

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING AUGUST 06, 2020**

CASE NO. 21377

GLADIATOR 3 FED COM #301H WELL

LEA COUNTY, NEW MEXICO



**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. 21377

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COMPULSORY POOLING APPLICATION CHECKLIST (pdf)

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 21377	APPLICANT'S RESPONSE
Date: August 6, 2020	
Applicant	EOG Resources Inc.
Designated Operator & OGRID (affiliation if applicable)	EOG Resources Inc. (OGRID No. 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:	N/A
Well Family	Gladiator 3 Fed Com #301H well
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring formation
Pool Name and Pool Code:	WC-025 G-08 S233528D; LWR BONE SPRING Pool (Pool Code 97958)
Well Location Setback Rules:	Statewide Horizontal well rules
Spacing Unit Size:	320 acres, more or less
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres, more or less
Building Blocks:	quarter-quarter sections
Orientation:	North/South
Description: TRS/County	W/2 W/2 of Section 3, Township 24 South, Range 35 East and the W/2 W/2 of Section 34, Township 23 South, Range 35 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	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit C-3
Well(s)	

Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	
Well #1	<p>Gladiator 3 Fed Com Well No. 301H, API No. 30-025-47376 SHL:350 feet from the south line and 792 feet from the west line, SW/4 WE/4 (Unit M) of Section 3, Township 24 South, Range 35 East, NMPM. BHL:100 feet from the north line and 330 feet from the west line, NW/4 NW/4 (Unit D) of Section 34, Township 23 South, Range 35 East, NMPM.</p> <p>Completion Target: Bone Spring Well Orientation:South to North Completion Location expected to be:standard</p>
Horizontal Well First and Last Take Points	Exhibit C-2
Completion Target (Formation, TVD and MD)	Exhibit C-4
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$7,500
Production Supervision/Month \$	\$750
Justification for Supervision Costs	Exhibit C, C-4
Requested Risk Charge	Exhibit C
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)	N/A
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-3
Unlocatable Parties to be Pooled	Exhibit C
Ownership Depth Severance (including percentage above & below)	None
Joinder	
Sample Copy of Proposal Letter	Exhibit C-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-3

Chronology of Contact with Non-Joined Working Interests	Exhibit C-5
Overhead Rates In Proposal Letter	Exhibit C-4
Cost Estimate to Drill and Complete	Exhibit C-4
Cost Estimate to Equip Well	Exhibit C-4
Cost Estimate for Production Facilities	Exhibit C-4
Geology	
Summary (including special considerations)	Exhibit D, D-1
Spacing Unit Schematic	Exhibit D, D-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit D-1
Well Orientation (with rationale)	Exhibit D-1
Target Formation	Exhibit D-1, D-2
HSU Cross Section	Exhibit D-1, D-2
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit C-2
Tracts	Exhibit C-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-3
General Location Map (including basin)	Exhibit D-1
Well Bore Location Map	Exhibit D-1
Structure Contour Map - Subsea Depth	Exhibit D-1
Cross Section Location Map (including wells)	Exhibit D, D-1
Cross Section (including Landing Zone)	Exhibit D, D-2
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Kaitlyn A. Luck
Signed Name (Attorney or Party Representative):	
Date:	4-Aug-20

**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. 21377

APPLICATION

EOG Resources, Inc. (“EOG”) files this application with the Oil Conservation Division pursuant to the provisions of N.M. Stat. Ann. § 70-2-17, for an order pooling all uncommitted interests in the Bone Spring formation [WC-025 G-08 S233528D; LWR BONE SPRING (97958)] underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the W/2 W/2 of Section 3, T-24-S, R-35-E and the W/2 W/2 of Section 34, T-23-S, R-35-E, NMPM, Lea County, New Mexico. In support of this application, EOG states:

1. EOG Resources, Inc. (OGRID No. 7377) is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. EOG seeks to dedicate the above-referenced horizontal spacing unit to the proposed **Gladiator 3 Fed Com #301H** well to be drilled from a surface hole location in the SW/4 SW/4 (Unit M) of Section 3 to bottom hole locations in the NW/4 NW/4 (Unit D) of Section 34.
3. EOG 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.
4. The pooling of the mineral interests in the proposed horizontal spacing unit will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

5. In order to permit EOG 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 EOG should be designated the operator of this proposed horizontal well and spacing unit.

WHEREFORE, EOG requests that this application be set for hearing before an Examiner of the Oil Conservation Division on August 6, 2020, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the horizontal spacing unit and approving the initial well;
- B. Designating EOG the operator of this spacing unit and the horizontal wells to be drilled thereon;
- C. Authorizing EOG to recover its costs of drilling, equipping and completing the well;
- D. Approving the actual operating charges and costs of supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% charge for the risk assumed by EOG in drilling and completing the well 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
Kaitlyn A. Luck
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421
(505) 983-6043 Facsimile
mfeldewert@hollandhart.com
agrarkin@hollandhart.com
kaluck@hollandhart.com

ATTORNEYS 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

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Colorado
Idaho

Montana
Nevada
New Mexico

Utah
Washington, D.C.
Wyoming

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
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**APPLICATION OF EOG RESOURCES, INC.
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LEA COUNTY, NEW MEXICO.**

CASE NO. 21377

AFFIDAVIT OF KATIE MCBRYDE

Katie McBryde, of lawful age and being first duly sworn, declares as follows:

1. My name is Katie McBryde. I work for EOG Resources, Inc. ("EOG") as a Landman II.

2. I have not previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. I graduated from the Oklahoma State University a B.S. in Marketing in 2008, and from the University of Houston, Professional Landman Certificate Program in in 2015. Since 2018, I have worked with EOG as a Landman in the Permian Basin. Prior to joining EOG, I also worked as a petroleum landman since 2014. I am a member of the Permian Basin Landman's Association and American Association of Professional Landmen. EOG Exhibit C-1 is a copy of my resume reflecting my education and experience in petroleum land matters. I seek to have my credentials accepted by the Division as an expert in petroleum land matters.

