

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

**APPLICATION OF EOG RESOURCES,
INC. FOR COMPULSORY POOLING AND
APPROVAL OF OVERLAPPING SPACING
UNIT, LEA COUNTY, NEW MEXICO.**

CASE NO. _____

APPLICATION

Pursuant to NMSA 1978, Section 70-2-17, EOG Resources, Inc. (OGRID No. 7377) (“EOG” or “Applicant”) applies for an order pooling all uncommitted interests in the Bone Spring formation, within the WC-025 G-06 S253201M; Upper Bone Spring Pool (Code 97784), underlying a 640-acre, more or less, standard, overlapping horizontal spacing unit comprised of the W/2 of Sections 25 and 36, Township 24 South, Range 32 East, Lea County, New Mexico (“Unit”). In support of this application, EOG states the following.

1. Applicant is a working interest owner in the Unit and has the right to drill wells thereon.
2. The Unit will be dedicated to the following wells (“Wells”):
 - a. **Papa Python 36 Fed Com #103H, Papa Python 36 Fed Com #205H, and Papa Python 36 Fed Com #214H**, which will be drilled from a surface hole location in the NW/4 SW/4 (Unit L) of Section 36, to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 25;
 - b. **Papa Python 36 Fed Com #204H**, which will be drilled from a surface hole location in the NW/4 SW/4 (Unit L) of Section 36, to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 25; and

- c. **Papa Python 36 Fed Com #203H** and **Papa Python 36 Fed Com #213H**, which will be drilled from a surface hole location in the NW/4 SE/4 (Unit J) of Section 36, to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 25.
3. The completed interval for the Papa Python 36 Fed Com 203H will be unorthodox. The completed intervals of the Papa Python 36 Fed Com 103H, Papa Python 36 Fed Com 204H, Papa Python 36 Fed Com 205H, Papa Python 36 Fed Com 213H, and Papa Python 36 Fed Com 214H wells will be orthodox.
4. The completed interval of the **Papa Python 36 Fed Com #204H** will be located within 330' of the quarter-quarter section line separating the W/2 W/2 and E/2 W/2 of Sections 25 and 36 to allow for the creation of a standard, 640-acre horizontal spacing unit.
5. The spacing unit for the Wells partially overlaps with the spacing unit for the Basilisk BQS State Com #1H (API No. 30-025-40054), which is located in the E/2 W/2 of Section 36, Township 24 South, Range 32 East, and produces from the WC-025 G-06 S253201M; UPPER BONE SPRING Pool (Code 97784).
6. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Wells but has been unable to obtain voluntary agreements from all interest owners.
7. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.
8. In order to allow 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 as the operator of the Wells and Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on August 6, 2026, 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 Wells in the Unit;
- C. Approving the overlapping spacing unit;
- D. Designating Applicant as operator of the Unit and the Wells to be drilled thereon;
- E. Authorizing Applicant to recover its costs of drilling, equipping and completing the Wells;
- F. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rate pursuant to the COPAS accounting procedures; and
- G. Imposing a 200% penalty 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,

HARDY MCLEAN LLC

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