

**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, files this application with the Oil Conservation Division for an order pooling a standard 799.73-acre, more or less, horizontal well spacing unit in the Upper Bone Spring formation (Red Hills; Upper Bone Spring Shale, Pool Code 97900) comprised of the W/2 of Sections 1, 12, and the NW/4 of Section 13, all in Township 25 South, Range 33 East, NMPM, Lea County, New Mexico. In support of this application, EOG states:

1. EOG is a working interest owner in the subject acreage and has the right to drill thereon.
2. Applicant seeks to initially dedicate the above-referenced standard horizontal well spacing unit to the proposed following initial wells:
 - **Lacey Swiss 1 Fed Com 111H Well**, to be horizontally drilled from a surface location in NE/4 NE/4 (Lot 1) of Section 2, with a first take point in the NW/4 NW/4 (Lot 4) of Section 1 and a last take point in the SW/4 NW/4 (Unit E) of Section 13;
 - **Lacey Swiss 1 Fed Com 112H Well**, to be horizontally drilled from a surface location in NW/4 NE/4 (Lot 2) of Section 1, with a first take point in the NE/4 NW/4 (Lot 3) of Section 1 and a last take point in the SE/4 NW/4 (Unit F) of Section 4; and

- **Lacey Swiss 1 Fed Com 113H Well**, to be horizontally drilled from a surface location in NW/4 NE/4 (Lot 2) of Section 2, with a first take point in the NE/4 NW/4 (Lot 3) of Section 1 and a last take point in the SE/4 NW/4 (Unit F) of Section 13.

3. The completed interval for each well is expected to comply with the setback requirements for the governing pool.

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

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

WHEREFORE, Applicant requests that this matter be set for hearing on May 8, 2025, before an Examiner of the Oil Conservation Division, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interest owners in the proposed horizontal well spacing unit;
- B. Designating Applicant as operator of this horizontal well spacing unit and the horizontal wells to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, equipping, and completing the wells;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

- E. 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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ATTORNEYS FOR EOG RESOURCES, INC.

CASE _____: **Application of EOG Resources, Inc. for Compulsory Pooling, Lea County, New Mexico.** Applicant seeks an order pooling a standard 799.73-acre, more or less, horizontal well spacing unit in the Upper Bone Spring formation (Red Hills; Upper Bone Spring Shale, Pool Code 97900) comprised of the W/2 of Sections 1, 12, and the NW/4 of Section 13, all in Township 25 South, Range 33 East, NMPM, Lea County, New Mexico. This spacing unit will be initially dedicated to the

- **Lacey Swiss 1 Fed Com 111H Well**, to be horizontally drilled from a surface location in NE/4 NE/4 (Lot 1) of Section 2, with a first take point in the NW/4 NW/4 (Lot 4) of Section 1 and a last take point in the SW/4 NW/4 (Unit E) of Section 13;
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- **Lacey Swiss 1 Fed Com 113H Well**, to be horizontally drilled from a surface location in NW/4 NE/4 (Lot 2) of Section 2, with a first take point in the NE/4 NW/4 (Lot 3) of Section 1 and a last take point in the SE/4 NW/4 (Unit F) of Section 13.

Also, to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof, operating costs and charges for supervision, the designation of applicant as operator, and a 200% charge for risk involved in drilling and completing the wells. Said area is approximately 20 miles west of Jal, New Mexico.