

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING AUGUST 4, 2022**

CASE NO. 22948

GALLEON 21 FED 501H-504H WELLS

LEA COUNTY, NEW MEXICO



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

**APPLICATION OF EOG RESOURCES, INC.
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 22948

**HEARING PACKAGE
TABLE OF CONTENTS**

- **EOG Exhibit A:** Compulsory Pooling Checklist
- **EOG Exhibit B:** Filed Application
- **EOG Exhibit C:** Self-Affirmed Statement of Laci Stretcher, landman
 - EOG Exhibit C-1: Draft C-102s
 - EOG Exhibit C-2: General Location Map
 - EOG Exhibit C-3: Land Tract Map
 - EOG Exhibit C-4: Ownership Interests
 - EOG Exhibit C-5: Sample Well Proposal and AFE
 - EOG Exhibit C-6: Summary of Chronology of Contacts
- **EOG Exhibit D:** Self-Affirmed Statement of Terra George, Geologist
 - EOG Exhibit D-1: General Location Map
 - EOG Exhibit D-2: Subsea Structure Map
 - EOG Exhibit D-3: Structural Cross Section
- **EOG Exhibit E:** Notice Affidavit

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 22948	APPLICANT'S RESPONSE
Date	August 4, 2022
Applicant	EOG Resources, Inc.
Designated Operator & OGRID (affiliation if applicable)	EOG Resources, Inc. (OGRID 7377)
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF EOG RESOURCES, INC. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:	Cimarex Energy Co.
Well Family	Galleon 21 Fed
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Second Bone Spring to top of Wolfcamp Formation
Pool Name and Pool Code:	Red Hills; Bone Spring, North (Pool 96434)
Well Location Setback Rules:	Statewide
Spacing Unit Size:	320 acres, more or less
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres, more or less
Building Blocks:	40 acres
Orientation:	South-North
Description: TRS/County	W/2 of Section 21, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico.
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	Yes; from the top of the 2nd Bone Spring interval to the top of the Wolfcamp formation.
Proximity Tracts: If yes, description	The completed interval of the Galleon 21 Fed 503H well is expected to remain within 330 feet of the adjoining quarter-quarter section (or equivalent) tracts to allow inclusion of these proximity tracts within the proposed horizontal spacing unit under NMAC 19.15.16.15.B(1)(b).
Proximity Defining Well: if yes, description	Galleon 21 Fed 503H well
Applicant's Ownership in Each Tract	Exhibit C-4
Well(s)	

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A
Submitted by: EOG Resources, Inc.
Hearing Date: August 4, 2022
Case No.22948

Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Galleon 21 Fed 501H SHL: 220 FSL, 689 FWL (Unit M), Sec. 21, T24S, R34E. BHL: 100 FNL, 330 FWL (Unit D), Sec. 21, T24S, R34E. Completion Target: Second Bone Spring Orientation: South-North Completion Status: Expected to be Standard
Well #2	Galleon 21 Fed 502H SHL: 220 FSL, 722 FWL (Unit M), Sec. 21, T24S, R34E. BHL: 100 FNL, 989 FWL (Unit D), Sec. 21, T24S, R34E. Completion Target: Second Bone Spring Orientation: South-North Completion Status: Expected to be Standard
Well #3	Galleon 21 Fed 503H SHL: 220 FSL, 2008 FWL (Unit N), Sec. 21, T24S, R34E. BHL: 100 FNL, 1620 FWL (Unit C), Sec. 21, T24S, R34E. Completion Target: Second Bone Spring Orientation: South-North Completion Status: Expected to be Standard
Well #4	Galleon 21 Fed 504H SHL: 220 FSL, 2041 FWL (Unit N), Sec. 21, T24S, R34E. BHL: 100 FNL, 2308 FWL (Unit C), Sec. 21, T24S, R34E. Completion Target: Second Bone Spring Orientation: South-North Completion Status: Expected to be Standard
Horizontal Well First and Last Take Points	Exhibit C-1
Completion Target (Formation, TVD and MD)	Exhibit C-5
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,500
Production Supervision/Month \$	\$850
Justification for Supervision Costs	Exhibit C
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit B
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit E

Proof of Published Notice of Hearing (10 days before hearing)	Exhibit F
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit C-3
Tract List (including lease numbers and owners)	Exhibit C-3
Pooled Parties (including ownership type)	Exhibit C-4
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	Ownership is uniform in Bone Spring Formation
Joinder	
Sample Copy of Proposal Letter	Exhibit C-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-4
Chronology of Contact with Non-Joined Working Interests	Exhibit C-6
Overhead Rates In Proposal Letter	Exhibit C-5
Cost Estimate to Drill and Complete	Exhibit C-5
Cost Estimate to Equip Well	Exhibit C-5
Cost Estimate for Production Facilities	Exhibit C-5
Geology	
Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibit D-2
Gunbarrel/Lateral Trajectory Schematic	Exhibit D-2
Well Orientation (with rationale)	Exhibit D
Target Formation	Exhibit D-3
HSU Cross Section	Exhibit D-3
Depth Severance Discussion	Exhibit D, D-3
Forms, Figures and Tables	
C-102	Exhibit C-1
Tracts	Exhibit C-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-4
General Location Map (including basin)	Exhibit D-1
Well Bore Location Map	Exhibit D-2
Structure Contour Map - Subsea Depth	Exhibit D-2
Cross Section Location Map (including wells)	Exhibit D-2
Cross Section (including Landing Zone)	Exhibit D-3
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Adam G. Rankin
Signed Name (Attorney or Party Representative):	
Date:	4-Aug-22

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

**APPLICATION OF EOG RESOURCES, INC.
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 22948

APPLICATION

EOG Resources, Inc. (“EOG” or “Applicant”) (OGRID No. 7377), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in the Bone Spring formation from the top of the 2nd Bone Spring interval to the top of the Wolfcamp formation underlying a standard 320-acre horizontal spacing unit comprised of the W/2 of Section 21, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico. In support of its application, EOG states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.

2. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the following proposed wells:

- **Galleon 21 Fed 501H** and **Galleon 21 Fed 502H**, to be drilled from the SW/4 SW/4 (Unit M) to a bottomhole location in the NW/4 NW/4 (Unit D) of Section 21; and
- **Galleon 21 Fed 503H** and **Galleon 21 Fed 504H**, to be drilled from the SE/4 SW/4 (Unit N) to a bottomhole location in the NE/4 NW/4 (Unit C) of Section 21

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B
Submitted by: EOG Resources, Inc.
Hearing Date: August 4, 2022
Case No. 22948**

3. The completed interval of the Galleon 21 Fed 503H well is expected to remain within 330 feet of the adjoining quarter-quarter section (or equivalent) tracts to allow inclusion of these proximity tracts within the proposed horizontal spacing unit under NMAC 19.15.16.15.B(1)(b).

4. An existing Joint Operating Agreement covers the subject acreage but is limited in depth to the 1st Bone Spring interval of the Bone Spring formation. Accordingly, EOG seeks to pool from the top of the 2nd Bone Spring interval of the Bone Spring formation to the top of the Wolfcamp formation, being the stratigraphic equivalent of 10,449 feet to 12,030 feet subsurface, as found in the Vaca Ridge 21 Fed Com #1 (API:30-025-28641), located in the SW/4SE/4 of Section 21, Township 24 South, Range 34 East, Lea County, New Mexico.

5. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all interest owners in the proposed spacing unit.

6. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, will protect correlative rights, and allow Applicant to obtain a just and fair share of the oil and gas underlying the subject lands.

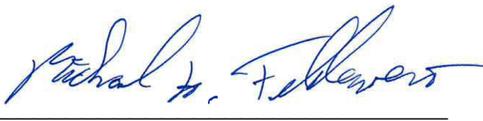
WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on August 4, 2022, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the horizontal spacing unit;
- B. Approving the initial wells in the horizontal spacing unit;
- C. Designating Applicant as the operator of this spacing unit and the horizontal wells to be drilled thereon;

- D. Authorizing Applicant to recover its costs of drilling, equipping, and completing the wells;
- E. Approving the actual operating charges and costs of supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% charge 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,

HOLLAND & HART LLP

By: 

Michael H. Feldewert
Adam G. Rankin
Julia Broggi
Paula M. Vance
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Santa Fe, New Mexico 87504-2208
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pmvance@hollandhart.com

ATTORNEYS FOR EOG RESOURCES, INC.

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

**APPLICATION OF EOG RESOURCES, INC.
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 22948

SELF-AFFIRMED STATEMENT OF LACI STRETCHER, LANDMAN

1. My name is Laci Stretcher, and I am employed by EOG Resources, Inc. (“EOG”) as a Landman. My responsibilities include the Permian Basin of New Mexico. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters and my credentials have been accepted by the Division and made a matter of record.

2. I am familiar with the application filed by EOG in this matter and the status of the lands in the subject area. None of the mineral owners to be pooled have expressed opposition to this proceeding, so I do not expect any opposition at the hearing.

3. EOG seeks an order pooling all uncommitted interests in the Bone Spring formation from the top of the 2nd Bone Spring interval to the top of the Wolfcamp formation underlying a standard 320-acre horizontal spacing unit comprised of the W/2 of Section 21, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico. EOG proposes to dedicate the following initial wells to the spacing unit:

- **Galleon 21 Fed 501H** and **Galleon 21 Fed 502H**, to be drilled from the SW/4 SW/4 (Unit M) to a bottomhole location in the NW/4 NW/4 (Unit D) of Section 21; and

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C
Submitted by: EOG Resources, Inc.
Hearing Date: August 4, 2022
Case No.22948**

- **Galleon 21 Fed 503H** and **Galleon 21 Fed 504H**, to be drilled from the SE/4 SW/4 (Unit N) to a bottomhole location in the NE/4 NW/4 (Unit C) of Section 21.

4. The completed interval of the Galleon 21 Fed 503H well is expected to remain within 330 feet of the adjoining quarter-quarter section (or equivalent) tracts to allow inclusion of these proximity tracts within the proposed horizontal spacing unit under NMAC 19.15.16.15.B(1)(b).

5. **Exhibit C-1** contains the Form C-102s for the proposed initial wells. They reflect that the wells will be at standard locations under the Division's statewide rules for oil wells and will be assigned to the Red Hills; Bone Spring, North Pool (Pool Code 96434).

6. **Exhibit C-2** is a general location map depicting the location of the acreage being pooled. The acreage is comprised of a single federal lease shown in green. The proposed spacing unit is outlined with a red dashed line.

7. While the ownership across the Bone Spring formation in this area is uniform, the First Bone Spring is under a separate joint operating agreement covering wells that EOG previously drilled and operates. The parties were not able to reach agreement on a joint operating agreement that covers the entire Bone Spring Formation. As noted in the Exhibit C-2, EOG is therefore seeking to pool only a portion of the Bone Spring formation from the top of the 2nd Bone Spring interval to the top of the Wolfcamp formation being the stratigraphic equivalent of 10,449 feet subsurface to 12,030 subsurface as found in the Vaca Ridge 21 Fed Com #1 (API:30-025-28641), located in the SW/4SE/4 of Section 21, Township 24 South, Range 34 East, Lea County,

New Mexico. Because ownership is uniform, no owners are being excluded from the interval that EOG seeks to pool and the First Bone Spring is already being developed and is under production.

8. **Exhibit C-3** identifies the two tracts of land comprising the proposed spacing unit and the tract participation factor for each tract on a spacing-unit basis.

9. **Exhibit C-4** provides a breakdown of the ownership interests in each tract across the depths that are to be pooled and on a spacing unit basis. The spreadsheet at the end of the exhibit provides a complete breakdown of the working interest ownership and identifies the overriding royalty interest owners in each tract. EOG is seeking to pool the mineral owners highlighted in yellow on this exhibit.

10. EOG has been able to locate all the mineral owners that it seeks to pool.

11. **Exhibit C-5** contains a sample of the well proposal letter and AFE for the proposed wells submitted to the uncommitted working interest owner. The costs reflected in these AFEs are consistent with what EOG and other operators have incurred for drilling similar horizontal wells in the area in this formation.

12. **Exhibit C-6** contains a chronology of the contacts with the uncommitted mineral owners. EOG has made a good faith effort to obtain voluntary joinder of these owners in the proposed spacing unit and initial wells.

13. EOG requests overhead and administrative rates of \$8,500 per month for drilling and \$850 per month for a producing well. These rates are consistent with the rates charged by EOG and other operators for similar wells in this area.

14. I have provided the law firm of Holland and Hart LLP with the names and addresses of the mineral owners to be pooled and instructed that they be notified of this hearing.

15. Exhibits C-1 through C-5 were prepared by me or compiled under my direction from company business records.

16. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.



LACI STRETCHER

8/1/2022
Date

19350303_v1

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources
Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Exhibit No. C1
Submitted by: EOG Resources, Inc.
Hearing Date: August 4, 2022
Case No. 22948

FORM C-102

Revised August 1, 2011

Submit one copy to appropriate

District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code ; 8656		³ Pool Name TGF 'J KNU=DQP G'URTR I . 'P QTVJ "	
⁴ Property Code		⁵ Property Name GALLEON 21 FED		⁶ Well Number 501H	
⁷ OGRID No.		⁸ Operator Name EOG RESOURCES, INC.		⁹ Elevation 3507'	

¹⁰Surface Location

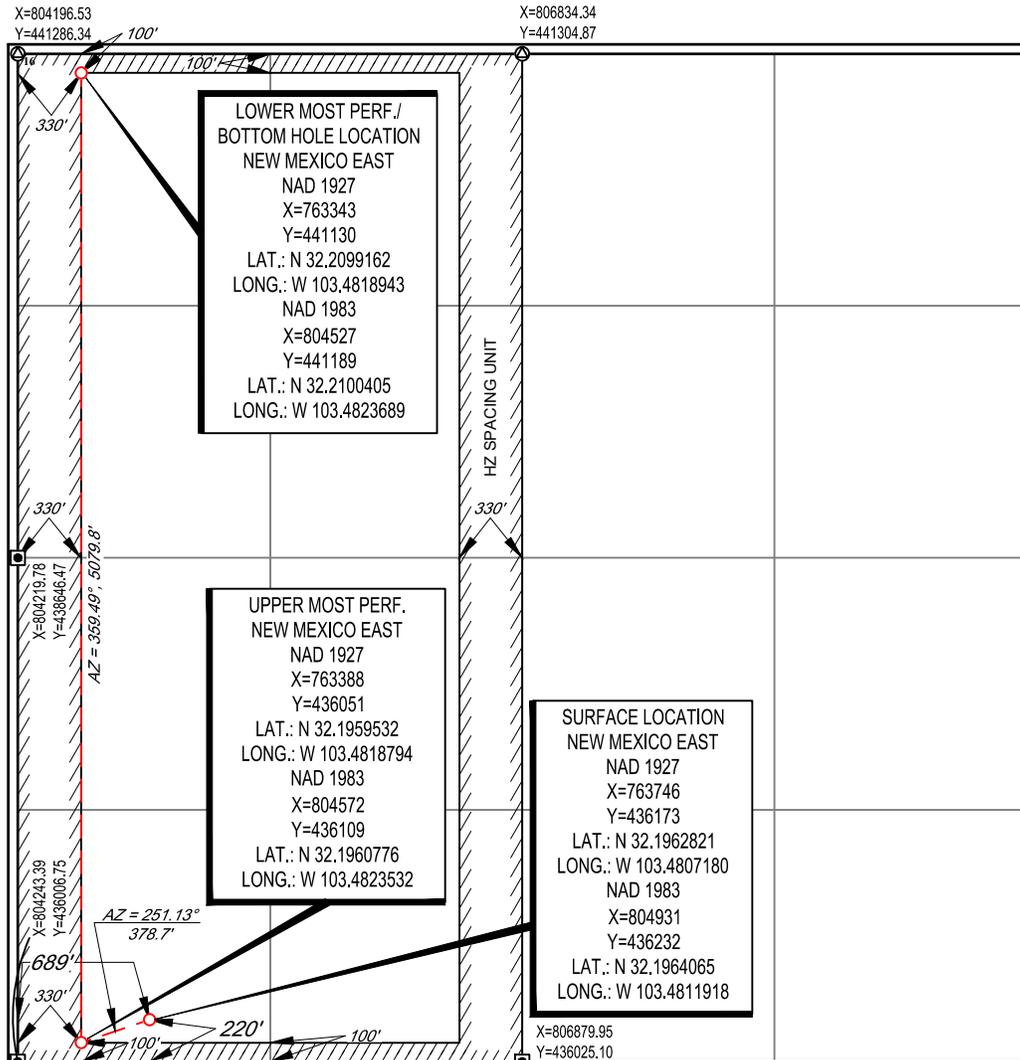
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	21	24-S	34-E	-	220'	SOUTH	689'	WEST	LEA

¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	21	24-S	34-E	-	100'	NORTH	330'	WEST	LEA

¹² Dedicated Acres 320.00	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
-----------------------------------------	-------------------------------	----------------------------------	-------------------------

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



17 OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____

Printed Name _____

E-mail Address _____

18 SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true to the best of my belief.

03/23/2019

Date of Survey _____
Signature and Seal of Professional Surveyor

RAMON A. DOMINGUEZ
NEW MEXICO
24508
PROFESSIONAL SURVEYOR

Certificate Number _____

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources
Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

FORM C-102

Revised August 1, 2011

Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code 96434		³ Pool Name RED HILLS; BONE SPRING, NORTH	
⁴ Property Code		⁵ Property Name GALLEON 21 FED			⁶ Well Number 502H
⁷ OGRID No.		⁸ Operator Name EOG RESOURCES, INC.			⁹ Elevation 3506'

¹⁰Surface Location

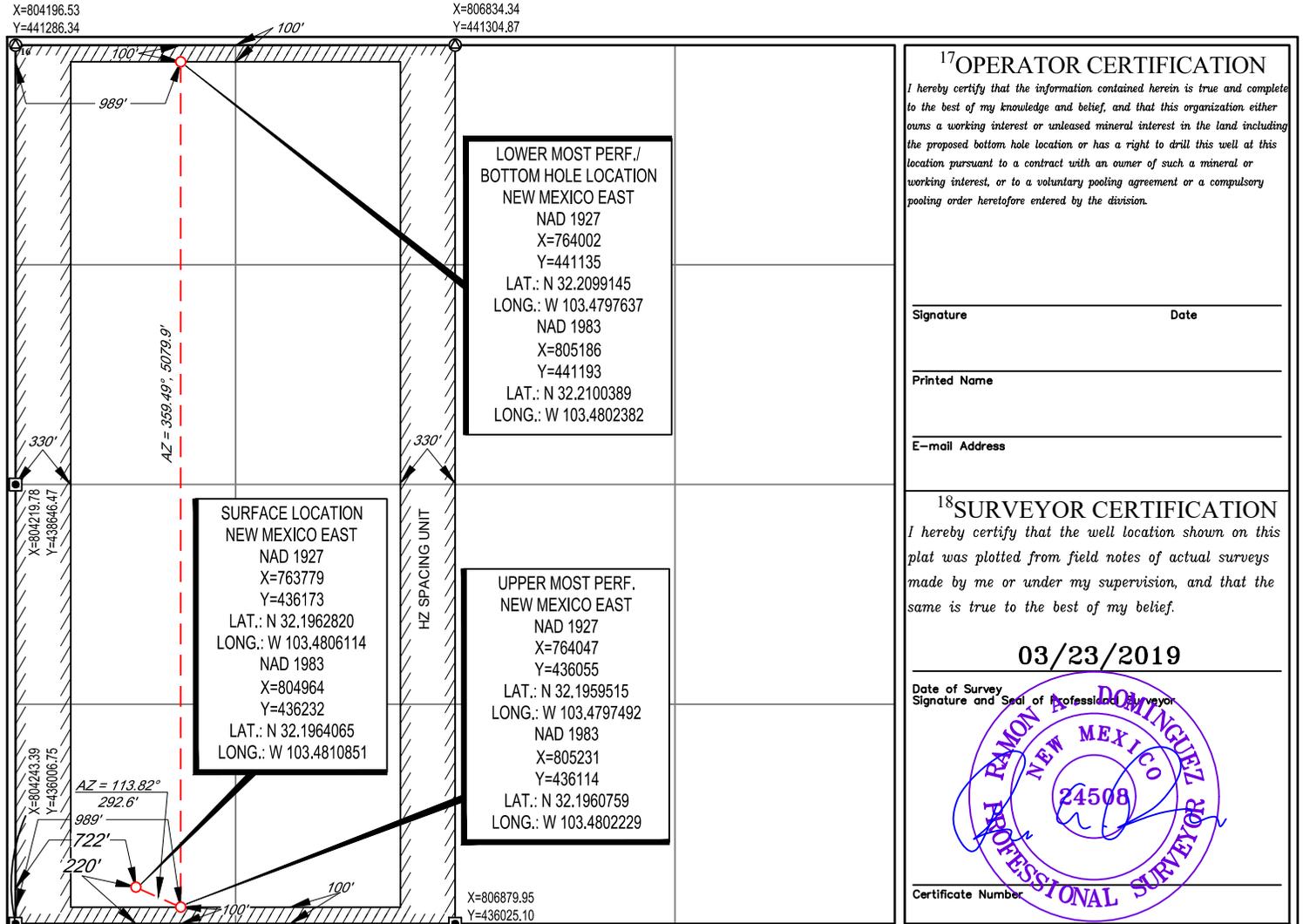
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	21	24-S	34-E	-	220'	SOUTH	722'	WEST	LEA

¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	21	24-S	34-E	-	100'	NORTH	989'	WEST	LEA

¹² Dedicated Acres 320.00	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



¹⁷OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____

Printed Name _____

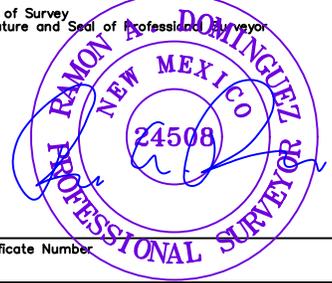
E-mail Address _____

¹⁸SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true to the best of my belief.

03/23/2019

Date of Survey _____
Signature and Seal of Professional Surveyor



Certificate Number _____

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
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State of New Mexico
Energy, Minerals & Natural Resources
Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

FORM C-102

Revised August 1, 2011

Submit one copy to appropriate

District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code ; 8656		³ Pool Name TGF "J KNU=DQP G"URTKPI .P QTVJ "	
⁴ Property Code		⁵ Property Name GALLEON 21 FED		⁶ Well Number 503H	
⁷ OGRID No.		⁸ Operator Name EOG RESOURCES, INC.		⁹ Elevation 3502'	

¹⁰Surface Location

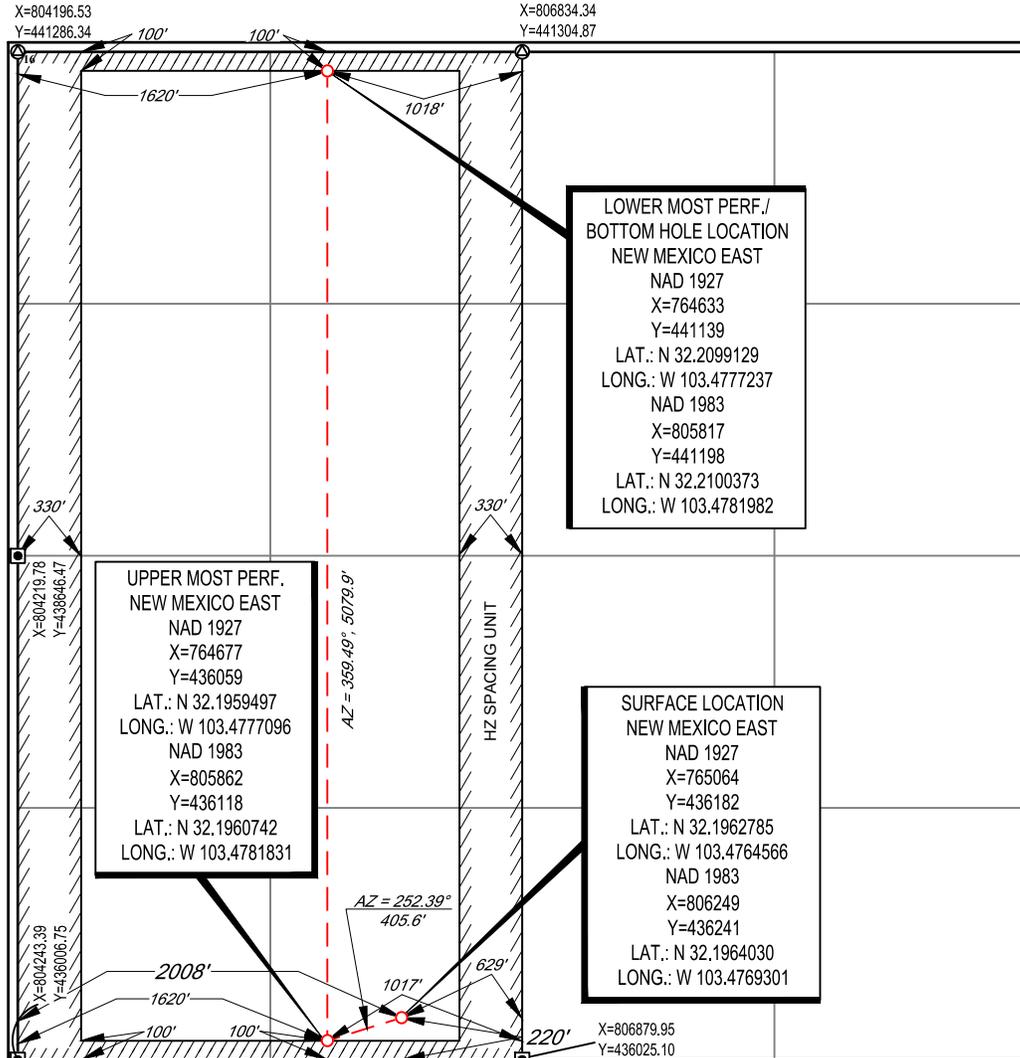
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	21	24-S	34-E	-	220'	SOUTH	2008'	WEST	LEA

¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	21	24-S	34-E	-	100'	NORTH	1620'	WEST	LEA

¹² Dedicated Acres 320.00	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



17 OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____

Printed Name _____

E-mail Address _____

18 SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true to the best of my belief.

03/23/2019

Date of Survey _____
Signature and Seal of Professional Surveyor

RAMON A. DOMINGUEZ
NEW MEXICO
24508
PROFESSIONAL SURVEYOR

Certificate Number _____

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State of New Mexico
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FORM C-102

Revised August 1, 2011

Submit one copy to appropriate

District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code ; 8656		³ Pool Name TGF "J KNU=DQP G"URTKPI .P QTVJ "	
⁴ Property Code		⁵ Property Name GALLEON 21 FED		⁶ Well Number 504H	
⁷ OGRID No.		⁸ Operator Name EOG RESOURCES, INC.		⁹ Elevation 3502'	

¹⁰Surface Location

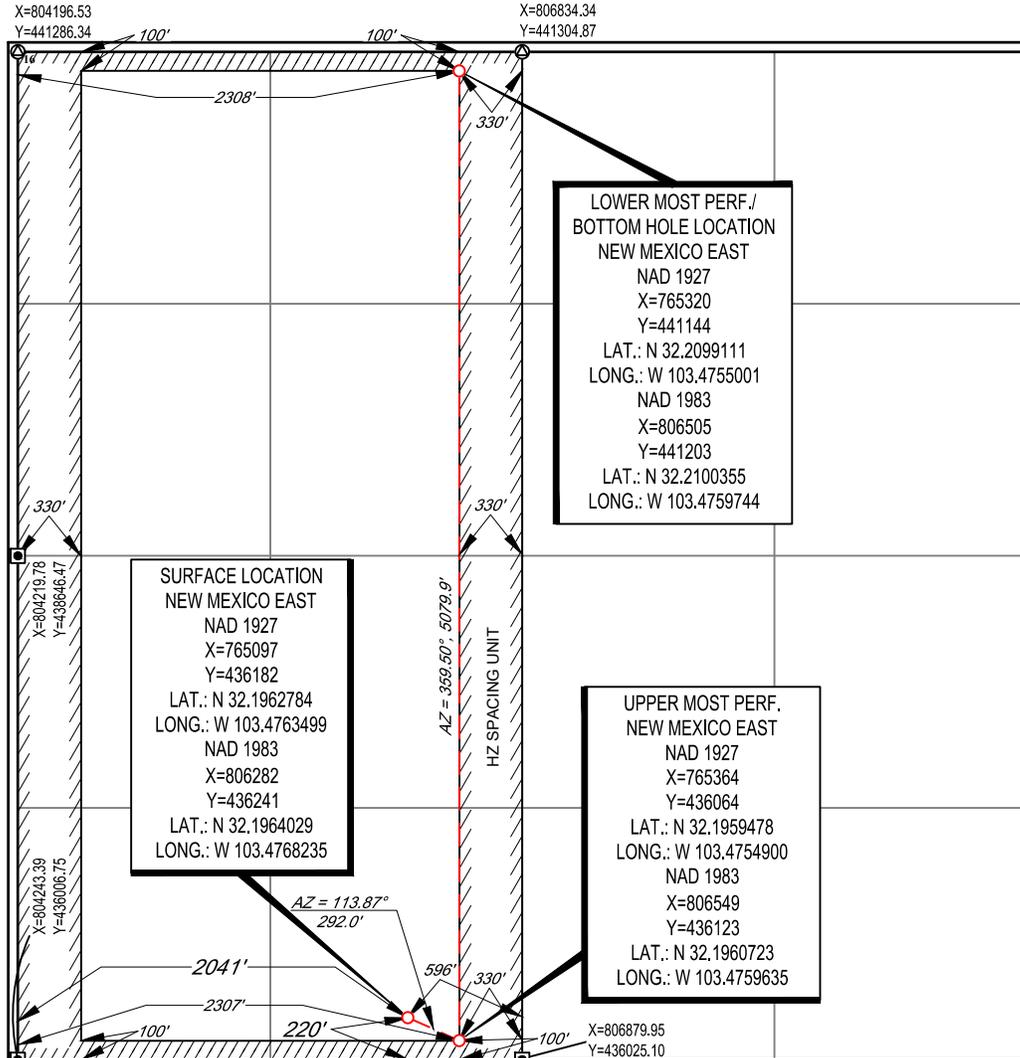
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	21	24-S	34-E	-	220'	SOUTH	2041'	WEST	LEA

¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	21	24-S	34-E	-	100'	NORTH	2308'	WEST	LEA

¹² Dedicated Acres 320.00	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
-----------------------------------------	-------------------------------	----------------------------------	-------------------------

