

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

**APPLICATION OF EOG RESOURCES, INC.  
FOR COMPULSORY POOLING, AND  
TO THE EXTENT NECESSARY,  
APPROVAL OF AN OVERLAPPING SPACING UNIT,  
EDDY COUNTY, NEW MEXICO**

CASE NO. \_\_\_\_\_

**APPLICATION**

EOG Resources, Inc. (“EOG”), OGRID Number 7377, through its undersigned attorneys, hereby submits this application to the Oil Conservation Division pursuant to the provisions of NMSA (1978), Section 70-2-17, for an order (1) pooling all uncommitted mineral interests within a 1280-acre, more or less, Wolfcamp spacing unit comprised of Section 2, Township 26 South, Range 28 East and Section 35, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico, and (2) approving, to the extent necessary, an overlapping spacing unit. In support of this application, EOG states as follows:

1. EOG has an interest in the subject lands and has a right to drill and operate a well thereon.
2. EOG seeks to dedicate Section 2, Township 26 South, Range 28 East and Section 35, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico to form a 1280-acre, more or less, Wolfcamp horizontal spacing unit in the Purple Sage Wolfcamp Gas Pool (Code 98220).
3. EOG seeks to dedicate the unit to the following wells:
  - a. **Lavash 2 State Com #701H** and **Lavash 2 State Com #721H** wells with proposed surface hole locations in the SW/SE (Unit O) of Section 2, Township

26 South, Range 28 East, and proposed bottom hole locations in the NE/4 NE/4 (Unit A) of Section 35, Township 25 South, Range 28 East;

- b. **Lavash 2 State Com #702H** and **Lavash 2 State Com #722H** wells with proposed surface hole locations in the SW/SE (Unit O) of Section 2, Township 26 South, Range 28 East, and proposed bottom hole locations in the NW/4 NE/4 (Unit B) of Section 35, Township 25 South, Range 28 East;
- c. **Lavash 2 State Com #703H** and **Lavash 2 State Com #723H** wells with proposed surface hole locations in the SW/SW (Unit M) of Section 2, Township 26 South, Range 28 East, and proposed bottom hole locations in the NE/4 NW/4 (Unit C) of Section 35, Township 25 South, Range 28 East; and
- d. **Lavash 2 State Com #704H** and **Lavash 2 State Com #724H** wells with proposed surface hole locations in the SW/SW (Unit M) of Section 2, Township 26 South, Range 28 East, and proposed bottom hole locations in the NW/4 NW/4 (Unit D) of Section 35, Township 25 South, Range 28 East.

4. The wells will be horizontally drilled.

5. These wells will be located within the Purple Sage Wolfcamp Gas Pool (Code 98220), which is subject to special pool rules that establish 330-foot setback requirements. The first take point and completed laterals for the wells will be standard. The last take points will be non-standard and EOG has applied administratively for approval of the non-standard locations.

6. The completed interval for **the Lavash 2 State Com #723H** well is expected to be less than 330 feet from the adjoining tracts thereby allowing for the inclusion of the proximity tracts within the proposed spacing unit under Rule 19.15.16.15(B)(1)(b) NMAC.

7. This proposed unit will partially overlap with the following existing spacing unit: a 320-acre spacing unit dedicated to the Graham Cracker 2 State 1H well (API 30-015-42282), located in the E/2 of Section 2, Township 26 South, Range 28 East, and operated by COG Operating, LLC.

8. EOG has already provided notice of the overlapping spacing unit to COG Operating LLC, the operator of the overlapping spacing unit. The overlapping spacing unit is included in this application, to the extent necessary, to provide notice to the working interest owners in the existing well pursuant to Rule 19.15.16.5.B(9)(b)(i) NMAC.

9. EOG sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Wolfcamp formation underlying the proposed spacing unit to participate in the drilling of the wells or to otherwise commit their interests to the wells.

10. The pooling of all interests in the Wolfcamp formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, EOG requests that this case be set for hearing before an Examiner of the Oil Conservation Division on May 7, 2026, and after notice and hearing as required by law, the Division enter its order:

A. Pooling all uncommitted mineral interests in the Wolfcamp formation underlying Section 2, Township 26 South, Range 28 East and Section 35, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico;

B. Designating EOG as operator of this unit and the wells to be drilled thereon;

C. Authorizing EOG to recover its costs of drilling, equipping and completing the wells;

- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure;
- E. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells; and
- F. Approving, to the extent necessary, the proposed overlapping spacing unit.

Respectfully submitted,

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& SISK, P.A.

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**CASE NO. \_\_\_\_: Application of EOG Resources, Inc. for compulsory pooling, and, to the extent necessary, approval of an overlapping spacing unit, Eddy County, New Mexico.** Applicant seeks an order from the Division pooling all uncommitted interests within a 1280-acre, more or less, Wolfcamp horizontal spacing unit comprised of Section 2, Township 26 South, Range 28 East and Section 35, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico, in the Purple Sage Wolfcamp Gas Pool (Code 98220). This spacing unit will be dedicated to the following wells: **Lavash 2 State Com #701H** and **Lavash 2 State Com #721H** wells with proposed surface hole locations in the SW/SE (Unit O) of Section 2, Township 26 South, Range 28 East, and proposed bottom hole locations in the NE/4 NE/4 (Unit A) of Section 35, Township 25 South, Range 28 East; **Lavash 2 State Com #702H** and **Lavash 2 State Com #722H** wells with proposed surface hole locations in the SW/SE (Unit O) of Section 2, Township 26 South, Range 28 East, and proposed bottom hole locations in the NW/4 NE/4 (Unit B) of Section 35, Township 25 South, Range 28 East; **Lavash 2 State Com #703H** and **Lavash 2 State Com #723H** wells with proposed surface hole locations in the SW/SW (Unit M) of Section 2, Township 26 South, Range 28 East, and proposed bottom hole locations in the NE/4 NW/4 (Unit C) of Section 35, Township 25 South, Range 28 East; and **Lavash 2 State Com #704H** and **Lavash 2 State Com #724H** wells with proposed surface hole locations in the SW/SW (Unit M) of Section 2, Township 26 South, Range 28 East, and proposed bottom hole locations in the NW/4 NW/4 (Unit D) of Section 35, Township 25 South, Range 28 East. The first take point and completed laterals for the wells will be standard. The last take points will be non-standard and EOG has applied administratively for approval of the non-standard locations. The completed interval for the **Lavash 2 State Com #723H** well is expected to be less than 330 feet from the adjoining tracts thereby allowing for the inclusion of the proximity tracts within the proposed spacing unit. This unit will partially overlap: a 320-acre spacing unit dedicated to the Graham Cracker 2 State 1H well (API 30-015-42282), located in the E/2 of Section 2, Township 26 South, Range 28 East, and operated by COG Operating LLC. Also to be considered will be the cost of drilling, completing, and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of EOG Resources, Inc. as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 10.5 miles south of Malaga, New Mexico.