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June 30, 2010

VIA HAND DELIVERY

Mr. Timothy Poe
Docket Services Director
Oil & Gas Division
Railroad Commission of Texas
1701 N. Congress Avenue, 10th Flr., Rm. 170-18
Austin, Texas 78701

In Re: Application of EOG Resources, Inc. to Expand the Eagleville (Eagle Ford) Field to Include all of Karnes and DeWitt Counties, and to Rename Such Field the Eagleville (Eagle Ford - 2) Field, to Establish the Eagleville (Eagle Ford - 1) Field to Include the Eagle Ford Shale in all of Gonzales, Wilson, Atascosa, LaSalle, and McMullen Counties, to Establish a New Field Designation for the EOG Resources, Inc. Little L & C Well No. 1H in Atascosa County to be Named the Eagleville (Eagle Ford - 1 Sour) Field, and to Adopt Temporary Oil Field Rules for the Eagleville (Eagle Ford - 1), Eagleville (Eagle Ford - 2) and Eagleville (Eagle Ford - 1 Sour) Fields

Dear Mr. Poe:

On behalf of the applicant, EOG Resources, Inc. ("EOG") (Operator No. 253162), we respectfully request that the Commission schedule a hearing to consider the application of EOG to Expand the Eagleville (Eagle Ford) Field to include all of Karnes and DeWitt Counties, and to rename such field the Eagleville (Eagle Ford - 2) Field, to establish the Eagleville (Eagle Ford - 1) Field to include the Eagle Ford Shale in all of Gonzales, Wilson, Atascosa, LaSalle, and McMullen Counties, to establish a new field designation for the EOG Resources, Inc. Little L & C Well No. 1H in Atascosa County to be named the Eagleville (Eagle Ford - 1 Sour) Field, and to adopt temporary oil field

OFFICE OF GEN COUNSEL
RAILROAD COMMISSION
OF TEXAS

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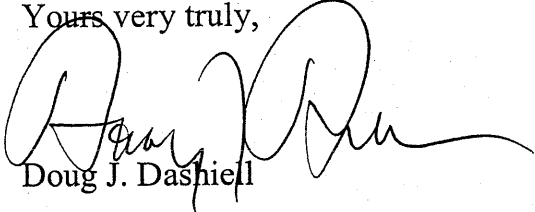
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rules for the Eagleville (Eagle Ford – 1), Eagleville (Eagle Ford – 2) and Eagleville (Eagle Ford – 1 Sour) Fields.

The details of EOG's application are fully set forth on the draft Notice of Hearing (attached hereto as Exhibit A) which we will forward to the Docket Services Section as a Word document for further handling. We request notice of this hearing be issued to all operators in all fields in the following counties: Karnes, DeWitt, Gonzales, Wilson, Atascosa, LaSalle, and McMullen. We further request that notice be issued to the attached service list, which includes all parties who appeared at the June 25, 2010 hearing in Oil & Gas Docket No. 01-0265787, which docket has now been withdrawn.

Thank you for your attention to this matter. Please advise at your earliest opportunity as to the available hearing date for this application.

Yours very truly,



Doug J. Dashiell

DJD:lks

c: Dolores Howard (via hand delivery)
Dan Wilkirson
Chester Pieprzica

Exhibit A

**RAILROAD COMMISSION OF TEXAS
OFFICE OF GENERAL COUNSEL**

OIL AND GAS DOCKET
NO. _____

IN RE: CONSERVATION AND PREVENTION
OF WASTE OF CRUDE PETROLEUM
AND NATURAL GAS IN THE STATE
OF TEXAS

Austin, Texas
July __, 2010

NOTICE OF HEARING
ON THE APPLICATION OF EOG RESOURCES, INC.
TO EXPAND THE EAGLEVILLE (EAGLE FORD) FIELD TO INCLUDE ALL OF
KARNES AND DEWITT COUNTIES AND TO RENAME SUCH FIELD THE
EAGLEVILLE (EAGLE FORD-2) FIELD, TO ESTABLISH THE EAGLEVILLE
(EAGLE FORD-1) FIELD TO INCLUDE THE EAGLE FORD SHALE IN ALL OF
GONZALES, WILSON, ATASCOSA, LASALLE AND MCMULLEN COUNTIES, TO
ESTABLISH A NEW FIELD DESIGNATION FOR THE EOG RESOURCES, INC
LITTLE L&C WELL NO 1H IN ATASCOSA COUNTY TO BE NAMED THE
EAGLEVILLE (EAGLE FORD-1 SOUR) FIELD, AND TO
ADOPT TEMPORARY OIL FIELD RULES FOR THE
EAGLEVILLE (EAGLE FORD-1) , EAGLEVILLE (EAGLE FORD-2) AND
EAGLEVILLE (EAGLE FORD-1 SOUR) FIELDS

