineral interest owner more than thirty (30) days prior to the date of the hearing on this Application.

9. With respect to all of the owners who have not elected to participate, in order to prevent waste, protect correlative rights and in the best interests of conservation, all interests owned by the nonconsenting parties listed on Exhibit A should be pooled in the Niobrara Formation in accordance with C.R.S. §34-60-116 and Rule 530 of the COGCC.

10. That the names and addresses of the interested parties with respect to this Application are set forth in Exhibit A hereto and notice of this Application has been provided to those parties entitled to the same pursuant to Commission Rule 503.e.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing, that notice thereof be given as required by law and that upon such hearing this Commission enter its order:

WHEREFORE, Applicant respectfully requests that this matter be set for hearing, that notice thereof be given as required by law and that upon such hearing this Commission enter its order:

A. Pooling involuntarily the unleased mineral interest owner listed on Exhibit A with whom Applicant has been unable to secure a lease or an agreement for the drilling of the Hebron 1-18H Well as described in Paragraph 5 and that such owner be treated as a non-consenting owner under C.R.S. §34-60-116 and made subject to the terms and penalties provided for therein.

B. That all interest owners in the 628-acre drilling and spacing unit which are not voluntarily pooled in the 628-acre drilling and spacing unit be involuntarily pooled.

C. That the effective date of the COGCC's involuntary pooling order will be made retroactive to the date of spudding of the Hebron 1-18H Well.

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

Dated this \_\_\_ day of December, 2010.

Respectfully submitted,

EOG RESOURCES, INC.

By: \_\_\_\_\_  
Jamie L. Jost  
Michael J. Wozniak  
Beatty & Wozniak, P.C.  
Attorneys for Applicant  
216 16<sup>th</sup> 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 December, 2010, by Jason McLaren,  
\_\_\_\_\_ for EOG Resources, Inc.

Witness my hand and official seal.

My commission expires:\_\_\_\_\_

\_\_\_\_\_  
Notary Public

## EXHIBIT A

### INTERESTED PARTIES

#### Unleased Mineral Interest Owner:

A North Park, LLC  
6400 Rabbit Mountain Road  
Longmont, CO 80503

#### Royalty Interest Owners:

Lufkin-Woodard Investments, LLC  
C/o William C. Waller  
5105 DTC Parkway, Suite 450  
Greenwood Village, CO 80111

Boyer Land, LLC  
27680 Beaver Ridge Road  
Steamboat Springs, CO 80487

James A. Elliott and Judy M. Elliott, as tenants in common  
20813 State Highway 14  
Walden, CO 80480

**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 )  
POOLING ALL NONCONSENTING )  
INTERESTS IN THE NIOBRARA FORMATION )  
IN AN ESTABLISHED 628-ACRE DRILLING )  
AND SPACING UNIT LOCATED IN JACKSON )  
COUNTY, COLORADO )

Cause No. 531

Docket No. \_\_\_\_\_

**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 December \_\_, 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 December \_\_, 2010.

Witness my hand and official seal.

My commission expires: \_\_\_\_\_.

\_\_\_\_\_  
Notary Public