

**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 from the top of the 2nd Bone Spring interval to the top of the Wolfcamp formation underlying a standard 320-acre horizontal spacing unit comprised of the W/2 of Section 21, 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:

- **Galleon 21 Fed 501H** and **Galleon 21 Fed 502H**, to be drilled from the SW/4 SW/4 (Unit M) to a bottomhole location in the NW/4 NW/4 (Unit D) of Section 21; and
- **Galleon 21 Fed 503H** and **Galleon 21 Fed 504H**, to be drilled from the SE/4 SW/4 (Unit N) to a bottomhole location in the NE/4 NW/4 (Unit C) of Section 21

3. The completed interval of the Galleon 21 Fed 503H well is 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. An existing Joint Operating Agreement covers the subject acreage but is limited in depth to the 1st Bone Spring interval of the Bone Spring formation. Accordingly, EOG seeks to pool from the top of the 2nd Bone Spring interval of the Bone Spring formation to the top of the Wolfcamp formation, being the stratigraphic equivalent of 10,449 feet to 12,030 feet subsurface, as found in the Vaca Ridge 21 Fed Com #1 (API:30-025-28641), located in the SW/4SE/4 of Section 21, Township 24 South, Range 34 East, Lea County, New Mexico.

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

6. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, will protect correlative rights, and allow Applicant to obtain a just and fair share of the oil and gas underlying the subject lands.

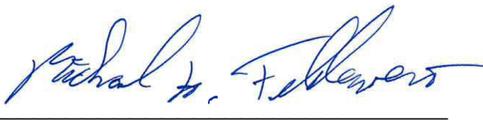
WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on August 4, 2022, and, after notice and hearing as required by law, the Division enter an order:

- 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,

HOLLAND & HART LLP

By: 

Michael H. Feldewert  
Adam G. Rankin  
Julia Broggi  
Paula M. Vance  
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  
pmvance@hollandhart.com

**ATTORNEYS FOR EOG RESOURCES, INC.**