3. I am familiar with the application filed by EOG in this case, and I am familiar with the status of the lands in the subject area.

4. None of the uncommitted parties in this case has indicated opposition to the presentation of this pooling application by affidavit to the Division, and therefore I do not expect any opposition at the hearing.

5. In **Case No. 21377**, EOG is seeking an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, standard horizontal spacing unit comprised of the W/2 W/2 of Section 3, Township 24 South, Range 35 East and the W/2 W/2 of Section 34, Township 23 South, Range 35 East, NMPM, Lea County, New Mexico.

6. EOG seeks to dedicate this spacing unit to the proposed initial **Gladiator 3 Fed Com #301H well (API No. 30-025-47376)** to be drilled from a surface hole location in the SW/4 SW/4 (Unit M) of Section 3 to bottom hole locations in the NW/4 NW/4 (Unit D) of Section 34.

7. **EOG Exhibit C-2** is the Form C-102 for this well and reflects that this well has been placed in the WC-025 G-08 S233528D; LWR BONE SPRING Pool. The Pool Code is 97958.

8. The completed interval of this well will comply with statewide setbacks for oil wells.

9. There are no depth severances in the Bone Spring formation underlying the subject acreage.

10. **EOG Exhibit C-3** contains a plat outlining the unit being pooled, identifies the tracts of land comprising the proposed spacing unit, and identifies the working interests in each tract and their interest in the horizontal spacing unit. The proposed spacing unit includes state and federal lands.

11. EOG has identified on **Exhibit C-3** the “uncommitted” working interest owners that remain to be pooled in this case.

12. EOG sent well proposal letters, together with corresponding AFEs, to the working interest owners in this case. The costs reflected in the AFEs are consistent with what other

operators have incurred for drilling similar horizontal wells in the area. A copy of the well proposal letters, along with the AFE, is attached hereto as **EOG Exhibit C-4**.

13. EOG seeks approval of overhead and administrative costs at \$7,500/month while drilling and \$750/month while producing. These costs are consistent with what EOG and other operators are charging in this area for these types of wells. EOG respectfully requests that these administrative and overhead costs be incorporated into any order entered by the Division in this case.

14. EOG has been able to locate contact information for all parties it seeks to pool and has undertaken good faith efforts to reach an agreement with the uncommitted interest owners. **EOG Exhibit C-5** contains a chronology of the contacts with the working interest owners that EOG seeks to pool. EOG has made a good faith effort to obtain voluntary joinder of the working interest owners in the proposed wells.

15. If EOG reaches an agreement with any of the proposed pool parties before the Division enters any order, I will let the Division know that EOG is no longer seeking to pool that party.

16. I provided the law firm of Holland & Hart LLP a list of names and addresses for the uncommitted interest owners shown on **EOG Exhibit C-3**. In compiling these addresses, EOG conducted a diligent search of all public records in the county where the proposed wells are located and of phone directories, including computer searches. All parties were locatable.

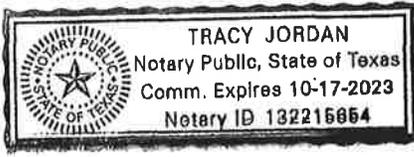
17. **EOG Exhibits C-1 through C-5** were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.

Katie McBryde
KATIE MCBRYDE

STATE OF TEXAS)
)
COUNTY OF MIDLAND)

SUBSCRIBED and SWORN to before me this 14th day of August 2020 by Katie McBryde.



Tracy Jordan
NOTARY PUBLIC

My Commission Expires:
10-17-2023

Katie McBryde

2602 Sentinel Drive
Midland, Texas 79701
214.435.8282
katie.mcbryde@gmail.com

EDUCATION

University of Houston

July 2015

- Professional Landman Certificate Program

Oklahoma State University

May 2008

- Bachelors of Science, Marketing
Honors: Academic Excellence Scholarship (4 years) and President's Honor Roll at Oklahoma State University

PROFESSIONAL EXPERIENCE

Blackbeard Operating, LLC, Landman

January 2017 - Present

- Responsible for negotiating and maintaining Joint Operating Agreements, Farmout Agreements, Purchase and Sale Agreements, Leases, Letter Agreements, Surface Use Agreements in assigned asset area.
- Managed multiple broker teams on leasing, title projects and curative in New Mexico and Texas.
- Prepare, drill and coordinate all aspects of 2 rig vertical drill program in asset area – title research, leasing, title opinion management, curative, division order, surface agreements and damages, and maintain continuous development.
- Manage all trades, acquisitions, or divestitures in asset area with various companies and operators.
- Responsible for all operated and non-operated assets in Lea and Eddy Counties, New Mexico, and designated areas of responsibility in Winkler, Ward, Crane, Terry and Loving Counties, Texas.

Doyle J. Snow, LLC – Professional Land Service, Landman Independent Landman

November 2014 – December 2016

- Title research to determine surface, mineral and leasehold ownership in the courthouses of Midland, Martin, Dawson, Upton, Andrews, Ector, Winkler, Reagan and Yoakum Counties.
- Draft runsheets and thorough ownership reports from sovereignty of soil to current date with complex and lengthy chains of title.
- Perform curative work based on requirements in title opinions rendered by title attorneys.
- Prepare, draft, and negotiate lease agreements, ratifications, assignments and other legal instruments necessary to efficiently manage subject land.
- Prepare division order payroll with tract participation factors for 3rd party purchaser for secondary recovery unit with 19 tracts of land.

Access Texas, Senior Sales Manager

September 2008 – October 2014

- Worked alongside sales management team to develop and meet yearly sales objectives, develop new business, and manage strategic client accounts.
- Negotiated contracts with vendors to ensure end client receives best value for events.
- Recruited and supervised new part-time and full-time operations team, maintained full company production calendar.
- Coordinated over 750 corporate events in 6 years in Dallas, Fort Worth, Houston, San Antonio, Chicago, and New York. Executed all aspects of Fortune 500 client conferences from contract to final event billing closeout for groups of 100 – 3,000 attendees by coordinating transportation, updating travel arrangements, and overseeing event logistics from start to finish.

