

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING JUNE 13, 2024**

CASE NO. 24538

PISTOLERO 15 FED COM #202H, & #203H

LEA COUNTY, NEW MEXICO



**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. 24538

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COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 24538	APPLICANT'S RESPONSE
Date	June 13, 2024
Applicant	EOG Resources, Inc.
Designated Operator & OGRID (affiliation if applicable)	EOG Resources, Inc. (OGRID No. 7377)
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF EOG RESOURCES, INC. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:	N/A
Well Family	Pistolero
Formation/Pool	
Formation Name(s) or Vertical Extent:	Upper Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code (Only if NSP is requested):	Red Hills; Upper Bone Spring Shale [97900]
Well Location Setback Rules (Only if NSP is Requested):	N/A
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	960 acres
Building Blocks:	40 acre
Orientation:	Standup
Description: TRS/County	W/2 of Section 15, 22, and 27, Township 25 South, Range 34 East, NMPM, Lea County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	Yes
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit A-3
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed

Well #1	Pistolero 15 Fed Com 202H well SHL: 331' FNL, 1,172' FWL (Unit D) of Section 15 BHL: 100' FSL, 1,710' FWL (Unit N) of Section 27 Target: Upper Bone Spring Orientation: Standup Completion: Standard
Well #2	Pistolero 15 Fed Com 203H well SHL: 276' FNL, 300' FWL (Unit D) of Section 15 BHL: 100' FSL, 790' FWL (Unit M) of Section 27 Target: Lower Bone Spring Orientation: Standup Completion: Standard
Horizontal Well First and Last Take Points	Exhibit A-1
Completion Target (Formation, TVD and MD)	Exhibit A-4
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$10,000
Production Supervision/Month \$	\$1,000
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Application
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C, C-1, C-2
Proof of Published Notice of Hearing (10 days before hearing)	D
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-2
Tract List (including lease numbers and owners)	Exhibit A-3
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	Exhibit A-4
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4
Cost Estimate for Production Facilities	Exhibit A-4

Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B, B-3
HSU Cross Section	Exhibit B-3
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit A-1
Tracts	Exhibit A-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibit B-1
Structure Contour Map - Subsea Depth	Exhibit B-2
Cross Section Location Map (including wells)	Exhibit B-2
Cross Section (including Landing Zone)	Exhibit B-3
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Paula M. Vance
Signed Name (Attorney or Party Representative):	
Date:	6/6/2024

**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. 24538

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 960-acre, more or less, horizontal spacing well unit in the Upper Bone Spring formation (Red Hills Upper Bone Spring Shale Pool, Pool Code 97900) comprised of the W/2 of Sections 15, 22, and 27, Township 25 South, Range 34 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 initial **Pistolero 15 Fed Com #202H** well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 15 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 27; and the **Pistolero 15 Fed Com #203H** well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 15 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 27.
3. The completed interval for each well is expected to comply with the setback requirements for the Bone Spring formation.

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit - Application
Submitted by: EOG Resources, Inc.
Hearing Date: June 13, 2024
Case No. 24538**

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 June 13, 2024, 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 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,

HOLLAND & HART LLP

By: _____

Michael H. Feldewert
Adam G. Rankin
Paula Vance
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Santa Fe, NM 87504
505-988-4421
505-983-6043 Facsimile
mfeldewert@hollandhart.com
agrarkin@hollandhart.com
pmvance@hollandhart.com

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 960-acre, more or less, horizontal spacing well unit in the Upper Bone Spring formation (Red Hills Upper Bone Spring Shale Pool, Pool Code 97900) comprised of the W/2 of Sections 15, 22, and 27, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico. This spacing unit will be initially dedicated to the **Pistolero 15 Fed Com #202H** well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 15 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 27; and the **Pistolero 15 Fed Com #203H** well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 15 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 27. 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 15 miles west of Jal, New Mexico.

**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. 24538

SELF-AFFIRMED STATEMENT OF LACI STRETCHER

1. My name is Laci Stretcher, and I am employed by EOG Resources, Inc. (“EOG”) as a Landman. My responsibilities include the Permian Basin of New Mexico. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters and my credentials have been accepted by the Division and made a matter of record.

2. I am familiar with the application filed by EOG in this matter and the status of the lands in the subject area.

3. EOG seeks an order pooling all uncommitted interests in the Upper Bone Spring formation comprised of the W/2 of Sections 15, 22, and 27, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico. This spacing unit will be initially dedicated to the **Pistolero 15 Fed Com #202H** well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 15 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 27; and the **Pistolero 15 Fed Com #203H** well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 15 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 27.

4. Applicant filed a separate administrative application for approval of the non-standard spacing unit.

5. **EOG Exhibit A-1** contains the Form C-102s for the proposed initial wells. They reflect that the wells will be assigned to the Red Hills Upper Bone Spring Shale Pool, Pool Code 97900.

6. **EOG Exhibit A-2** identifies the tracts of land comprising the proposed spacing unit and associated lease numbers, which consists of federal acreage.

7. **EOG Exhibit A-3** provides a working interest ownership breakdown by tract and on a unit basis. EOG is seeking to pool the working interest owner highlighted in yellow.

8. EOG has been able to locate a mailing address for the interest owner that it seeks to pool.

9. **EOG Exhibit A-4** contains a sample of the well proposal letter and AFEs for the proposed wells submitted to the uncommitted working interest owner. The costs reflected in these AFEs are consistent with what EOG and other operators have incurred for drilling similar horizontal wells in the area in this formation.

10. **EOG Exhibit A-5** contains a chronology of the contacts with the uncommitted working interest owner. It reflects that EOG has undertaken good faith effort to obtain voluntary joinder of this owner in the proposed spacing unit and initial wells.

11. EOG requests overhead and administrative rates of \$10,000 per month for drilling and \$1,000 per month for a producing well. These rates are consistent with the rates charged by EOG and other operators for similar wells in this area.

12. I have provided the law firm of Holland and Hart LLP with the names and addresses of the interest owners to be pooled and instructed that they be notified of this hearing. EOG has conducted a diligent search of all public records in the county where the property is located,

reviewed telephone directories, and conducted computer searches to locate contact information for the interest owner that EOG seeks to pool.

13. **EOG Exhibits A-1 through A-5** were prepared by me or compiled under my direction from company business records.

14. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.



LACI STRETCHER

6/5/2024

Date

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) 788-1283 Fax: (575) 748-9720
DISTRICT III
1080 Rio Bosons Rd., Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Exhibit A-1
Form C-102
Submitted by: EOG Resources, Inc.
Hearing Date: June 13, 2024
Case No. 24538
Submit one copy to appropriate District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

Table with 3 columns: API Number (30-025- 52549), Pool Code (97900), Pool Name (Red Hills Upper Bone Spring Shale), Property Code, Property Name (PISTOLERO 15 FED COM), Well Number (202H), OGRID No. (7377), Operator Name (EOG RESOURCES, INC.), Elevation (3333')

Surface Location

Table with 10 columns: UL or lot no. (D), Section (15), Township (25-S), Range (34-E), Lot Idn (-), Feet from the (331'), North/South line (NORTH), Feet from the (1172'), East/West line (WEST), County (LEA)

Bottom Hole Location If Different From Surface

Table with 10 columns: UL or lot no. (N), Section (27), Township (25-S), Range (34-E), Lot Idn (-), Feet from the (100'), North/South line (SOUTH), Feet from the (1710'), East/West line (WEST), County (LEA)

Table with 4 columns: Dedicated Acres (960.00), Joint or Infill, Consolidated Code, Order No. (PENDING COM AGREEMENT)

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

Main plat diagram showing well location, surface location (SHL), kick off point (KOP), upper most perf. (UMP), lower most perf. (LMP), bottom hole location (BHL), and operator/surveyor certifications. Includes coordinate data and survey details.