NOTICE IS HEREBY GIVEN to the public and to all interested persons that under the
legal authority and jurisdiction of Title 3, Oil and Gas, Subtitles A, B, and C of the Texas
Natural Resources Code, Chapters 26, 27 and 29 of the Texas Water Code, and TEX. GOV'T
CODE ANN. art. " 2001 *et seq.* (2010), the RAILROAD COMMISSION OF TEXAS will hold
a hearing on _____, at 9:00 a.m. at the William B. Travis State Office Building,
1701 N. Congress Avenue, Austin, Texas. This hearing will be conducted in conformity with

the TEX. GOV'T CODE ANN. art. " 2001 *et seq.* (2010). For room assignment, on the date of the hearing please check the bulletin board in the 1st Floor lobby. Persons planning to attend this hearing are urged to contact the applicant (see service list) immediately prior to the hearing date to be sure that the hearing will proceed on the scheduled date.

This hearing will be held to consider the application of EOG Resources, Inc. to expand the Eagleville (Eagle Ford) Field to include all of Karnes and Dewitt Counties and to rename such field The Eagleville (Eagle Ford-2) Field, to establish the Eagleville (Eagle Ford-1) Field to include the Eagle Ford Shale formation in all of Gonzales, Wilson, Atascosa, La Salle And McMullen Counties, to establish a new field designation to be named the Eagleville (Eagle Ford-1 Sour) Field for the EOG Resources, Inc Little L&C Well No 1H (API No. 42-013-34271) in Atascosa County to apply throughout Gonzales, Wilson, Atascosa, Lasalle and McMullen counties, and to adopt temporary oil field rules for the Eagleville (Eagle Ford-1), Eagleville (Eagle Ford-2) and Eagleville (Eagle Ford-1 Sour) Fields.

Applicant proposes the following specific rules be adopted for the Eagleville (Eagle Ford-1) , Eagleville (Eagle Ford-2) and Eagleville (Eagle Ford-1 Sour) Fields:

Rule 1. The entire correlative interval from 10,294 feet to 10,580 feet as shown on the log of the EOG Resources, Inc. Milton Unit Well No. 1 (API No. 42-255-31608), Section 64, John Randon Survey, A-247, Karnes County, Texas shall be designated as a single reservoir for proration purposes and be designated as the Eagleville (Eagle Ford-2) Field. The

Eagleville (Eagle Ford-2) Field shall include this entire correlative interval throughout Karnes and Dewitt counties. This same correlative interval in the Milton Unit Well No. 1 well shall also be designated as a single reservoir for proration purposes and be designated as the Eagleville (Eagle Ford-1) field as the interval exists throughout Gonzales, Wilson, Atascosa, Lasalle and McMullen counties. Note: EOG intends for both of these field intervals to include all of the Eagle Ford Shale and no other formation in the listed counties.

Rule 2. No oil well shall hereafter be drilled nearer than three hundred thirty (330) feet to any property line, lease line, or subdivision line and there shall be no minimum between well spacing requirement. The aforementioned distances in the above rule are minimum distances to allow an operator flexibility in locating a well, and the above-spacing rule and the other rules to follow are for the purpose of permitting only one well to each drilling and proration unit. Provided, however, that the Commission will grant exceptions to permit drilling within shorter distances and drilling more wells than herein described whenever the Commission shall have determined that such exceptions are necessary either to prevent waste or prevent the confiscation of property. When exception to these rules is desired, the application therefore shall be filed and will be acted upon in accordance with the provisions of Commission Statewide Rules 37 and 38 which applicable provisions of said rules are incorporated herein by reference. In applying this rule, the general order of the Commission with respect to the subdivision of property shall be observed.