COMMUNITY INVOLVEMENT

Permian Basin Landman's Association
The Junior League of Midland, Inc.
Museum of the Southwest, Board Member
Sky High For Kids, Committee Member

January 2015 – Present

April 2015 – Present

January 2019 – Present

January 2019 – Present

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. C1

Submitted by: EOG Resources, Inc.

Hearing Date: August 06, 2020

Case No. 21377

References available upon request.

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-		² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name GLADIATOR 3 FED COM		⁶ Well Number 301H
⁷ OGRID No. 7377	⁸ Operator Name EOG RESOURCES, INC.		⁹ Elevation 3390'

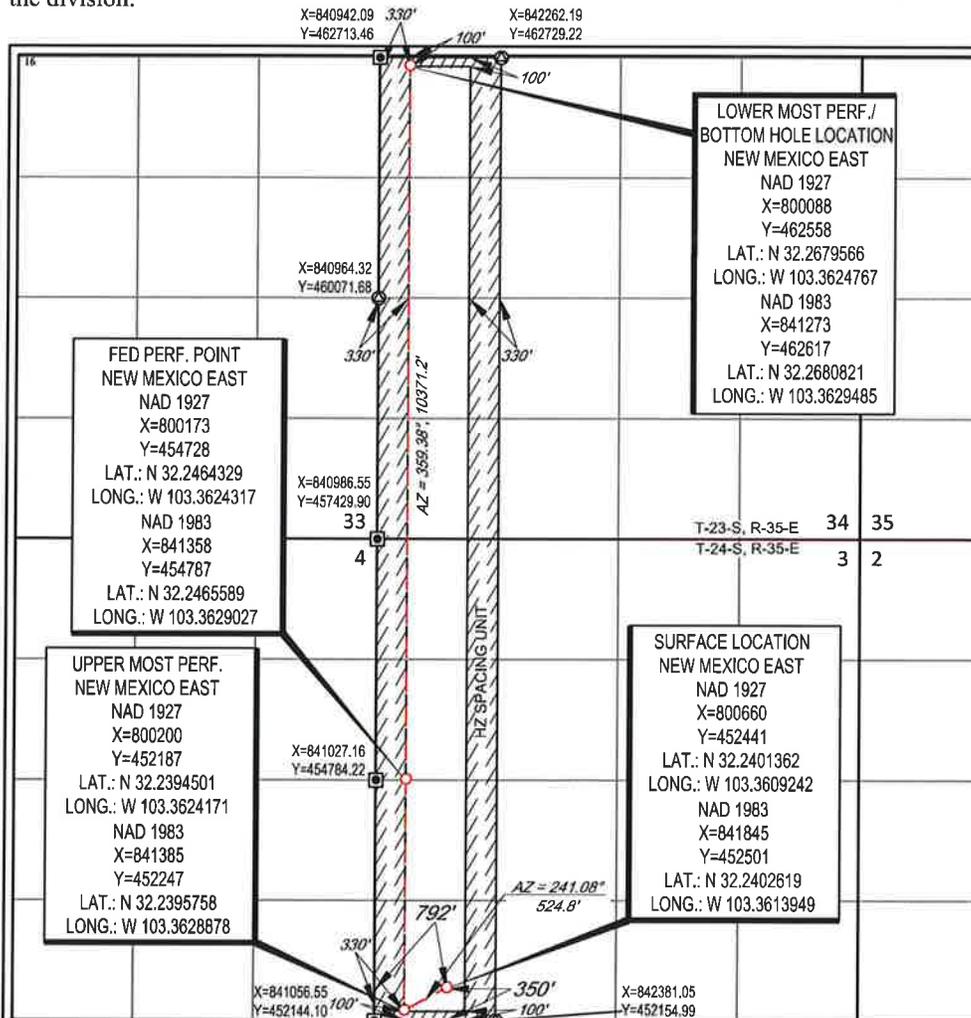
¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	3	24-S	35-E	-	350'	SOUTH	792'	WEST	LEA

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	34	23-S	35-E	-	100'	NORTH	330'	WEST	LEA

¹² Dedicated Acres 321.21	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 undivided 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 _____

