

**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”) (OGRID No. 7377) through its undersigned attorneys, hereby files this Application with the Oil Conservation Division of the State of New Mexico (“Division”) pursuant to the provisions of NMSA 1978, Section 70-2-17, for an order pooling all uncommitted mineral interests in the Bone Spring and Wolfcamp formations underlying a standard 480-acre, more or less, horizontal spacing unit comprised of the SW¹/₄ of Section 35, Township 24 South, Range 34 East, N.M.P.M. and the W¹/₂ of Section 2, Township 25 South, Range 34 East, N.M.P.M., Lea County, New Mexico (the “Unit”). In support of its Application, EOG states the following:

1. EOG is a working interest owner in the Unit and has a right to drill wells thereon.
2. EOG seeks to dedicate the above-referenced Unit to the following proposed wells:
 - **Honey Buzzard 35 South State Com #301H, Honey Buzzard 35 South State Com #401H, and Honey Buzzard 35 South State Com #601H**, which will be horizontally drilled to the Bone Spring Formation from a surface location in the NE¹/₄SW¹/₄ of Section 35 to a bottom hole location in the SW¹/₄SW¹/₄ of Section 2;

- **Honey Buzzard 35 South State Com #302H**, which will be horizontally drilled to the Bone Spring Formation from a surface location in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 35 to a bottom hole location in the S $\frac{1}{2}$ of Section 2;
 - **Honey Buzzard 35 South State Com #303H, Honey Buzzard 35 South State Com #402H, and Honey Buzzard 35 South State Com #602H**, which will be horizontally drilled to the Bone Spring Formation from a surface location in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 35 to a bottom hole location in the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 2;
 - **Honey Buzzard 35 South State Com #701H and Honey Buzzard 35 South State Com #702H**, which will be horizontally drilled to the Wolfcamp Formation from a surface location in the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 35 to a bottom hole location in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 2;
 - **Honey Buzzard 35 South State Com #703H**, which will be horizontally drilled to the Wolfcamp Formation from a surface location in the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 35 to a bottom hole location in the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 2; and
 - **Honey Buzzard 35 South State Com #704H**, which will be horizontally drilled to the Wolfcamp Formation from a surface location in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 35 to a bottom hole location in the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 2 (collectively, the “Wells”).
3. The completed intervals for the Wells will comply with statewide setbacks for oil wells.

4. EOG has sought in good faith, but has been unable to obtain, voluntary agreement from all mineral interest owners to participate in the drilling of the Wells or in the commitment of their interests to the Wells for its development within the Unit.

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

6. In order to provide for its just and fair share of the oil and gas underlying the subject lands, EOG requests that all uncommitted interests in this Unit be pooled and that EOG be designated the operator of the Wells and Unit.

WHEREFORE, EOG requests that this Application be set for hearing on February 4, 2022, 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 mineral interests in the Unit;
- B. Approving the Wells in the Unit;
- C. Designating EOG as operator of this Unit and Wells to be drilled thereon;
- D. Authorizing EOG to recover its costs of drilling, equipping, and completing the Wells;
- E. Approving actual operating charges and costs of supervision, to the maximum extent allowable, while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Setting a 200% charge for the risk assumed by EOG in drilling and completing the Wells in the event a working interest owner elects not to participate in the well.

Respectfully submitted

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Application of EOG Resources, Inc. for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted mineral interests in the Bone Spring and Wolfcamp formations, each designated as an oil pool, underlying said unit. The proposed wells to be dedicated to the horizontal spacing unit are the Honey Buzzard 35 South State Com # 301H, #302H, #303H, #401H, #402H, #601H, #602H, #701H, #702H, #703H, and #704H, all oil wells, to be horizontally drilled from surface locations in the S½ of Section 35, Township 24 South, Range 34 East, N.M.P.M, to bottom hole locations in the S½ of Section 2, Township 25 South, Range 34 East, N.M.P.M. The wells are orthodox in location and the take points and laterals comply with Statewide Rules for setbacks; also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 15 miles northwest of Jal, New Mexico.