

**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. _____

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 mineral owners in the Bone Spring formation underlying a standard 960-acre, more or less, horizontal spacing unit comprised of the W/2 of Sections 15, 22, and 27, Township 25 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 proposes and dedicates the horizontal spacing unit to the Pistolero 15 Fed Com # 202H, Pistolero 15 Fed Com # 203H, Pistolero 15 Fed Com # 301H, Pistolero 15 Fed Com # 307H, Pistolero 15 Fed Com # 308H, Pistolero 15 Fed Com # 505H, Pistolero 15 Fed Com # 506H, and Pistolero 15 Fed Com # 507H, as initial wells, to be drilled to a sufficient depth to test the Bone Spring formation.
3. EOG proposes the Pistolero 15 Fed Com # 202H, Pistolero 15 Fed Com # 301H, Pistolero 15 Fed Com # 505H, and Pistolero 15 Fed Com # 506H, all oil wells, to be horizontally drilled from a surface location in the NW/4NW/4 (Unit D) of Section 15 to a bottom hole location in the SE/4SW/4 (Unit N) of Section 27.

4. EOG proposes the Pistolero 15 Fed Com # 203H, Pistolero 15 Fed Com # 307H, Pistolero 15 Fed Com # 308H, and Pistolero 15 Fed Com # 507H, all oil wells, to be horizontally drilled from a surface location in the NW/4NW/4 (Unit D) of Section 15 to a bottom hole location in the SW/4SW/4 (Unit M) of Section 27.

5. The completed interval for each well is expected to comply with the setback requirements for the Bone Spring formation.

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

7. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

8. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled and Applicant should be designated the operator of the proposed horizontal well spacing unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on May 2, 2024, 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,

EOG RESOURCES, INC.

By: _____

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ATTORNEY FOR EOG RESOURCES, INC.

CASE _____ : **Application of EOG Resources, Inc. for compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted mineral owners in the Bone Spring formation underlying a standard 960-acre, more or less, horizontal spacing unit comprised of the W/2 of Sections 15, 22, and 27, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the Pistolero 15 Fed Com # 202H, Pistolero 15 Fed Com # 301H, Pistolero 15 Fed Com # 505H, and Pistolero 15 Fed Com # 506H, all oil wells, to be horizontally drilled from a surface location in the NW/4NW/4 (Unit D) of Section 15 to a bottom hole location in the SE/4SW/4 (Unit N) of Section 27. Applicant additionally dedicates the Pistolero 15 Fed Com # 203H, Pistolero 15 Fed Com # 307H, Pistolero 15 Fed Com # 308H, and Pistolero 15 Fed Com # 507H, all oil wells, to be horizontally drilled from a surface location in the NW/4NW/4 (Unit D) of Section 15 to a bottom hole location in the SW/4SW/4 (Unit M) of Section 27. The completed interval for all proposed wells is expected to comply with the setback requirements for the Bone Spring formation. Also, to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of 200% charge for risk involved in drilling and completing each well. Said area is located approximately 15 miles west of Jal, New Mexico.



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April __, 2024

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

To: All Interest Owners Subject to Pooling Proceedings

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

Pistolero 15 Fed Com # 202H, Pistolero 15 Fed Com # 203H,
Pistolero 15 Fed Com # 301H, Pistolero 15 Fed Com # 307H,
Pistolero 15 Fed Com # 308H, Pistolero 15 Fed Com # 505H, and
Pistolero 15 Fed Com # 506H, Pistolero 15 Fed Com # 507H

Case No. _____:

Dear Interest Owners,

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 May 2, 2024, and the status of the hearing can be monitored through the Division’s website at <https://www.emnrd.nm.gov/ocd/>.

The New Mexico Oil Conservation Division holds its hearings in a hybrid format. The hearing will begin at 8:15 a.m. The building is physically located at Wendell Chino Building, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. To participate electronically, follow the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>.

You are being notified as a potential interest owner. 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) 227-3769 or laci_stretcher@eogresources.com.

Sincerely,

Jordan L. Kessler
ATTORNEY, EOG RESOURCES, INC.