

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

IN THE MATTER OF THE PROMULGATION	)	CAUSE NO. 421
AND ESTABLISHMENT OF FIELD RULES TO	)	
GOVERN OPERATIONS IN THE HEREFORD	)	DOCKET NO. <b>1211-SP-127</b>
FIELD, WELD COUNTY, COLORADO	)	

**AMENDED APPLICATION**

EOG Resources, Inc. ("EOG" or "Applicant"), by and through its attorneys, Burleson LLP, respectfully submits this Amended Application to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission") for an order: (1) **maintaining the approximate 640-acre drilling and spacing units established for Section 36, Township 11 North, Range 63 West, 6<sup>th</sup> P.M., for any well which has been drilled and completed in the Niobrara Formation under Order No. 421-3; and (2) establishing an approximate 1,280-acre stand-up exploratory drilling unit consisting of said Sections 36 and Section 1, Township 10 North, Range 63 West, 6<sup>th</sup> P.M., to succeed those provisions found in Order No. 421-3 which established approximate 640-acre drilling and spacing unit for said Section 36, for horizontal and vertical well development, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.** In support of its Amended 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 11 North, Range 63 West, 6<sup>th</sup> P.M.  
Section 36: All

Township 10 North, Range 63 West, 6<sup>th</sup> P.M.  
Section 1: All

These lands are hereinafter referred to as the "Application Lands." A map depicting the acreage comprising the Application Lands is attached hereto and marked as Exhibit A.

**Maintaining the 640-Acre Drilling and Spacing Units Established by Previous Order**

3. On or about October 21, 2010, the Commission entered Order No. 421-3, which, among other things, established 640-acre drilling and spacing units for certain lands, including Section 36, Township 11 North, Range 63 West, 6<sup>th</sup> P.M., and approved one horizontal well for each unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the surface location for each horizontal well to 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.

4. EOG has drilled and completed the Critter Creek #30-26H Well, API #05-123-32328, a Niobrara Formation horizontal well in Section 36, Township 11 North, Range 63 West, 6<sup>th</sup> P.M., under Order No. 421-3. Under this Amended Application, EOG is not requesting a change to the unit acreage assigned to the Critter Creek #30-26H Well, and the distribution of the proceeds from the well will be allocated on a 640-acre basis.

5. Applicant herein requests the establishment of an approximate 1,280-acre stand-up exploratory drilling unit for the Application Lands, **to succeed those provisions found in Order No. 421-3 which established an approximate 640-acre drilling and spacing unit for Section 36, Township 11 North, Range 63 West, 6<sup>th</sup> P.M.**, for horizontal and vertical well development, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, and by so doing, it is necessary to **supersede** the 640-acre drilling and spacing unit previously established for said Section 36. At present, one horizontal well is authorized for the existing 640-acre drilling and spacing unit; however, by establishing an approximate 1,280-acre stand-up exploratory drilling unit, additional wells (either horizontal or vertical) may be drilled which will allow the Niobrara Formation underlying the Application Lands to be more efficiently and economically drained without promoting waste of the resource.

*Establishment of the 1,280-acre Stand-up Exploratory Drilling Unit*

6. The geologic strata subject to this request for unitization as an stand-up exploratory drilling unit is the Niobrara Formation, found at a depth of 6,667 feet below ground surface in the Jake #2-01H Well, API #05-123-30574, whose surface location is in the SE¼ NW¼ of Section 1, Township 11 North, Range 63 West, 6<sup>th</sup> P.M., and known to be a common source of supply.

7. Section 1, Township 10 North, Range 63 West, 6<sup>th</sup> P.M., is 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 land 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.

8. Applicant requests the Commission establish the Application Lands as an approximate 1,280-acre stand-up exploratory drilling unit for the Niobrara Formation pursuant to Rule 503.b.(1) and §34-60-116(2), C.R.S. For the Application Lands, the proposed stand-up exploratory drilling unit is not smaller than the maximum area that can be economically and efficiently drained by the wells proposed to be drilled under this Amended Application and completed in the Niobrara Formation.

9. Applicant requests it be authorized to drill and complete one or more horizontal wells in the approximate 1,280-acre stand-up exploratory drilling unit for the Application Lands, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, as necessary to economically and efficiently recover resources, while minimizing surface impacts, creating efficiencies for drilling and production, increasing the ultimate recovery of the reserves, preventing waste, and protecting correlative rights.

10. In addition to the proposed horizontal wells, Applicant requests it be authorized to drill and complete one or more new vertical or directional wells in the approximate 1,280-acre stand-up exploratory drilling unit for the Application Lands, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, as necessary and for those same reasons set forth in Paragraph 9.

11. Applicant states that wells to be drilled under this Amended Application, whether horizontal, vertical or directional, should be drilled from a new, common or existing well pad, with no more than one well pad per quarter quarter section, without exception being granted by the Director.

12. Applicant states that for any permitted wells to be drilled under this Amended Application, the bottomhole location or, in the case of horizontal wells, the treated intervals of the wellbore, should be not less than 600 feet from the outer boundary of the proposed stand-up exploratory drilling unit and not less than 460 feet from any other well or treated interval of a well producing from the Niobrara Formation, without exception being granted by the Director.