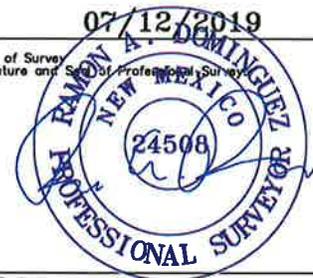
Printed Name _____

E-mail Address _____

¹⁸SURVEYOR CERTIFICATION

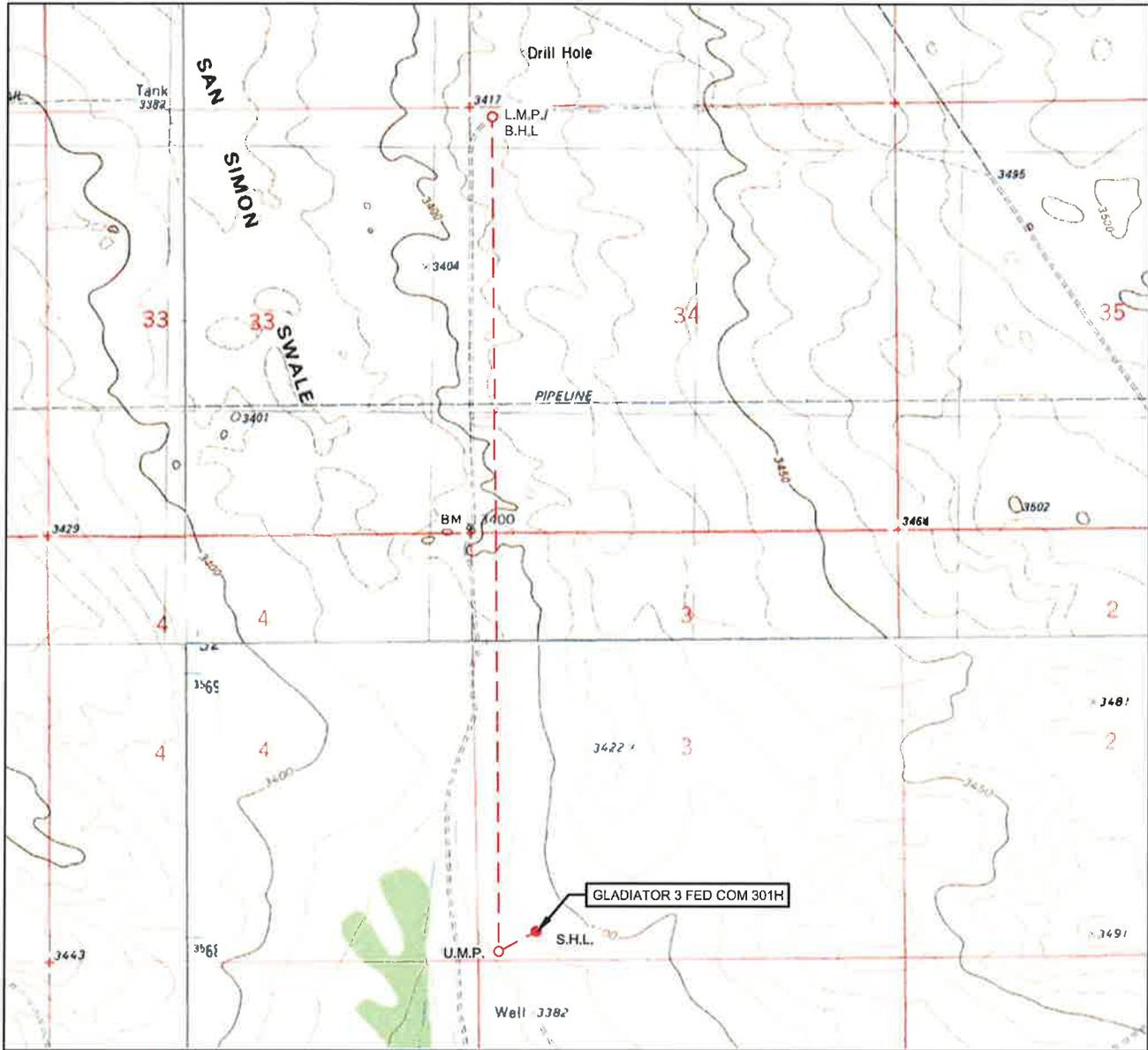
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true to the best of my belief.

Date of Survey 07/12/2019
 Signature and Seal of Professional Surveyor _____



Certificate Number _____

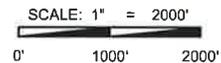
LOCATION & ELEVATION VERIFICATION MAP



LEASE NAME & WELL NO.: GLADIATOR 3 FED COM 301H

SECTION 3 TWP 24-S RGE 35-E SURVEY N.M.P.M.
 COUNTY LEA STATE NM ELEVATION 3390'
 DESCRIPTION 350' FSL & 792' FWL

LATITUDE N 32.2402619 LONGITUDE W 103.3613949



THIS EASEMENT/SERVITUDE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY EOG RESOURCES, INC. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.

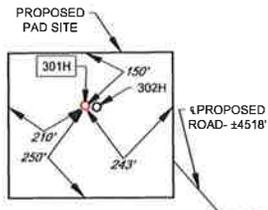
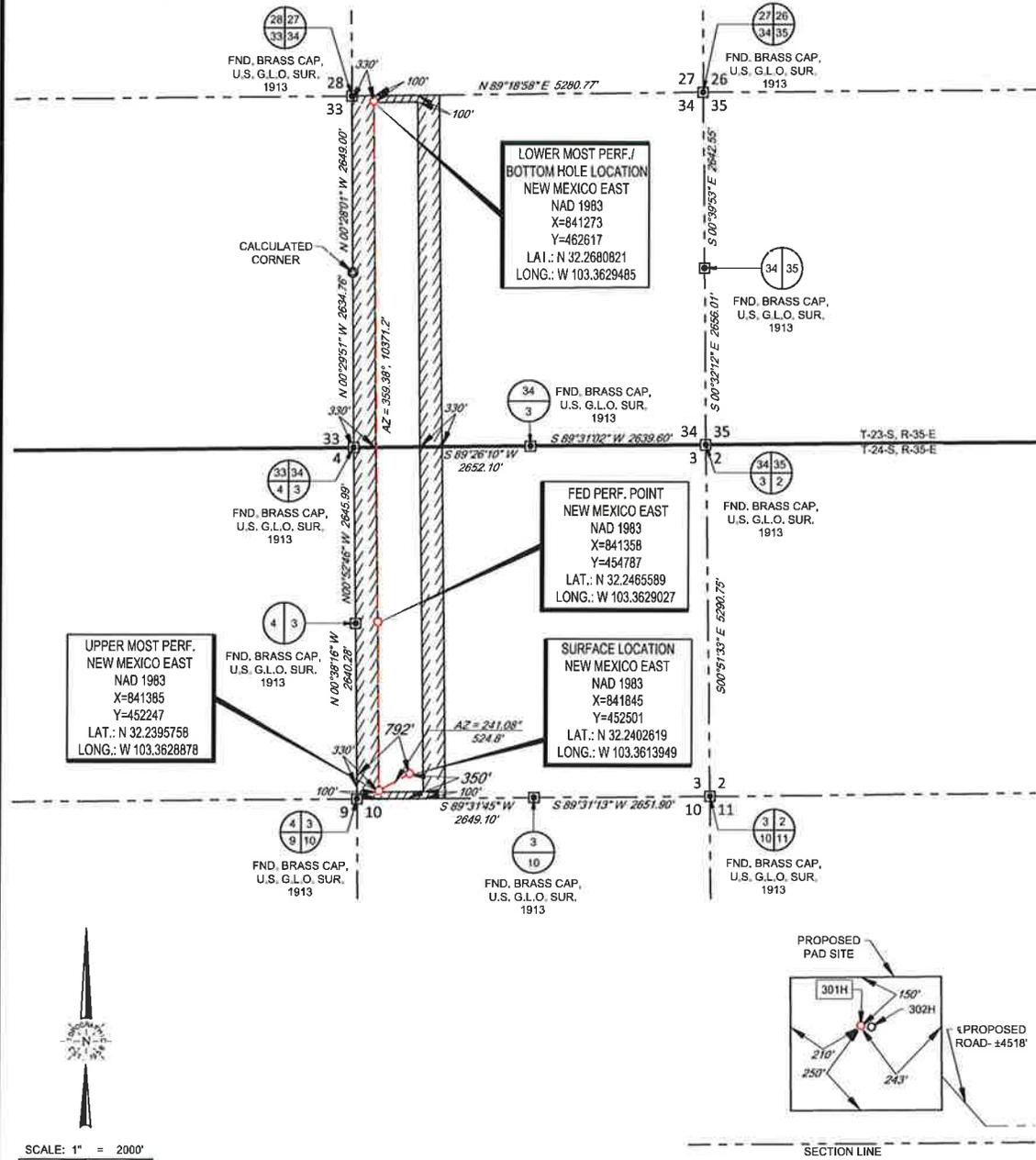
ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE NEW MEXICO COORDINATE SYSTEM OF 1983, EAST ZONE, U.S. SURVEY FEET.