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) 780-1283 Fax: (575) 748-9720
DISTRICT III
1080 Rio Bosque Rd., Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office
 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-52638	Pool Code 97900	Pool Name Red Hills Upper Bone Spring Shale
Property Code	Property Name PISTOLERO 15 FED COM	Well Number 203H
OGRID No. 7377	Operator Name EOG RESOURCES, INC.	Elevation 3334'

Surface Location

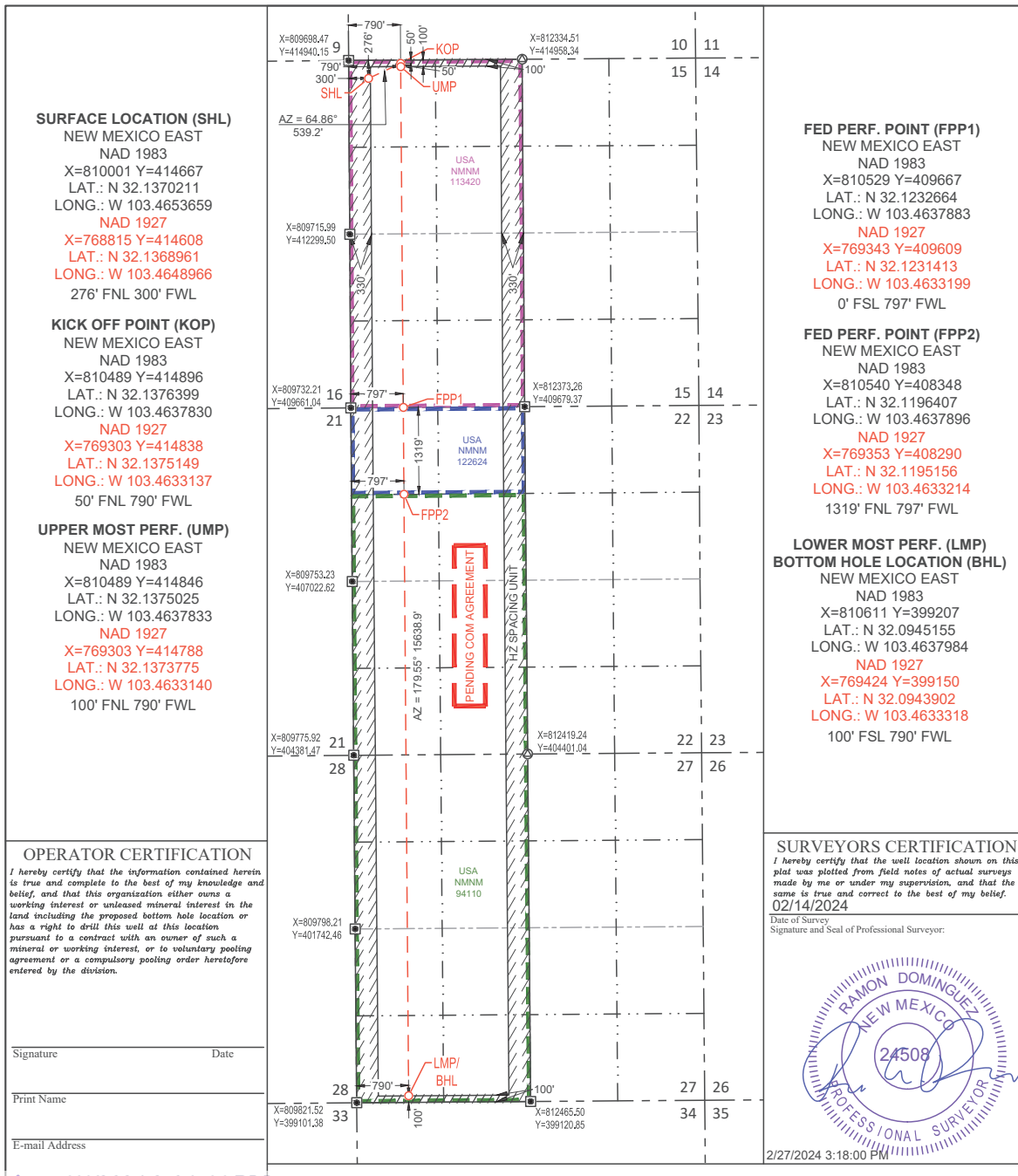
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	15	25-S	34-E	-	276'	NORTH	300'	WEST	LEA

Bottom Hole Location If Different From Surface

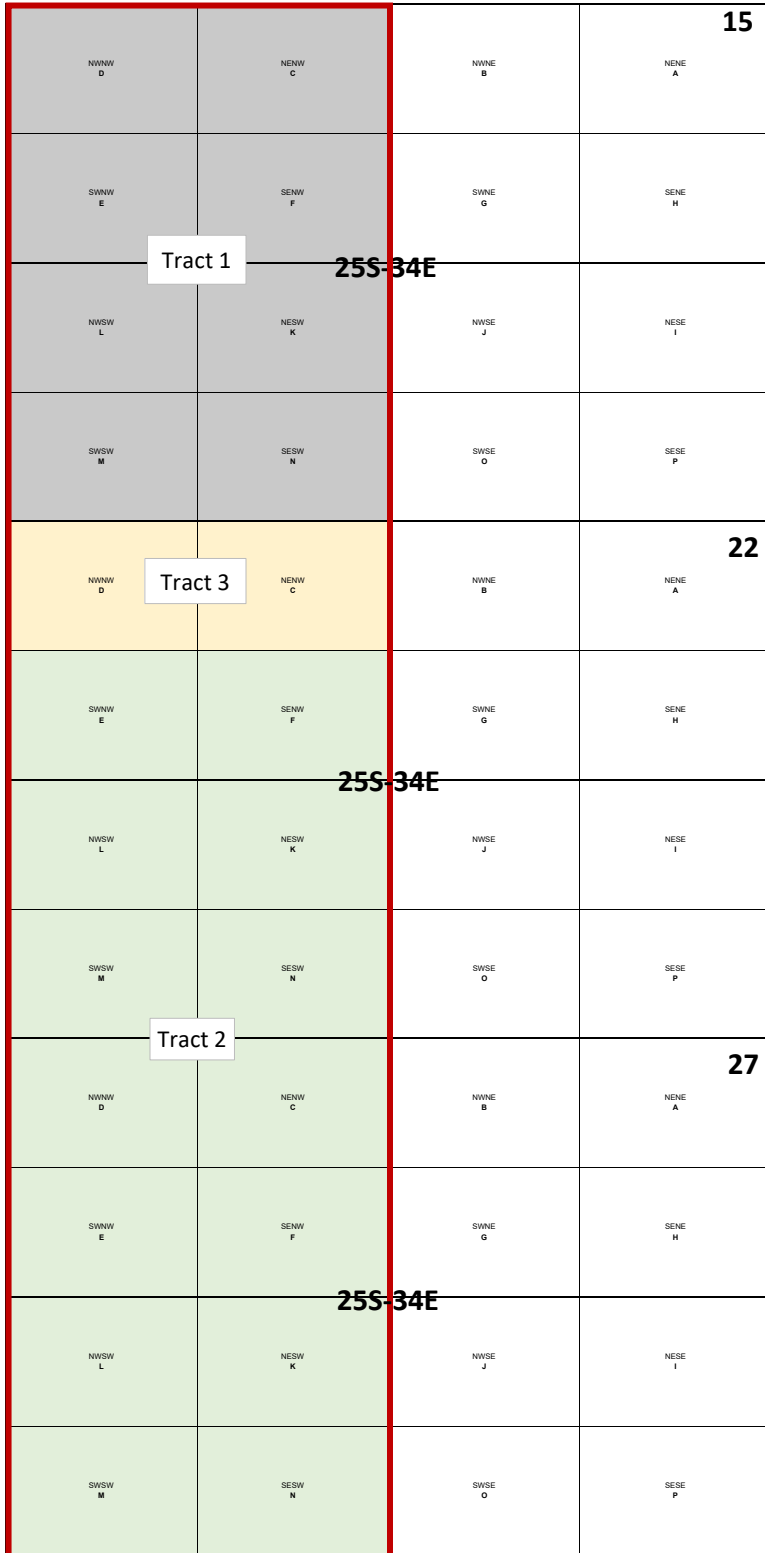
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	27	25-S	34-E	-	100'	SOUTH	790'	WEST	LEA

Dedicated Acres 960.00	Joint or Infill	Consolidated Code	Order No.	PENDING COM AGREEMENT
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



Land Tract Map A-2



**Pistolero 15 Fed Com
Land Tract Map**

Tract 1: USA NMNM-113420
320 Acres

Tract 3: USA NMNM-122624
80 Acres

Tract 2: USA NMNM-94110
560 Acres

Pistolero 15 Fed Com
Bone Spring Com Boundaries

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit A-2
Submitted by: EOG Resources, Inc.
Hearing Date: June 13, 2024
Case No. 24538**

Pistolero 15 Fed Com Ownership by Tract

<u>Owner Name:</u>	<u>Type</u>	<u>Tract</u>	<u>Depths</u>	<u>WI (Expense)</u>	<u>WI</u> <u>(Expense: Formula)</u>	<u>NRI</u>	<u>NRI</u> <u>(Formula)</u>
United States of America	RI	1	ALL			0.12500000	=1/8
EOG Resources, Inc.	WI	1	ALL	0.75122389	=(0.75122389)	0.65732091	=(0.75122389 * 7/8)
Oxy Y-1 Company	WI	1	ALL	0.24561837	=(0.24561837)	0.21491607	=(0.24561837 * 7/8)
Sharbro Energy, LLC	WI	1	ALL	0.00315774	=(0.00315774)	0.00276302	=(0.00315774 * 7/8)
TOTAL:				1.00000000		1.00000000	
United States of America	RI	2	ALL			0.12500000	=1/8
EOG Resources, Inc.	WI	2	ALL	1.00000000	(8/8)	0.87500000	=(100%*7/8)
TOTAL:				1.00000000		1.00000000	
United States of America	RI	3	ALL			0.12500000	=1/8
EOG Resources, Inc.	WI	3	ALL	1.00000000	(8/8)	0.87500000	=(100%*7/8)
TOTAL:				1.00000000		1.00000000	

TRACT 1: 320 acres, more or less, being the West Half (W/2) of Section 15, Township 25 South, Range 34 East, N.M.P.M., Lea County, New Mexico.