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



17 OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____

Printed Name _____

E-mail Address _____

18 SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true to the best of my belief.

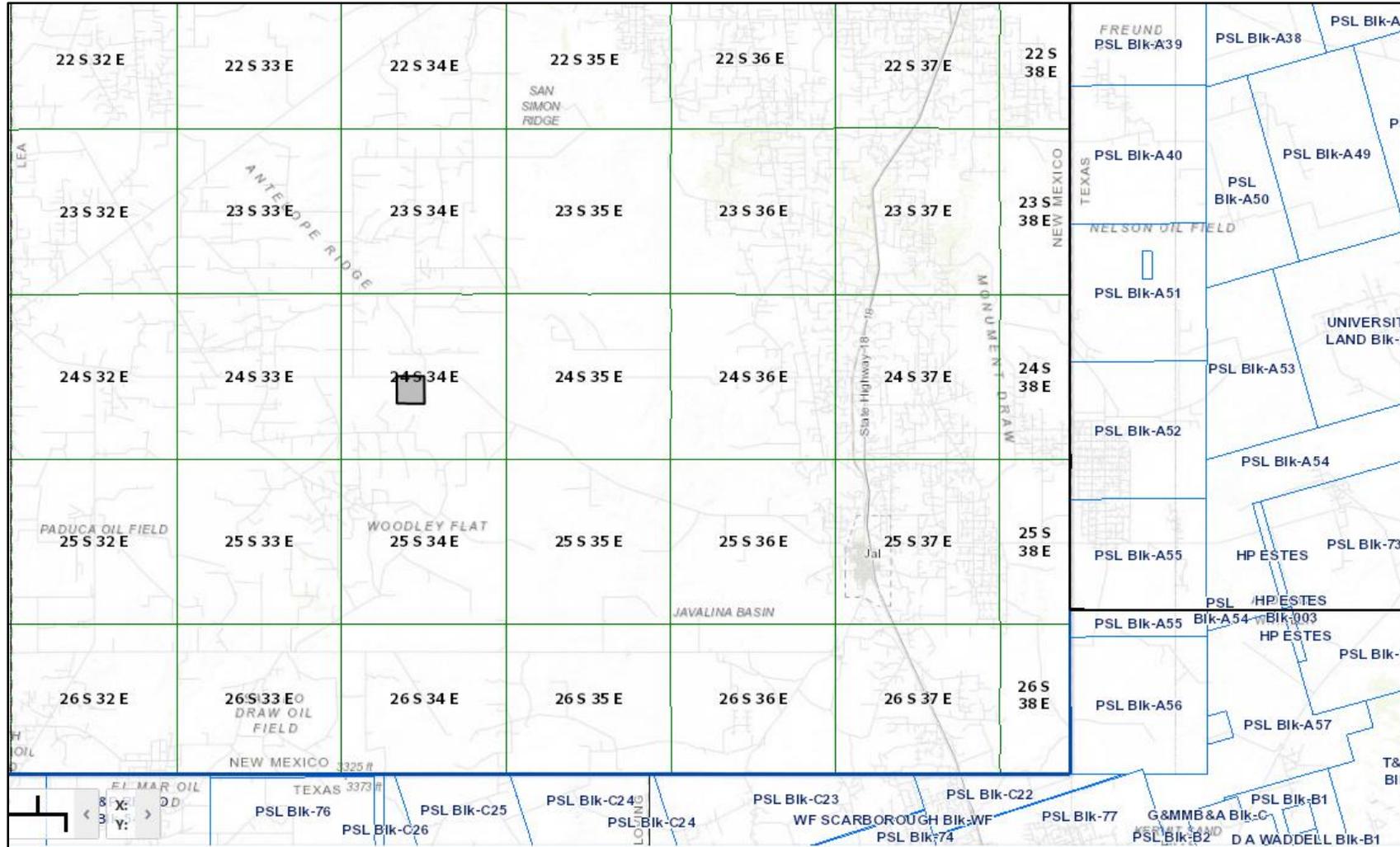
03/23/2019

Date of Survey _____
Signature and Seal of Professional Surveyor

RAMON A. DOMINGUEZ
NEW MEXICO
24508
PROFESSIONAL SURVEYOR

Certificate Number _____

Galleon Location Map



**BEFORE THE OIL CONSERVATION
 DIVISION**
 Santa Fe, New Mexico
 Exhibit No. C2
 Submitted by: EOG Resources, Inc.
 Hearing Date: August 4, 2022
 Case No. 22948

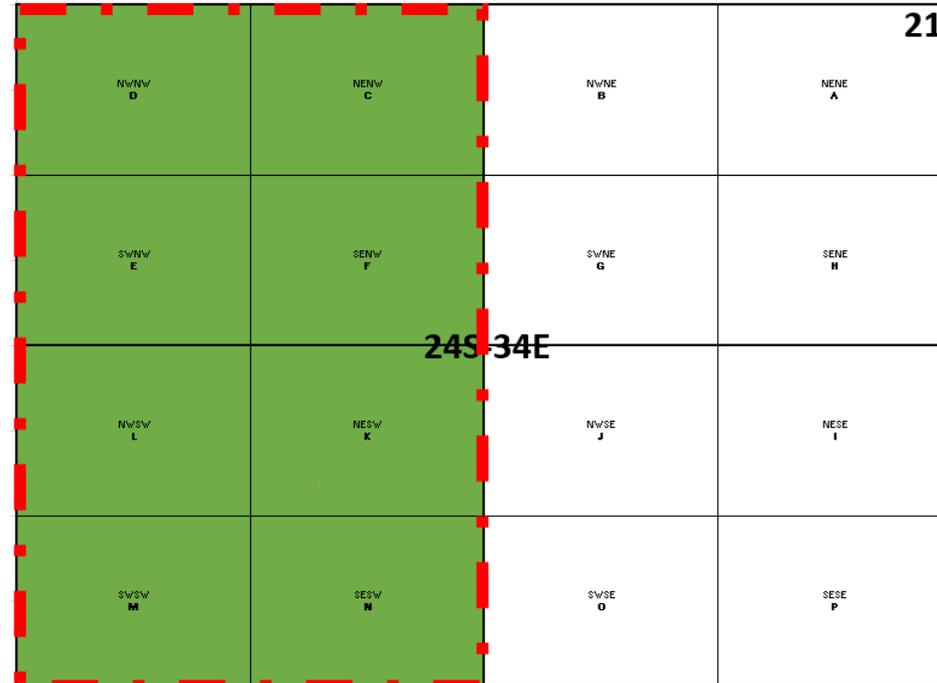
Galleon 21 Overview

Legal Description:

W2 of Sec. 21-24S-34E, Lea County, NM

Depths: **Top of Second Bone Spring to Top of the Wolfcamp** being the stratigraphic equivalent of 10,449 feet subsurface to 12,030 feet subsurface as found in the Vaca Ridge 21 Fed Com #1 (API:30-025-28641), located in the SW/4SE/4 of Section 21, Township 24 South, Range 34 East, Lea County, N.M.

*Ownership is identical in the 1st, 2nd, and 3rd Bone Spring formation. A JOA exists as to the 1st Bone Spring formation.



GALLEON 21 FED LEASES
T.24 S., R.34 E., Section 21: W/2

 0105353/000
USA NM-17241

 Spacing Unit

Galleon 21 Tract Calculation

Spacing Unit Acres: 320 gross acres

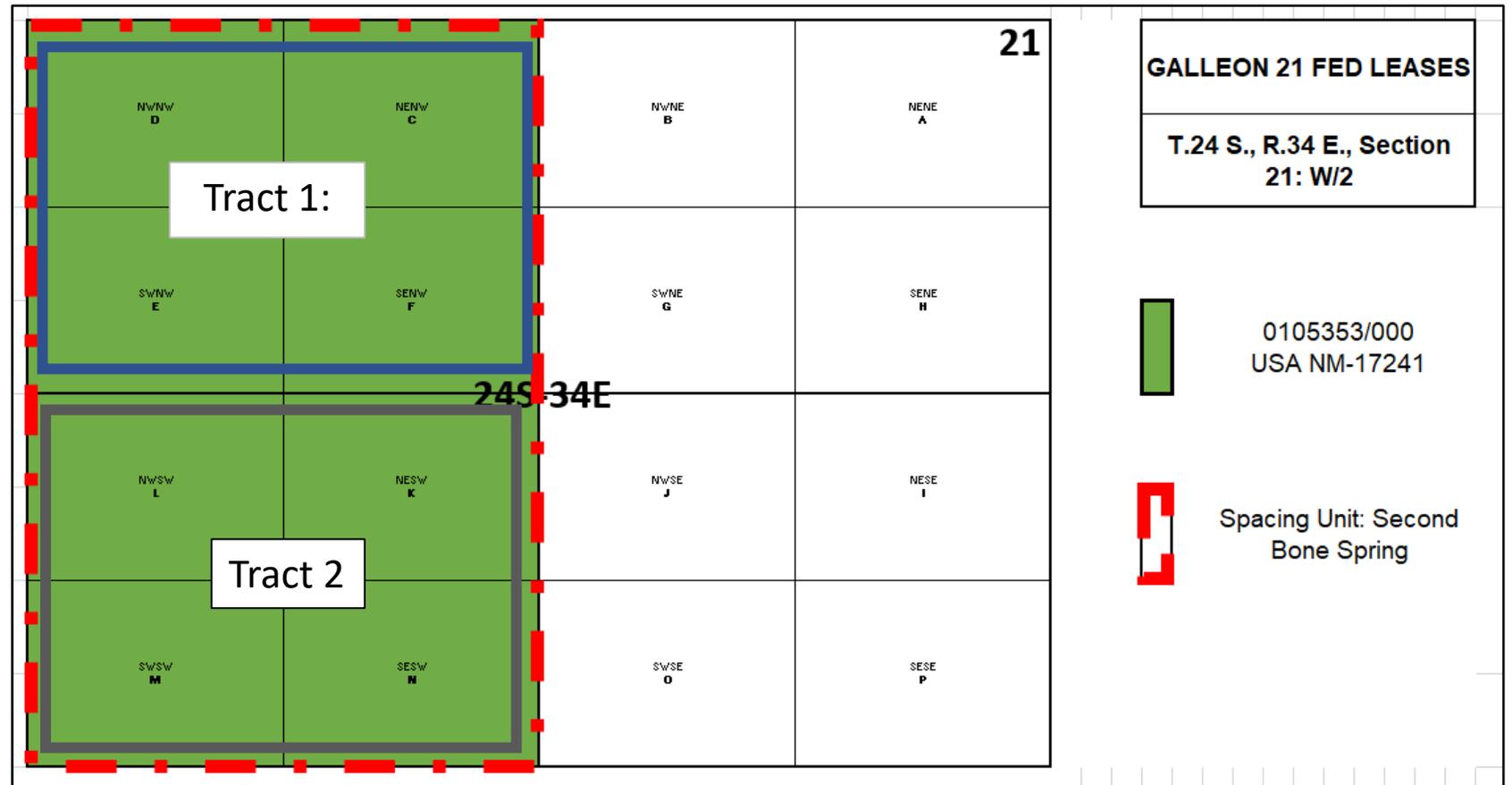
Tract 1: NW4 of Sec. 21-24S-34E

- 160 acres
- Tract Participation Factor: 50%

Tract 2: SW4 of Sec. 21-24S-34E

- 160 acres
- Tract Participation Factor: 50%

*Ownership is identical in the 1st, 2nd, and 3rd Bone Spring formation. A JOA exists as to the 1st Bone Spring formation.



BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. C3
 Submitted by: EOG Resources, Inc.
 Hearing Date: August 4, 2022
 Case No.22948

Galleon 21: Working Interest Ownership

Tract 1 Ownership

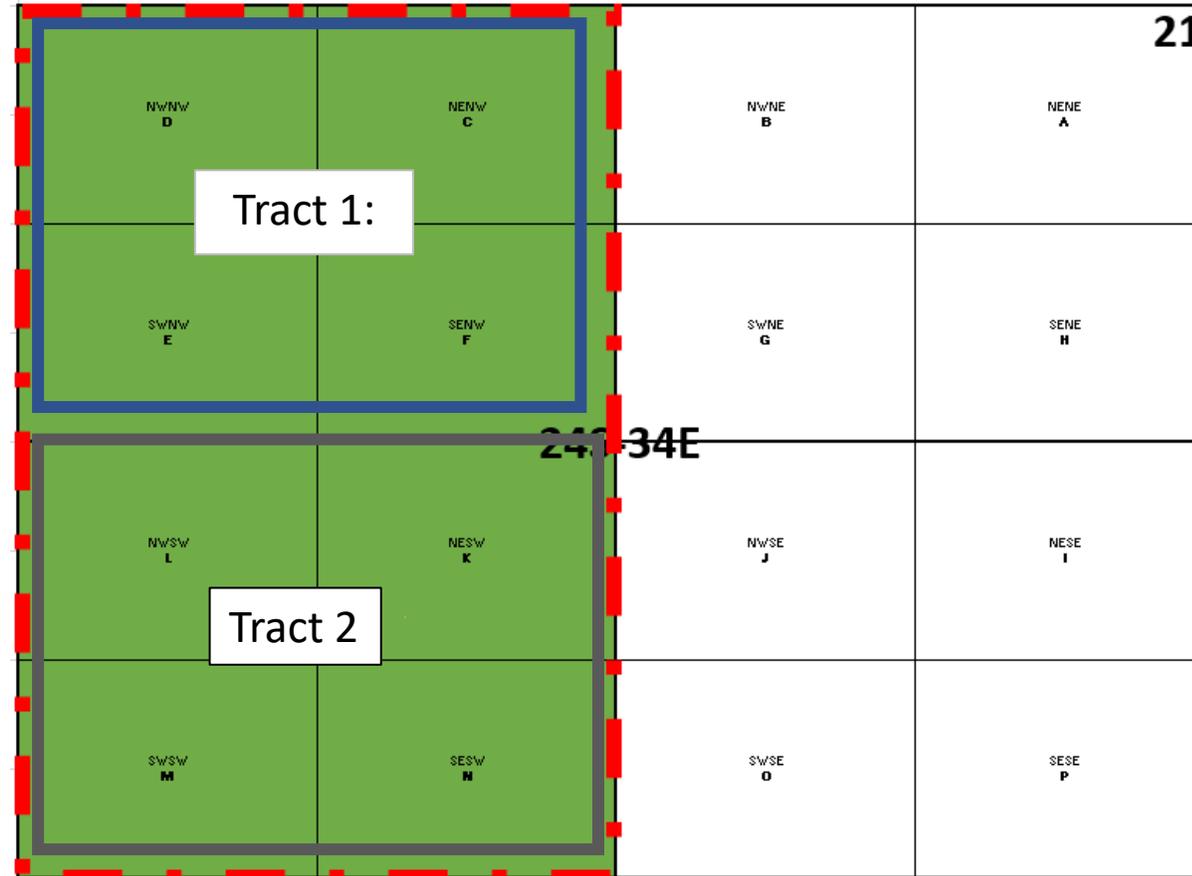
- NW4 of Sec. 21-24S-34E
- Depths: 2nd Bone Spring to Top of Wolfcamp
- **EOG 100% WI / 83.5% NRI**

Tract 2 Ownership

- SW4 of Sec. 21-24S-34E
- Depths: 2nd Bone Spring to Top of Wolfcamp
- **Magnum Hunter (Coterra)**
 - **100 % WI / 82.5% NRI**

Unit Basis Ownership

- W2 of Sec. 21-24S-34E
- Depths: 2nd Bone Spring to Top of Wolfcamp
- **EOG 50% WI / 41.75% NRI**
- **Magnum Hunter (Coterra)**
 - **50% WI / 41.25% NRI**
- **See Spreadsheet for complete unit ownership and pooled parties**



GALLEON 21 FED LEASES

T.24 S., R.34 E., Section 21: W/2

0105353/000
USA NM-17241

Spacing Unit

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C4
Submitted by: EOG Resources, Inc.
Hearing Date: August 4, 2022
Case No.22948

*Ownership is identical in the 1st, 2nd, and 3rd Bone Spring formation. A JOA exists as to the 1st Bone Spring formation.