1400 EVERMAN PARKWAY, Ste. 146 • FT. WORTH, TEXAS 76140
 TELEPHONE: (817) 744-7512 • FAX (817) 744-7554
 2903 NORTH BIG SPRING • MIDLAND, TEXAS 79705
 TELEPHONE: (432) 682-1653 OR (800) 767-1653 • FAX (432) 682-1743
 WWW.TOPOGRAPHIC.COM

EXHIBIT 2A

SECTION 3, TOWNSHIP 24-S, RANGE 35-E, N.M.P.M.
LEA COUNTY, NEW MEXICO



SECTION LINE

DETAIL VIEW
SCALE: 1" = 400'

LEASE NAME & WELL NO.: GLADIATOR 3 FED COM 301H

SECTION 3 TWP 24-S RGE 35-E SURVEY N.M.P.M.
 COUNTY LEA STATE NM
 DESCRIPTION 350' FSL & 792' FWL

DISTANCE & DIRECTION
 FROM INT. OF NM-128 W. & CO. RD. 21 GO NORTH ON CO. RD. 21 (DELAWARE BASIN) ±14.4 MILES, THENCE SOUTHEAST (RIGHT) ON LEASE RD. ±3.5 MILES, CONTINUE SOUTH ±1.6 MILES, THENCE SOUTHEAST (LEFT) ON LEASE RD. ±3.1 MILES, THENCE SOUTH (RIGHT) ON PROPOSED RD. ±4518 FEET TO A POINT ±286 FEET SOUTHEAST OF THE LOCATION.

ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE NEW MEXICO COORDINATE SYSTEM OF 1983, EAST ZONE, U.S. SURVEY FEET

THIS EASEMENT/SERVITUDE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY EOG RESOURCES, INC. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.



Ramon A. Dominguez, P.S. No. 24508
JUNE 24, 2020

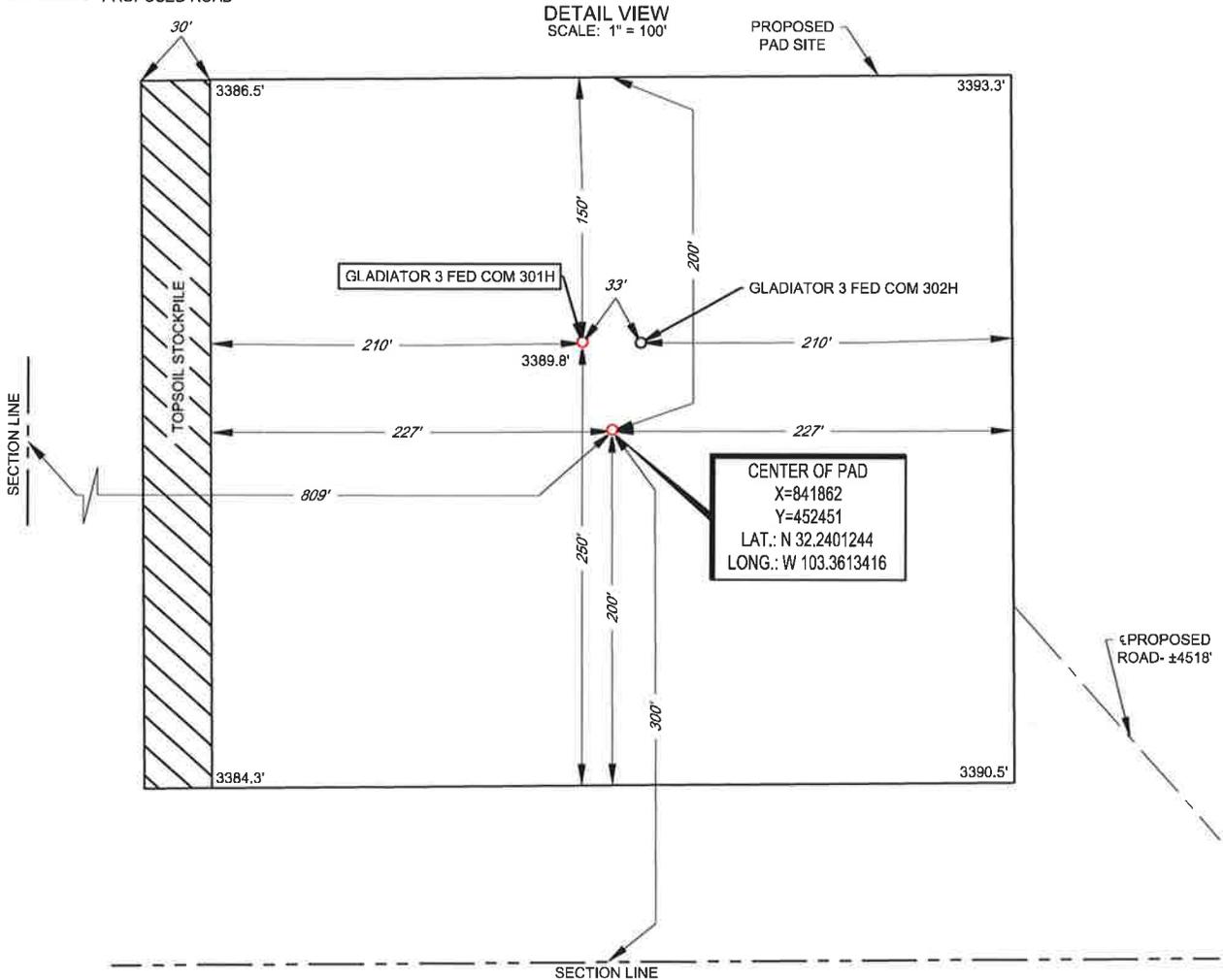
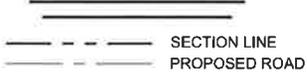
TOPOGRAPHIC
LOYALTY INNOVATION LEGACY
1400 EVERMAN PARKWAY, Ste. 145 • FT. WORTH, TEXAS 76140
TELEPHONE: (817) 744-7512 • FAX (817) 744-7554
2903 NORTH BIG SPRING • MIDLAND, TEXAS 79705
TELEPHONE: (432) 882-1653 OR (800) 787-1653 • FAX (432) 882-1743
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EXHIBIT 2B

