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

APPLICATION OF EOG RESOURCES, INC.
FOR A DESIGNATION OF A NEW OIL POOL AND FOR
SPECIAL DEPTH BRACKET ALLOWABLE
FOR OIL WELLS WITHIN THE WC-025 G-09 S253336D;
UPPER WOLFCAMP WILDCAT POOL, LEA COUNTY, NEW MEXICO.

CASE NO. 15668

APPLICATION

EOG Resources, Inc., ("EOG") (OGRID No. 7377), through its undersigned attorneys, hereby makes application pursuant to NMAC 19.15.20.12.D to (1) create a new Wolfcamp pool; and (2) increase the depth bracket allowable for oil wells within the WC-025 G-09 S253336D; Upper Wolfcamp Pool (98094). In support of this application EOG states:

- 1. The WC-025 G-09 S253336D; Upper Wolfcamp is a wildcat pool established by EOG Resources Inc. as the result of the discovery of hydrocarbons in the Brown Bear 36 State #701H (API No. 30-025-42153) located in the NW/4 NW/4 (Unit D) of Section 36, Township 25 South, Range 33 East, NMPM, Lea County, New Mexico. Pursuant to Division Rule 19.15.20.12.A, this pool was assigned a depth bracket allowable of 410 barrels of oil per day for each 40-acre spacing unit.
- 2. The Division district office has informed the Applicant that the WC-025 G-09 S253336D; Upper Wolfcamp Pool currently comprises the following acreage in Lea County, New Mexico:

Township 25 South, Range 33 East, N.M.P.M.

Section 25: SW/4 Section 26: All

Section 36: W/2

- 3. EOG has recently completed four horizontal wells in Sections 11 & 14, Township 26 South, Range 33 East:
 - o Whirling Wind 14 Fed Com #701H (12,484' TVD)
 - o Whirling Wind 11 Fed Com #702H (12,475' TVD)
 - o Whirling Wind 11 Fed Com #703H (12,443' TVD)
 - o Whirling Wind 11 Fed Com #704H (12,447' TVD)

Each well is producing from the WC-025 G-09 S253336D; Upper Wolfcamp. These wells have demonstrated that they are capable of production at rates in excess of the depth bracket allowable currently assigned to wells in this pool.

- 4. EOG's analysis of the WC-025 G-09 S253336D; Upper Wolfcamp Pool indicates that increasing the depth bracket allowable from 410 to 1,400 barrels of oil per day for each 40-acre spacing unit will not damage the reservoir or cause waste of the remaining reserves.
- 5. In order to allow EOG and other operators in the WC-025 G-09 S253336D; Upper Wolfcamp Pool to efficiently and effectively produce the oil reserves, EOG requests that the Division increase the depth bracket allowable from 410 to 1,400 barrels of oil per day for each 40-acre spacing unit.
- 6. After consultation with the Division district office, EOG requests that creation of the **Bobcat Draw**; Upper Wolfcamp Pool to correspond with the boundaries of the WC-025 G-09 S253336D; Upper Wolfcamp Pool.
- 7. All other rules for this pool shall remain in conformance with statewide rules for oil wells.
- 8. Notice of this application will be provided to the Division designated operators in the WC-025 G-09 S253336D; Upper Wolfcamp Pool as well as the Division designated

operators and working interest owners within the Wolfcamp formation within one mile of the pool's outer boundary.

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

WHEREFORE, EOG respectfully requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 30, 2017, and that after notice and hearing, the Division enter an order approving this application.

Respectfully submitted,

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ATTORNEYS FOR EOG RESOURCES, INC.

CASE No. <u>1566</u> Application Of EOG Resources, Inc., For Creation Of A New Pool And For A Special Depth Bracket Allowable For The WC-025 G-09 S253336D; Upper Wolfcamp Pool, Lea County, New Mexico. Applicant seeks an order (1) creating a new Wolfcamp Oil Pool; and (2) authorization to increase the depth bracket allowable for oil wells within the WC-025 G-09 S253336D; Upper Wolfcamp Pool (98094) from 410 to 1400 barrels of oil per day for each 40-acre spacing unit. This pool is currently covers the following acreage in Lea County, New Mexico:

Township 25 South, Range 33 East, N.M.P.M.

Section 25: SW/4 Section 26: All Section 36: W/2

Said pool is located approximately 30 miles west of Jal, New Mexico.