Galleon Ownership: Unit Ownership					
Indicates a Pooled Party					
Unit:	W/2 of Section 21, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico				
Unit Acreage:	320.0000				
Formation:	All Depths				
Lease(s)	Royalty Interest Owner	Tract	Net Acres	Royalty	NRI
1A	United States of America	1	160.0000	12.5%	0.062500000
1B	United States of America	2	160.0000	12.5%	0.062500000
Sub-Total:			320.0000		0.125000000
Totals:			320.0000		0.125000000
Lease(s)	Working Interest Owner	Interest	Net Acres	Gross Working Interest	NRI
1A	EOG Resources, Inc. (1A)	100.0000%	160.0000	0.500000000	0.417500000
1B	Magnum Hunter Production, Inc. (1B)(2)	100.0000%	160.0000	0.500000000	0.412500000
Totals:			320.0000	1.000000000	0.830000000
Lease(s)	Overriding Royalty Interest Owner	ORRI No.	Formula		NRI
1A	Craig Allan Bales, dba Bales Oil & Gas	(1A)	160.0000	/ 320.0000	0.000312500
1B	Craig Allan Bales, dba Bales Oil & Gas	(1B)	160.0000	/ 320.0000	0.000312500
Sub-Total:					0.000625000
1A	Craig A. Bales	(1A)	160.0000	/ 320.0000	0.000104167
1B	Craig A. Bales	(1B)	160.0000	/ 320.0000	0.000104167
Sub-Total:					0.000208333
1A	David L. Schmidt	(1A)	160.0000	/ 320.0000	0.000625000
1B	David L. Schmidt	(1B)	160.0000	/ 320.0000	0.000625000
Sub-Total:					0.001250000
1A	Rhonda R. Pace, as her separate property	(1A)	160.0000	/ 320.0000	0.000312500
1B	Rhonda R. Pace, as her separate property	(1B)	160.0000	/ 320.0000	0.000312500
Sub-Total:					0.000625000
1A	Shanee Oil Company, Inc.	(1A)	160.0000	/ 320.0000	0.000416667
1B	Shanee Oil Company, Inc.	(1B)	160.0000	/ 320.0000	0.000416667
Sub-Total:					0.000833333
1A	Burnett Partners	(1A)	160.0000	/ 320.0000	0.000312500
1B	Burnett Partners	(1B)	160.0000	/ 320.0000	0.000312500
Sub-Total:					0.000625000
1A	Van Tettleton	(1A)	160.0000	/ 320.0000	0.004218750
1B	Van Tettleton	(1B)	160.0000	/ 320.0000	0.004218750
Sub-Total:					0.008437500

Exhibit C

Tract Summary

1A	Ken & Geri Griffin Properties LP.	(1A)	160.0000	/	320.0000	0.000312500
1B	Ken & Geri Griffin Properties LP.	(1B)	160.0000	/	320.0000	0.000312500
	Sub-Total:					0.000625000
1A	Ryan Pace	(1A)	160.0000	/	320.0000	0.000078125
1B	Ryan Pace	(1B)	160.0000	/	320.0000	0.000078125
	Sub-Total:					0.000156250
1A	Nuray K. Pace, Guardian of the Estate of Tara Nuray Pace, a minor	(1A)	160.0000	/	320.0000	0.000078125
1B	Nuray K. Pace, Guardian of the Estate of Tara Nuray Pace, a minor	(1B)	160.0000	/	320.0000	0.000078125
	Sub-Total:					0.000156250
1A	Nuray K. Pace, Guardian of the Estate of Aleyna Nur Pace, a minor	(1A)	160.0000	/	320.0000	0.000078125
1B	Nuray K. Pace, Guardian of the Estate of Aleyna Nur Pace, a minor	(1B)	160.0000	/	320.0000	0.000078125
	Sub-Total:					0.000156250
1A	Rhonda Pace Robertson, Guardian of the Estate of Clinton Harrison Pace, an	(1A)	160.0000	/	320.0000	0.000078125
1B	Rhonda Pace Robertson, Guardian of the Estate of Clinton Harrison Pace, an incapacitated person	(1B)	160.0000	/	320.0000	0.000078125
	Sub-Total:					0.000156250
1A	Millhollon Minerals & Royalty, LLC	(1A)	160.0000	/	320.0000	0.000416667
1B	Millhollon Minerals & Royalty, LLC	(1B)	160.0000	/	320.0000	0.000416667
	Sub-Total:					0.000833333
1A	PD III Exploration, Ltd	(1A)	160.0000	/	320.0000	0.001354165
1B	PD III Exploration, Ltd	(1B)	160.0000	/	320.0000	0.001354165
	Sub-Total:					0.002708331
1A	Merih Energy, LLC	(1A)	160.0000	/	320.0000	0.000541669
1B	Merih Energy, LLC	(1B)	160.0000	/	320.0000	0.000541669
	Sub-Total:					0.001083339
1A	E.M. Thompson Corporation Profit Sharing Plan	(1A)	160.0000	/	320.0000	0.000249166
1B	E.M. Thompson Corporation Profit Sharing Plan	(1B)	160.0000	/	320.0000	0.000249166
	Sub-Total:					0.000498332
1A	Montego Capital Fund 3 LTD	(1A)	160.0000	/	320.0000	0.000541665
1B	Montego Capital Fund 3 LTD	(1B)	160.0000	/	320.0000	0.000541665
	Sub-Total:					0.001083331
1A	Santa Elena Minerals IV, L.P.	(1A)	160.0000	/	320.0000	0.005000000
1B	Santa Elena Minerals IV, L.P.	(1B)	160.0000	/	320.0000	0.005000000
	Sub-Total:					0.010000000

Exhibit C

Tract Summary

1A	McMullen Minerals, LLC	(1A)	160.0000	/	320.0000	0.000086667
1B	McMullen Minerals, LLC	(1B)	160.0000	/	320.0000	0.000086667
	Sub-Total:					0.000173334
1A	Pegasus Resources, LLC	(1A)	160.0000	/	320.0000	0.000996668
1B	Pegasus Resources, LLC	(1B)	160.0000	/	320.0000	0.000996668
	Sub-Total:					0.001993336
1A	Fortis Minerals II, LLC	(1A)	160.0000	/	320.0000	0.002187500
1B	Fortis Minerals II, LLC	(1B)	160.0000	/	320.0000	0.002187500
	Sub-Total:					0.004375000
1A	JST Troschinetz Corporation Profit Sharing Plan	(1A)	160.0000	/	320.0000	0.000292499
1B	JST Troschinetz Corporation Profit Sharing Plan	(1B)	160.0000	/	320.0000	0.000292499
	Sub-Total:					0.000584999
1A	Wells Fargo Bank, N.A., successor Trustee of the Sarah Ann Baker Special Needs Trust dated March 10, 1993	(1A)	160.0000	/	320.0000	0.000351563
1B	Wells Fargo Bank, N.A., successor Trustee of the Sarah Ann Baker Special Needs Trust dated March 10, 1993	(1B)	160.0000	/	320.0000	0.000351563
	Sub-Total:					0.000703125
1A	Wells Fargo Bank, N.A., successor Trustee of the Michael A. Baker Special Needs Trust dated March 10, 1993	(1A)	160.0000	/	320.0000	0.000351563
1B	Wells Fargo Bank, N.A., successor Trustee of the Michael A. Baker Special Needs Trust dated March 10, 1993	(1B)	160.0000	/	320.0000	0.000351563
	Sub-Total:					0.000703125
1A	TD Minerals, LLC	(1A)	160.0000	/	320.0000	0.000527344
1B	TD Minerals, LLC	(1B)	160.0000	/	320.0000	0.000527344
	Sub-Total:					0.001054688
1A	Pony - T Fund Partnership	(1A)	160.0000	/	320.0000	0.000175781
1B	Pony - T Fund Partnership	(1B)	160.0000	/	320.0000	0.000175781
	Sub-Total:					0.000351563
1B	Magnum Hunter Production, Inc.	(2)	160.0000	/	320.0000	0.005000000
	Sub-Total:					0.005000000
	Totals:					0.045000000
Recapitulation:						
	Royalty Interest					0.125000000
	Working Interest					0.830000000
	Overriding Royalty Interest					0.045000000
	Total:					1.000000000



P.O. Box 2267, Midland, Texas 79702
Phone: (432) 686-3600 Fax: (432) 686-3773

May 11, 2022
Revision Sent: July 18, 2022

Magnum Hunter Production, Inc.
c/o Coterra Energy (Cimarex)
600 N. Marienfeld St, Suite 600
Midland, Texas 79701

Email, Certified Mail, Return Receipt Requested 7021 0950 0000 5467 5306

RE: **Galleon 21 Fed #501H, #502H, #503H and #504H Wells Proposals**
W/2 of Section 21-24S-34E
Lea County, NM

Dear Working Interest Owner:

EOG Resources, Inc. ("EOG") proposes the drilling of the following horizontal wells located in the W/2 of Section 21, 24S-34E, Lea County, New Mexico:

Galleon 21 Fed #501H

SHL: 220' FSL 689' FWL, Section 21, 24S-34E
BHL: 100' FNL 330' FWL, Section 21, 24S-34E
TVD: 10,850'
TMD: 15,850'
Horizontal Spacing Unit: W/2 of Section 21, 24S-34E, Lea County, New Mexico
Targeted Interval: 2nd Bone Spring Formation
Total Estimated Drilling and Completion Cost: See attached AFE

Galleon 21 Fed #502H

SHL: 220' FSL 722' FWL, Section 21, 24S-34E
BHL: 100' FNL 989' FWL, Section 21, 24S-34E
TVD: 10,850'
TMD: 15,850'
Horizontal Spacing Unit: W/2 of Section 21, 24S-34E, Lea County, New Mexico
Targeted Interval: 2nd Bone Spring Formation
Total Estimated Drilling and Completion Cost: See attached AFE

Galleon 21 Fed #503H

SHL: 220' FSL 2008' FWL, Section 21, 24S-34E
BHL: 100' FNL 1620' FWL, Section 21, 24S-34E
TVD: 10,850'
TMD: 15,850'
Horizontal Spacing Unit: W/2 of Section 21, 24S-34E, Lea County, New Mexico
Targeted Interval: 2nd Bone Spring Formation

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C5
Submitted by: EOG Resources, Inc.
Hearing Date: August 4, 2022
Case No.22948

Total Estimated Drilling and Completion Cost: See attached AFE

Galleon 21 Fed #504H

SHL: 220' FSL 2041' FWL, Section 21, 24S-34E

BHL: 100' FNL 2308' FWL, Section 21, 24S-34E

TVD: 10,850'

TMD: 15,850'

Horizontal Spacing Unit: W/2 of Section 21, 24S-34E, Lea County, New Mexico

Targeted Interval: 2nd Bone Spring Formation

Total Estimated Drilling and Completion Cost: See attached AFE

Please note the attached AFEs are estimates only and actual costs may be more or less than the amount provided on the AFEs. Further, an election to participate in a well is also an election to participate in such well's artificial lift and facility.

EOG is proposing to drill these wells under the modified terms of the 1989 AAPL Operating Agreement with a contract area limited to the 2nd Bone Spring Formation and covering the W/2 of Section 21, 24S-34E, Lea County, New Mexico. A form of said Operating Agreement will be forwarded to you following your receipt of this proposal.

Within 30 days of the date of this letter, if we do not reach a mutual agreement, EOG will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest for the proposed wells.

Please indicate your election to participate in the drilling and completion of the proposed wells in the space provided below. Please sign and return one copy of this letter, a signed copy of the enclosed AFE, and your geologic well requirements.

EOG appreciates your cooperation in the development of this acreage and thank you in advance for your early consideration of this proposal. If you have any questions, please call the undersigned at 432-227-3769 or by sending email to laci_stretcher@eogresources.com.

Sincerely,

EOG Resources, Inc.



Laci Stretcher
Landman

Please indicate your election in the space provided below:

_____ The undersigned elects **TO PARTICIPATE** in the drilling, completing and equipping of the captioned EOG Resources, Inc. Galleon 21 Fed #501H well.

_____ The undersigned elects **NOT TO PARTICIPATE** in the drilling, completing and equipping of the captioned EOG Resources, Inc. Galleon 21 Fed #501H well.

_____ The undersigned elects **TO PARTICIPATE** in the drilling, completing and equipping of the captioned EOG Resources, Inc. Galleon 21 Fed #502H well.

_____ The undersigned elects **NOT TO PARTICIPATE** in the drilling, completing and equipping of the captioned EOG Resources, Inc. Galleon 21 Fed #502H well.

_____ The undersigned elects **TO PARTICIPATE** in the drilling, completing and equipping of the captioned EOG Resources, Inc. Galleon 21 Fed #503H well.

_____ The undersigned elects **NOT TO PARTICIPATE** in the drilling, completing and equipping of the captioned EOG Resources, Inc. Galleon 21 Fed #503H well.

_____ The undersigned elects **TO PARTICIPATE** in the drilling, completing and equipping of the captioned EOG Resources, Inc. Galleon 21 Fed #504H well.

_____ The undersigned elects **NOT TO PARTICIPATE** in the drilling, completing and equipping of the captioned EOG Resources, Inc. Galleon 21 Fed #504H well.