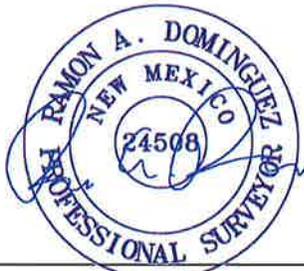
SECTION 3, TOWNSHIP 24-S, RANGE 35-E, N.M.P.M.
LEA COUNTY, NEW MEXICO

LEGEND



LEASE NAME & WELL NO.: GLADIATOR 3 FED COM 301H
 301H LATITUDE N 32.2402619 301H LONGITUDE W 103.3613949

CENTER OF PAD IS 300' FSL & 809' FWL



Ramon A. Dominguez, P.S. No. 24508

JUNE 24, 2020

ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE NEW MEXICO COORDINATE SYSTEM OF 1983, EAST ZONE, U.S. SURVEY FEET. ELEVATIONS USED ARE NAVD83, OBTAINED THROUGH AN OPUS SOLUTION.

THIS PROPOSED PAD SITE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY EOG RESOURCES, INC. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.



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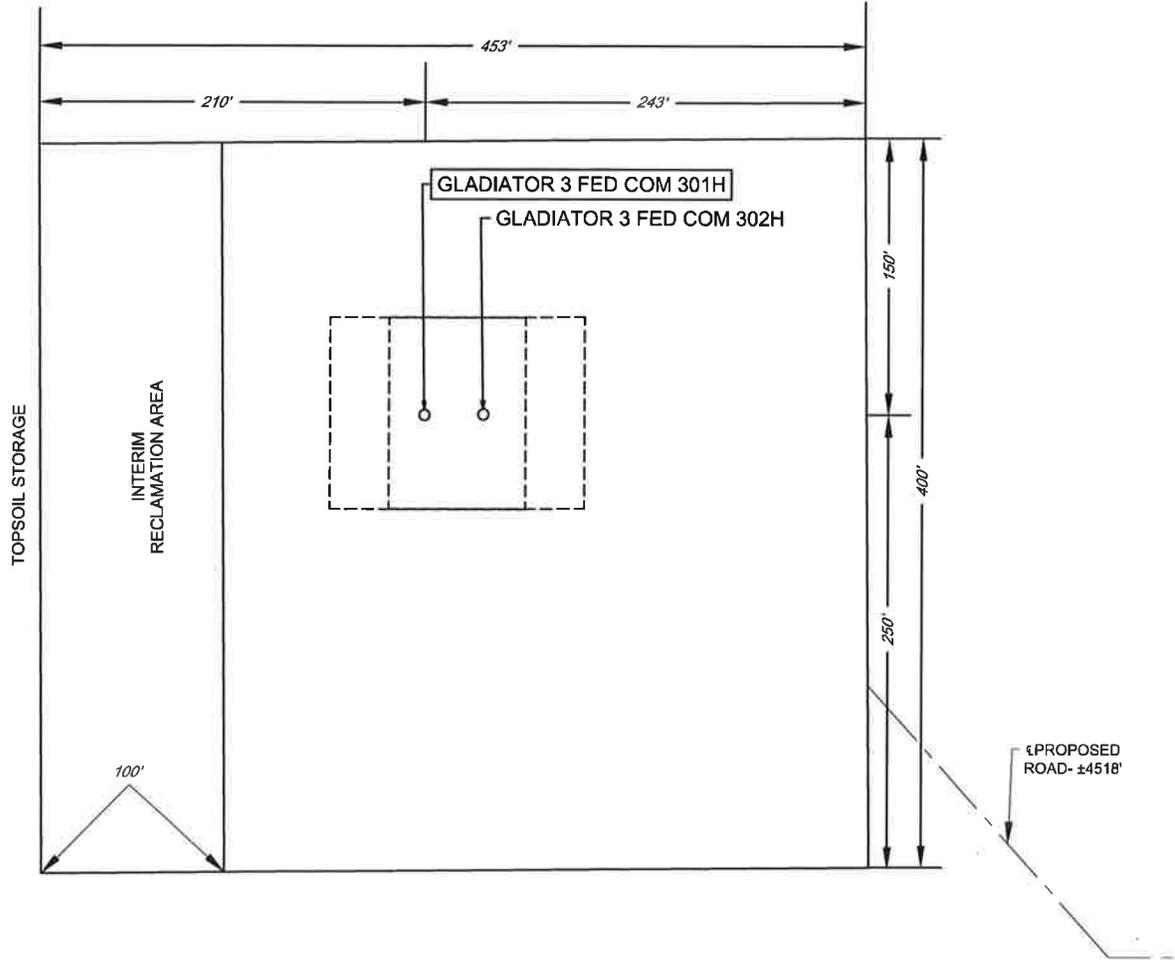
ORIGINAL DOCUMENT SIZE: 8.5" X 11"

