

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION OF EOG RESOURCES INC.,
FOR COMPULSORY POOLING, NON-STANDARD
SPACING AND PRORATION UNIT IN
LEA COUNTY, NEW MEXICO.**

CASE NO.

**APPLICATION FOR COMPULSORY POOLING, NON-STANDARD
SPACING AND PRORATION UNIT**

EOG RESOURCES INC., applies for an order pooling all mineral interests within the vertical limits of the Bone Spring and Wolfcamp formations, at a non-standard spacing and proration unit, underlying the Sections 3 and 10 for the Acme Wells listed below and Sections 10 and 22 for the Anvil Wells listed below, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico. In support of this application, Applicant states:

1. Applicant is an interest owner in Sections 3, 10 and 22, and has the right to drill thereon.
2. Applicant proposes to drill:

Acme 10 Fed Com #301H-#305H and Anvil 10 Fed Com #301H-#305H

Well Name	SHL Sec.	Surface Location	BHL Sec.	Bottom Hole Location	TVD	MVD
Acme 10 Fed Corn #301H	10	600' FSL & 1228' FWL	3	100' FNL & 729' FWL	10100'	20100'
Acme 10 Fed Com #302H	10	600' FSL & 1371' FWL	3	100' FNL & 1716' FWL	10100'	20100'
Acme 10 Fed Com #303H	10	600' FSL & 1404' FWL	3	100' FNL & 2635' FWL	10100'	20100'
Acme 10 Fed Com #304H	10	600' FSL & 1378' FEL	3	100' FNL & 1716' FEL	10100'	20100'
Acme 10 Fed Com #305H	10	600' FSL & 1345' FEL	3	100' FNL & 729' FEL	10100'	20100'
Anvil 10 Fed Com #301H	10	500' FSL & 1338' FWL	22	100' FSL & 729' FWL	10100'	20100'
Anvil 10 Fed Com #302H	10	500' FSL & 1371' FWL	22	100' FSL & 1716' FWL	10100'	20100'
Anvil 10 Fed Com #303H	10	500' FSL & 1404' FWL	22	100' FSL & 2635' FWL	10100'	20100'
Anvil 10 Fed Com #304H	10	550' FSL & 1378' FEL	22	100' FSL & 1716' FEL	10100'	20100'
Anvil 10 Fed Com #305H	10	550' FSL & 1345' FEL	22	100' FSL & 729' FEL	10100'	20100'

3. Applicant seeks to dedicate Sections 3,10 and 22, respectfully as to the Acme and Anvil wells, to form a non-standard spacing and proration unit within the vertical limits of the Bone Spring and Wolfcamp formations Pool, respectfully.

4. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners of Sections 3, 10 and 22, respectfully as to the Acme and Anvil wells, for the purposes set forth herein.

5. Certain working interest owners have failed or refused to join in the drilling of the proposed well, therefore, applicant seeks an order pooling all mineral interest owners in the Sections 3, 10 and 22, respectfully as to the Acme and Anvil wells, pursuant to NMSA 1978, Section 70-2-17 as requested in this application.

6. The pooling of all mineral interests as requested in this application underlying of Sections 3, 10 and 22 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, Applicant requests that, after notice and hearing, the Division enter its order:

A. Pooling all mineral interests in of Sections 3, 10 and 22 within the Bone Spring and Wolfcamp Pool.

B. Approving this application with respect to non-standard spacing and proration unit and unorthodox location.

C. Designating Applicant as the operator of the well;

D. Considering the cost of completing the well, and allocating the cost among the well's working interest owners;

E. Approving actual operating charges and costs charged for supervision,

together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and,

F. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

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