Company: _____

By: _____

Title: _____

Date: _____



AFE No.	113810	Original
Property No.	140652-000	
EOG W.I.(BCP)	50%	(ACP) 50%
EOG AFE Amt:	(Drig)	\$1,926,000
	(Land)	\$48,950
	(Completion)	\$2,142,882
	(Facility)	\$337,500
	(Flowback)	\$182,000
	Total Cost	\$4,637,332

AFE Type : DEVELOPMENT DRILLING	AFE Name : Galleon 21 Fed #501H	AFE Date : 05/11/2022	Budget Year : 2022
Reg. Lease No. :	Prospect Name : RED HILLS CENTRAL	TVD / MD : 10850 / 15850	Begin Date :
Location : Section 21-T24S-R34E, 220 FSL & 689 FWL		BHLocation : BH(LATERAL #1): Section 21-T24S-R34E, 100 FNL & 330 FWL	
Formation : 2ND BONE SPRING		DD&A Field : LEONARD SHALE	
Operator : EOG RESOURCES INC	County & State : LEA / NEW MEXICO	Field : UNASSIGNED	Water Depth :
AFE Description : GALLEON 21 FED #501H D&C 10,850' TVD TO 15,850' MD IS TO BE COMPLETED IN THE SECOND BONE SPRING SAND FORMATION. THE WELL IS LOCATED IN SECTION 21, T24S, R34E IN LEA CO., NM.		Product : OIL	Days : 0 / 0

DESCRIPTION	SUB ACT	DRILLING 230	LAND 237	COMPLETION 231	FACILITY 235	FLOWBACK 236	TOTAL
ACCESS LOCATION,ROADS&SURVEY	401	50,000	0	8,836	0	0	58,836
COMP-FLBK-LOCATION AND ROADS	401	0	0	0	0	5,000	5,000
RIG MOVE	402	58,000	0	0	0	0	58,000
DAY WORK COST	404	330,000	0	0	0	0	330,000
BITS & BHA	405	85,000	0	0	0	0	85,000
COMP-BITS & PHA	405	0	0	25,793	0	0	25,793
COMP-FUEL	406	0	0	106,812	0	5,000	111,812
FUEL	406	59,000	0	0	0	0	59,000
WATER 200,000 @ \$ 1	407	15,000	0	278,000	0	0	293,000
COMP-FLBK-CHEMICALS	408	0	0	0	0	5,000	5,000
MUD & CHEMICALS	408	170,000	0	0	0	0	170,000
CEMENTING & SERVICE	409	150,000	0	0	0	0	150,000
COMP- PERFORATING	413	0	0	214,610	0	0	214,610
COMP- STIMULATION 17 @ \$ 62,157	414	0	0	1,056,669	0	0	1,056,669
COMP- TRANSPORTATION	415	0	0	28,261	0	0	28,261
TRANSPORTATION	415	25,000	0	0	0	0	25,000
COMP-Completion Overhead	416	0	0	1,675	0	0	1,675
DRILLING OVERHEAD	416	5,000	0	0	0	0	5,000
COMP-EQUIPMENT RENTAL	417	0	0	106,627	0	0	106,627
FLBK-EQUIPMENT RENT/OPERATIONS	417	58,000	0	0	0	25,000	83,000
OTHER DRILLING EXPENSE	419	8,000	0	0	0	0	8,000
COMP-FISHING & EQUIP LOST	420	0	0	6,606	0	0	6,606
COMP-FLBK-ENVIRONMENTAL & SAFETY	421	0	0	18,288	0	2,000	20,288
ENVIRONMENTAL & SAFETY	421	8,000	0	0	0	0	8,000
DIRECTIONAL DRILLING	422	155,000	0	0	0	0	155,000
COMP- SUPERVISION	424	0	0	69,193	0	0	69,193
SUPERVISION	424	52,000	0	0	0	0	52,000
COMP- COMMUNICATIONS	431	0	0	5,800	0	0	5,800
TUBULAR INSPECTION/HANDLING	436	40,000	0	0	0	0	40,000
COMP-CASED HOLE LOGGING/TEST	438	0	0	9,459	0	0	9,459
SPECIALTY SERVICES	441	85,000	0	2,870	0	0	87,870
COMP-WIRELINE SERVICES	442	0	0	11,460	0	0	11,460
COMP-COIL TUBING/NITROGEN	445	0	0	58,001	0	0	58,001
COMP-FLBK-CONTRACT LABOR	446	0	0	15,009	0	15,000	30,009
FLBK-DISPOSAL COSTS	447	85,000	0	18,204	0	85,000	188,204
COMP-COMPLETION FLUIDS	448	0	0	11,741	0	0	11,741
COMP-FLOWBACK	465	0	0	11,917	0	30,000	41,917
COMP-LAND DRILLSITE TITLE OPINION	480	0	6,000	0	0	0	6,000
COMP-LAND ROW DRILLING	482	0	3,750	0	0	0	3,750
COMP-LAND ROW COMPLETION	483	0	3,750	0	0	0	3,750
COMP-LAND SURVEY & DAMAGES DRILL	484	0	8,750	0	0	0	8,750
COMP-LAND SURVEY AND DAMAGES COMP	485	0	8,750	0	0	0	8,750
COMP-REG-PERMIT FEE/ENV SURV&ASSESS	486	0	17,950	0	0	0	17,950
TOTAL INTANGIBLES		\$1,438,000	\$48,950	\$2,065,831	\$0	\$172,000	\$3,724,781

	UOM	QTY	SIZE	SIZE	GRADE	RATE					
SURFACE CASING						102	54,000	0	0	0	54,000
INTERMEDIATE CASING						103	154,000	0	0	0	154,000
PRODUCTION CASING						104	237,000	0	0	0	237,000
WELLHEAD EQUIPMENT						107	43,000	0	74,248	0	117,248
COMP-FAC-FLOW LINES						109	0	0	0	65,000	65,000
COMP-FAC-VALVES & FITTINGS						110	0	0	0	31,000	31,000
COMP-VALVES & FITTINGS						110	0	0	2,803	10,000	12,803
COMP-FAC-HEATERS,TREATRS,SEPRS						115	0	0	0	133,000	133,000
COMP-FAC-METERING EQUIPMENT						118	0	0	0	23,000	23,000
COMP-FAC-CONSTRUCTION COST						122	0	0	0	65,000	65,000
COMP-FAC-LABR/ELEC MEAS/AUTOMA						124	0	0	0	4,000	4,000
COMP-FAC-INSTRUMENT/ELECTRIC EQUIP						128	0	0	0	5,000	5,000
COMP-FAC-TRANSPORTATION						415	0	0	0	3,000	3,000
COMP-FAC-EQUIP RNTL/FAC CONSTR						417	0	0	0	3,000	3,000
COMP-FAC-ENVIRONMENTAL & SAFETY						421	0	0	0	2,500	2,500
COMP-FAC-ELECTRICAL LABOR						471	0	0	0	3,000	3,000
TOTAL TANGIBLES							\$488,000	\$0	\$77,051	\$337,500	\$912,551
TOTAL COST							\$1,926,000	\$48,950	\$2,142,882	\$337,500	\$4,637,332



MIDLAND

AFE No.	116648	Original
Property No.	140652-000	
EOG W.I.(BCP)	50%	(ACP) 50%
EOG AFE Amt:	(Drig)	\$0
	(Land)	\$0
	(Completion)	\$0
	(Facility)	\$82,500
	(Flowback)	\$0
	(Expense)	\$0
	Total Cost	\$82,500

AFE Type : ART LIFT - PU, GAS LIFT, ESP	AFE Name : GALLEON 21 FED #501H	AFE Date : 05/11/2022	Budget Year : 2022
Reg. Lease No. :	Prospect Name : RED HILLS CENTRAL	TVD / MD :	Begin Date :
Location :		BHLocation :	
Formation : 2ND BONE SPRING		DD&A Field : LEONARD SHALE	
Operator : EOG RESOURCES INC	County & State : LEA / NEW MEXICO	Field : UNASSIGNED	Water Depth :
AFE Description : GALLEON 21 FED #501H AL - FIRST INSTALL ARTIFICIAL LIFT		Product : OIL	Days : 0 / 0

DESCRIPTION	SUB ACT	DRILLING 230	LAND 237	COMPL 231	FAC 235	FLBK 236	EXP 810	TOTAL
TOTAL INTANGIBLES								
	UOM	QTY	SIZE	SIZE	GRADE	RATE		
COMP-FAC-TUBING						106	0	0
COMP-FAC-WELLHEAD EQUIPMENT						107	0	0
COMP-FAC-PUMP EQUIP/SURFACE						112	0	0
COMP-FAC-PUMP EQUIP/SUBSURFAC						113	0	0
COMP-FAC-WATER						407	0	0
COMP-FAC-TRANSPORTATION						415	0	0
COMP-FAC-EQUIP RNTL/FAC CONSTR						417	0	0
COMP-FAC-RIG						418	0	0
COMP-FAC-ENVIRONMENTAL & SAFETY						421	0	0
COMP-FAC-SUPERVISION FAC INSTL						424	0	0
COMP-FAC-CONTRACT LABOR						446	0	0
TOTAL TANGIBLES							\$0	\$0
TOTAL COST							\$0	\$0
							\$82,500	\$82,500
							\$0	\$0

By	Date	By	Date
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JOINT OPERATOR APPROVAL

Firm :	By	Title	Date
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AFE No.	113810	Original
Property No.	140652-000	
EOG W.I.(BCP)	50%	(ACP) 50%
EOG AFE Amt:	(Drig)	\$1,926,000
	(Land)	\$48,950
	(Completion)	\$2,142,882
	(Facility)	\$337,500
	(Flowback)	\$182,000
	Total Cost	\$4,637,332

AFE Type : DEVELOPMENT DRILLING	AFE Name : Galleon 21 Fed #502H	AFE Date : 05/11/2022	Budget Year : 2022
Reg. Lease No. :	Prospect Name : RED HILLS CENTRAL	TVD / MD : 10850 / 15850	Begin Date :
Location : Section 21-T24S-R34E, 220 FSL & 722 FWL		BHLocation : BH(LATERAL #1): Section 21-T24S-R34E, 100 FNL & 989 FWL	
Formation : 2ND BONE SPRING		DD&A Field : LEONARD SHALE	
Operator : EOG RESOURCES INC	County & State : LEA / NEW MEXICO	Field : UNASSIGNED	Water Depth :
AFE Description : GALLEON 21 FED #502H D&C 10,850' TVD TO 15,850' MD IS TO BE COMPLETED IN THE SECOND BONE SPRING SAND FORMATION. THE WELL IS LOCATED IN SECTION 21, T24S, R34E IN LEA CO., NM.		Product : OIL	Days : 0 / 0

DESCRIPTION	SUB ACT	DRILLING 230	LAND 237	COMPLETION 231	FACILITY 235	FLOWBACK 236	TOTAL
ACCESS LOCATION,ROADS&SURVEY	401	50,000	0	8,836	0	0	58,836
COMP-FLBK-LOCATION AND ROADS	401	0	0	0	0	5,000	5,000
RIG MOVE	402	58,000	0	0	0	0	58,000
DAY WORK COST	404	330,000	0	0	0	0	330,000
BITS & BHA	405	85,000	0	0	0	0	85,000
COMP-BITS & PHA	405	0	0	25,793	0	0	25,793
COMP-FUEL	406	0	0	106,812	0	5,000	111,812
FUEL	406	59,000	0	0	0	0	59,000
WATER 200,000 @ \$ 1	407	15,000	0	278,000	0	0	293,000
COMP-FLBK-CHEMICALS	408	0	0	0	0	5,000	5,000
MUD & CHEMICALS	408	170,000	0	0	0	0	170,000
CEMENTING & SERVICE	409	150,000	0	0	0	0	150,000
COMP- PERFORATING	413	0	0	214,610	0	0	214,610
COMP- STIMULATION 17 @ \$ 62,157	414	0	0	1,056,669	0	0	1,056,669
COMP- TRANSPORTATION	415	0	0	28,261	0	0	28,261
TRANSPORTATION	415	25,000	0	0	0	0	25,000
COMP-Completion Overhead	416	0	0	1,675	0	0	1,675
DRILLING OVERHEAD	416	5,000	0	0	0	0	5,000
COMP-EQUIPMENT RENTAL	417	0	0	106,627	0	0	106,627
FLBK-EQUIPMENT RENT/OPERATIONS	417	58,000	0	0	0	25,000	83,000
OTHER DRILLING EXPENSE	419	8,000	0	0	0	0	8,000
COMP-FISHING & EQUIP LOST	420	0	0	6,606	0	0	6,606
COMP-FLBK-ENVIRONMENTAL & SAFETY	421	0	0	18,288	0	2,000	20,288
ENVIRONMENTAL & SAFETY	421	8,000	0	0	0	0	8,000
DIRECTIONAL DRILLING	422	155,000	0	0	0	0	155,000
COMP- SUPERVISION	424	0	0	69,193	0	0	69,193
SUPERVISION	424	52,000	0	0	0	0	52,000
COMP- COMMUNICATIONS	431	0	0	5,800	0	0	5,800
TUBULAR INSPECTION/HANDLING	436	40,000	0	0	0	0	40,000
COMP-CASED HOLE LOGGING/TEST	438	0	0	9,459	0	0	9,459
SPECIALTY SERVICES	441	85,000	0	2,870	0	0	87,870
COMP-WIRELINE SERVICES	442	0	0	11,460	0	0	11,460
COMP-COIL TUBING/NITROGEN	445	0	0	58,001	0	0	58,001
COMP-FLBK-CONTRACT LABOR	446	0	0	15,009	0	15,000	30,009
FLBK-DISPOSAL COSTS	447	85,000	0	18,204	0	85,000	188,204
COMP-COMPLETION FLUIDS	448	0	0	11,741	0	0	11,741
COMP-FLOWBACK	465	0	0	11,917	0	30,000	41,917
COMP-LAND DRILLSITE TITLE OPINION	480	0	6,000	0	0	0	6,000
COMP-LAND ROW DRILLING	482	0	3,750	0	0	0	3,750
COMP-LAND ROW COMPLETION	483	0	3,750	0	0	0	3,750
COMP-LAND SURVEY & DAMAGES DRILL	484	0	8,750	0	0	0	8,750
COMP-LAND SURVEY AND DAMAGES COMP	485	0	8,750	0	0	0	8,750
COMP-REG-PERMIT FEE/ENV SURV&ASSESS	486	0	17,950	0	0	0	17,950
TOTAL INTANGIBLES		\$1,438,000	\$48,950	\$2,065,831	\$0	\$172,000	\$3,724,781

	UOM	QTY	SIZE	SIZE	GRADE	RATE						
SURFACE CASING						102	54,000	0	0	0	54,000	
INTERMEDIATE CASING						103	154,000	0	0	0	154,000	
PRODUCTION CASING						104	237,000	0	0	0	237,000	
WELLHEAD EQUIPMENT						107	43,000	0	74,248	0	117,248	
COMP-FAC-FLOW LINES						109	0	0	0	65,000	65,000	
COMP-FAC-VALVES & FITTINGS						110	0	0	0	31,000	31,000	
COMP-VALVES & FITTINGS						110	0	0	2,803	10,000	12,803	
COMP-FAC-HEATERS,TREATRS,SEPRS						115	0	0	0	133,000	133,000	
COMP-FAC-METERING EQUIPMENT						118	0	0	0	23,000	23,000	
COMP-FAC-CONSTRUCTION COST						122	0	0	0	65,000	65,000	
COMP-FAC-LABR/ELEC MEAS/AUTOMA						124	0	0	0	4,000	4,000	
COMP-FAC-INSTRUMENT/ELECTRIC EQUIP						128	0	0	0	5,000	5,000	
COMP-FAC-TRANSPORTATION						415	0	0	0	3,000	3,000	
COMP-FAC-EQUIP RNTL/FAC CONSTR						417	0	0	0	3,000	3,000	
COMP-FAC-ENVIRONMENTAL & SAFETY						421	0	0	0	2,500	2,500	
COMP-FAC-ELECTRICAL LABOR						471	0	0	0	3,000	3,000	
TOTAL TANGIBLES							\$488,000	\$0	\$77,051	\$337,500	\$10,000	\$912,551
TOTAL COST							\$1,926,000	\$48,950	\$2,142,882	\$337,500	\$182,000	\$4,637,332



MIDLAND

AFE No.	116649	Original
Property No.	140652-000	
EOG W.I.(BCP)	50%	(ACP) 50%
EOG AFE Amt:	(Drig)	\$0
	(Land)	\$0
	(Completion)	\$0
	(Facility)	\$82,500
	(Flowback)	\$0
	(Expense)	\$0
	Total Cost	\$82,500

AFE Type : ART LIFT - PU, GAS LIFT, ESP	AFE Name : GALLEON 21 FED #502H	AFE Date : 05/11/2022	Budget Year : 2022
Reg. Lease No. :	Prospect Name : RED HILLS CENTRAL	TVD / MD :	Begin Date :
Location :		BHLocation :	
Formation : 2ND BONE SPRING		DD&A Field : LEONARD SHALE	
Operator : EOG RESOURCES INC	County & State : LEA / NEW MEXICO	Field : UNASSIGNED	Water Depth :
AFE Description : GALLEON 21 FED #502H AL - FIRST INSTALL ARTIFICIAL LIFT		Product : OIL	Days : 0 / 0

