

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

**APPLICATION OF EOG RESOURCES, INC.
FOR APPROVAL OF AN OVERLAPPING
HORIZONTAL WELL SPACING UNIT
AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. _____

APPLICATION

EOG Resources, Inc. ("EOG" or "Applicant") (OGRID No. 7377), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order (1) approving a 640-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation (Red Hills; Upper Bone Spring Shale [97900]) comprised of the E/2 of Sections 13 and 24, Township 25 South, Range 33 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted interests in this acreage. In support of this application, EOG states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Vaca 24 Fed Com 223H** well, to be drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 24, a first take point in the SW/4 SE/4 (Unit O) of Section 24 and a last take point in the NW/4 NE/4 (Unit B) of Section 13; **Vaca 24 Fed Com 225H** well, to be drilled from a surface location in the NW/4 SE/4 (Unit J) of Section 24, a first take point in the SE/4 SE/4 (Unit P) of Section 24 and a last take point in the NE/4 NE/4 (Unit A) of Section 13; and **Vaca 24 Fed Com 224H** well, to be drilled from a surface location in the SW/4 SE/4 (Unit O) of Section

24, a first take point in the SE/4 SE/4 (Unit P) of Section 24 and a last take point in the NE/4 NE/4 (Unit A) of Section 13.

3. This proposed horizontal well spacing unit will overlap the following spacing units in the Bone Spring formation:

- An existing 320-acre spacing unit underlying the W/2 SE/4 and SW/4 of Section 13 and the E/2 SE/4 of Section 14, T25S-R33E, currently dedicated to EOG, Resources Inc.'s Vaca 13 Federal 8H (API No. 30-025-35846); and
- An existing 480-acre spacing unit underlying the SE/4 of Section 13 and the E/2 of Section 24, T25S-R33E, currently dedicated to EOG, Resources Inc.'s Vaca 24 Federal Com 5H (API No. 30-025-40536) and Vaca 24 Federal Com 6H (API No. 30-025-40537).

4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all interest owners in the subject spacing unit.

5. The pooling of interests in the proposed horizontal well spacing unit will allow Applicant to obtain a just and fair share of the oil and gas underlying the subject lands, avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

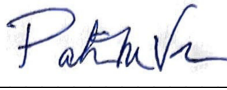
WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on December 4, 2025, and, after notice and hearing as required by law, the Division enter an order:

- A. Approving the proposed overlapping spacing unit;
- B. Pooling all uncommitted interests in the horizontal spacing unit and approving the initial wells thereon;
- C. Designating Applicant as operator of the overlapping horizontal spacing unit and the horizontal wells to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping, and completing the wells;

- E. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

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ATTORNEYS FOR EOG RESOURCES, INC.

CASE _____: **Application of EOG Resources, Inc. for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order (1) approving a 640-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation (Red Hills; Upper Bone Spring Shale [97900]) comprised of the E/2 of Sections 13 and 24, Township 25 South, Range 33 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted interests in this acreage. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Vaca 24 Fed Com 223H** well, to be drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 24, a first take point in the SW/4 SE/4 (Unit O) of Section 24 and a last take point in the NW/4 NE/4 (Unit B) of Section 13; **Vaca 24 Fed Com 225H** well, to be drilled from a surface location in the NW/4 SE/4 (Unit J) of Section 24, a first take point in the SE/4 SE/4 (Unit P) of Section 24 and a last take point in the NE/4 NE/4 (Unit A) of Section 13; and **Vaca 24 Fed Com 224H** well, to be drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 24, a first take point in the SE/4 SE/4 (Unit P) of Section 24 and a last take point in the NE/4 NE/4 (Unit A) of Section 13. This proposed horizontal well spacing unit will overlap the following spacing units in the Bone Spring formation:

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- An existing 480-acre spacing unit underlying the SE/4 of Section 13 and the E/2 of Section 24, T25S-R33E, currently dedicated to EOG, Resources Inc.'s Vaca 24 Federal Com 5H (API No. 30-025-40536) and Vaca 24 Federal Com 6H (API No. 30-025-40537).

Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Applicant as operator of the wells, and a 200% charge for risk involved in drilling the wells. The subject area is located approximately 8 miles north of the Texas and New Mexico border.