RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION

OIL AND GAS DOCKET NO. 02-0278952

APPLICATION OF EOG RESOURCES, INC. FOR ITS KLOTZMAN LEASE(ALLOCATION) WELL NO. 1H, (STATUS NO. 744730), EAGLEVILLE (EAGLEFORD-2) FIELD, DEWITT COUNTY, AS AN ALLOCATION WELL DRILLED ON ACREAGE ASSIGNED FROM TWO LEASES.

FINAL ORDER

The Commission finds that after statutory notice in the above-numbered docket heard on December 3, 2012, the presiding examiners have made and filed a report and proposal for decision containing findings of fact and conclusions of law and that this proceeding was duly submitted to the Railroad Commission of Texas at conference held in its offices in Austin, Texas.

The Commission, after review and due consideration of the examiners' report and proposal for decision, the findings of fact and conclusions of law contained therein, and any exceptions and replies filed thereto, hereby adopts as its own the Findings of Fact Nos. (1) through (3) and Conclusions of Law (1) and (2) contained therein, and incorporates said Findings of Fact and Conclusions of Law as if fully set out and separately stated herein. The Commission declines to adopt all other proposed Findings of Fact and Conclusions of Law.

The Commission hereby adopts the following Substitute Finding of Fact:

Substitute Finding of Fact:

4. EOG is the operator of and owns 100% of the working interest rights to the Eagleville (Eagleford-2) Field under the Georgia Dubose-Glassell 516.569-acre Lease and the Georgia Dubose-Pierce 304.97-acre Lease and there are no unleased interests within 330 feet of any point on the proposed wellbore.

The Commission hereby adopts the following Substitute Conclusions of Law:

Substitute Conclusions of Law:

3. EOG Resources, Inc. has a sufficient good faith claim to drill its proposed Klotzman (Allocation) Well No. 1H on an 80-acre drilling unit composed of 40 acres from the Georgia Dubose-Glassell 516.569-acre lease and 40 acres from the Georgia Dubose-Pierce 304.97-acre lease.

4. A Statewide Rule 37 leaseline spacing exception for the well may be granted administratively pursuant to 16 Tex. Admin. Code §3.37(h)(2)(B) as EOG Resources, Inc. is its own offset.

Therefore, it is **ORDERED** by the Railroad Commission of Texas that the captioned application is **APPROVED** and EOG Resources, Inc. be **GRANTED** a permit to drill a well as shown on the attached plat.

Each exception to the examiners' proposal for decision not expressly granted herein is **OVERRULED**. All requested findings of fact and conclusions of law which are not expressly adopted herein are **DENIED**. All pending motions and requests for relief not previously granted or granted herein are **DENIED**.

This order will not be final and effective until 20 days after a party is notified of the Commission's order. A party is presumed to have been notified of the Commission's order three days after the date on which the notice is actually mailed. If a timely motion for rehearing is filed by any party at interest, this order shall not become final and effective until such motion is overruled, or if such motion is granted, this order shall be subject to further action by the Commission. Pursuant to TEX. GOV'T CODE §2001.146(e), the time allotted for Commission action on a motion for rehearing in this case prior to its being overruled by operation of law, is hereby extended until 90 days from the date the parties are notified of the order.

Done this 24th day of September, 2013.

RAILROAD COMMISSION OF TEXAS

CHAIRMAN BARRY T. SMITHERMAN

COMMISSIONER DAVID PORTER

COMMISSIONER CHRISTI CRADDICK

ATTEST:

SECRETARY