DESCRIPTION	SUB ACT	DRILLING 230	LAND 237	COMPL 231	FAC 235	FLBK 236	EXP 810	TOTAL
TOTAL INTANGIBLES								
	UOM	QTY	SIZE	SIZE	GRADE	RATE		
COMP-FAC-TUBING						106	0	0
COMP-FAC-WELLHEAD EQUIPMENT						107	0	0
COMP-FAC-PUMP EQUIP/SURFACE						112	0	0
COMP-FAC-PUMP EQUIP/SUBSURFAC						113	0	0
COMP-FAC-WATER						407	0	0
COMP-FAC-TRANSPORTATION						415	0	0
COMP-FAC-EQUIP RNTL/FAC CONSTR						417	0	0
COMP-FAC-RIG						418	0	0
COMP-FAC-ENVIRONMENTAL & SAFETY						421	0	0
COMP-FAC-SUPERVISION FAC INSTL						424	0	0
COMP-FAC-CONTRACT LABOR						446	0	0
TOTAL TANGIBLES							\$0	\$0
TOTAL COST							\$0	\$0

By	Date	By	Date
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JOINT OPERATOR APPROVAL

Firm :	By	Title	Date
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AFE No.	113811	Original
Property No.	140653-000	
EOG W.I.(BCP)	50%	(ACP) 50%
EOG AFE Amt:	(Drig)	\$1,926,000
	(Land)	\$48,950
	(Completion)	\$2,142,882
	(Facility)	\$337,500
	(Flowback)	\$182,000
	Total Cost	\$4,637,332

AFE Type : DEVELOPMENT DRILLING	AFE Name : Galleon 21 Fed #503H	AFE Date : 05/11/2022	Budget Year : 2022
Reg. Lease No. :	Prospect Name : RED HILLS CENTRAL	TVD / MD : 10850 / 15850	Begin Date :
Location : Section 21-T24S-R34E, 220 FSL & 2008 FWL		BHLocation : BH(LATERAL #1): Section 21-T24S-R34E, 100 FNL & 1620 FWL	
Formation : 2ND BONE SPRING		DD&A Field : LEONARD SHALE	
Operator : EOG RESOURCES INC	County & State : LEA / NEW MEXICO	Field : UNASSIGNED	Water Depth :
AFE Description : GALLEON 21 FED #503H D&C 10,850' TVD TO 15,850' MD IS TO BE COMPLETED IN THE SECOND BONE SPRING SAND FORMATION. THE WELL IS LOCATED IN SECTION 21, T24S, R34E IN LEA CO., NM.		Product : OIL	Days : 0 / 0

DESCRIPTION	SUB ACT	DRILLING 230	LAND 237	COMPLETION 231	FACILITY 235	FLOWBACK 236	TOTAL
ACCESS LOCATION,ROADS&SURVEY	401	50,000	0	8,836	0	0	58,836
COMP-FLBK-LOCATION AND ROADS	401	0	0	0	0	5,000	5,000
RIG MOVE	402	58,000	0	0	0	0	58,000
DAY WORK COST	404	330,000	0	0	0	0	330,000
BITS & BHA	405	85,000	0	0	0	0	85,000
COMP-BITS & PHA	405	0	0	25,793	0	0	25,793
COMP-FUEL	406	0	0	106,812	0	5,000	111,812
FUEL	406	59,000	0	0	0	0	59,000
WATER 200,000 @ \$ 1	407	15,000	0	278,000	0	0	293,000
COMP-FLBK-CHEMICALS	408	0	0	0	0	5,000	5,000
MUD & CHEMICALS	408	170,000	0	0	0	0	170,000
CEMENTING & SERVICE	409	150,000	0	0	0	0	150,000
COMP- PERFORATING	413	0	0	214,610	0	0	214,610
COMP- STIMULATION 17 @ \$ 62,157	414	0	0	1,056,669	0	0	1,056,669
COMP- TRANSPORTATION	415	0	0	28,261	0	0	28,261
TRANSPORTATION	415	25,000	0	0	0	0	25,000
COMP-Completion Overhead	416	0	0	1,675	0	0	1,675
DRILLING OVERHEAD	416	5,000	0	0	0	0	5,000
COMP-EQUIPMENT RENTAL	417	0	0	106,627	0	0	106,627
FLBK-EQUIPMENT RENT/OPERATIONS	417	58,000	0	0	0	25,000	83,000
OTHER DRILLING EXPENSE	419	8,000	0	0	0	0	8,000
COMP-FISHING & EQUIP LOST	420	0	0	6,606	0	0	6,606
COMP-FLBK-ENVIRONMENTAL & SAFETY	421	0	0	18,288	0	2,000	20,288
ENVIRONMENTAL & SAFETY	421	8,000	0	0	0	0	8,000
DIRECTIONAL DRILLING	422	155,000	0	0	0	0	155,000
COMP- SUPERVISION	424	0	0	69,193	0	0	69,193
SUPERVISION	424	52,000	0	0	0	0	52,000
COMP- COMMUNICATIONS	431	0	0	5,800	0	0	5,800
TUBULAR INSPECTION/HANDLING	436	40,000	0	0	0	0	40,000
COMP-CASED HOLE LOGGING/TEST	438	0	0	9,459	0	0	9,459
SPECIALTY SERVICES	441	85,000	0	2,870	0	0	87,870
COMP-WIRELINE SERVICES	442	0	0	11,460	0	0	11,460
COMP-COIL TUBING/NITROGEN	445	0	0	58,001	0	0	58,001
COMP-FLBK-CONTRACT LABOR	446	0	0	15,009	0	15,000	30,009
FLBK-DISPOSAL COSTS	447	85,000	0	18,204	0	85,000	188,204
COMP-COMPLETION FLUIDS	448	0	0	11,741	0	0	11,741
COMP-FLOWBACK	465	0	0	11,917	0	30,000	41,917
COMP-LAND DRILLSITE TITLE OPINION	480	0	6,000	0	0	0	6,000
COMP-LAND ROW DRILLING	482	0	3,750	0	0	0	3,750
COMP-LAND ROW COMPLETION	483	0	3,750	0	0	0	3,750
COMP-LAND SURVEY & DAMAGES DRILL	484	0	8,750	0	0	0	8,750
COMP-LAND SURVEY AND DAMAGES COMP	485	0	8,750	0	0	0	8,750
COMP-REG-PERMIT FEE/ENV SURV&ASSESS	486	0	17,950	0	0	0	17,950
TOTAL INTANGIBLES		\$1,438,000	\$48,950	\$2,065,831	\$0	\$172,000	\$3,724,781

	UOM	QTY	SIZE	SIZE	GRADE	RATE					
SURFACE CASING						102	54,000	0	0	0	54,000
INTERMEDIATE CASING						103	154,000	0	0	0	154,000
PRODUCTION CASING						104	237,000	0	0	0	237,000
WELLHEAD EQUIPMENT						107	43,000	0	74,248	0	117,248
COMP-FAC-FLOW LINES						109	0	0	0	65,000	65,000
COMP-FAC-VALVES & FITTINGS						110	0	0	0	31,000	31,000
COMP-VALVES & FITTINGS						110	0	0	2,803	10,000	12,803
COMP-FAC-HEATERS,TREATRS,SEPRS						115	0	0	0	133,000	133,000
COMP-FAC-METERING EQUIPMENT						118	0	0	0	23,000	23,000
COMP-FAC-CONSTRUCTION COST						122	0	0	0	65,000	65,000
COMP-FAC-LABR/ELEC MEAS/AUTOMA						124	0	0	0	4,000	4,000
COMP-FAC-INSTRUMENT/ELECTRIC EQUIP						128	0	0	0	5,000	5,000
COMP-FAC-TRANSPORTATION						415	0	0	0	3,000	3,000
COMP-FAC-EQUIP RNTL/FAC CONSTR						417	0	0	0	3,000	3,000
COMP-FAC-ENVIRONMENTAL & SAFETY						421	0	0	0	2,500	2,500
COMP-FAC-ELECTRICAL LABOR						471	0	0	0	3,000	3,000
TOTAL TANGIBLES							\$488,000	\$0	\$77,051	\$337,500	\$912,551
TOTAL COST							\$1,926,000	\$48,950	\$2,142,882	\$337,500	\$4,637,332



AFE No.	116650	Original
Property No.	140652-000	
EOG W.I.(BCP)	50%	(ACP) 50%
EOG AFE Amt:	(Drig)	\$0
	(Land)	\$0
	(Completion)	\$0
	(Facility)	\$82,500
	(Flowback)	\$0
	(Expense)	\$0
	Total Cost	\$82,500

AFE Type : ART LIFT - PU, GAS LIFT, ESP	AFE Name : GALLEON 21 FED #503H	AFE Date : 05/11/2022	Budget Year : 2022
Reg. Lease No. :	Prospect Name : RED HILLS CENTRAL	TVD / MD :	Begin Date :
Location :		BHLocation :	
Formation : 2ND BONE SPRING		DD&A Field : LEONARD SHALE	
Operator : EOG RESOURCES INC	County & State : LEA / NEW MEXICO	Field : UNASSIGNED	Water Depth :
AFE Description : GALLEON 21 FED #503H AL - FIRST INSTALL ARTIFICIAL LIFT		Product : OIL	Days : 0 / 0

DESCRIPTION	SUB ACT	DRILLING 230	LAND 237	COMPL 231	FAC 235	FLBK 236	EXP 810	TOTAL
TOTAL INTANGIBLES								
	UOM	QTY	SIZE	SIZE	GRADE	RATE		
COMP-FAC-TUBING						106	0	0
COMP-FAC-WELLHEAD EQUIPMENT						107	0	0
COMP-FAC-PUMP EQUIP/SURFACE						112	0	0
COMP-FAC-PUMP EQUIP/SUBSURFAC						113	0	0
COMP-FAC-WATER						407	0	0
COMP-FAC-TRANSPORTATION						415	0	0
COMP-FAC-EQUIP RNTL/FAC CONSTR						417	0	0
COMP-FAC-RIG						418	0	0
COMP-FAC-ENVIRONMENTAL & SAFETY						421	0	0
COMP-FAC-SUPERVISION FAC INSTL						424	0	0
COMP-FAC-CONTRACT LABOR						446	0	0
TOTAL TANGIBLES							\$0	\$0
TOTAL COST							\$0	\$0
							\$82,500	\$82,500
							\$0	\$0

By	Date	By	Date
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JOINT OPERATOR APPROVAL

Firm :	By	Title	Date
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AFE No.	113812	Original
Property No.	140654-000	
EOG W.I.(BCP)	50%	(ACP) 50%
EOG AFE Amt:	(Drig)	\$1,926,000
	(Land)	\$48,950
	(Completion)	\$2,142,882
	(Facility)	\$337,500
	(Flowback)	\$182,000
	Total Cost	\$4,637,332

AFE Type : DEVELOPMENT DRILLING	AFE Name : Galleon 21 Fed #504H	AFE Date : 05/11/2022	Budget Year : 2022
Reg. Lease No. :	Prospect Name : RED HILLS CENTRAL	TVD / MD : 10850 / 15850	Begin Date :
Location : Section 21-T24S-R34E, 220 FSL & 2041 FWL		BHLocation : BH(LATERAL #1): Section 21-T24S-R34E, 100 FNL & 2308 FWL	
Formation : 2ND BONE SPRING		DD&A Field : LEONARD SHALE	
Operator : EOG RESOURCES INC	County & State : LEA / NEW MEXICO	Field : UNASSIGNED	Water Depth :
AFE Description : GALLEON 21 FED #504H D&C 10,850' TVD TO 15,850' MD IS TO BE COMPLETED IN THE SECOND BONE SPRING SAND FORMATION. THE WELL IS LOCATED IN SECTION 21, T24S, R34E IN LEA CO., NM.		Product : OIL	Days : 0 / 0

DESCRIPTION	SUB ACT	DRILLING 230	LAND 237	COMPLETION 231	FACILITY 235	FLOWBACK 236	TOTAL
ACCESS LOCATION,ROADS&SURVEY	401	50,000	0	8,836	0	0	58,836
COMP-FLBK-LOCATION AND ROADS	401	0	0	0	0	5,000	5,000
RIG MOVE	402	58,000	0	0	0	0	58,000
DAY WORK COST	404	330,000	0	0	0	0	330,000
BITS & BHA	405	85,000	0	0	0	0	85,000
COMP-BITS & PHA	405	0	0	25,793	0	0	25,793
COMP-FUEL	406	0	0	106,812	0	5,000	111,812
FUEL	406	59,000	0	0	0	0	59,000
WATER 200,000 @ \$ 1	407	15,000	0	278,000	0	0	293,000
COMP-FLBK-CHEMICALS	408	0	0	0	0	5,000	5,000
MUD & CHEMICALS	408	170,000	0	0	0	0	170,000
CEMENTING & SERVICE	409	150,000	0	0	0	0	150,000
COMP- PERFORATING	413	0	0	214,610	0	0	214,610
COMP- STIMULATION 17 @ \$ 62,157	414	0	0	1,056,669	0	0	1,056,669
COMP- TRANSPORTATION	415	0	0	28,261	0	0	28,261
TRANSPORTATION	415	25,000	0	0	0	0	25,000
COMP-Completion Overhead	416	0	0	1,675	0	0	1,675
DRILLING OVERHEAD	416	5,000	0	0	0	0	5,000
COMP-EQUIPMENT RENTAL	417	0	0	106,627	0	0	106,627
FLBK-EQUIPMENT RENT/OPERATIONS	417	58,000	0	0	0	25,000	83,000
OTHER DRILLING EXPENSE	419	8,000	0	0	0	0	8,000
COMP-FISHING & EQUIP LOST	420	0	0	6,606	0	0	6,606
COMP-FLBK-ENVIRONMENTAL & SAFETY	421	0	0	18,288	0	2,000	20,288
ENVIRONMENTAL & SAFETY	421	8,000	0	0	0	0	8,000
DIRECTIONAL DRILLING	422	155,000	0	0	0	0	155,000
COMP- SUPERVISION	424	0	0	69,193	0	0	69,193
SUPERVISION	424	52,000	0	0	0	0	52,000
COMP- COMMUNICATIONS	431	0	0	5,800	0	0	5,800
TUBULAR INSPECTION/HANDLING	436	40,000	0	0	0	0	40,000
COMP-CASED HOLE LOGGING/TEST	438	0	0	9,459	0	0	9,459
SPECIALTY SERVICES	441	85,000	0	2,870	0	0	87,870
COMP-WIRELINE SERVICES	442	0	0	11,460	0	0	11,460
COMP-COIL TUBING/NITROGEN	445	0	0	58,001	0	0	58,001
COMP-FLBK-CONTRACT LABOR	446	0	0	15,009	0	15,000	30,009
FLBK-DISPOSAL COSTS	447	85,000	0	18,204	0	85,000	188,204
COMP-COMPLETION FLUIDS	448	0	0	11,741	0	0	11,741
COMP-FLOWBACK	465	0	0	11,917	0	30,000	41,917
COMP-LAND DRILLSITE TITLE OPINION	480	0	6,000	0	0	0	6,000
COMP-LAND ROW DRILLING	482	0	3,750	0	0	0	3,750
COMP-LAND ROW COMPLETION	483	0	3,750	0	0	0	3,750
COMP-LAND SURVEY & DAMAGES DRILL	484	0	8,750	0	0	0	8,750
COMP-LAND SURVEY AND DAMAGES COMP	485	0	8,750	0	0	0	8,750
COMP-REG-PERMIT FEE/ENV SURV&ASSESS	486	0	17,950	0	0	0	17,950
TOTAL INTANGIBLES		\$1,438,000	\$48,950	\$2,065,831	\$0	\$172,000	\$3,724,781