TRACT 2: 560 acres, more or less, being the West Half (W/2) of Section 27, and the Southwest Quarter (SW/4) and the South Half of the Northwest Quarter (S/2 NW/4) of Section 22, Township 25 South, Range 34 East, N.M.P.M., Lea County, New Mexico.

TRACT 3: 80 acres, more or less, being the North Half of the Northwest Quarter (N/2 NW/4) of Section 22, Township 25 South, Range 34 East, N.M.P.M, Lea County, New Mexico.

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit A-3
 Submitted by: EOG Resources, Inc.
 Hearing Date: June 13, 2024
 Case No. 24538

Pistolero 15 Fed Com Unit Ownership

<u>Owner Name:</u>	<u>Type</u>	<u>Tract</u>	<u>Depths</u>	<u>WI (Expense)</u>	<u>WI</u> <u>(Expense; Formula)</u>	<u>NRI</u>	<u>NRI</u> <u>(Formula)</u>	<u>Compulsory Pooling</u> <u>Comments</u>
United States of America	RI	1 - 3	ALL			0.12500000	=1/8	
EOG Resources, Inc.	WI	1 - 3	ALL	0.91707463	$=(0.75122389 * 320/960) + (640/960)$	0.80244030	$=(0.75122389 * 7/8 * 320/960) + (7/8 * 640/960)$	Operator
Oxy Y-1 Company	WI	1	ALL	0.08187279	$=(0.24561837 * 320/960)$	0.07163869	$=(0.24561837 * 7/8 * 320/960)$	Needs to be Pooled
Sharbro Energy, LLC	WI	1	ALL	0.00105258	$=(0.00315774 * 320/960)$	0.00092101	$=(0.00315774 * 7/8 * 320/960)$	Participate Under JOA
TOTAL:				1.00000000		1.00000000		

TRACT 1: 320 acres, more or less, being the West Half (W/2) of Section 15, Township 25 South, Range 34 East, N.M.P.M., Lea County, New Mexico

TRACT 2: 560 acres, more or less, being the West Half (W/2) of Section 27, and the Southwest Quarter (SW/4) and the South Half of the Northwest Quarter (S/2 NW/4) of Section 22, Township 25 South, Range 34 East, N.M.P.M., Lea County, New Mexico

TRACT 3: 80 acres, more or less, being the North Half of the Northwest Quarter (N/2 NW/4) of Section 22, Township 25 South, Range 34 East, N.M.P.M, Lea County, New Mexico

Party to Be Pooled



P.O. Box 2267, Midland, Texas 79702
Phone: (432) 686-3600 Fax: (432) 686-3773

February 22, 2024

OXY Y-1 Company
PO BOX 27570
Houston, Texas 77227

EMAIL, CERTIFIED MAIL, RETURN RECEIPT REQUESTED

RE: **Pistolero 15 Fed Com #202H, #203H, #301H, #307H, #308H, and #505H-
#507H Prospect Update and Well Proposals**
W2 of Sections 15, 22, and 27, 25S-34E
Lea County, New Mexico

Dear Working Interest Owner:

EOG Resources, Inc. ("EOG") proposed the drilling of multiple horizontal wells located in the W/2 of Sections 15, 22, and 27, 25S-34E, Lea County, New Mexico in January 2024. EOG plans on spudding the program in the next month, and several changes have been made. Please review the revised, updated well names and information below for the Pistolero Prospect. We would appreciate executed proposals and AFEs should you choose to participate.

EOG Resources, Inc. ("EOG") hereby proposes the drilling of the following horizontal wells located in the W/2 of Sections 15, 22, and 27, 25S-34E, Lea County, New Mexico:

Pistolero 15 Fed Com #202H

SHL: 331' FNL 1172' FWL, Section 15, 25S-34E

BHL: 100' FSL 1710' FWL, Section 27, 25S-34E

TVD: 10,220

TMD: 25,270

Horizontal Spacing Unit: W/2 of Sections 15, 22, and 27, 25S-34E, Lea County, New Mexico

Targeted Interval: Bone Spring Formation

Total Estimated Drilling and Completion Cost: See attached AFE

Pistolero 15 Fed Com #203H

SHL: 276' FNL 300' FWL, Section 15, 25S-34E

BHL: 100' FSL 790' FWL, Section 27, 25S-34E

TVD: 10,220

TMD: 25,270

Horizontal Spacing Unit: W/2 of Sections 15, 22, and 27, 25S-34E, Lea County, New Mexico

Targeted Interval: Bone Spring Formation

Total Estimated Drilling and Completion Cost: See attached AFE

Pistolero 15 Fed Com #301H

SHL: 341' FNL 1190' FWL, Section 15, 25S-34E

BHL: 100' FSL 2170' FWL, Section 27, 25S-34E

TVD: 10,318'

TMD: 25,368'

Horizontal Spacing Unit: W/2 of Sections 15, 22, and 27, 25S-34E, Lea County, New Mexico

Targeted Interval: Bone Spring Formation

Total Estimated Drilling and Completion Cost: See attached AFE

Pistolero 15 Fed Com #307H

SHL: 276' FNL 333' FWL, Section 15, 25S-34E

BHL: 100' FSL 1250' FWL, Section 27, 25S-34E

TVD: 10,318'

TMD: 25,368'

Horizontal Spacing Unit: W/2 of Sections 15, 22, and 27, 25S-34E, Lea County, New Mexico

Targeted Interval: Bone Spring Formation

Total Estimated Drilling and Completion Cost: See attached AFE

Pistolero 15 Fed Com #308H

SHL: 276' FNL 234' FWL, Section 15, 25S-34E

BHL: 100' FSL 330' FWL, Section 27, 25S-34E

TVD: 10,318'

TMD: 25,368'

Horizontal Spacing Unit: W/2 of Sections 15, 22, and 27, 25S-34E, Lea County, New Mexico

Targeted Interval: Bone Spring Formation

Total Estimated Drilling and Completion Cost: See attached AFE

Pistolero 15 Fed Com #505H

SHL: 350' FNL 1207' FWL, Section 15, 25S-34E

BHL: 100' FSL 2310' FWL, Section 27, 25S-34E

TVD: 10,891'

TMD: 25,941

Horizontal Spacing Unit: W/2 of Sections 15, 22, and 27, 25S-34E, Lea County, New Mexico

Targeted Interval: Bone Spring Formation

Total Estimated Drilling and Completion Cost: See attached AFE

Pistolero 15 Fed Com #506H

SHL: 322' FNL 1154' FWL, Section 15, 25S-34E

BHL: 100' FSL 1390' FWL, Section 27, 25S-34E

TVD: 10,891'

TMD: 25,941

Horizontal Spacing Unit: W/2 of Sections 15, 22, and 27, 25S-34E, Lea County, New Mexico

Targeted Interval: Bone Spring Formation

Total Estimated Drilling and Completion Cost: See attached AFE

Pistolero 15 Fed Com #507H

SHL: 276' FNL 267' FWL, Section 15, 25S-34E

BHL: 100' FSL 470' FWL, Section 27, 25S-34E

TVD: 10,891'

TMD: 25,941

Horizontal Spacing Unit: W/2 of Sections 15, 22, and 27, 25S-34E, Lea County, New Mexico

Targeted Interval: Bone Spring Formation

Total Estimated Drilling and Completion Cost: See attached AFE

EOG is proposing to drill these wells under the modified terms of the 1989 AAPL Operating Agreement with a contract area limited to the Bone Spring Formation and covering the W/2 of Sections 15, 22, and 27, 25S-34E, Lea County, New Mexico. A form of said Operating Agreement will be forwarded to you following your receipt of this proposal.

Please note the attached AFEs are estimates only and actual costs may be more or less than the amount provided on the AFEs. Further, an election to participate in a well is also an election to participate in such well's artificial lift and facility.

Within 30 days of the date of this letter, if we do not reach a mutual agreement, EOG will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest for the proposed wells.

Please indicate your election to participate in the drilling and completion of the proposed wells in the space provided below. Please sign and return one copy of this letter, a signed copy of the enclosed AFE, and your geologic well requirements.

EOG appreciates your cooperation in the development of this acreage and thank you in advance for your early consideration of this proposal. If you have any questions, please call the undersigned at 432-227-3769 or by sending email to laci_stretcher@eogresources.com.

Sincerely,

EOG Resources, Inc.