\* \* \*

13. The granting of this Amended 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.

14. That the names and addresses of the interested parties (owners within the proposed stand-up exploratory drilling unit) according to the information and belief of the Applicant are set forth in Exhibit B attached hereto. The Applicant shall submit a certificate of service for the Amended 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. **Maintaining** the approximate 640-acre drilling and spacing unit established for Section 36, Township 11 North, Range 63 West, 6<sup>th</sup> P.M., **for any well which has been drilled and completed in the Niobrara Formation under Order No. 421-3**, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

B. Establishing an approximate 1,280-acre stand-up exploratory drilling unit for the Application Lands, **to supersede the approximate 640-acre drilling and spacing unit previously established for the Application Lands under Order No. 421-3**, for horizontal and vertical well development, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

C. Requiring that any permitted wells to be drilled under this Amended Application, whether horizontal, vertical or directional, should be drilled from a new, common or existing well pad, with no more than one well pad per quarter quarter section, without exception being granted by the Director.

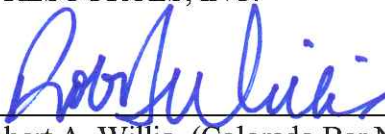
D. Requiring that any permitted wells to be drilled under this Amended Application, the bottomhole location or, in the case of horizontal wells, the treated intervals of the wellbore, should be not less than 600 feet from the outer boundary of the proposed stand-up exploratory drilling unit and not less than 460 feet from any other well or treated interval of a well producing from the Niobrara Formation, without exception being granted by the Director.

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

DATED this 24<sup>th</sup> day of October, 2012.

Respectfully submitted,

EOG RESOURCES, INC.

By: 

Robert A. Willis (Colorado Bar No. 26308)

Burleson LLP

Wells Fargo Center

1700 Lincoln Street, Suite 1300

Denver, CO 80203

(303) 801-3200

Applicant's Address:

600 17th Street, Suite 1100

Denver, CO 80202

## VERIFICATION

STATE OF COLORADO

)

) SS.

CITY &amp; COUNTY OF DENVER

)

Alyx Reeser, Landman for EOG Resources, Inc., upon oath deposes and says that she has read the foregoing Amended Application and that the statements contained therein are true to the best of her knowledge, information and belief.

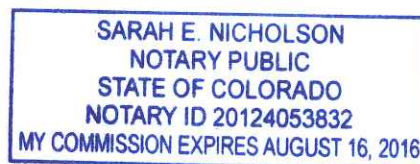
EOG RESOURCES, INC.

Alyx Reeser

Subscribed and sworn to before me this 24 day of October, 2012, by Alyx Reeser,  
Landman for EOG Resources, Inc.

Witness my hand and official seal.

My commission expires: 8/16/16



Sh E Sh  
Notary Public

# **Exhibit A** Application Map

Sec. 36, T11N, R63W &  
Sec. 1, T10N, R63W, Weld County

Application Lands - 

13	18	17	16	15	14	13	18	17
24	19	20	21	22	23	24	19	20
25	30	29	28	27	26	25	30	29
36	31	32	33	34	35	36	31	32
1	6	5	4	3	2	1	6	5
12	7	8	9	10	11	12	7	8
13	18	17	16	15	14	13	18	17

**T11N R63W**

**T10N R63W**

Critter Creek  
#30-26H



## EXHIBIT B

### INTERESTED PARTIES

The names and addresses of the interested parties (owners within Section 36, Township 11 North, Range 63 West, 6<sup>th</sup> P.M., and Section 1, Township 10 North, Range 63 West, 6<sup>th</sup> P.M.) according to the information and belief of the Applicant are set forth in this Exhibit B.

EOG Resources, Inc.  
600 17th Street, Suite 1100  
Denver, CO 80202

Robert A. Willis  
Burleson LLP  
1700 Lincoln St., Suite 1300  
Denver, CO 80203

Foree Oil Company  
8235 Douglas Avenue, Suite 402, LB27  
Dallas, TX 75225

SLJ Niobrara, LTD.  
c/o SLJ Company, LLC  
4311 West Lovers Lane, Suite 200  
Dallas, TX 75209

Energy Oil & Gas, Inc.  
P.O. Box 910  
Niwot, CO 80544

Exterra Resources, Inc.  
256 Seaboard Lane STE H-102  
Franklin, TN 37680

Henry Rangel & H. Duane Rangel  
3397 West 2<sup>nd</sup> Street  
Greeley, CO 80631

Zitek Farms, LLC  
46499 WCR 136  
Grover, CO 80729

Energy Liaison  
Colorado Parks & Wildlife  
6060 Broadway  
Denver, CO 80216

Kent Kuster  
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Environment  
4300 Cherry Creek Drive South  
Denver, CO 80246

David Bauer  
Weld County LGD  
1111 H Street  
Greeley, CO 80632

State of Colorado, acting by and through the  
State Board of Land Commissioners  
1127 Sherman Street, Suite 300  
Denver, CO 80203-2206