	UOM	QTY	SIZE	SIZE	GRADE	RATE					
SURFACE CASING						102	54,000	0	0	0	54,000
INTERMEDIATE CASING						103	154,000	0	0	0	154,000
PRODUCTION CASING						104	237,000	0	0	0	237,000
WELLHEAD EQUIPMENT						107	43,000	0	74,248	0	117,248
COMP-FAC-FLOW LINES						109	0	0	0	65,000	65,000
COMP-FAC-VALVES & FITTINGS						110	0	0	0	31,000	31,000
COMP-VALVES & FITTINGS						110	0	0	2,803	10,000	12,803
COMP-FAC-HEATERS,TREATRS,SEPRS						115	0	0	0	133,000	133,000
COMP-FAC-METERING EQUIPMENT						118	0	0	0	23,000	23,000
COMP-FAC-CONSTRUCTION COST						122	0	0	0	65,000	65,000
COMP-FAC-LABR/ELEC MEAS/AUTOMA						124	0	0	0	4,000	4,000
COMP-FAC-INSTRUMENT/ELECTRIC EQUIP						128	0	0	0	5,000	5,000
COMP-FAC-TRANSPORTATION						415	0	0	0	3,000	3,000
COMP-FAC-EQUIP RNTL/FAC CONSTR						417	0	0	0	3,000	3,000
COMP-FAC-ENVIRONMENTAL & SAFETY						421	0	0	0	2,500	2,500
COMP-FAC-ELECTRICAL LABOR						471	0	0	0	3,000	3,000
TOTAL TANGIBLES							\$488,000	\$0	\$77,051	\$337,500	\$912,551
TOTAL COST							\$1,926,000	\$48,950	\$2,142,882	\$337,500	\$4,637,332



MIDLAND			
AFE No.	116651	Original	
Property No.	140652-000		
EOG W.I.(BCP)	50%	(ACP)	50%
EOG AFE Amt:	(Drig)	\$0	
	(Land)	\$0	
	(Completion)	\$0	
	(Facility)	\$82,500	
	(Flowback)	\$0	
	(Expense)	\$0	
	Total Cost	\$82,500	

AFE Type : ART LIFT - PU, GAS LIFT, ESP	AFE Name : GALLEON 21 FED #504H	AFE Date : 05/11/2022	Budget Year : 2022
Reg. Lease No. :	Prospect Name : RED HILLS CENTRAL	TVD / MD :	Begin Date :
Location :	BHLocation :		
Formation : 2ND BONE SPRING	DD&A Field : LEONARD SHALE		
Operator : EOG RESOURCES INC	County & State : LEA / NEW MEXICO	Field : UNASSIGNED	Water Depth :
AFE Description : GALLEON 21 FED #504H AL - FIRST INSTALL ARTIFICIAL LIFT		Product : OIL	Days : 0 / 0

DESCRIPTION	SUB ACT	DRILLING 230	LAND 237	COMPL 231	FAC 235	FLBK 236	EXP 810	TOTAL
TOTAL INTANGIBLES								
COMP-FAC-TUBING	106	0	0	0	48,000	0	0	48,000
COMP-FAC-WELLHEAD EQUIPMENT	107	0	0	0	1,000	0	0	1,000
COMP-FAC-PUMP EQUIP/SURFACE	112	0	0	0	1,000	0	0	1,000
COMP-FAC-PUMP EQUIP/SUBSURFAC	113	0	0	0	12,000	0	0	12,000
COMP-FAC-WATER	407	0	0	0	1,500	0	0	1,500
COMP-FAC-TRANSPORTATION	415	0	0	0	3,000	0	0	3,000
COMP-FAC-EQUIP RNTL/FAC CONSTR	417	0	0	0	2,000	0	0	2,000
COMP-FAC-RIG	418	0	0	0	10,500	0	0	10,500
COMP-FAC-ENVIRONMENTAL & SAFETY	421	0	0	0	500	0	0	500
COMP-FAC-SUPERVISION FAC INSTL	424	0	0	0	1,500	0	0	1,500
COMP-FAC-CONTRACT LABOR	446	0	0	0	1,500	0	0	1,500
TOTAL TANGIBLES		\$0	\$0	\$0	\$82,500	\$0	\$0	\$82,500
TOTAL COST		\$0	\$0	\$0	\$82,500	\$0	\$0	\$82,500

By	Date	By	Date
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JOINT OPERATOR APPROVAL

Firm :	By	Title	Date
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Communications Chronology

Parties	Date	Comments
Magnum Hunter (Coterra)	5/11/2022	Sent original proposals
Magnum Hunter (Coterra)	5/24/2022	Communication on JOA and development plans
Magnum Hunter (Coterra)	5/24/2022	JOA and plans sent
Magnum Hunter (Coterra)	6/3/2022	EOG followed up with Coterra on participation
Magnum Hunter (Coterra)	6/6/2022	JOA sent with Exb. A footages added
Magnum Hunter (Coterra)	6/8/2022	Discussion on possible addition of Leonard wells, JOA planning
Magnum Hunter (Coterra)	6/13/2022	Coterra landman discusses upcoming leave and replacement contact
Magnum Hunter (Coterra)	6/28/2022	Leonard proposals mailed to Coterra
Magnum Hunter (Coterra)	8/1/2022	Leonard JOA sent to Coterra
Magnum Hunter (Coterra)	6/29/2002	Discussion of development plans with 2nd Bone/Leonard
Magnum Hunter (Coterra)	6/30/2022	Discussion on number of JOAs
Magnum Hunter (Coterra)	7/18/2022	EOG follow up on Coterra for participation, more time, pooling date
Magnum Hunter (Coterra)	7/19/2022	Discussion of hearings
Magnum Hunter (Coterra)	7/20/2022	Coterra landman is returning from leave
Magnum Hunter (Coterra)	7/21/2022	Coterra requests Letter Agreement from EOG; agreement sent
Magnum Hunter (Coterra)	7/25/2022	Coterra sends JOA questions, EOG responds
Magnum Hunter (Coterra)	7/27/2022	Coterra sends questions on drilling program and requests additional JOAs

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

**APPLICATION OF EOG RESOURCES, INC.
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 22948

SELF-AFFIRMED STATEMENT OF TERRA GEORGE, GEOLOGIST

1. My name is Terra George, and I am employed by EOG Resources, Inc. (“EOG”) as a petroleum geologist. My responsibilities include the Permian Basin of New Mexico. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology.

2. I am familiar with the application filed by EOG in this matter and I have conducted a geologic study of the lands in the subject area.

3. The target for the proposed initial wells is the Second Bone Spring interval within the Bone Spring formation.

4. **Exhibit D-1** is a general location map that identifies the general area of the proposed spacing unit in a red box.

5. **Exhibit D-2** is a subsea structure map that I prepared on the top of the Second Bone Spring around the subject spacing area. The contour intervals are 100 feet. The area comprising the proposed spacing unit is outlined in red, with the approximate location and orientation of the initial wells noted with blue dashed lines. The structure map shows the Bone Spring formation dipping to the south-southeast. The structure appears consistent across the proposed spacing unit, and I do not observe any faulting, pinch outs, or other geologic impediments to drilling horizontal wells.

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D
Submitted by: EOG Resources, Inc.
Hearing Date: August 4, 2022
Case No.22948**

6. **Exhibit D-2** also shows a line of cross section through the proposed horizontal spacing unit from A to A'. I chose the logs from these wells to create the cross section because they penetrate the targeted interval, are of good quality and have been subjected to petrophysical analysis of the targeted interval. In my opinion, these well logs are representative of the geology in the subject area.

7. **Exhibit D-3** is a structural cross-section that I prepared using the logs from the representative wells shown on Exhibit D-2. Each well on the cross-section contains a combination of gamma ray, resistivity, and porosity logs. The target interval for the proposed wells is marked on the cross section with a blue arrow. The cross-section demonstrates that the targeted interval is continuous across the proposed spacing unit. Also marked on the exhibit is the First Bone Spring, which is subject to a separate joint operating agreement. The cross-section also identifies the portion of the Bone Spring formation that EOG is seeking to pool from the stratigraphic equivalent of 10,449 feet subsurface to 12,030 subsurface as found in the Vaca Ridge 21 Fed Com #1 (API:30-025-28641).

8. My geologic study indicates the Bone Spring formation underlying the subject area is suitable for development by horizontal wells and the acreage comprising the proposed horizontal spacing unit will be productive and contribute proportionately to the production from the wells.

9. Exhibit D-2 also shows the existing Bone Spring and Wolfcamp development in this area. In my opinion, the standup orientation of the proposed wells is appropriate given the geologic stress in this area.

10. In my opinion, approval of this application is in the best interest of conservation, the prevention of waste, and protection of correlative rights.

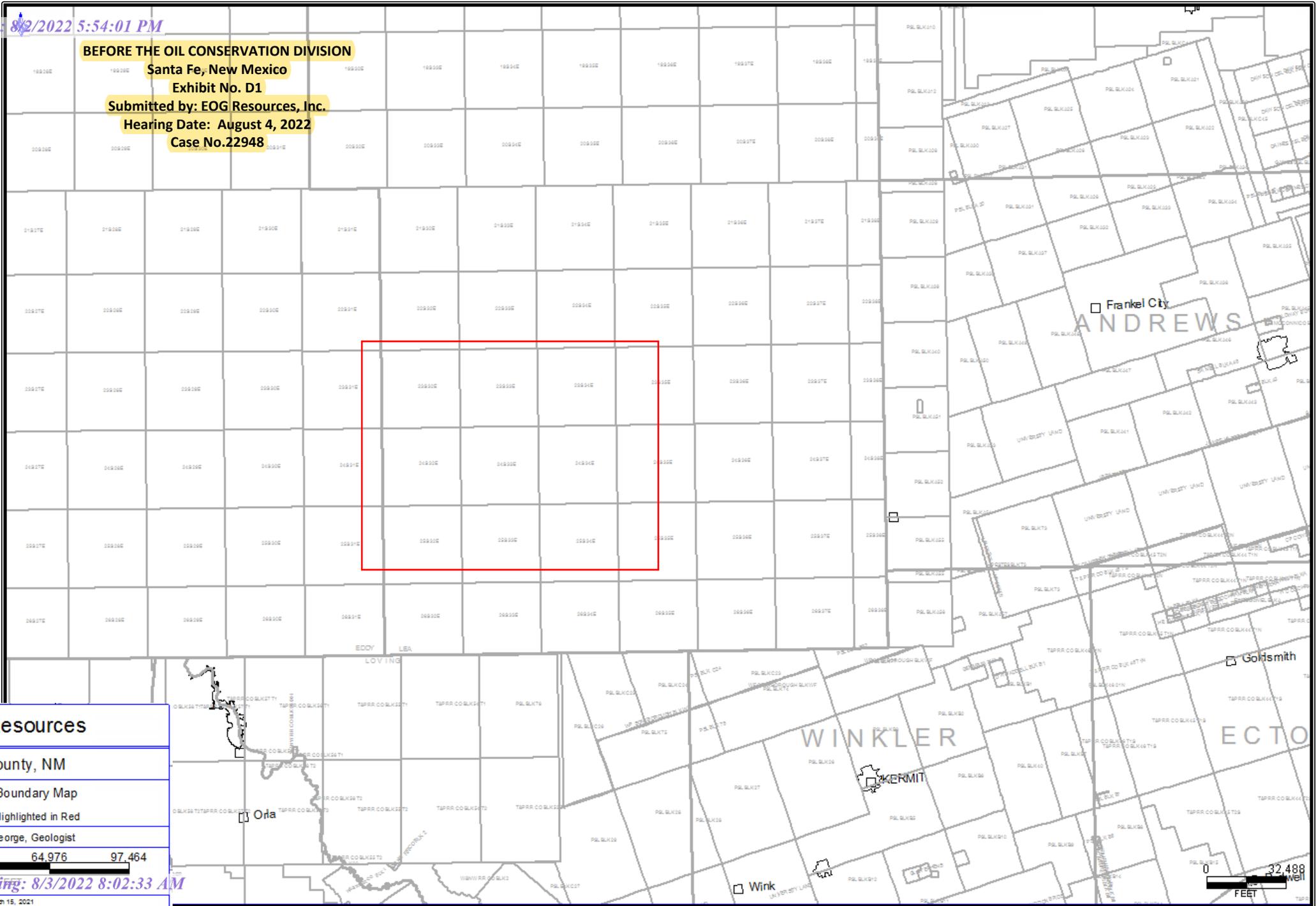
11. Exhibits D-1 through D-3 were either prepared by me or compiled under my direction and supervision.

12. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.

