

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

IN THE MATTER OF THE PROMULGATION) CAUSE NO. 407
AND ESTABLISHMENT OF FIELD RULES TO)
GOVERN OPERATIONS IN THE WATTENBERG) DOCKET NO. *To be assigned*
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 to establish an approximate 640-acre drilling and spacing unit for the horizontal well development of Section 4, Township 6 North, Range 61 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation. 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, and has registered as an operator with the Commission.

2. Applicant owns substantial leasehold interests in the below-listed lands:

Township 6 North, Range 61 West, 6th P.M.
Section 4: All

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

3. The Application Lands are unspaced with respect to the Niobrara Formation, which is a common source of supply underlying said lands and, as such, Rule 318.a. applies to said lands and under said rule, wells greater than 2,500 feet in depth shall be located not less than 600 feet from any lease line, and shall not be located less than 1,200 feet from any other producible or drilling well when drilling to the same common source of supply, unless authorized by order of the Commission upon hearing.

4. On August 8, 2011, the Commission adopted Rule 318A(I).a.(4)D., which, among other things, requires a horizontal wellbore spacing unit to be designated for each proposed horizontal well located within the Greater Wattenberg Area (“GWA”). The horizontal wellbore spacing unit may be of different sizes and configurations depending on the lateral length and orientation of the wellbore but is to be comprised of the governmental quarter-quarter sections in which the wellbore lateral penetrates the productive formation as well as any governmental quarter-quarter sections that are located less than 460 feet from the portion of the wellbore lateral that penetrates the productive zone regardless of section or quarter section lines. The Application Lands are subject to this rule for the Niobrara Formation.

5. Applicant requests an order establishing an approximate 640-acre drilling and spacing unit for the Application Lands, and the authority to drill one (1) horizontal well (wherein EOG plans to drill the Greasewood #01-04H Well) within the proposed unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the treated interval of the

wellbore to be no closer than 600 feet from the proposed unit boundaries. Applicant further alleges that there are no existing wells producing from the Niobrara Formation within the proposed unit.

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 establish the approximate 640-acre drilling and spacing unit requested herein for the drilling and completion of one (1) horizontal well within the unit. The requested drilling and spacing unit for the Application Lands is not smaller than the maximum area that can be economically and efficiently drained by one well.

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 (owners within the proposed drilling and spacing unit) shall be submitted on a certificate of service 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 an approximate 640-acre drilling and spacing unit for the Application Lands, and approve of one (1) horizontal well within the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the treated interval of the wellbore to be no closer than 600 feet from the unit boundaries.

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

Dated this _____ day of January, 2012.

Respectfully submitted,

EOG RESOURCES, INC.

By: _____

Robert A. Willis (Colorado Bar No. 26308)
Katharine E. Fisher (Colorado Bar No. 39230)
Burlison LLP
Wells Fargo Center
1700 Lincoln Street, Suite 3950
Denver, CO 80203
(303) 801-3200

Applicant's Address:
600 17th Street, Suite 1100
Denver, CO 80202

{00155484.1}

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

IN THE MATTER OF THE PROMULGATION) CAUSE NO. 407
AND ESTABLISHMENT OF FIELD RULES TO)
GOVERN OPERATIONS IN THE WATTENBERG) DOCKET NO. *To be assigned*
FIELD, WELD COUNTY, COLORADO)

AFFIDAVIT OF MAILING

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

Bailey B. Blumenreich, of lawful age, and being first duly sworn upon her oath, states and declares that 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 on January 12, 2012.

Bailey B. Blumenreich

Subscribed and sworn to before me on the ____ day of January 12, 2012.

Witness my hand and official seal.

My commission expires: _____.

Notary Public

EXHIBIT A

INTERESTED PARTIES LIST

The names and addresses of interested parties in this matter are set forth in this Exhibit A, according to the information and belief of the Applicant, EOG Resources, Inc., with regard to the Application to establish an approximate 640-acre drilling and spacing unit established for Section 4, Township 6 North, Range 61 West, 6th P.M., wherein Applicant plans to drill the Greasewood #01-04H Well:

Kent Kuster
CDPHE – Oil & Gas Consultant Coordinator
4300 Cherry Creek Drive South
Denver, CO 80246-1500

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

EOG Resources, Inc.
P.O. Box 4362
Houston, Texas 77210-4362

Denver Basin Oil & Gas, LLC
P.O. Box 18288
Denver, Colorado 80218

Continental Resources, Inc.
P.O. Box 1032
Enid, Oklahoma 73702-1032

Imogene E. Doak
300 West 7th Street
Appleton City, Missouri 64724

Alberta Thomas
5400 West Whittier Street
Chandler, Arizona 85226

Freeport-McMoran Oil & Gas Co.
P.O. Box 113357
Carrollton, Texas 75011-3357

L.M. Nelson
Cody, Wyoming

Victor R. Dacken
Cody, Wyoming

Florence B. Taylor
Lovell, Wyoming

Mitchell Minerals, LLC
Route 2, Box 10-A
Haskell, Oklahoma 74436

Amcon Resources, Inc.
P.O. Box 3025
Oklahoma City, Oklahoma 73101

Edward V. Robertson
Cody, Wyoming

Sevenways Minerals, Ltd.
Petroleum Building, #200
214 West Texas Avenue
Midland, Texas 79701

GY Group, Inc.
P.O. Box 1756
Midland, Texas 79701

First State Bank
Cody, Wyoming

{00156750.1}

PH, Inc.
P.O. Box 990
Midland, Texas 79702

Lucy Owings
P.O. Box 212
Colorado Springs, Colorado 80901

LMA Royalties, Ltd.
P.O. Box 1778
Colorado Springs, Colorado 80901

Applicant

EOG Resources, Inc.
600 17th St., Suite 1000N
Denver, CO 80202

Robert A. Willis
Burleson LLP
1700 Lincoln St., Suite 3950
Denver, CO 80290