Laci Stretcher
Land Specialist

Please indicate your election in the space provided below:

_____ The undersigned elects **TO PARTICIPATE** in the drilling, completing and equipping of the captioned EOG Resources, Inc. Pistolero 15 Fed Com #202H well.

_____ The undersigned elects **NOT TO PARTICIPATE** in the drilling, completing and equipping of the captioned EOG Resources, Inc. Pistolero 15 Fed Com #202H well.

_____ The undersigned elects **TO PARTICIPATE** in the drilling, completing and equipping of the captioned EOG Resources, Inc. Pistolero 15 Fed Com #203H well.

_____ The undersigned elects **NOT TO PARTICIPATE** in the drilling, completing and equipping of the captioned EOG Resources, Inc. Pistolero 15 Fed Com #203H well.

_____ The undersigned elects **TO PARTICIPATE** in the drilling, completing and equipping of the captioned EOG Resources, Inc. Pistolero 15 Fed Com #301H well.

_____ The undersigned elects **NOT TO PARTICIPATE** in the drilling, completing and equipping of the captioned EOG Resources, Inc. Pistolero 15 Fed Com #301H well.

_____ The undersigned elects **TO PARTICIPATE** in the drilling, completing and equipping of the captioned EOG Resources, Inc. Pistolero 15 Fed Com #307H well.

_____ The undersigned elects **NOT TO PARTICIPATE** in the drilling, completing and equipping of the captioned EOG Resources, Inc. Pistolero 15 Fed Com #307H well.

_____ The undersigned elects **TO PARTICIPATE** in the drilling, completing and equipping of the captioned EOG Resources, Inc. Pistolero 15 Fed Com #308H well.

_____ The undersigned elects **NOT TO PARTICIPATE** in the drilling, completing and equipping of the captioned EOG Resources, Inc. Pistolero 15 Fed Com #308H well.

_____ The undersigned elects **TO PARTICIPATE** in the drilling, completing and equipping of the captioned EOG Resources, Inc. Pistolero 15 Fed Com #505H well.

_____ The undersigned elects **NOT TO PARTICIPATE** in the drilling, completing and equipping of the captioned EOG Resources, Inc. Pistolero 15 Fed Com #505H well.

_____ The undersigned elects **TO PARTICIPATE** in the drilling, completing and equipping of the captioned EOG Resources, Inc. Pistolero 15 Fed Com #506H well.

_____ The undersigned elects **NOT TO PARTICIPATE** in the drilling, completing and equipping of the captioned EOG Resources, Inc. Pistolero 15 Fed Com #506H well.

_____ The undersigned elects **TO PARTICIPATE** in the drilling, completing and equipping of the captioned EOG Resources, Inc. Pistolero 15 Fed Com #507H well.

_____ The undersigned elects **NOT TO PARTICIPATE** in the drilling, completing and equipping of the captioned EOG Resources, Inc. Pistolero 15 Fed Com #507 well.

Company: _____

By: _____

Title: _____

Date: _____



MIDLAND

AFE No.	184129	Original
Property No.	144677-000	
EOG W.I.(BCP)		
EOG AFE Amt:	(Drig)	\$4,398,700
	(Land)	\$48,371
	(Completion)	\$6,700,514
	(Facility)	\$394,112
	(Flowback)	\$257,821
	Total Cost	\$11,799,518

AFE Type : DEVELOPMENT DRILLING	AFE Name : PISTOLERO 15 FED COM #202H D&C	AFE Date : 02/21/2024	Budget Year : 2024
Reg. Lease No. :	Prospect Name : RED HILLS CENTRAL	TVD / MD : 10220 / 25270	Begin Date :
Location : Section 15-T25S-R34E, 331 FNL & 1172 FWL		BHLocation : Section 27-T25S-R34E, 100 FSL & 1710 FWL	
Formation : BONE SPRING		DD&A Field : BONE SPRING	
Operator : EOG RESOURCES INC	County & State : LEA / NEW MEXICO	Field : UNASSIGNED	Water Depth :
AFE Description : PISTOLERO 15 FED COM #202H D&C		Product : OIL	Days : 0 / 0

DESCRIPTION	SUB ACT	DRILLING 230	LAND 237	COMPLETION 231	FACILITY 235	FLOWBACK 236	TOTAL
ACCESS LOCATION,ROADS&SURVEY	401	124,000	0	5,000	0	0	129,000
COMP-FLBK-LOCATION AND ROADS	401	0	0	0	0	6,000	6,000
RIG MOVE	402	119,000	0	0	0	0	119,000
DAY WORK COST	404	487,000	0	0	0	0	487,000
BITS & BHA	405	97,000	0	0	0	0	97,000
COMP-BITS & PHA	405	0	0	18,000	0	0	18,000
COMP-FUEL	406	0	0	590,000	0	5,000	595,000
FUEL	406	110,000	0	0	0	0	110,000
WATER 675,000 @ \$ 1	407	12,000	0	823,500	0	0	835,500
COMP-FLBK-CHEMICALS	408	0	0	0	0	5,000	5,000
MUD & CHEMICALS	408	358,000	0	0	0	0	358,000
CEMENTING & SERVICE	409	215,000	0	0	0	0	215,000
COMP- PERFORATING	413	0	0	504,000	0	0	504,000
COMP- STIMULATION	414	0	0	2,798,000	0	0	2,798,000
COMP-FAC-TRANSPORTATION	415	0	0	21,000	0	1,500	22,500
TRANSPORTATION	415	57,000	0	0	0	0	57,000
COMP-Completion Overhead	416	0	0	10,000	0	0	10,000
DRILLING OVERHEAD	416	5,000	0	0	0	0	5,000
COMP-EQUIPMENT RENTAL	417	0	0	120,000	0	0	120,000
FLBK-EQUIPMENT RENT/OPERATIONS	417	78,000	0	0	0	35,000	113,000
OTHER DRILLING EXPENSE	419	11,000	0	0	0	0	11,000
COMP-FLBK-ENVIRONMENTAL & SAFETY	421	0	0	14,000	0	2,000	16,000
ENVIRONMENTAL & SAFETY	421	12,000	0	0	0	0	12,000
DIRECTIONAL DRILLING	422	241,000	0	0	0	0	241,000
COMP- SUPERVISION	424	0	0	70,000	0	0	70,000
SUPERVISION	424	82,000	0	0	0	0	82,000
COMP- COMMUNICATIONS	431	0	0	2,000	0	0	2,000
TUBULAR INSPECTION/HANDLING	436	38,000	0	0	0	0	38,000
COMP-CASED HOLE LOGGING/TEST	438	0	0	6,000	0	0	6,000
SPECIALTY SERVICES	441	117,000	0	0	0	0	117,000
COMP-COIL TUBING/NITROGEN	445	0	0	80,000	0	0	80,000
COMP-FLBK-CONTRACT LABOR	446	0	0	13,000	0	15,000	28,000
FLBK-DISPOSAL COSTS	447	136,000	0	44,000	0	150,000	330,000
COMP-COMPLETION FLUIDS	448	0	0	7,000	0	0	7,000
COMP-FLOWBACK	465	0	0	14,000	0	25,000	39,000
COMP-FLBK-SOLID WASTE DISPOSAL	479	0	0	0	0	2,500	2,500
COMP-LAND DRILLSITE TITLE OPINION	480	0	5,000	0	0	0	5,000
COMP-LAND ROW DRILLING	482	0	3,750	0	0	0	3,750
COMP-LAND ROW COMPLETION	483	0	3,750	0	0	0	3,750
COMP-LAND SURVEY & DAMAGES DRILL	484	0	8,125	0	0	0	8,125
COMP-LAND SURVEY AND DAMAGES COMP	485	0	8,125	0	0	0	8,125
COMP-REG-PERMIT FEE/ENV SURV&ASSESS	486	0	8,600	0	0	0	8,600
COMP-REGULATORY - TITLE	487	0	11,805	0	0	0	11,805
COMP-COMPLETIONS SAND 36,875,000 @ \$ 0	497	0	0	1,585,625	0	0	1,585,625
TOTAL INTANGIBLES		\$2,299,000	\$49,155	\$6,725,125	\$0	\$247,000	\$9,320,280