EXHIBIT 2C

RECLAMATION AND FACILITY DIAGRAM - PRODUCTION FACILITIES DIAGRAM

SECTION 3, TOWNSHIP 24-S, RANGE 35-E, N.M.P.M.
LEA COUNTY, NEW MEXICO

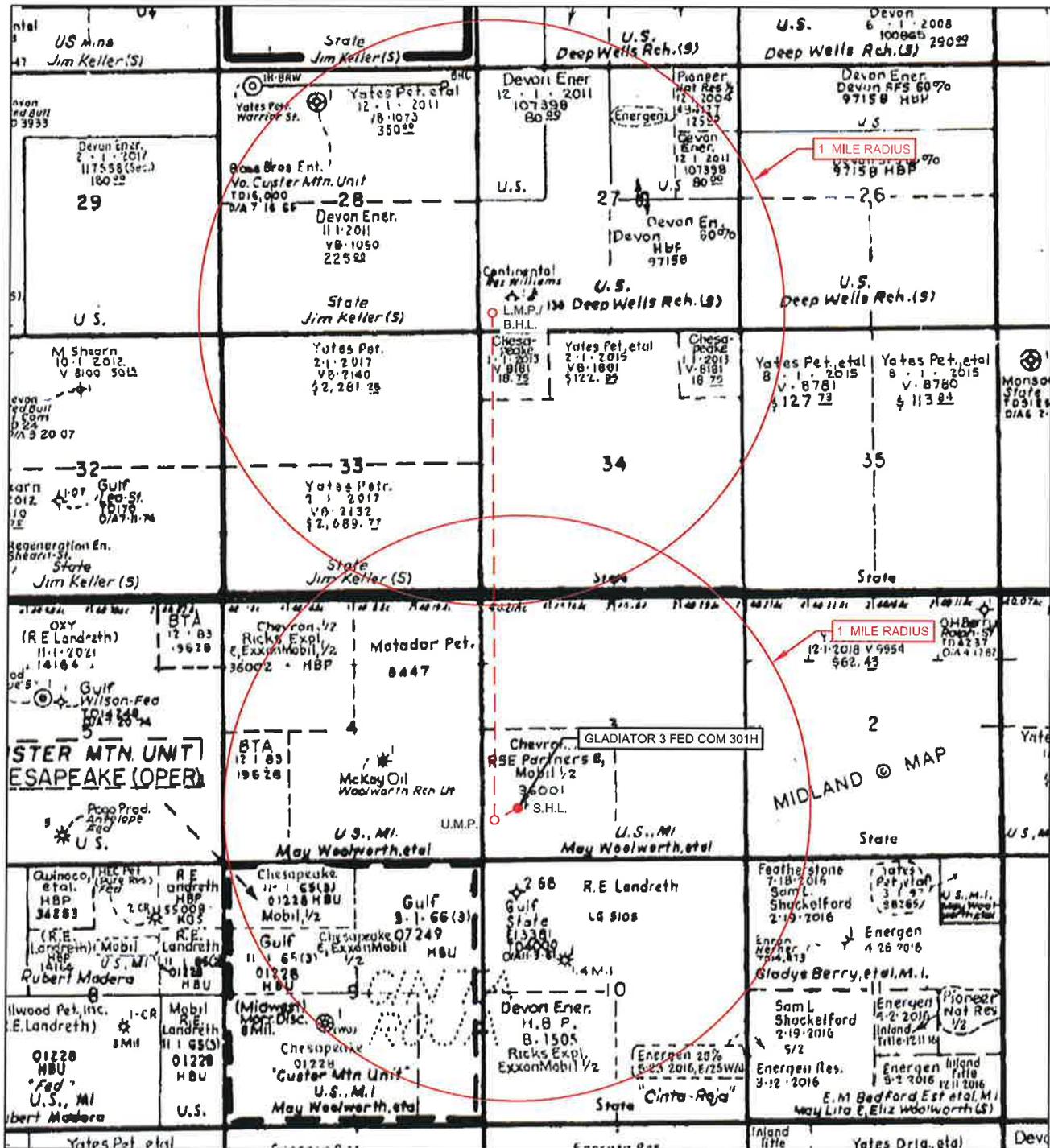
DETAIL VIEW
SCALE: 1" = 100'



