

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

**APPLICATION OF EOG RESOURCES, INC.  
FOR APPROVAL OF 1,000-ACRE NON-  
STANDARD SPACING UNIT IN THE  
DELAWARE FORMATION COMPRISED OF  
ACREAGE SUBJECT TO A PROPOSED  
COMMUNITIZATION AGREEMENT, LEA  
COUNTY, NEW MEXICO.**

**CASE NO. 22699**

**EOG'S PRE-HEARING STATEMENT**

EOG Resources, Inc. ("EOG") submits this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**

EOG Resources, Inc.

**ATTORNEY**

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**OTHER PARTIES**

None

**STATEMENT OF THE CASE**

EOG seeks an order approving a 1,000-acre, more or less, non-standard spacing unit in the Delaware formation to match the corresponding proposed Communitization Agreement for the acreage underlying all of Section 10, and the N/2 and the NW/4 SW/4 of Section 15, Township 24 South, Range 32 East, NMPM, Lea County, New Mexico. EOG owns all the working interest in

the Delaware formation underlying the subject acreage and intends to dedicate the proposed non-standard spacing unit to its “Modelo” wells. The Triste Draw; Delaware Pool (Pool Code 59930) is the only pool within the Delaware formation underlying the proposed non-standard spacing unit.

EOG seeks approval of a non-standard spacing unit to allow for a corresponding Communitization Agreement for the federal leases within this subject area. Due to the nature and configuration of these federal leases, the Bureau of Land Management (“BLM”) will not approve the commingling of production at central facilities if the subject area is developed using a standard spacing unit. *See, e.g.*, 43 CFR 3173.14 (addressing authorized commingling). EOG understands that the Bureau of Land Management will approve a Communitization Agreement for the Delaware formation underlying the acreage comprising the proposed non-standard spacing unit once the Division issues approval of the proposed non-standard spacing unit. EOG’s drilling program for this area will develop the Delaware formation underlying each of the 40-acre tracts comprising the proposed non-standard spacing unit.

Division Rules contemplate and encourage oil and gas development, where possible, in enlarged areas of common ownership, including communitized areas, to minimize surface disturbance and to promote efficient well spacing. *See, e.g.*, 19.15.16.7.P NMAC; 19.15.16.15.B(8) NMAC; 19.15.16.15.C(7) NMAC. Approval of this application will allow EOG to efficiently locate surface facilities; reduce surface disturbance; consolidate roads, tanks and pipelines; promote effective well spacing; and prevent waste and protect correlative rights.

**APPLICANT'S PROPOSED EVIDENCE**

<b>WITNESS Name and Expertise</b>	<b>ESTIMATED TIME</b>	<b>EXHIBITS</b>
Chloe Sawtelle, Landman	Affidavit	Approx. 10
Jack Tidholm, Geologist	Affidavit	Approx. 4
Peter Tan, Engineer	Affidavit	Approx. 5

**PROCEDURAL MATTERS**

If uncontested at the hearing, EOG intends to present this case by affidavit.

EOG's proposed non-standard spacing unit covers the same acreage as non-standard spacing units in the Bone Spring and Wolfcamp formations operated by EOG that were previously approved by the Division under Order No. R-21782 in Case No. 21978. EOG requests that the Division take administrative notice of the record in that case and Order No. R-21782 in this matter.

Respectfully submitted,

HOLLAND & HART LLP

By: 

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**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
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QUESTIONS  
  
Action 106432

QUESTIONS

Operator: EOG RESOURCES INC P.O. Box 2267 Midland, TX 79702	OGRID: 7377
	Action Number: 106432
	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.