	UOM	QTY	SIZE	SIZE	GRADE	RATE						
SURFACE CASING						102	98,000	0	0	0	98,000	
INTERMEDIATE CASING						103	636,000	0	0	0	636,000	
PRODUCTION CASING						104	1,366,000	0	0	0	1,366,000	
WELLHEAD EQUIPMENT						107	71,000	0	80,000	0	151,000	
COMP-FAC-FLOW LINES						109	0	0	0	121,000	121,000	
COMP-FAC-VALVES & FITTINGS						110	0	0	0	20,000	20,000	
COMP-VALVES & FITTINGS						110	0	0	4,000	15,000	19,000	
COMP-FAC-HEATERS,TREATRS,SEPRS						115	0	0	0	131,000	131,000	
COMP-FAC-METERING EQUIPMENT						118	0	0	0	5,000	5,000	
COMP-FAC-CONSTRUCTION COST						122	0	0	0	106,000	106,000	
COMP-FAC-LABR/ELEC MEAS/AUTOMA						124	0	0	0	3,000	3,000	
COMP-FAC-INSTRUMENT/ELECTRIC EQUIP						128	0	0	0	3,000	3,000	
COMP-FAC-TRANSPORTATION						415	0	0	0	3,000	3,000	
COMP-FAC-EQUIP RNTL/FAC CONSTR						417	0	0	0	2,000	2,000	
COMP-FAC-ENVIRONMENTAL & SAFETY						421	0	0	0	1,500	1,500	
COMP-FAC-SUPERVISION FAC INSTL						424	0	0	0	1,000	1,000	
COMP-FAC-ELECTRICAL LABOR						471	0	0	0	4,000	4,000	
TOTAL TANGIBLES							\$2,171,000	\$0	\$84,000	\$400,500	\$15,000	\$2,670,500



MIDLAND

AFE No.	184129	Original
Property No.	144677-000	
EOG W.I.(BCP)		
EOG AFE Amt:	(Drig)	\$4,398,700
	(Land)	\$48,371
	(Completion)	\$6,700,514
	(Facility)	\$394,112
	(Flowback)	\$257,821
	Total Cost	\$11,799,518

TOTAL COST	\$4,470,000	\$49,155	\$6,809,125	\$400,500	\$262,000	\$11,990,780
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By	Date	By	Date
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JOINT OPERATOR APPROVAL

Firm :	By	Title	Date
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AFE No.	000145	Original
Property No.	945123-000	
EOG W.I.(BCP)		
EOG AFE Amt:	(Drig)	\$0
	(Land)	\$0
	(Completion)	\$0
	(Facility)	\$163,844
	(Flowback)	\$0
	Total Cost	\$163,844

AFE Type : ART LIFT - PU, GAS LIFT, ESP	AFE Name : PISTOLERO 15 FED COM #202H AL	AFE Date : 02/21/2024	Budget Year : 2024
Reg. Lease No. :	Prospect Name : RED HILLS CENTRAL	TVD / MD :	Begin Date :
Location :	BHLocation :		
Formation :	DD&A Field : BONE SPRING		
Operator : EOG RESOURCES INC	County & State : LEA / NEW MEXICO	Field : UNASSIGNED	Water Depth :
AFE Description : PISTOLERO 15 FED COM #202H AL - FIRST INSTALL ARTIFICIAL LIFT		Product : OIL	Days : 0 / 0

DESCRIPTION	SUB ACT	DRILLING 230	LAND 237	COMPLETION 231	FACILITY 235	FLOWBACK 236	TOTAL
TOTAL INTANGIBLES							
	UOM	QTY	SIZE	SIZE	GRADE	RATE	
COMP-FAC-TUBING						106	0
COMP-FAC-WELLHEAD EQUIPMENT						107	0
COMP-FAC-VALVES & FITTINGS						110	0
COMP-FAC-PUMP EQUIP/SURFACE						112	0
COMP-FAC-PUMP EQUIP/SUBSURFAC						113	0
COMP-FAC-METERING EQUIPMENT						118	0
COMP-FAC-WATER						407	0
COMP-FAC-TRANSPORTATION						415	0
COMP-FAC-EQUIP RNTL/FAC CONSTR						417	0
COMP-FAC-RIG						418	0
COMP-FAC-ENVIRONMENTAL & SAFETY						421	0
COMP-FAC-SUPERVISION FAC INSTL						424	0
COMP-FAC-CONTRACT LABOR						446	0
TOTAL TANGIBLES							\$0
TOTAL COST							\$0
							\$0
							\$166,500
							\$0
							\$166,500

By	Date	By	Date
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JOINT OPERATOR APPROVAL

Firm :	By	Title	Date
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AFE No.	184130	Original
Property No.	144678-000	
EOG W.I.(BCP)		
EOG AFE Amt:	(Drig)	\$4,398,700
	(Land)	\$48,371
	(Completion)	\$6,700,514
	(Facility)	\$379,351
	(Flowback)	\$257,821
	Total Cost	\$11,784,757

AFE Type : DEVELOPMENT DRILLING	AFE Name : PISTOLERO 15 FED COM #203H D&C	AFE Date : 02/21/2024	Budget Year : 2024
Reg. Lease No. :	Prospect Name : RED HILLS CENTRAL	TVD / MD : 10220/ 25270	Begin Date :
Location : Section 15-T25S-R34E, 276 FNL & 300 FWL		BHLocation : Section 27-T25S-R34E, 100 FSL & 790 FWL	
Formation :		DD&A Field : BONE SPRING	
Operator : EOG RESOURCES INC	County & State : LEA / NEW MEXICO	Field : UNASSIGNED	Water Depth :
AFE Description : PISTOLERO 15 FED COM #203H D&C		Product : OIL	Days : 0 / 0

DESCRIPTION	SUB ACT	DRILLING 230	LAND 237	COMPLETION 231	FACILITY 235	FLOWBACK 236	TOTAL
ACCESS LOCATION,ROADS&SURVEY	401	124,000	0	5,000	0	0	129,000
COMP-FLBK-LOCATION AND ROADS	401	0	0	0	0	6,000	6,000
RIG MOVE	402	119,000	0	0	0	0	119,000
DAY WORK COST	404	487,000	0	0	0	0	487,000
BITS & BHA	405	97,000	0	0	0	0	97,000
COMP-BITS & PHA	405	0	0	18,000	0	0	18,000
COMP-FUEL	406	0	0	590,000	0	5,000	595,000
FUEL	406	110,000	0	0	0	0	110,000
WATER 675,000 @ \$ 1	407	12,000	0	823,500	0	0	835,500
COMP-FLBK-CHEMICALS	408	0	0	0	0	5,000	5,000
MUD & CHEMICALS	408	358,000	0	0	0	0	358,000
CEMENTING & SERVICE	409	215,000	0	0	0	0	215,000
COMP- PERFORATING	413	0	0	504,000	0	0	504,000
COMP- STIMULATION	414	0	0	2,798,000	0	0	2,798,000
COMP-FAC-TRANSPORTATION	415	0	0	21,000	0	1,500	22,500
TRANSPORTATION	415	57,000	0	0	0	0	57,000
COMP-Completion Overhead	416	0	0	10,000	0	0	10,000
DRILLING OVERHEAD	416	5,000	0	0	0	0	5,000
COMP-EQUIPMENT RENTAL	417	0	0	120,000	0	0	120,000
FLBK-EQUIPMENT RENT/OPERATIONS	417	78,000	0	0	0	35,000	113,000
OTHER DRILLING EXPENSE	419	11,000	0	0	0	0	11,000
COMP-FLBK-ENVIRONMENTAL & SAFETY	421	0	0	14,000	0	2,000	16,000
ENVIRONMENTAL & SAFETY	421	12,000	0	0	0	0	12,000
DIRECTIONAL DRILLING	422	241,000	0	0	0	0	241,000
COMP- SUPERVISION	424	0	0	70,000	0	0	70,000
SUPERVISION	424	82,000	0	0	0	0	82,000
COMP- COMMUNICATIONS	431	0	0	2,000	0	0	2,000
TUBULAR INSPECTION/HANDLING	436	38,000	0	0	0	0	38,000
COMP-CASED HOLE LOGGING/TEST	438	0	0	6,000	0	0	6,000
SPECIALTY SERVICES	441	117,000	0	0	0	0	117,000
COMP-COIL TUBING/NITROGEN	445	0	0	80,000	0	0	80,000
COMP-FLBK-CONTRACT LABOR	446	0	0	13,000	0	15,000	28,000
FLBK-DISPOSAL COSTS	447	136,000	0	44,000	0	150,000	330,000
COMP-COMPLETION FLUIDS	448	0	0	7,000	0	0	7,000
COMP-FLOWBACK	465	0	0	14,000	0	25,000	39,000
COMP-FLBK-SOLID WASTE DISPOSAL	479	0	0	0	0	2,500	2,500
COMP-LAND DRILLSITE TITLE OPINION	480	0	5,000	0	0	0	5,000
COMP-LAND ROW DRILLING	482	0	3,750	0	0	0	3,750
COMP-LAND ROW COMPLETION	483	0	3,750	0	0	0	3,750
COMP-LAND SURVEY & DAMAGES DRILL	484	0	8,125	0	0	0	8,125
COMP-LAND SURVEY AND DAMAGES COMP	485	0	8,125	0	0	0	8,125
COMP-REG-PERMIT FEE/ENV SURV&ASSESS	486	0	8,600	0	0	0	8,600
COMP-REGULATORY - TITLE	487	0	11,805	0	0	0	11,805
COMP-COMPLETIONS SAND 36,875,000 @ \$ 0	497	0	0	1,585,625	0	0	1,585,625
TOTAL INTANGIBLES		\$2,299,000	\$49,155	\$6,725,125	\$0	\$247,000	\$9,320,280

