

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

**APPLICATION OF EOG RESOURCES, INC.
FOR 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 pooling all uncommitted interests in the Bone Spring formation underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the E/2 of Sections 23 and 26, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico. In support of its 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 dedicate the above-referenced horizontal spacing unit to the following proposed wells:

- **Grackle 23 Fed Com 101H, Grackle 23 Fed Com 301H and the Grackle 23 Fed Com 302H** to be drilled from the NW/4 NE/4 (Unit B) of Section 23 to a bottomhole location in the SW/4 SE/4 (Unit O) of Section 26.
- **Grackle 23 Fed Com 102H, Grackle 23 Fed Com 103H, Grackle 23 Fed Com 303H, Grackle 23 Fed Com 304H, and the Grackle 23 Fed Com 305H** to be drilled from the NE/4 NE/4 (Unit A) of Section 23 to a bottomhole location in the SE/4 SE/4 (Unit P) of Section 26.

3. The completed interval of the **Grackle 23 Fed Com 101H** and the **Grackle 23 Fed Com 303H** are expected to remain within 330 feet of the adjoining quarter-quarter section (or equivalent) tracts to allow inclusion of these proximity tracts within the proposed horizontal spacing unit under NMAC 19.15.16.15.B(1)(b).

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

5. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

6. Approval of this application will allow Applicant to obtain a just and fair share of the oil and gas underlying the subject lands.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on August 4, 2022, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the horizontal spacing unit;
- B. Approving the initial wells in the horizontal spacing unit;
- C. Designating Applicant as the operator of this 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, 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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