

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

**APPLICATION OF EOG RESOURCES, INC.  
FOR A TWO-YEAR EXTENSION OF ITS  
CLOSED LOOP GAS CAPTURE PILOT  
PROJECT AUTHORIZED UNDER ORDER  
NO R-21061, LEA COUNTY, NEW MEXICO.**

**CASE NO. 23810**

**EOG RESOURCES, INC.'S PRE-HEARING STATEMENT**

EOG Resources, Inc. ("EOG") (OGRID No. 7377) submits this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**

EOG Resources, Inc.

**ATTORNEY**

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**APPLICANT'S STATEMENT OF CASE**

EOG seeks an order for a two-year extension of its closed loop gas capture pilot project authorized under Order No. R-21061 until December 31, 2025 ("Pilot Project") with the option to request additional two-year extensions. EOG is the operator of the **Caballo 23 Fed No. 2H Well** (API No. 30-025-40051), a horizontal well with a surface location the E/2 W/2 (Unit C) of Section 23, Township 25 South, Range 33 East, NMPM, in Lea County, New Mexico. This well produces from the Bone Spring formation (Red Hills; Upper Bone Spring Shale Pool [Pool Code 97900])

and is dedicated to a standard horizontal well spacing unit comprised of the W/2 of said Section 23. EOG is authorized under Order R-21061 to use the Caballo 23 Fed No. 2H Well to engage in a closed loop gas capture pilot project to occasionally inject produced gas into the Leonard Shale interval of the Bone Spring formation at a total vertical depth of approximately 9,418 feet to 9,457 feet along the horizontal portion of the wellbore at surface injection pressures of no more than 3,500 psi. The source of the produced gas will be the Bone Spring, Wolfcamp and Atoka formations.

The Division administratively extended Order R-21061 through December 31, 2023. However, the Division required that further extensions be approved only after notice and hearing. The Caballo 23 Fed No. 2H well underwent and passed a mechanical integrity test on September 1, 2023. EOG set a packer at approximately 9,050 feet on September 5, 2023.

Approval of the requested extension will allow EOG to continue intermittent injection of produced gas into the subject well for the purpose of temporary storage and later recovery to avoid the shut-in of producing wells or the temporary flaring of gas during pipeline capacity constraints, mechanical difficulties, plant shutdowns, or other events impacting the ability to deliver gas into a pipeline. Approval also will reduce impacts associated with temporary interruptions of gas pipeline services and midstream operations and help develop standard practices for similar projects.

The requested extension is in the best interests of conservation, the prevention of waste, and the protection of correlative rights.

**APPLICANT’S PROPOSED EVIDENCE**

<b>WITNESS Name and Expertise</b>	<b>ESTIMATED TIME</b>	<b>EXHIBITS</b>
Ryan Yarger, P.E., Facilities Engineer	Self-Affirmed Statement	Approx. 5
Brice Letcher, P.E., Operations Engineer	Self-Affirmed Statement	Approx. 6
Patrick Geesaman, Geology	Self-Affirmed Statement	Approx. 2

**PROCEDURAL MATTERS**

If uncontested at the hearing, EOG intends to present this case by self-affirmed statement and will have its witnesses available for questioning by the Division Technical Examiners.

Respectfully submitted,

HOLLAND & HART LLP

By:  \_\_\_\_\_

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**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
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QUESTIONS

Action 270243

**QUESTIONS**

Operator: EOG RESOURCES INC P.O. Box 2267 Midland, TX 79702	OGRID: 7377
	Action Number: 270243
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

**QUESTIONS**

<b>Testimony</b>	
<i>Please assist us by provide the following information about your testimony.</i>	
Number of witnesses	<i>Not answered.</i>
Testimony time (in minutes)	<i>Not answered.</i>