	UOM	QTY	SIZE	SIZE	GRADE	RATE						
SURFACE CASING						102	98,000	0	0	0	98,000	
INTERMEDIATE CASING						103	636,000	0	0	0	636,000	
PRODUCTION CASING						104	1,366,000	0	0	0	1,366,000	
WELLHEAD EQUIPMENT						107	71,000	0	80,000	0	151,000	
COMP-FAC-FLOW LINES						109	0	0	0	114,000	114,000	
COMP-FAC-VALVES & FITTINGS						110	0	0	0	20,000	20,000	
COMP-VALVES & FITTINGS						110	0	0	4,000	15,000	19,000	
COMP-FAC-HEATERS,TREATRS,SEPRS						115	0	0	0	131,000	131,000	
COMP-FAC-METERING EQUIPMENT						118	0	0	0	5,000	5,000	
COMP-FAC-CONSTRUCTION COST						122	0	0	0	98,000	98,000	
COMP-FAC-LABR/ELEC MEAS/AUTOMA						124	0	0	0	3,000	3,000	
COMP-FAC-INSTRUMENT/ELECTRIC EQUIP						128	0	0	0	3,000	3,000	
COMP-FAC-TRANSPORTATION						415	0	0	0	3,000	3,000	
COMP-FAC-EQUIP RNTL/FAC CONSTR						417	0	0	0	2,000	2,000	
COMP-FAC-ENVIRONMENTAL & SAFETY						421	0	0	0	1,500	1,500	
COMP-FAC-SUPERVISION FAC INSTL						424	0	0	0	1,000	1,000	
COMP-FAC-ELECTRICAL LABOR						471	0	0	0	4,000	4,000	
TOTAL TANGIBLES							\$2,171,000	\$0	\$84,000	\$385,500	\$15,000	\$2,655,500



MIDLAND

AFE No.	184130	Original
Property No.	144678-000	
EOG W.I.(BCP)		
EOG AFE Amt:	(Drig)	\$4,398,700
	(Land)	\$48,371
	(Completion)	\$6,700,514
	(Facility)	\$379,351
	(Flowback)	\$257,821
	Total Cost	\$11,784,757

TOTAL COST	\$4,470,000	\$49,155	\$6,809,125	\$385,500	\$262,000	\$11,975,780
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By	Date	By	Date
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JOINT OPERATOR APPROVAL

Firm :	By	Title	Date
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AFE No.	000456	Original
Property No.	894147-000	
EOG W.I.(BCP)		
EOG AFE Amt:	(Drig)	\$0
	(Land)	\$0
	(Completion)	\$0
	(Facility)	\$163,844
	(Flowback)	\$0
	Total Cost	\$163,844

AFE Type : ART LIFT - PU, GAS LIFT, ESP	AFE Name : PISTOLERO 15 FED COM #203H AL	AFE Date : 02/21/2024	Budget Year : 2024
Reg. Lease No. :	Prospect Name : RED HILLS CENTRAL	TVD / MD :	Begin Date :
Location :	BHLocation :		
Formation :	DD&A Field : BONE SPRING		
Operator : EOG RESOURCES INC	County & State : LEA / NEW MEXICO	Field : UNASSIGNED	Water Depth :
AFE Description : PISTOLERO 15 FED COM #203H AL - FIRST INSTALL ARTIFICIAL LIFT		Product : OIL	Days : 0 / 0

DESCRIPTION	SUB ACT	DRILLING 230	LAND 237	COMPLETION 231	FACILITY 235	FLOWBACK 236	TOTAL
TOTAL INTANGIBLES							
	UOM	QTY	SIZE	SIZE	GRADE	RATE	
COMP-FAC-TUBING						106	0
COMP-FAC-WELLHEAD EQUIPMENT						107	0
COMP-FAC-VALVES & FITTINGS						110	0
COMP-FAC-PUMP EQUIP/SURFACE						112	0
COMP-FAC-PUMP EQUIP/SUBSURFAC						113	0
COMP-FAC-METERING EQUIPMENT						118	0
COMP-FAC-WATER						407	0
COMP-FAC-TRANSPORTATION						415	0
COMP-FAC-EQUIP RNTL/FAC CONSTR						417	0
COMP-FAC-RIG						418	0
COMP-FAC-ENVIRONMENTAL & SAFETY						421	0
COMP-FAC-SUPERVISION FAC INSTL						424	0
COMP-FAC-CONTRACT LABOR						446	0
TOTAL TANGIBLES							\$0
TOTAL COST							\$0
							\$0
							\$166,500
							\$0
							\$166,500

By	Date	By	Date
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JOINT OPERATOR APPROVAL

Firm :	By	Title	Date
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Pistolero 15 Fed Com Chronology of Communication

Party	Date	Reason
All partners	1/2/2024	Sent out original proposals and timing
Sharbro	1/4/2024	Sent JOA
Oxy	2/6/2024	Emailed about prospect
Oxy	2/7/2024	Call and email about timing, JOA for program
Oxy	2/12/2024	Emails on Oxy interest calculation
Oxy	2/21/2024	Emailed JOA to Oxy
All partners	2/22/2024	Sent out revised proposals and timing
Sharbro	2/23/2024	Emails on program and plats
Oxy	2/23/2024	Emails on program timing and new proposals
Oxy	2/26/2024	Emails on trade options
Sharbro	3/14/2024	Additional questions on program
Oxy	5/13/2024	Email on upcoming pooling
Oxy	5/21/2024	Follow up email on pooling
Oxy	5/22/2024	Discussion on trades and pooling
Oxy	5/29/2024	Discussed com agreement and timing

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit A-5
 Submitted by: EOG Resources, Inc.
 Hearing Date: June 13, 2024
 Case No. 24538

**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. 24538

SELF-AFFIRMED STATEMENT OF TERRA GEORGE

1. My name is Terra George, and I am employed by EOG Resources, Inc. (“EOG”) as a petroleum geologist. My responsibilities include the Permian Basin of New Mexico. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology.

2. I am familiar with the application filed by EOG in this matter and I have conducted a geologic study of the lands in the subject area.

3. The targets for the proposed initial Pistolero wells are the Upper Bone Spring formation.

4. **EOG Exhibit B-1** is a project locator map. EOG’s Pistolero development is outlined in red.

5. **EOG Exhibit B-2** is a subsea structure map that I prepared on the Upper Bone Spring Shale B around the subject spacing area. It is representative of the structural orientation of the Upper Bone Spring interval. The contour intervals are 100 feet. The area comprising the proposed spacing unit is outlined in red, with the approximate location and orientation of the initial wells noted with blue dashed lines. The structure map shows the Upper Bone Spring Shale B formation dipping to the east. The structure appears consistent across the proposed spacing unit,

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit B
Submitted by: EOG Resources, Inc.
Hearing Date: June 13, 2024
Case No. 24538**

and I do not observe any faulting, pinch outs, or other geologic impediments to drilling horizontal wells, in the target formation.

6. **EOG Exhibit B-2** also shows the existing Upper Bone Spring Shale B wells in the subject area and contains a line of cross section through the proposed horizontal spacing unit from A to A'. I chose the logs from these wells to create the cross section because they penetrate the targeted interval, are of good quality, and have been subjected to petrophysical analysis of the targeted interval. In my opinion, these well logs are representative of the geology in the subject area.

7. **EOG Exhibit B-3** is a stratigraphic cross-section that I prepared using the logs from the representative wells shown on Exhibit B-3. The wells on the cross-section contain a combination of gamma ray, resistivity, and porosity logs. The target intervals for the initial wells are marked on the cross section with a blue arrow labeled "Upper BSPG Shale Landing Zone". The cross-section demonstrates that the targeted intervals are continuous across the proposed spacing unit.

8. My geologic study indicates the targets within the Upper Bone Spring formation underlying the subject area is suitable for development by horizontal wells and the acreage comprising the proposed horizontal spacing unit will be productive and contribute proportionately to the production from the wells.

9. As reflected on Exhibit B-2, the predominant orientation for the existing Upper Bone Spring development in this area is a standup orientation. In my opinion, the standup orientation of the proposed wells is appropriate given the geologic stress in this area.

10. In my opinion, approval of this application is in the best interest of conservation, the prevention of waste, and protection of correlative rights.

