

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 24, Township 4 North, Range 62 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 4 North, Range 62 West, 6th P.M.
Section 24: 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 Anschutz Spring Lake #16-24H 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 {00155495.1}

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: _____
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Katharine E. Fisher (Colorado Bar No. 39230)
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Applicant's Address:
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Denver, CO 80202

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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 24, Township 4 North, Range 62 West, 6th P.M., wherein Applicant plans to drill the Anschutz Spring Lake #16-24H 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

Chesapeake Exploration, LLC
P.O. Box 18496
Oklahoma City, Oklahoma 73154-0496

Anschutz Exploration Corporation
555 17th Street, Suite 2400
Denver, Colorado 80202

Diamond Resources Co.
P.O. Box 1938
Williston, North Dakota 58802-1938

Applicant

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