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

APPLICATION OF EOG RESOURCES, INC. ("EOG") 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 Wolfcamp formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the E/2 W/2 of Sections 22 and 27, Township 19 South, Range 33 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 proposed **Goldfinger 27 Fed Com #711H well**. The surface hole location will be in the SW/4 SW/4 (Unit M) of Section 27 pending drill island approval from the Bureau of Land Management. The bottom hole location for the proposed well will be in the NE/4 NW/4 (Unit C) of Section 22.

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

4. 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 application be set for hearing before an Examiner

of the Oil Conservation Division on September 1, 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. Designating Applicant operator of this spacing unit and the horizontal well to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, completing, and equipping the well;
- 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% penalty for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP

By:

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