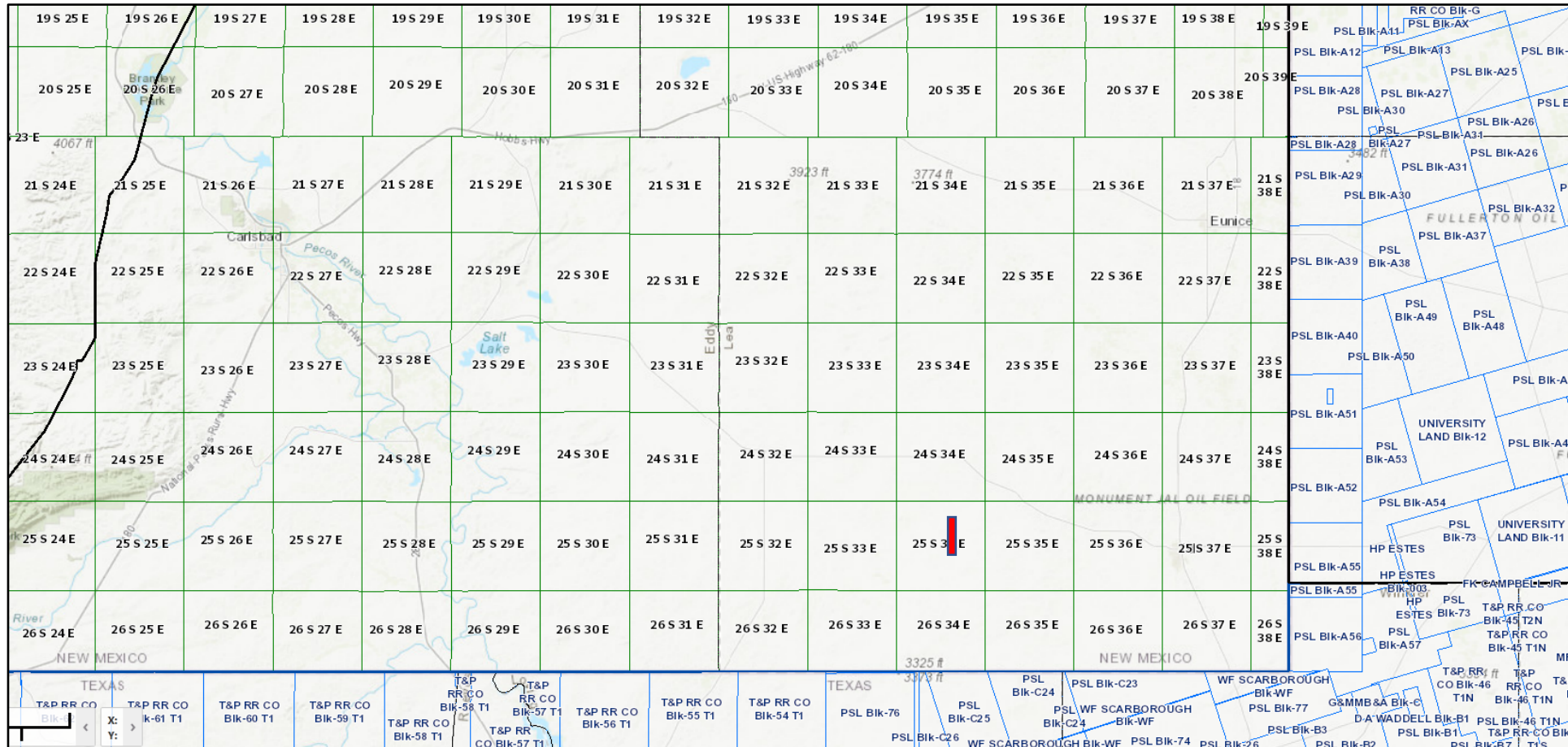
11. **EOG Exhibits B-1 through B-3** were either prepared by me or compiled under my direction and supervision.

12. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.


TERRA GEORGE

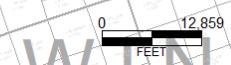
6/5/24
Date

Pistolero 15 Fed Com Location Map

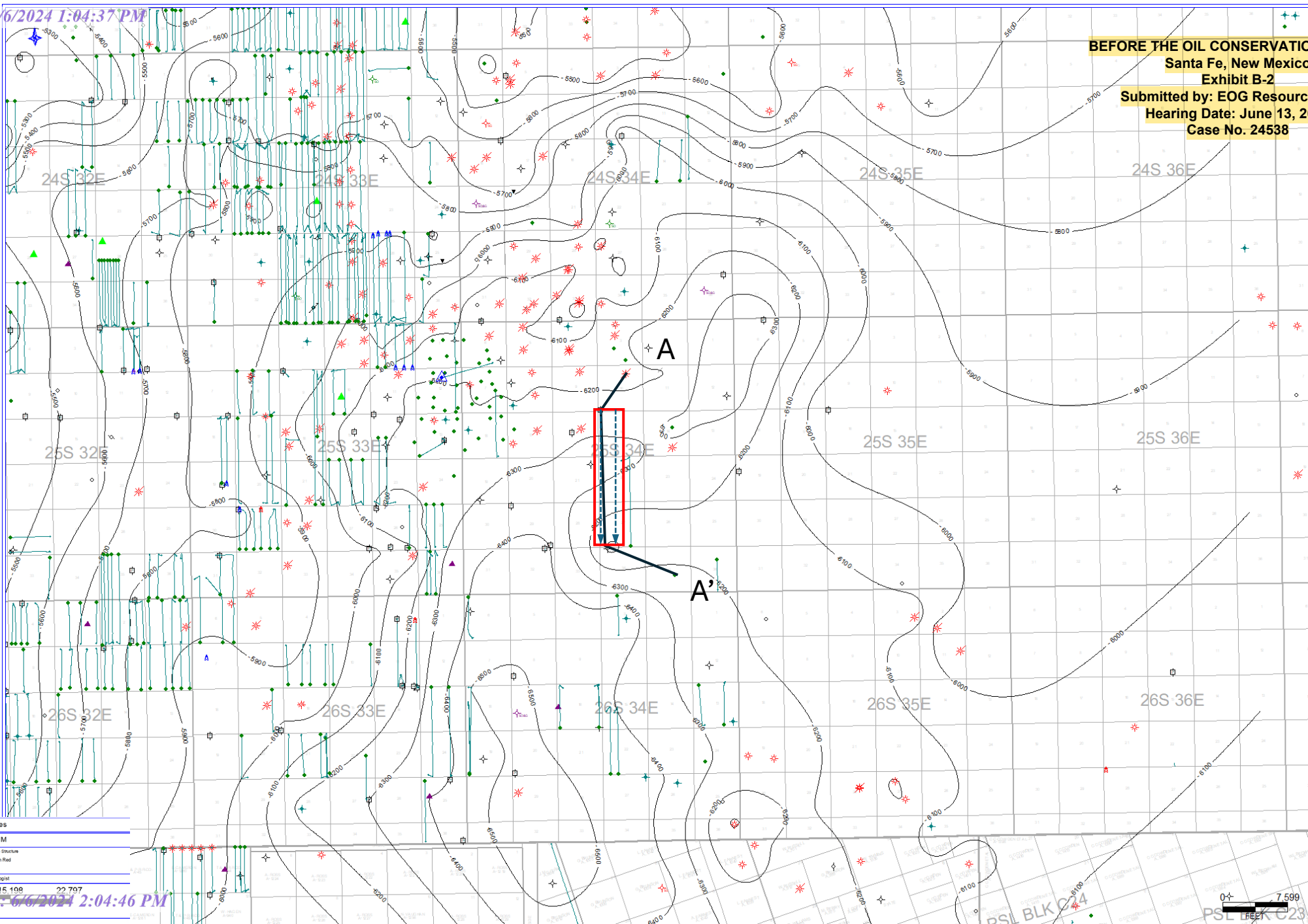




EOG Resources
 Lea County, NM
 Regional Boundary Map
 Exhibit A01 Highlighted in Red
 By: Terra George, Geologist
 0 12,859 25,718 38,577
 Released to Imaging: 6/6/2024 2:04:46 PM
 April 10, 2024

