

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

**APPLICATION OF EOG RESOURCES, INC.  
FOR APPROVAL OF A 945.20-ACRE NON-  
STANDARD SPACING UNIT IN THE  
WOLFCAMP FORMATION COMPRISED OF  
ACREAGE SUBJECT TO A PROPOSED  
COMMUNITIZATION AGREEMENT,  
LEA COUNTY, NEW MEXICO.**

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

**APPLICATION**

EOG Resources, Inc. (“EOG” or “Applicant”) (OGRID No. 7377) through its undersigned attorneys, files this application with the Oil Conservation Division for an order approving 945.20-acre, more or less, non-standard spacing unit in the Wolfcamp formation [Sanders Tank; Upper Wolfcamp (Pool Code 98097)], underlying all of Sections 26 and 35, including Lots 1, 2, 3 and 4, in Township 26 South, Range 33 East, NMPM, Lea County, New Mexico. In support of its application, EOG states:

1. EOG owns all the working interest within the subject acreage and seeks approval of this proposed non-standard spacing unit to match the proposed corresponding Communitization Agreement for the federal leases within the subject area.
2. Due to the nature and configuration of the federal leases, the Bureau of Land Management (“BLM”) will not approve the commingling of production at central facilities if the subject area is developed using standard spacing units. *See, e.g.*, 43 CFR 3173.14 (addressing authorized commingling). However, if the proposed non-standard spacing unit is approved by the Division, EOG understands that the BLM will issue a corresponding Communitization Agreement for the federal leases within the subject area to allow commingling and a corresponding reduction of the necessary surface facilities.

3. EOG's drilling program for this area will develop the Wolfcamp formation underlying each of the 40-acre tracts, or the equivalent, comprising the proposed non-standard spacing unit.

4. Within the proposed non-standard spacing unit, EOG has drilled or intends to drill the following wells:

- **Colgrove 35 Federal Com #701H** (API No. 30-025-43018);
- **Colgrove 35 Federal Com #702H** (API No. 30-025-42983);
- **Colgrove 35 Federal Com #703H** (API No. 30-025-45894);
- **Colgrove 35 Federal Com #704H** (API No. 30-025-45895);
- **Colgrove 35 Federal Com #705H** (API No. 30-025-43570);
- **Colgrove 35 Federal Com #706H** (API No. 30-025-43571);
- **Colgrove 35 Federal Com #707H** (API No. 30-025-43572); and
- **Colgrove 35 Federal Com #708H** (API No. 30-025-43573).

5. EOG seeks to minimize surface disturbance by consolidating facilities and commingling production from existing and future wells in the proposed non-standard spacing unit.

6. To allow the existing and permitted wells to be dedicated to the desired Communitization Agreements, EOG requires approval of a corresponding non-standard spacing unit in the Wolfcamp formations.

7. Division Rules contemplate and encourage oil and gas development, where possible, in enlarged areas of common ownership to minimize surface disturbance and to promote efficient well spacing. *See, e.g.,* 19.15.16.7.P NMAC; 19.15.16.15.B(8) NMAC; 19.15.16.15.C(7) NMAC.

8. Approval of this application will allow EOG to lower operating costs, efficiently locate surface facilities, reduce surface disturbance, consolidate roads, tanks and pipelines, and promote effective well spacing.

9. Notice of this application will be provided as required by Division rules.

10. Approval of this application is in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, EOG requests that this application be set for hearing before an Examiner of the Oil Conservation Division on November 4, 2021, and that after notice and hearing as required by law, the Division enter an order granting this application.

Respectfully submitted,

HOLLAND & HART LLP

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