

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

**APPLICATION OF E.G.L. RESOURCES, INC.
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 24185

**APPLICATION OF PBEX, LLC FOR APPROVAL
OF AN OVERLAPPING HORIZONTAL WELL
SPACING UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 24886

E.G.L.’S CONSOLIDATED PRE-HEARING STATEMENT

E.G.L. Resources, Inc. and PBEX, LLC (Collectively “E.G.L.” or “Applicant”), the applicants in the above-referenced matters, submits this Consolidated Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

ATTORNEY

E.G.L. Resources, Inc. & PBEX, LLC
(Collectively “E.G.L.”) & MRC Permian
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 (“Snow O&G”) – Case No. 24185

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Avant Operating, LLC
 (“Avant”) – Case Nos. 24185 & 24886

COG Operating LLC & Concho Oil & Gas
LLC
(Collectively “COG”) – Case Nos. 24185 &
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including Cimarex Energy Co.
 (“Cimarex”) – Case Nos. 24185 & 24886

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APPLICANT’S STATEMENT OF THE CASES

Under these consolidated cases, E.G.L. seeks orders pooling the Bone Spring formation (Lusk; Bone Spring, North Pool [41450]) for the referenced acreage, all in Township 18 South, Range 32 East, NMPM, Lea County, New Mexico:

- Under **Case No. 24185**, E.G.L. seeks to pool the uncommitted interests underlying a 640-acre, more or less, horizontal well spacing unit comprised of the S/2 of Sections 33 and 34, and initially dedicate the unit to the proposed **Bond 33-34 Fed Com 104H** and **Bond 33-34 Fed Com 207H**, both to be horizontally drilled from a surface location in the NE/4 SE/4 (Unit I) of Section 32, with first take points in the NW/4 SW/4 (Unit L) of Section 33 and last take points in the NE/4 SE/4 (Unit I) of Section 34; **Bond 33-34 Fed Com 209H**, to be horizontally drilled from a surface location in the NE/4 SE/4 (Unit I) of Section 32, with a first take point in the SW/4 SW/4 (Unit M) of Section 33 and last take point in the SE/4 SE/4 (Unit P) of Section 34; **Bond 33-34 Fed Com 105H**, **Bond 33-34 Fed Com 106H**, and **Bond 33-34 Fed Com 211H** wells, all to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 32, with first take points in the SW/4 SW/4 (Unit M) of Section 33 and last take points in the SE/4 SE/4 (Unit P) of Section 34. The completed intervals of the **Bond 33-34 Fed Com 105H** and **Bond 33-34 Fed Com 209H** wells are

expected to remain within 330 feet of the offsetting quarter-quarter sections or equivalent tracts to allow inclusion of that acreage into a standard horizontal well spacing unit.

- Under **Case No. 24886**, E.G.L. seeks (a) approval of a standard 800-acre, more or less, overlapping horizontal well spacing unit underlying the NE/4 of Section 32, and the N/2 of Sections 33 and 34 and (b) pooling the uncommitted mineral owners in this proposed spacing unit. E.G.L. seek to initially dedicate the unit to the proposed **Bond 32-34 Fed Com 101H, Bond 32-34 Fed Com 102H, Bond 32-34 Fed Com 201H and Bond 32-34 Fed Com 203H** wells, all to be drilled from a surface location in the NW/4 of Section 32, with first take points in the NW/4 NE/4 (Unit B) of Section 32 and last take points in the NE/4 NE/4 (Unit A) of Section 34; and the **Bond 32-34 Fed Com 103H and Bond 32-34 Fed Com 205H** wells to be drilled from the SE/4 of Section 32, with first take points in the SW/4 NE/4 (Unit G) of Section 32 and last take points in the SE/4 NE/4 (Unit H) of Section 34. The completed intervals of the **Bond 32-34 Fed Com 102H and Bond 32-34 Fed Com 203H** wells are expected to remain within 330 feet of the offsetting quarter-quarter sections or equivalent tracts to allow inclusion of that acreage into a standard horizontal well spacing unit. The proposed horizontal spacing unit will overlap the following existing spacing units:

- A 40-acre vertical well spacing unit comprised of the SE4NW4 (Unit F) of Section 34 dedicated to the McKay West Fed 001 (API No. 30-025-24931), operated by RAYBAW Operating LLC in the Querecho Plains; Upper Bone Spring Pool [50600];
- A 40-acre vertical well spacing unit comprised of the NW4NE4 (Unit B) of Section 32 dedicated to the Hulkster 003 (API No. 30-025-39570) operated by RAYBAW Operating LLC in the Lusk; Bone Spring, North Pool [41450];
- A 40-acre vertical well spacing unit comprised of the NE4NE4 (Unit A) of Section 32 dedicated to the Hulkster 004 (API No. 30-025-39571) operated by RAYBAW Operating LLC in the Lusk; Bone Spring, North Pool [41450];

- A 40-acre vertical well spacing unit comprised of the SE4NE4 (Unit H) of Section 32 dedicated to the Hulkster 005 (API No. 30-025-39572) operated by RAYBAW Operating LLC in the Lusk; Bone Spring, North Pool [41450]; and
- A 40-acre vertical well spacing unit comprised of the SW4NE4 (Unit G) of Section 32 dedicated to the Max State 001 (API No. 30-025-26754) operated by RAYBAW Operating LLC in the Lusk; Bone Spring, North Pool [41450].

In Case No. 24886, Applicant seeks to designate E.G.L. Resources, Inc. (OGRID No. 192373) as the operator of the proposed horizontal well spacing unit.

The completed interval for each well will comply with statewide setbacks for oil wells. E.G.L. has sought and been unable to obtain voluntary agreement for the development of these lands from all working interest owners in the subject spacing units.

APPLICANT’S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Ruth Pelzel, Landman	Self-Affirmed Statement	Approx. 6
Matt Pardee, Geologist	Self-Affirmed Statement	Approx. 4

PROCEDURAL MATTERS

Since MRC, Snow O&G and Avant have now withdrawn their objections to these matters, E.G.L. requests that these matters be consolidated for a hearing by self-affirmed statement.

Respectfully submitted,

HOLLAND & HART LLP

By:  _____

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CERTIFICATE OF SERVICE

I hereby certify that on February 6, 2025, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
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QUESTIONS

Action 429454

QUESTIONS

Operator: E G L RESOURCES INC P.O. Box 10886 Midland, TX 79702	OGRID: 173413
	Action Number: 429454
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
<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>