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

APPLICATION OF E.G.L. RESOURCES, INC. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

CASE NO. 24421

PRE-HEARING STATEMENT

E.G.L. Resources, Inc. ("E.G.L." or "Applicant") submits its Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPLICANT ATTORNEYS

E.G.L. Resources, Inc. Dana S. Hardy

Jaclyn M. McLean Hinkle Shanor LLP P.O. Box 2068

Santa Fe, NM 87504-2068 Phone: (505) 982-4554 dhardy@hinklelawfirm.com jmclean@hinklelawfirm.com

INTERESTED PARTY ATTORNEY

Coterra Energy, Inc. & Darin C. Savage
Cimarex Energy Co. Andrew D. Schill

William E. Zimsky Abadie & Schill, PC 214 McKenzie Street

Santa Fe, New Mexico 87501

Telephone: 970-385-4401 Facsimile: 970-385-4901 darin@abadieschill.com andrew@abadieschill.com bill@abadieschill.com

Burlington Resources Oil & Michael H. Feldewert Gas Company LP Adam G. Rankin

Paula M. Vance Holland & Hart, LLP Post Office Box 2208

Santa Fe, New Mexico 87504

(505) 988-4421

(505) 983-6043 Facsimile mfeldewert@hollandhart.com agrankin@hollandhart.com pmvance@hollandhart.com

EOG Resources, Inc.

Jordan Kessler EOG Resources, Inc. 125 Lincoln Avenue, Suite 213 Santa Fe, New Mexico 87501 (432) 488-6108 Jordan kessler@eogresources.com

STATEMENT OF THE CASE

E.G.L. seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a 640-acre, more or less, standard horizontal spacing unit comprised of the E/2 of Sections 24 and 25, Township 18 South, Range 32 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the following proposed wells ("Wells"):

- a. the LTK 24-25 Fed Com 101H, 102H, 201H, and 203H Wells, to be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 24 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 25; and
- b. the LTK 24-25 Fed Com 103H and 205H Wells, to be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 24 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 25.

The completed intervals of the Wells will be orthodox. The completed interval of the LTK 24-25 Fed Com 203H Well will be located within 330' of the quarter-quarter section line separating the E/2 E/2 and W/2 E/2 of Sections 24 and 25 to allow for the creation of a 640-acre standard horizontal spacing unit.

Also to be considered will be the cost of drilling and completing the Wells and the allocation of the costs and a 200% charge for the risk involved in drilling and completing the Wells. The Wells are located approximately 8 miles south of Maljamar, New Mexico.

PROPOSED EVIDENCE

Witness	Occupation	Estimated Time	Exhibits
Matthew Langhoff	Landman	Affidavit	Approx. 5
Matthew Pardee	Geologist	Affidavit	Approx. 6

PROCEDURAL MATTERS

Applicant intends to present this case by affidavit if there is no opposition to its application.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy Jaclyn M. McLean P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554 Facsimile: (505) 982-8623 dhardy@hinklelawfirm.com jmclean@hinklelawfirm.com

Counsel for E.G.L. Resources, Inc.

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

District II 811 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720

District III 1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. **Santa Fe, NM 87505**

QUESTIONS

Action 342452

QUESTIONS

Operator:	OGRID:
E G L RESOURCES INC	173413
P.O. Box 10886	Action Number:
Midland, TX 79702	342452
	Action Type:
	[HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony		
Please assist us by provide the following information about your testimony.		
Number of witnesses	Not answered.	
Testimony time (in minutes)	Not answered.	