Provided that for purposes of spacing for horizontal drainhole oil wells, the following shall apply:

- a. A take point in a horizontal drainhole well is any point along a horizontal drainhole where oil or gas can be produced in the wellbore from the reservoir/field interval. The first take point may be at a different location than the penetration point, and the last take point may be at a different location than the terminus point.
- b. The first take point and the last take point in a horizontal well shall not be nearer than one hundred (100) feet from any property line, lease line, or subdivision line and the minimum distance measured perpendicular to a horizontal drainhole from any take point on such drainhole to any point on any property line, lease line, or subdivision line shall

be a minimum of three hundred thirty (330) feet. If any take point on a horizontal drainhole does not comply with this rule, then an exception to Rule 37 must be obtained.

A properly permitted horizontal drainhole will be considered to be in compliance with the spacing rules set forth herein if the as-drilled location falls within a rectangle established as follows:

- a. Two sides of the rectangle are parallel to the permitted drainhole and 33 feet on either side of the drainhole;
- b. The other two sides of the rectangle are perpendicular to the sides described in "a" above, with one of these sides passing through the first take point and the other side passing through the last take point.

Any take point of a horizontal drainhole outside of the described rectangle must conform to the permitted distance to the nearest property line, lease line, or subdivision line, measured perpendicular to the wellbore.

For all horizontal drainholes, in addition to the penetration point and the terminus for the wellbore required to be identified on the drilling permit application (Form W-1H) and plat, the first and last take point and any no-perf zones must be identified on the drilling permit application (Remarks section) and plat. All Operators of horizontal drainhole wells shall file an "as-drilled" plat showing the surface location, wellbore path, penetration point, terminus, first take point and last take point. In addition, if the horizontal well has a no-perf zone to avoid the need for a Rule 37 spacing exception, all take points in the wellbore shall be identified, together with the tract or interest that created the need for the no-perf zone.

For any well permitted in these fields, the penetration point need not be located on the same lease, pooled unit, or unitized tract on which the well is permitted and may be located on an Offsite Tract. When the penetration point is located on such Offsite Tract, the applicant for such a drilling permit must give 21 days notice by certified mail, return receipt requested to the mineral owners of the Offsite Tract. For the purposes of this rule, the mineral owners of the

Offsite Tract are (1) the designated operator; (2) all lessees of record for the Offsite Tract where there is no designated operator; and (3) all owners of unleased mineral interest where there is no designated operator or lessee. In providing such notice, applicant must provide the mineral owners of the Offsite Tract with a plat clearly depicting the projected path of the entire wellbore. In the event the applicant is unable, after due diligence to locate the whereabouts of any person to whom notice is required by this rule, the applicant must publish notice of this application pursuant to the Commission's Rules of Practice and Procedure. If any mineral owner of the Offsite Tract objects to the location of the penetration point, the applicant may request a hearing to demonstrate the necessity of the location of the penetration point of the well to prevent waste or to protect correlative rights. Notice of Offsite Tract penetration is not required if (a) written waivers of objection are received from all mineral owners of the Offsite Tract; or (b) the applicant is the only mineral owner of the Offsite Tract. To mitigate the potential for well collisions, applicant shall promptly provide copies of any directional surveys to the parties entitled to notice under this section, upon request.

Rule 3. The acreage assigned to the individual oil well for the purpose of allocating allowable oil production thereto shall be known as a proration unit. The standard drilling and proration units for oil wells are established hereby to be eighty (80) acres. No proration unit shall consist of more than eighty (80) acres, except as hereinafter provided.

If, after the drilling of the last well on any lease and the assignment of acreage to each well thereon, in accordance with the regulations of the Commission there remains an additional unassigned acreage of less than eighty (80) acres, then in such event the remaining unassigned acreage up to and including a total of forty (40) acres may be assigned as tolerance acreage to the last well drilled on such lease or may be distributed among any group of wells located thereon, so long as the proration units resulting from the inclusion of such additional acreage meet the limitations prescribed by the Commission. Additional oil proration unit acreage may be assigned to each horizontal drainhole well for the purpose of allocating additional allowable oil production as provided in Statewide Rule 86; provided, however, the horizontal drainhole shall be defined as that portion of the wellbore drilled in the correlative interval between the first take-point and the last take-point.

For a determination of acreage credit in this field, operators shall file for each oil well in this field a Form P-15, Statement of Productivity of Acreage Assigned to Proration Units. On that form or an attachment thereto, the operator shall list the number of acres that are being assigned to each well on the lease or unit for proration purposes. Operators shall be required to file, along with the Form P-15, a plat of the lease, unit or property; provided that such plat shall not be required to show individual proration units.

