

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

**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:**

**APPLICATIONS OF APACHE CORPORATION
FOR COMPULSORY POOLING IN
EDDY COUNTY, NEW MEXICO**

**Case No. 21189
Case No. 21190
Case No. 21191
Case No. 21192**

**APPLICATIONS OF COLGATE OPERATING, LLC
FOR COMPULSORY POOLING, AND NON-
STANDARD SPACING AND PRORATION UNITS IN
EDDY COUNTY, NEW MEXICO**

**Case No. 21078
Case No. 21079
Case No. 21239**

AMENDED PREHEARING STATEMENT

On behalf of EOG Resources, Inc., (“EOG”), we made prior Entries of Appearance in the above-referenced cases and submitted prior Prehearing Statements in certain cases of the those listed above. Since these cases have been grouped and consolidated for the scheduled status conference described in the Oil Conservation Division’s (“Division”) June 25, 2020, Hearing Docket, we submit the following Amended Prehearing Statement, pursuant to the rules of the Division, in order to clarify EOG’s position in the consolidated cases.

APPEARANCES

AFFECTED PERSON/PARTY

EOG Resources, Inc.

ATTORNEY

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EOG'S STATEMENT OF CASES

In Case Nos. 21078, 21079 and 21239, Colgate Operating, LLC, ("Colgate") has applied for orders pooling all mineral interests as follows: Case No. 21239 proposes pooling the Bone Spring Formation, underlying the N/2 of Sections 27 and 28, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico, dedicating the Weaver 27 State Com 121H, 122H, 131H, and 132H Wells to the horizontal spacing unit underlying said lands. Case No. 21078 proposes pooling the Bone Spring formation underlying the N/2 S/2 of Section 27 and the N/2 S/2 of Section 28, Township 19 South, Range 28 East, NMPM, Eddy County New Mexico, dedicating the Big Burro 27 State Com 123H and 233H Wells to a horizontal spacing unit underlying said lands. And, Case No. 21079 proposes pooling the Bone Spring formation underlying the S/2 S/2 of Section 27 and S/2 S/2 of Section 28, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico, dedicating the Big Burro 27 State Com 124H and 134H Wells to a horizontal spacing unit underlying said lands.

In Case Nos. 21189, 21190, 21191, and 21192, Apache Corporation (“Apache”) has applied for orders pooling all mineral interests as follows: Case No. 21189 proposes to pool the Winchester; Bone Spring Southwest Pool underlying the N/2 N/2 of Sections 28 and 29, Township 19 South, Range 28 East, Eddy County, New Mexico, dedicating the Palmillo 29-28 State COM 271H and 375H Wells to a horizontal spacing unit underlying said lands. Case No. 21190 proposes to pool the Winchester; Bone Spring Southwest Pool underlying the S/2 N/2 of Sections 28 and 29, Township 19 South, Range 28 East, Eddy County, New Mexico, dedicating the Palmillo 29-28 State COM 272H and 376H Wells to a horizontal spacing unit underlying said lands. Case No. 21191 proposes to pool the Winchester; Bone Spring Southwest Pool underlying the N/2 S/2 of Sections 28 and 29, Township 19 South, Range 28 East, Eddy County, New Mexico, dedicating the Palmillo 29-28 State COM 273H and 377H Wells to a horizontal spacing unit underlying said lands. And, Case No. 21192 proposes to pool the Winchester; Bone Spring Southwest Pool underlying the S/2 S/2 of Sections 28 and 29, Township 19 South, Range 28 East, Eddy County, New Mexico, dedicating the Palmillo 29-28 State COM 274H and 378H Wells to a horizontal spacing unit underlying said lands.

Given the current uncertainties of drilling, development and production created by the public health emergency surrounding COVID-19, as has been publicly expressed in various forms by parties and operators, and the consequent economic downturn, EOG respectfully requests that the special payment provision provided in Exhibit 1, attached, be included in any order issued in these cases. EOG views this provision as both necessary and reasonable to protect its correlative rights, to ensure its “just and equitable share of the oil or gas,” and to prevent waste. *See* NMSA (1978) Sections 70-2-33H and 70-2-3, respectively.

If following the status conference the Division deems that a subsequent hearing should be necessary, EOG proposes the following evidence to be presented at the time of said hearing:

EOG'S PROPOSED EVIDENCE

WITNESS	ESTIMATED TIME	EXHIBITS
Laci Stretcher - Landman	Approx. 10	Approx. 1

PROCEDURAL MATTERS

Such special payment provision, as provided in Exhibit 1, has been offered to and accepted by the Division by parties in past orders, under normal conditions, and is neither unusual nor extraordinary. EOG views its request for the inclusion of the provision as necessary and reasonable under the circumstances. EOG is currently engaged in negotiations and discussions with the parties involved and remains open to efforts to arrive at a satisfactory agreement with the parties involved. At this time, EOG opposes the above-referenced pooling applications, pending the outcome of current discussions.

Respectfully Submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

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EOG'S EXHIBIT 1:

Special payment provision provided by EOG Resources, Inc. ("EOG") requested to be included in any Division Order issued in the above-referenced cases:

Applicant grants EOG Resources, Inc., the ability to sequentially elect to pay its share of costs for each proposed well. Applicant agrees to submit an AFE to EOG no sooner than 60 days before the commencement of the drilling of each well, and EOG shall have 30 days upon receipt of said AFE to elect to participate and make payment to Applicant of the estimated cost for each well.

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

EOG Exhibit No. 1

Submitted by: EOG Resources, Inc.

Hearing Date: June 25, 2020

Case Nos. 21078-79, 21239, 21189-92

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was filed with the New Mexico Oil Conservation Division and was served on counsel of record via electronic mail on June 18, 2020:

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