

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

**APPLICATION OF E.G.L. RESOURCES, INC.
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. _____

APPLICATION

Pursuant to NMSA 1978, Section 70-2-17, E.G.L. Resources, Inc. (“Applicant” or “E.G.L.”) files this application with the Oil Conservation Division (“Division”) seeking an order pooling all uncommitted interests in the First Bone Spring interval of the Bone Spring formation underlying a 640-acre, more or less, standard horizontal spacing unit comprised of the E/2 of Sections 24 and 25, Township 18 South, Range 32 East, Lea County, New Mexico (“Unit”). In support of this application, E.G.L. states the following.

1. Applicant (OGRID No. 192373) is a working interest owner in the Unit and has the right to drill wells thereon.
2. Applicant seeks to dedicate the Unit to the following proposed wells (“Wells”):
 - a. the **LTK 24-25 Fed Com 101H** and **102H** wells, to be drilled from surface hole locations in the NE/4 NE/4 (Unit A) of Section 24 to bottom hole locations in the SW/4 SE/4 (Unit O) of Section 25; and
 - b. the **LTK 24-25 Fed Com 103H** well, to be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 24 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 25.
3. The completed intervals of the Wells will be orthodox.

4. The completed interval of the **LTK 24-25 Fed Com 102H** well will be located within 330' of the quarter-quarter section line separating the E/2 E/2 and W/2 E/2 of Sections 24 and 25 to allow for the creation of a 640-acre standard horizontal spacing unit.

5. There is a depth severance in the Bone Spring formation within the Unit. Accordingly, Applicant seeks to pool the interests in the First Bone Spring interval of the Bone Spring formation from the top of the formation to a depth of approximately 8,700' TVD.

6. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all interest owners in the Unit.

7. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

8. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in the Unit should be pooled and Applicant should be designated the operator of the proposed horizontal wells and the Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on August 8, 2024, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the initial wells in the Unit;
- C. Designating Applicant as the operator of the Unit and the horizontal wells to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping, and completing the wells;

- E. Approving the actual operating charges and costs of supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. 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,

HINKLE SHANOR LLP

/s/ Dana S. Hardy_____

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