

BEFORE THE OIL & 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 640-ACRE DRILLING AND)
SPACING UNIT LOCATED IN WELD COUNTY,)
COLORADO)

Cause No. 421

Docket No. _____

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 (“Commission”), for an order to pool all nonconsenting interests for the Critter Creek 19-23H Well in an established 640-acre drilling and spacing unit in the Niobrara Formation consisting of Section 23, Township 11 North, Range 63 West, 6th P.M., Weld 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 a majority of the leasehold interests in the following described lands:

Township 11 North, Range 63 West, 6th P.M.
Section 23: All

Weld County, Colorado,

(hereinafter referred to as the “Application Lands”).

3. On April 29, 2010, the Commission issued Order No. 421-1, which established, among other things, 640-acre drilling and spacing units for the production of oil, gas and associated hydrocarbons from the Niobrara Formation underlying certain lands, including the Application Lands. Order No. 421-1 also established that no more than one (1) horizontal well may be located in each of the units, and established that the surface location for each horizontal well shall be located anywhere upon the drilling and spacing 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 Commission.
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 640-acre drilling and spacing unit for the development and operation of the Niobrara Formation on the Application Lands.
5. Applicant has horizontally drilled the Critter Creek 19-23H Well within the 640-acre drilling and spacing unit on the Application Lands. A plat showing the location of the Critter Creek 19-23H Well is attached. The surface location of the Critter Creek 19-23H Well is approximately 501’ FNL and 501’ FWL in Section 23, Township 11 North, Range 63 West 6th P.M. The bottomhole location is 2,000’ FSL and 600’ FSL of Section 23, Township 11 North, Range 63 West.
6. Applicant holds an approved Application for Permit to Drill for the Critter Creek 19-23H 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 Critter Creek 19-23H Well, which is November 11, 2010.

8. Exhibit A attached hereto lists the unleased mineral interest owners and royalty owners for the 640-acre drilling and spacing unit together with their addresses. The unleased mineral owner (not otherwise voluntarily pooled) was mailed an Authority for Expenditure ("AFE") and was offered an opportunity to participate in the drilling of the Critter Creek 19-23H Well. To date, however, such owner has not elected to participate by agreeing to bear its proportionate share 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, offer to participate in drilling, and the offer to lease were 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 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 Commission Rule 530.

10. That the names and addresses of the interested parties with respect to this Application are set forth in Exhibit A attached hereto and notice of this Application has been provided to those parties entitled to the same pursuant to Commission Rule 507.b.(2).

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 interest owners listed on Exhibit A with whom Applicant has been unable to secure a lease or an agreement for the drilling of the Critter Creek 19-23H 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. Establishing that all interest owners in the 640-acre drilling and spacing unit which are not voluntarily pooled in the 640-acre drilling and spacing unit be involuntarily pooled.

C. Establishing that the effective date of the Commission's involuntary pooling order will be made retroactive to the date of spudding of the Critter Creek 19-23H Well, which is November 11, 2010.

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

Dated this ___ day of February, 2011.

Respectfully submitted,

EOG RESOURCES, INC.

By: _____
Jamie L. Jost
Elizabeth Y. Gallaway
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 February, 2011, 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:

Phillip Jessop, heir of Burvis Jessop
2915 Dodge Street
Omaha, Nebraska 68131

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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 February 11th, 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