

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

**APPLICATION OF EOG RESOURCES FOR  
APPROVAL OF A 1280-ACRE NON-STANDARD  
HORIZONTAL SPACING UNIT OR UNITIZED AREA  
COMPRISED OF ACREAGE SUBJECT TO A PROPOSED  
COMMUNITIZATION AGREEMENT, LEA COUNTY, NEW MEXICO.**

CASE NO. 16462

**APPLICATION**

EOG Resources, Inc. ("EOG") through its undersigned attorneys, files this application with the Oil Conservation Division for an order approving an approximately 1280-acre non-standard horizontal spacing unit or unitized area in the Wolfcamp formation comprised of acreage subject to a proposed Communitization Agreement covering the Section 14 and Section 23, Township 26 South, Range 33 East, NMPM Lea County, New Mexico. In support of this application, EOG states:

1. EOG (OGRID No. 7377) is the 100 percent working interest owner in the fee and federal leases covering Sections 14 and 23.
2. EOG has drilled or is preparing to drill the following horizontal wells in the Sanders Tank; Upper Wolfcamp Pool (98097) underlying the subject acreage:
  - The Dogwood 23 Fed Com No. 701H, Dogwood 23 Fed Com No. 702H; and Dogwood Fed Com No. 703H have been drilled in the E/2 of Sections 14 and 23;
  - The Dogwood Fed No. 705H Well and the Dogwood Fed No. 706H Well have been permitted in the E/2 of Sections 14 and 23;

- The Dogwood Fed No. 707H Well, Dogwood Fed No. 708H Well, Dogwood Fed No. 709H Well, and the Dogwood Fed No. 710H Well have been permitted in the W/2 of Sections 14 and 23.

3. The Sanders Tank; Upper Wolfcamp Pool (98097) is subject to the Division's statewide spacing rules. EOG's drilling program for the subject acreage has resulted in development of each of the 40-acre tracts comprising the proposed non-standard horizontal spacing unit and unitized area.

4. EOG seeks to minimize surface disturbance by consolidating facilities and commingling production from existing and future wells in the subject area. The Bureau of Land Management has informed EOG that they will approve a Communitization Agreement covering all of the subject acreage.

5. In order to dedicate the existing wells to the acreage subject to the proposed Communitization Agreement, EOG requires approval from the Division to treat the subject acreage as a single non-standard horizontal spacing unit or unitized area.

6. Approval a 1280-acre non-standard horizontal spacing unit or unitized area comprised of the subject acreage will allow EOG to efficiently locate surface facilities and minimize surface disturbances in a manner similar to that currently allowed exploratory units and participating areas within federal units.

7. Approval of a 1280-acre non-standard horizontal spacing unit or unitized area comprised of the subject acreage is consistent with the intent of a "unitized area" expressed in NMRA 19.15.16.7(P).

8. EOG will provide notice of this application to affected parties in the proposed non-standard horizontal spacing unit or unitized area.

9. Approval of this application is in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, EOG requests that this application be set for hearing before an Examiner of the Oil Conservation Division on October 18, 2018, and that after notice and hearing as required by law, the Division enter an order granting this application.

Respectfully submitted,

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ATTORNEYS FOR EOG RESOURCES, INC.

CASE 16462

**Application of EOG Resources, Inc. for Approval of a 1280-Acre Non-Standard Horizontal Spacing Unit or Unitized Area Comprised of Acreage Subject to a Proposed Communitization Agreement, Lea, New Mexico.** Applicant in the above-styled cause seeks an order approving an approximately 1280-acre non-standard spacing unit or unitized area in the Wolfcamp formation comprised of acreage subject to a proposed communitization agreement covering Sections 14 and 23, Township 26 South, Range 33 East, NMPM Lea County, New Mexico. This acreage has been placed in the Sanders Tank; Upper Wolfcamp Pool (98097) and is subject to the Division's general statewide rules for oil development. This subject area is located approximately 5 miles west of Andrews Place, New Mexico.