Rule 4. The maximum daily oil allowable for each oil well in the field shall be determined by multiplying 800 BOPD by a fraction, the numerator of which is the acreage assigned to the well for proration purposes and the denominator of which is the maximum acreage authorized by these field rules for a vertical well for oil production purposes, exclusive of tolerance acreage. All accrued overproduction of oil and gas is hereby cancelled. There shall be no casinghead gas limit for oil wells in these fields, or penalized oil allowable for high gas-oil ratio oil wells that would otherwise apply under Statewide Rule 49(a).

Rule 5. The entire correlative interval from 7760 feet to 7899 feet as shown on the log of the EOG Resources, Inc. Little L&C Well No. 1H (API No. 42-013-34271), G. Tarin Survey Abstract 837, Atascosa County, Texas shall be designated as a single reservoir for proration purposes, and shall be designated as the Eagleville (Eagle Ford-1 Sour) Field. This correlative interval is the same correlative interval that designates the Eagleville (Eagle Ford-1) Field, as defined in Rule 1 above. This field shall include this correlative interval throughout La Salle, McMullen, Atascosa, Wilson and Gonzales Counties. The Eagleville (Eagle Ford-1 Sour) field shall remain a separate field from the Eagleville (Eagle Ford-1) field and shall operate under the identical special field rules 2, 3 and 4 adopted herein for the Eagleville (Eagle Ford-1) field, provided, however, in the event that any oil well completed in La Salle, McMullen, Atascosa, Wilson or Gonzales counties in this field interval encounters an H₂S concentration of 100 parts per million or greater in the system, such well shall be assigned to the Eagleville (Eagle Ford-1 Sour) Field and shall file Railroad Commission Form H-9 for such well. In addition, all wells with a surface location within a ¼ mile radius of the surface location of any well assigned to the Eagleville (Eagle Ford-1 Sour) Field shall also file Railroad Commission Form H-9. All oil wells completed in the correlative interval defined as the Eagleville (Eagle Ford-1) field that do not encounter an H₂S concentration of 100 parts per million or greater shall be assigned to the Eagleville (Eagle Ford-1) Field.

If you have questions regarding this application, please contact the Applicant's representative, Doug Dashiell, at (512) 495-6300. If you have any questions regarding the hearing procedure, please contact the Railroad Commission, Office of General Counsel, at (512) 463-6848.

IF A CONTINUATION IS NECESSARY, this hearing will proceed at the William B. Travis State Office Building, Austin, Texas, and, to the extent possible, on subsequent working days. The room number and exact time of the continuation will be announced on the record in this proceeding and recorded with Docket Services, Office of General Counsel, Railroad Commission of Texas.

PURSUANT TO SAID HEARING, the Commission will enter such rules, regulations, and orders as in its judgment the evidence presented may justify.

ANY REQUEST FOR POSTPONEMENT of this hearing must be received no later than five (5) working days prior to the scheduled date shown above. Copies of such request must be forwarded to all parties shown on the service list.

TO APPEAR IN SUPPORT OF OR IN OPPOSITION TO THIS PROCEEDING, a party other than the applicant must file with Docket Services, Office of General Counsel, at least five (5) working days in advance of the hearing date, a notice of intent to appear. A copy

of the notice of intent to appear should be served on the applicant and any other parties of record.

IF ANY PARTY DESIRES A WRITTEN TRANSCRIPT of the hearing by a Court Reporter, that party should notify Docket Services at (512) 463-6848, at least five (5) working days in advance of the hearing date. **If a written transcript is requested, the Commission may assess the cost of the transcript to one or more parties.** Unless any party requests a written transcript, the record will be made by audio recording.

ANY INDIVIDUAL WITH A DISABILITY who needs auxiliary aids and services in order to have an equal opportunity to effectively communicate and participate in this hearing must request such aids or services at least two weeks prior to the scheduled hearing by notifying the Personnel office of the Railroad Commission of Texas by mail at P.O. Box 12967, Austin, Texas 78711-2967, or by telephone at (512) 463-7327 or TDD No. (512) 463-7284.

ALL EXHIBITS FILED AS A PART OF THE RECORD in this cause must be submitted in duplicate. Data in Commission records may be incorporated by reference, but the reference must be specific, and if it includes exhibits filed in prior proceedings before the Commission, a copy of such exhibit properly identified shall be submitted for this record.

THE APPLICANT MUST review this notice and the attached service list for accuracy and completeness. The applicant shall immediately notify Docket Services, Office of General Counsel of any discrepancy or omission.

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