

**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 NOS. 24719
24720**

PRE-HEARING STATEMENT

E.G.L. Resources, Inc. ("E.G.L." or "Applicant") submits its Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPLICANT

E.G.L. Resources, Inc.

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STATEMENT OF THE CASE

In **Case No. 24719**, E.G.L. seeks 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. The Unit will be dedicated to the following proposed 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.

The completed intervals of the Wells will be orthodox. 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. There is a depth severance in the Bone Spring formation within the Unit. Accordingly, Applicant seeks to pool interests in the First Bone Spring interval from the top of the Bone Spring formation to a depth of approximately 8,700' TVD.

In **Case No. 24720**, E.G.L. seeks an order pooling all uncommitted interests in the Second 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. The Unit will be dedicated to the following proposed wells:

- a. the **LTK 24-25 Fed Com 201H** and **203H** 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 205H** 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.

The completed intervals of the Wells will be orthodox. The completed interval of the **LTK 24-25 Fed Com 203H** 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. There is a depth severance in the Bone Spring formation within the Unit. Accordingly, Applicant seeks to pool the interests in the Second Bone Spring interval from a depth of approximately 8,700’ to 9,580’ TVD.

Also to be considered will be the cost of drilling and completing the Wells and the allocation of the costs and a 200% charge for the risk involved in drilling and completing the Wells. The Wells are located approximately 8 miles south of Maljamar, New Mexico.

PROPOSED EVIDENCE

Witness	Occupation	Estimated Time	Exhibits
Matthew Langhoff	Landman	Affidavit	Approx. 5
Matthew Pardee	Geologist	Affidavit	Approx. 6

PROCEDURAL MATTERS

Applicant intends consolidate these cases for hearing and to present these cases by affidavit if there is no opposition to its application.

Respectfully submitted,

HINKLE SHANOR, LLP

/s/ Dana S. Hardy

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State of New Mexico
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Oil Conservation Division
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QUESTIONS

Action 374183

QUESTIONS

Operator: E G L RESOURCES INC P.O. Box 10886 Midland, TX 79702	OGRID: 173413
	Action Number: 374183
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
<i>Please assist us by provide the following information about your testimony.</i>	
Number of witnesses	<i>Not answered.</i>
Testimony time (in minutes)	<i>Not answered.</i>