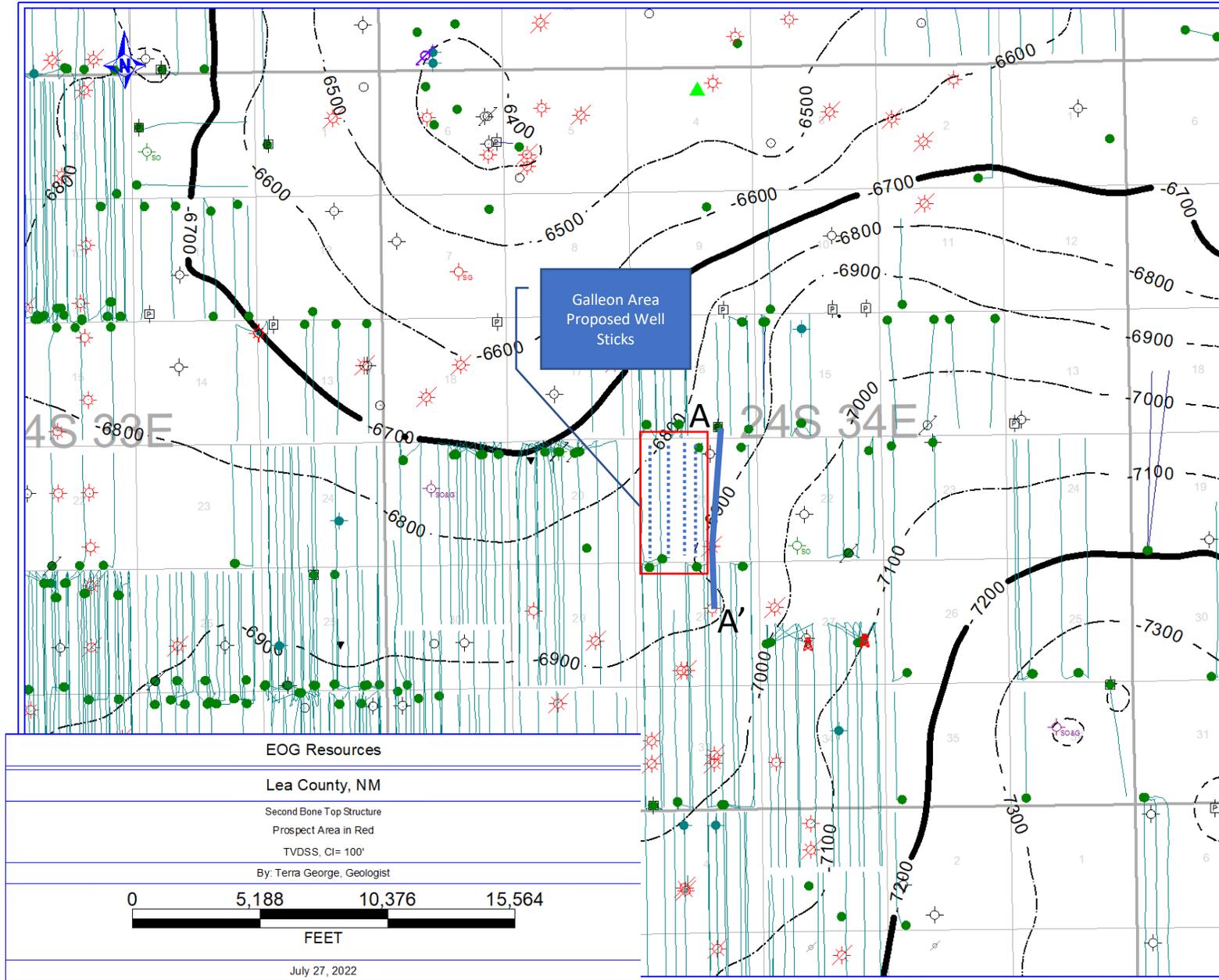

TERRA GEORGE

8/1/22
Date

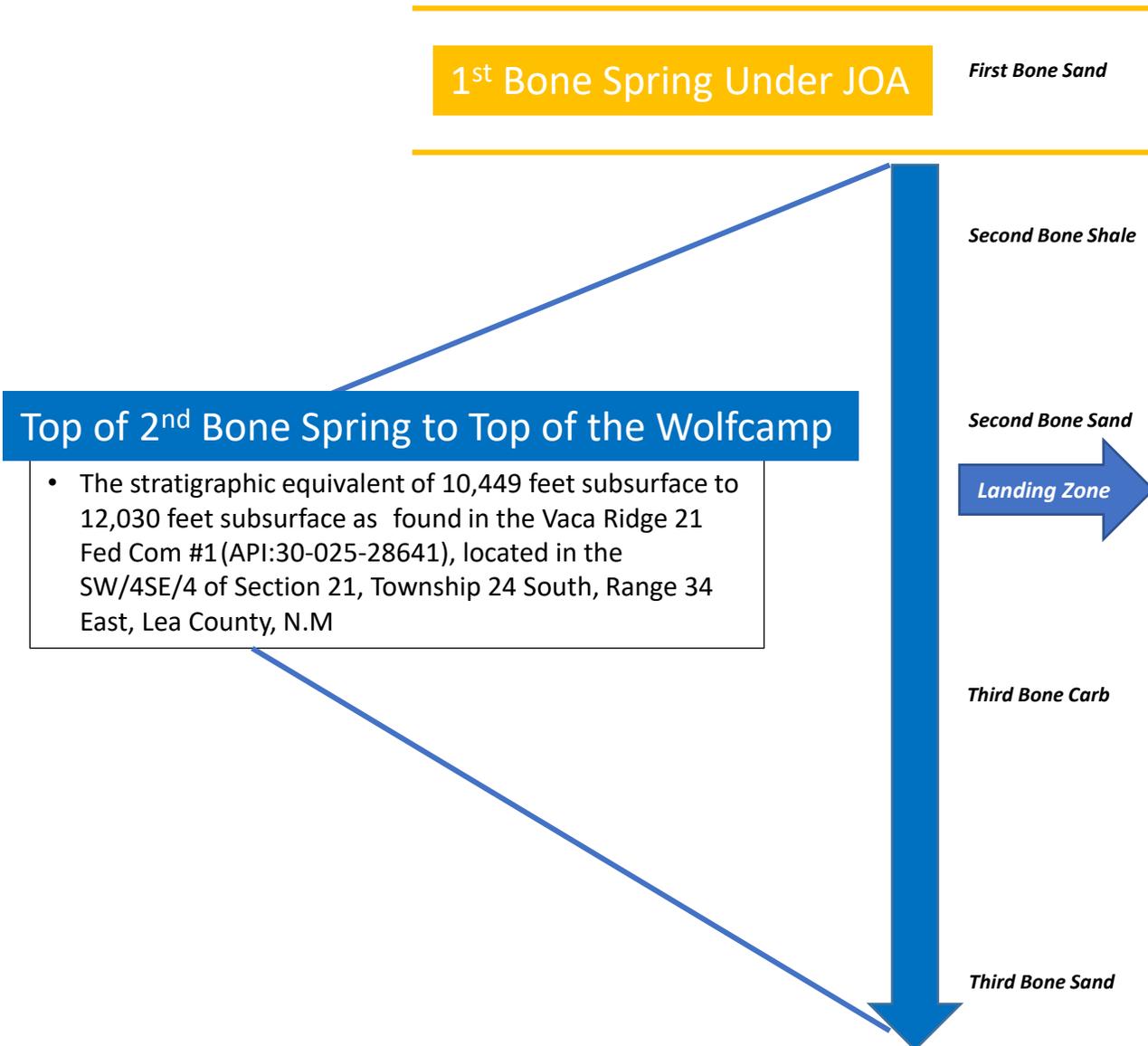
BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D1
Submitted by: EOG Resources, Inc.
Hearing Date: August 4, 2022
Case No. 22948



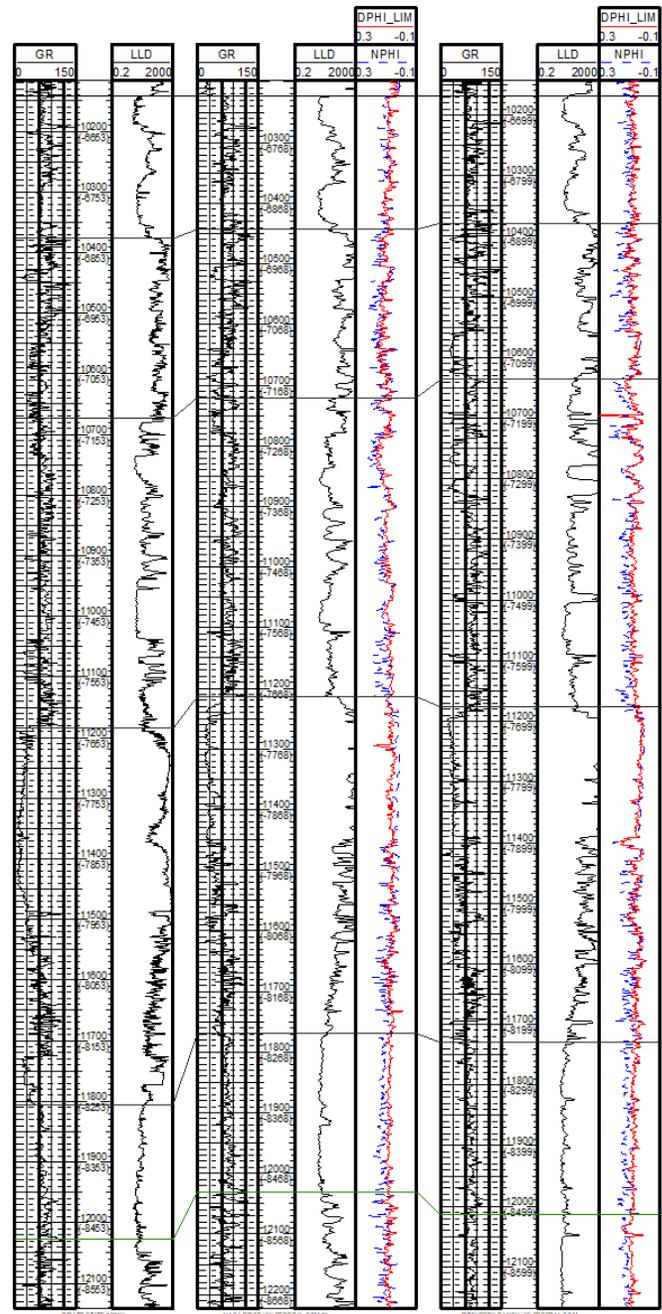
EOG Resources
Lea County, NM
Regional Boundary Map
Exhibit AOI Highlighted in Red
By: Terra George, Geologist
0 32,488 64,976 97,464
Released to Imaging: 8/3/2022 8:02:33 AM
March 15, 2021



BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. D2
 Submitted by: EOG Resources, Inc.
 Hearing Date: August 4, 2022
 Case No.22948

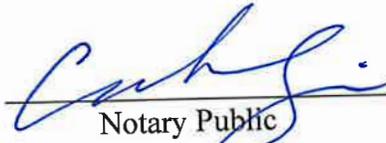


- The stratigraphic equivalent of 10,449 feet subsurface to 12,030 feet subsurface as found in the Vaca Ridge 21 Fed Com #1 (API:30-025-28641), located in the SW/4SE/4 of Section 21, Township 24 South, Range 34 East, Lea County, N.M



BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. D3
 Submitted by: EOG Resources, Inc.
 Hearing Date: August 4, 2022
 Case No.22948

SUBSCRIBED AND SWORN to before me this 2nd day of August, 2022 by Adam G. Rankin.



Notary Public

My Commission Expires:

Nov. 12, 2023

STATE OF NEW MEXICO
NOTARY PUBLIC
CARLA GARCIA
COMMISSION # 1127528
COMMISSION EXPIRES 11/12/2023



Michael H. Feldewert
Partner
Phone (505) 988-4421
mfeldewert@hollandhart.com

July 15, 2022

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

**TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS AND
OFFSETTING THE PROPOSED SPACING UNIT.**

**Re: Application of EOG Resources, Inc. for Compulsory Pooling, Lea County,
New Mexico: *Galleon Wells***

Ladies & Gentlemen:

This letter is to advise you that EOG Resources, Inc. has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on August 4, 2022, and the status of the hearing can be monitored through the Division’s website at <http://www.emnrd.state.nm.us/ocd/>.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>.

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. Parties appearing in cases are required to file a Pre-hearing Statement four business days in advance of a scheduled hearing that complies with the provisions of NMAC 19.15.4.13.B.

If you have any questions about this matter, please contact Laci Stretcher at (432) 247-6362 or Laci_Stretcher@eogresources.com.

Sincerely,

Michael H. Feldewert
ATTORNEY FOR EOG RESOURCES, INC.

T 505.988.4421 F 505.983.6043
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208
www.hollandhart.com

Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming

EOG - Galleon 501H-504H
Case no. 22948 Postal Delivery Report

TrackingNo	Name	DeliveryAddress	City	State	Zip	USPS_Status
9414811898765876571849	Ken and Geri Griffin Properties LP	2408 Lakeview Dr	Rockport	TX	78382-3630	Your item arrived at the SANTA FE, NM 87504 post office at 8:35 am on July 25, 2022 and is ready for pickup.
9414811898765876571894	Van Tettleton	PO Box 10909	Midland	TX	79702-7909	Your item was delivered at 11:09 am on July 25, 2022 in MIDLAND, TX 79701.
9414811898765876571801	Burnett Partners	PO Box 50474	Midland	TX	79710-0474	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765876571825	Apollo Permian, LLC	PO Box 14779	Oklahoma City	OK	73113-0779	Your item was delivered at 11:35 am on July 18, 2022 in OKLAHOMA CITY, OK 73113.
9414811898765876571863	Rhona R. Pace, ssp	748 Quinta Luz Cir	El Paso	TX	79922-2318	This is a reminder to arrange for redelivery of your item or your item will be returned to sender.
9414811898765876571856	David L. Schmidt	1400 Community Ln	Midland	TX	79701-4010	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765876571818	Craig Allan Bales	2608 McClintic St	Midland	TX	79705-7421	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765876571993	Pony Oil Operating, LLC	3100 Monticello Ave Ste 500	Dallas	TX	75205-3432	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765876571900	TD Minerals, LLC	8111 Westchester Dr Ste 900	Dallas	TX	75225-6146	Your item was delivered to the front desk, reception area, or mail room at 1:05 pm on July 18, 2022 in DALLAS, TX 75225.
9414811898765876571924	Wells Fargo Bank, N.A., Successor Trustee of the Mich	500 W Texas Ave Ste 760	Midland	TX	79701-4230	Your item was delivered to an individual at the address at 3:41 pm on July 18, 2022 in MIDLAND, TX 79701.
9414811898765876571962	Wells Fargo Bank, N.A., Successor Trustee of the Sara	500 W Texas Ave Ste 760	Midland	TX	79701-4230	Your item was delivered to an individual at the address at 3:41 pm on July 18, 2022 in MIDLAND, TX 79701.
9414811898765876571955	JST Troschinetz Corporation Profit Sharing Plan	PO Box 60874	San Angelo	TX	76906-0874	Your item was picked up at the post office at 4:45 pm on July 19, 2022 in SAN ANGELO, TX 76904.
9414811898765876571917	Fortis Minerals II, LLC	1111 Bagby St Ste 2150	Houston	TX	77002-2626	Your item arrived at the SANTA FE, NM 87504 post office at 8:35 am on July 25, 2022 and is ready for pickup.
9414811898765876571771	Pegasus Resources, LLC	PO Box 470698	Fort Worth	TX	76147-0698	Your item was delivered at 10:50 am on July 18, 2022 in FORT WORTH, TX 76147.
9414811898765876571733	McMullen Minerals, LLC	2821 W 7th St Ste 515	Fort Worth	TX	76107-8912	Your item was delivered to an individual at the address at 3:29 pm on July 18, 2022 in FORT WORTH, TX 76107.
9414811898765876571276	Craig Allan Bales, dba Bales Oil & Gas	2608 McClintic St	Midland	TX	79705-7421	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765876571788	Santa Elena Minerals IV, L.P.	400 W Illinois Ave Ste 1300	Midland	TX	79701-4310	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765876571740	Montego Capital Found 3 Ltd	PO Box 2640	Midland	TX	79702-2640	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.

EOG - Galleon 501H-504H
Case no. 22948 Postal Delivery Report

9414811898765876571795	E.M. Thompson Corporation Profit Sharing Plan	PO Box 52132	Midland	TX	79710-2132	Your item was delivered at 1:42 pm on July 21, 2022 in MIDLAND, TX 79705.
9414811898765876571702	Merih Energy, LLC	4104 Dyer Cir	Midland	TX	79707-3510	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765876571764	PD III Exploration, Ltd	PO Box 871	Midland	TX	79702-0871	Your item was picked up at the post office at 8:51 am on July 25, 2022 in MIDLAND, TX 79701.
9414811898765876571757	Millhollon Minerals & Royalty, LLC	15 Hialeah Dr	Midland	TX	79705-1809	Your item was refused by the addressee at 2:06 pm on July 22, 2022 in SANTA FE, NM 87501 and is being returned to the sender.
9414811898765876571719	Rhonda Pace, Guardian of the Estate of Clinton Harris	544 Comanche Dr	Lubbock	TX	79404-1904	Your item has been delivered to an agent for final delivery in LUBBOCK, TX 79404 on July 18, 2022 at 9:14 am.
9414811898765876571870	Nuray K. Pace, Guradian of the Estate of Aleyna Nuray	258 Cape Jasmine Ct	The Woodlands	TX	77381-6457	Your item arrived at the SANTA FE, NM 87504 post office at 8:35 am on July 25, 2022 and is ready for pickup.
9414811898765876571832	Nuray K. Pace, Guradian of the Estate of Tara Nuray P	258 Cape Jasmine Ct	The Woodlands	TX	77381-6457	Your item arrived at the SANTA FE, NM 87504 post office at 8:35 am on July 25, 2022 and is ready for pickup.
9414811898765876571887	Ryan Pace	544 Comanche Dr	Lubbock	TX	79404-1904	Your item has been delivered to an agent for final delivery in LUBBOCK, TX 79404 on July 18, 2022 at 9:14 am.
9414811898765876571238	Magnum Hunter Production, Inc. c/o Coterra Energy	600 N Marienfeld St Ste 600	Midland	TX	79701-4405	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.