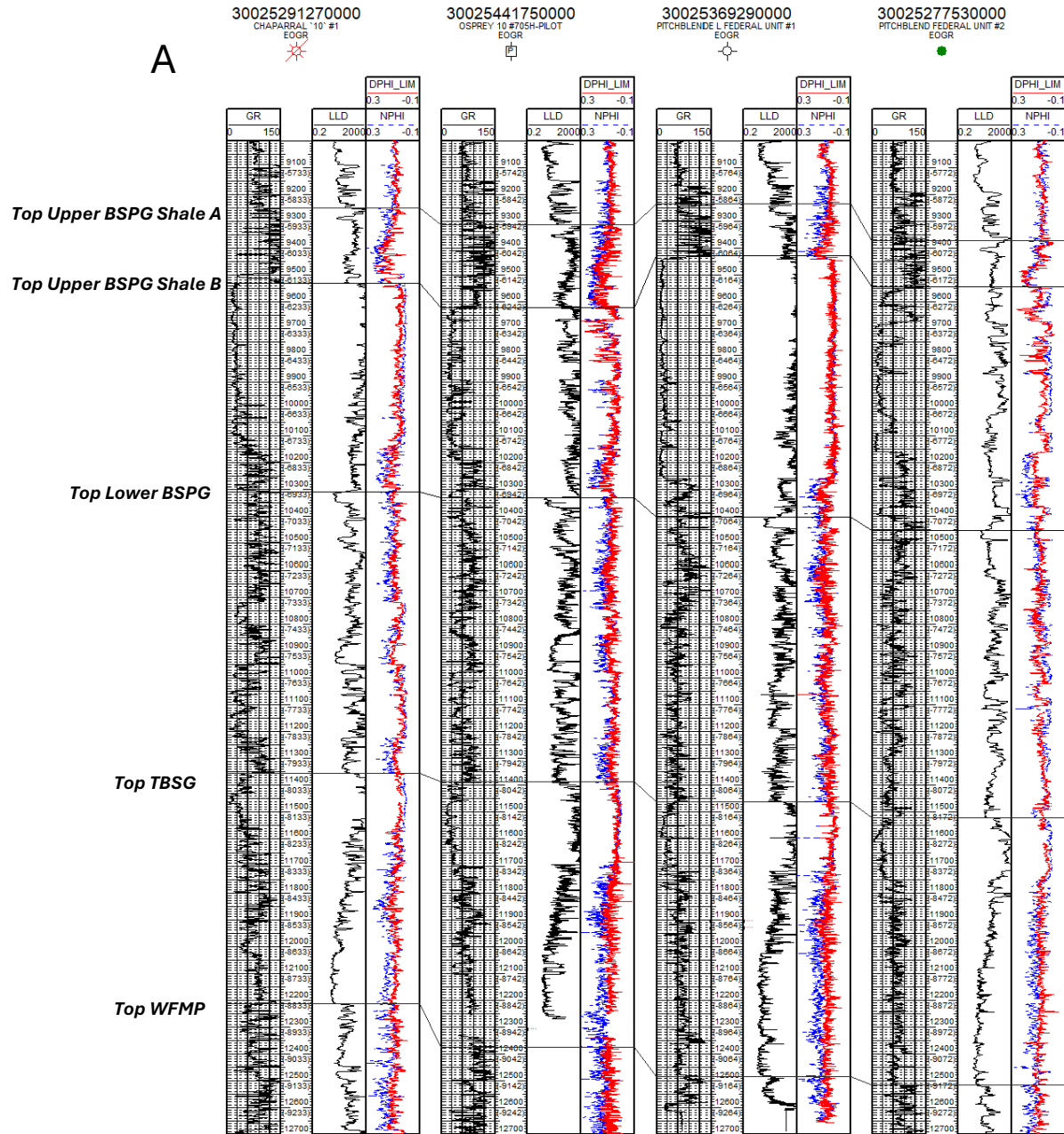


BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit B-2
Submitted by: EOG Resources, Inc.
Hearing Date: June 13, 2024
Case No. 24538



EOG Resources
 Lea County, NM
 Upper Bone Spring Shale Top Structure
 Exhibit A01 Highlighted in Red
 TVDSS CI: 100
 By: Terra George, Geologist
 7 500 15 108 22 797
 Released to Imaging: 6/6/2024 2:04:46 PM
 April 10, 2024

PSL BLK C-4
 PSL BLK C-23
 0+ 7.599



BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit B-3
 Submitted by: EOG Resources, Inc.
 Hearing Date: June 13, 2024
 Case No. 24537



**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. 24538

**SELF-AFFIRMED STATEMENT OF
PAULA M. VANCE**

1. I am attorney in fact and authorized representative of EOG Resources, Inc. (“EOG”), the Applicant herein. I have personal knowledge of the matter addressed herein and am competent to provide this self-affirmed statement.

2. The above-referenced application and notice of the hearing on this application was sent by certified mail to the locatable affected party on the date set forth in the letter attached hereto. *See EOG Exhibit C-1.*

3. The spreadsheet attached hereto contains the name of the party to whom notice was provided. *See EOG Exhibit C-2.*

4. **EOG Exhibit C-2** contains the information provided by the United States Postal Service on the status of the delivery of this notice as of June 5, 2024.

5. I caused a notice to be published to the party subject to this compulsory pooling proceeding. The affidavit of publication from the publication’s legal clerk with a copy of the notices of publication is attached herein. *See EOG Exhibit D.*

6. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit C
Submitted by: EOG Resources, Inc.
Hearing Date: June 13, 2024
Case No. 24538**



Paula M. Vance

6/6/2024

Date



Paula M. Vance
Associate Attorney
Phone (505) 988-4421
Email pmvance@hollandhart.com

May 24, 2024

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

**Re: Application of EOG Resources, Inc. for Compulsory Pooling, Lea County,
New Mexico: *Pistolero 15 Fed Com #202H and #203H***

Ladies & Gentlemen:

This letter is to advise you that EOG Resources, Inc. has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on June 13, 2024, and the status of the hearing can be monitored through the Division’s website at <http://www.emnrd.state.nm.us/ocd/>.

It is anticipated that hearings will be held in a hybrid format with both in-person and virtual participation options. The meeting will be held in the Pecos Hall Hearing Room at the Wendall Chino Building, 1st Floor, 1220 South St. Francis Dr., Santa Fe, New Mexico. To participate virtually in the hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>.

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. Parties appearing in cases are required to file a Pre-hearing Statement four business days in advance of a scheduled hearing that complies with the provisions of NMAC 19.15.4.13.B.

If you have any questions about this matter, please contact Laci Stretcher at (432) 227-3769 or laci_stretcher@eogresources.com.

Sincerely,

Paula M. Vance
ATTORNEY FOR EOG RESOURCES, INC.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit C-1
Submitted by: EOG Resources, Inc.
Hearing Date: June 13, 2024
Case No. 24538

T 505.988.4421 F 505.983.6043
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208
www.hollandhart.com

Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming

EOG - Pistolero Lower Bone Spring and Upper Bone Spring wells - Case nos. 24537-24538
Postal Delivery Report

9414811898765462481187	Oxy Y-1 Company	PO Box 27570	Houston	TX	77227-7570	Your item has been delivered and is available at a PO Box at 4:45 am on May 29, 2024 in HOUSTON, TX 77227.
9414811898765462481132	Sharbro Energy LLC	PO Box 840	Artesia	NM	88211-0840	Your item was picked up at the post office at 10:51 am on May 28, 2024 in ARTESIA, NM 88210.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit C-2
Submitted by: EOG Resources, Inc.
Hearing Date: June 13, 2024
Case No. 24538

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
May 30, 2024
and ending with the issue dated
May 30, 2024.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit D
Submitted by: EOG Resources, Inc.
Hearing Date: June 13, 2024
Case No. 24538



Publisher

Sworn and subscribed to before me this
30th day of May 2024.



Business Manager

My commission expires
January 29, 2027

(Seal) STATE OF NEW MEXICO
NOTARY PUBLIC
GUSSIE RUTH BLACK
COMMISSION # 1087526
COMMISSION EXPIRES 01/29/2027

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said publication has been made.

LEGAL NOTICE May 30, 2024

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

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner for the below listed cases. The hearings will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the MS Teams virtual meeting platform (sign-in information below) on Thursday, **June 13, 2024, at 8:30 a.m.**

To participate in the hearings, see the instructions posted below. The docket may be viewed electronically on the Division's website, <http://www.emnrd.state.nm.us/OCD/hearings.html> or obtained from the OCD law clerk, at (505) 469-5527 or freya.tschantz@emnrd.nm.gov.

Documents filed in these cases may be viewed at
<http://ocdimage.emnrd.state.nm.us/imaging/CaseFileCriteria.aspx>.

If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, contact the OCD law clerk using the contact information above, or at the New Mexico Relay Network, 1-800-659-1779, no later than Monday, June 3, 2024.

Persons may view and participate in the hearings through the following link:

www.microsoft.com/en-us/microsoft-teams/join-a-meeting
Meeting ID: 267 851 609 747
Passcode: zjuWpG

Dial-in by phone:
[+1 505 312 4308](tel:+15053124308), [130592067#](tel:+130592067)
-or-
(505) 312-4308
Phone conference ID: 130 592 067#

STATE OF NEW MEXICO TO:
All named parties and persons
having any right, title, interest
or claim in the following case
and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

To: All affected interest owners, including: Oxy Y-1 Company; and Sharbro Energy LLC.

Case No. 24538: Application of EOG Resources, Inc. for Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order pooling a standard 960-acre, more or less, horizontal spacing well unit in the Upper Bone Spring formation (Red Hills Upper Bone Spring Shale Pool, Pool Code 97900) comprised of the W/2 of Sections 15, 22, and 27, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico. This spacing unit will be initially dedicated to the **Pistolero 15 Fed Com #202H** well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 15 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 27; and the **Pistolero 15 Fed Com #203H** well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 15 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 27. 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 15 miles west of Jal, New Mexico.
#00290743

67100754

00290743

HOLLAND & HART LLC
110 N GUADALUPE ST., STE. 1
SANTA FE, NM 87501