

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

IN THE MATTER OF THE PROMULGATION AND  
ESTABLISHMENT OF FIELD RULES TO GOVERN  
OPERATIONS IN THE WATTENBERG FIELD,  
WELD COUNTY, COLORADO

) CAUSE NO. 407  
)  
) DOCKET NO. *To be assigned*  
)

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 320-acre drilling and spacing unit for the W½ of Section 1, Township 6 North, Range 62 West, 6<sup>th</sup> P.M., and approve the drilling of one (1) horizontal well within the proposed unit, 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 62 West, 6<sup>th</sup> P.M.  
Section 1: W½

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 320-acre drilling and spacing unit for the Application Lands, and the authority to drill one (1) horizontal 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, without exception being granted by the Director. 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 320-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) are attached hereto and marked Exhibit A. The Applicant shall submit a certificate of service for the Application within the 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 320-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, without exception being granted by the Director.

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

DATED this 20 day of June, 2012.

Respectfully submitted,

EOG RESOURCES, INC.

By: 

Robert A. Willis (Colorado Bar No. 26308)

Katharine E. Fisher (Colorado Bar No. 39230)

Burleson LLP

Wells Fargo Center

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Applicant's Address:

600 17th Street, Suite 1100

Denver, CO 80202

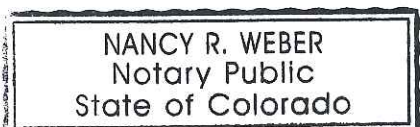
STATE OF COLORADO )  
 ) ss.  
CITY & COUNTY OF DENVER )

EOG RESOURCES, INC.

  
Steve Smith

Witness my hand and official seal.

My commission expires: 1-15-2013



My Commission Expires 1-15-2013

  
Notary Public

## 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.

EOG Resources, Inc.  
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Denver, CO 80202

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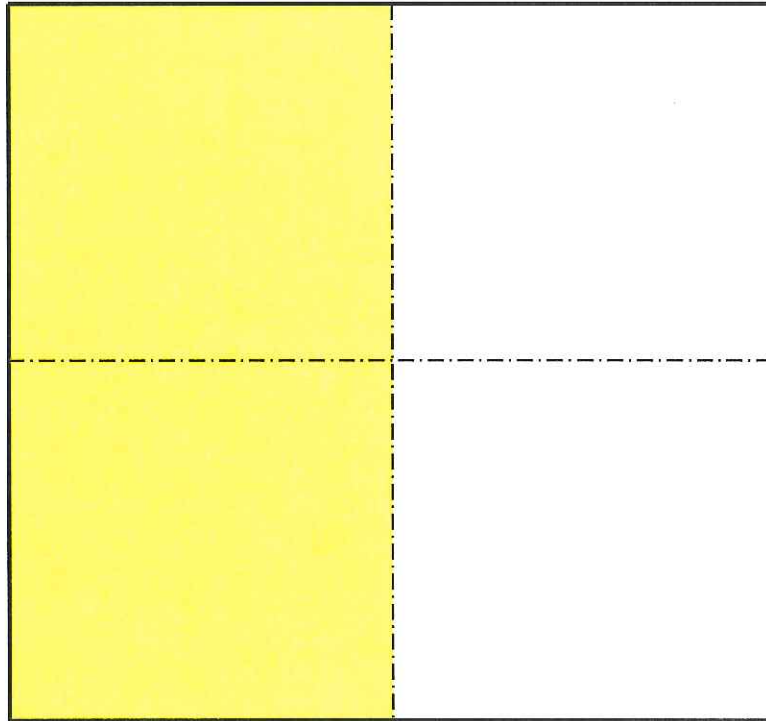
David Bauer  
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Kent Kuster  
Colorado Department of Public Health and  
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4300 Cherry Creek Drive South  
Denver, CO 80246

*Application Map*

W<sup>1</sup>/<sub>2</sub> of Section 1, Township 6 North, Range 62 West, 6<sup>th</sup> P.M.



 Application lands