

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

**APPLICATION OF EOG RESOURCES, INC.
TO AMEND ORDER R-21431 FOR APPROVAL
OF A NON-STANDARD SPACING UNIT,
LEA COUNTY, NEW MEXICO.**

CASE NO. 21551

EOG RESOURCES, INC.'S PRE-HEARING STATEMENT

EOG Resources, Inc. ("EOG") submits this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

EOG Resources, Inc.

ATTORNEY

Michael H. Feldewert
Adam G. Rankin
Julia Broggi
Kaitlyn A. Luck
Holland & Hart, LLP
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421
(505) 983-6043 Facsimile
mfeldewert@hollandhart.com
agrankin@hollandhart.com
jbroggi@hollandhart.com
kaluck@hollandhart.com

OTHER INTERESTED PARTIES

Ostrich Oil and Gas LLC

Sharon T. Shaheen
Montgomery & Andrews, P.A.
Post Office Box 2307
Santa Fe, New Mexico 87504-2307
(505) 986-2678
sshheen@montand.com

APPLICANT'S STATEMENT OF CASE

EOG seeks an amended order approving a 320-acre, more or less, non-standard horizontal spacing unit comprised of the W/2 W/2 of Section 3, Township 24 South, Range 35 East, and the W/2 W/2 of Section 34, Township 23 South, Range 35 East, NMPM, Lea County, New Mexico, under the terms of Order R-21431.

Order R-21431, entered on August 18, 2020, in Case No. 21377, created a 320-acre, more or less, standard horizontal well spacing unit consisting of the W/2 W/2 of Section 3, Township 24 South, Range 35 East, and the W/2 W/2 of Section 34, Township 23 South, Range 35 East, NMPM, Lea County, New Mexico (the "Unit"), and designated Applicant as the operator of the Unit. Order R-21431 further pooled the uncommitted interests in the Bone Spring formation [WC-025 G-08 S233528D; LWR BONE SPRING (97958)] in the Unit and dedicated the Unit to the initial **Gladiator 3 Fed Com #301H well** (the "well") to be drilled from a surface hole location in the SW/4 SW/4 (Unit M) of Section 3 to bottom hole location in the SW/4 NW/4 (Unit E) of Section 34.

Due to the drilling issues, the completed interval of the well terminates in the SW/4 NW/4 of Section 34 and will not penetrate the NW/4 NW/4 of Section 34, as originally planned and as initially approved in Order R-21431. Since the well does not penetrate the NW/4 NW/4 of Section 34, approval of a non-standard spacing unit is necessary to allow this acreage to remain dedicated to the well. See 19.15.16.15.B NMAC. Applicant has reached a voluntary agreement with the only working interest owner in the NW/4 NW/4 of Section 34 and does not oppose this request for approval of a non-standard unit.

APPLICANT'S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Katie McBryde, Landman	Affidavit	Approx. 6
Denton ONeal, Geologist	Affidavit	Approx. 3

PROCEDURAL MATTERS

If uncontested at the hearing, EOG intends to present this case by affidavit.

Respectfully submitted,

HOLLAND & HART LLP



By: _____

Michael H. Feldewert
Adam G. Rankin
Julia Broggi
Kaitlyn A. Luck
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421
(505) 983-6043 Facsimile
mfeldewert@hollandhart.com
agrarkin@hollandhart.com
jbroggi@hollandhart.com
kaluck@hollandhart.com

ATTORNEYS FOR EOG RESOURCES, INC.

CERTIFICATE OF SERVICE

I hereby certify that on November 25, 2020, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

Sharon T. Shaheen
Montgomery & Andrews, P.A.
Post Office Box 2307
Santa Fe, New Mexico 87504-2307
(505) 982-3873
sshheen@montand.com

Attorney for Ostrich Oil and Gas LLC



Kaitlyn A. Luck