LEASE NAME & WELL NO.: GLADIATOR 3 FED COM 301H
 301H LATITUDE N 32.2402619 301H LONGITUDE W 103.3613949

EXHIBIT 3

SECTION 3, TOWNSHIP 24-S, RANGE 35-E, N.M.P.M.
LEA COUNTY, NEW MEXICO



LEASE NAME & WELL NO.: GLADIATOR 3 FED COM 301H

301H LATITUDE N 32.2402619 301H LONGITUDE W 103.3613949

SCALE: NTS

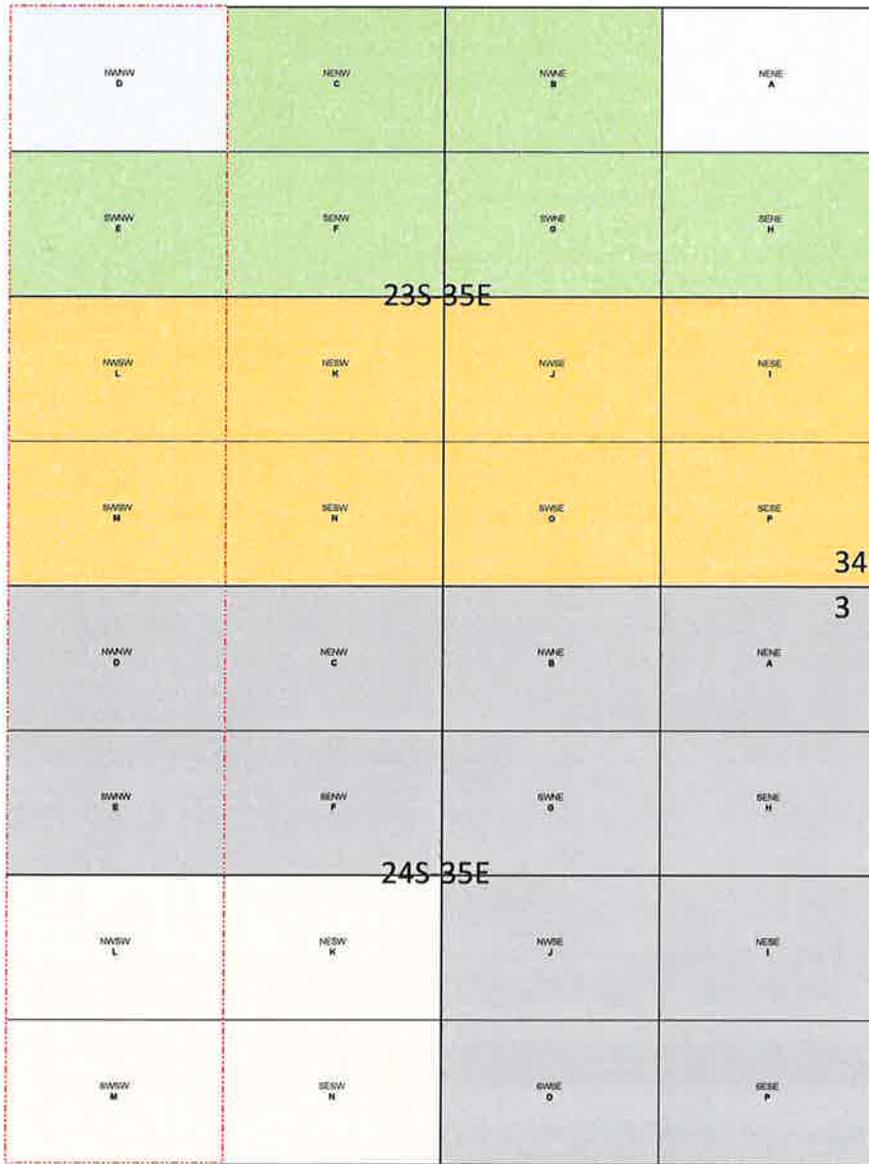
ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE NEW MEXICO COORDINATE SYSTEM OF 1983, EAST ZONE, U.S. SURVEY FEET

THIS EASEMENT/SERVITUDE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY EOG RESOURCES, INC. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.

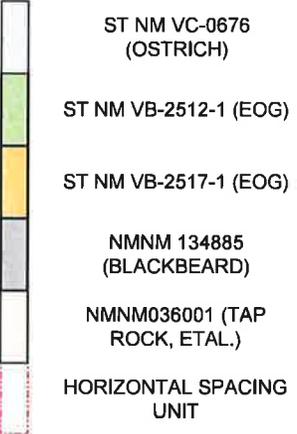


1400 EVERMAN PARKWAY, Ste. 146 • FT. WORTH, TEXAS 76140
TELEPHONE: (817) 744-7512 • FAX (817) 744-7554
2903 NORTH BIG SPRING • MIDLAND, TEXAS 79705
TELEPHONE: (432) 682-1653 OR (800) 767-1653 • FAX (432) 682-1743
WWW.TOPOGRAPHIC.COM

Lease Cartoon



GLADIATOR 3 FED COM LEASES



BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
Exhibit No. C3
 Submitted by: **EOG Resources, Inc.**
 Hearing Date: August 06, 2020
 Case No. 21377

Tract 1 - VC 0676

Gross Acres	40	
Lease Interest Breakdown	WI	NRI
Ostrich Oil & Gas	1.00000000	0.80000000
State of New Mexico	-	0.20000000
	1.00000000	1.00000000
Recapitalization	Acres	% of Unit
Tract 1	40.00000000	0.12491802
Tract 2	120.00000000	0.37475407
Tract 3	80.20999990	0.25049186
Tract 4	80.00000000	0.24983605
	320.20999990	1.00000000

Tract 2 - VB2517/2512

Gross Acres	280	
Lease Interest Breakdown	WI	NRI
EOG	1.00000000	0.81250000
State of New Mexico	-	0.18750000
	1.00000000	1.00000000

Tract 3 - NMNM 134885

Gross Acres	160.45	
Lease Interest Breakdown	WI	NRI
Blackbeard Operating	1.00000000	0.87500000
USA	-	0.12500000
	1.00000000	1.00000000

Tract 4 - NMNM 036001

Gross Acres	160	
Lease Interest Breakdown	WI	NRI
Tap Rock	0.75000000	0.65625000
Chevron	-	-
XTO	0.25000000	0.21875000
USA	-	0.12500000
	1.00000000	1.00000000

Division of Interest	WI	WI
Ostrich	WI	0.12491802
EOG	WI	0.37475407
Blackbeard	WI	0.25049186
Tap Rock	WI	0.18737703
Chevron	WI	-
XTO	WI	0.06245901
		1.00000000



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

June 15, 2020

SENT VIA EMAIL & USPS CERTIFIED MAIL

Tap Rock Resources
ATTN: Land Department
602 Park Point Dr, Suite 200
Golden, CO 80401

RE: **Gladiator 3 Fed Com #301H - Well Proposal**
Section 3: W/2, T24S-R35E, Lea County, New Mexico
Section 34: W/2, T23S-R35E, Lea County, New Mexico

Dear Working Interest Owner:

EOG Resources, Inc. ("EOG") hereby proposes the drilling of the well outlined below at the following locations:

Gladiator 3 Fed Com #301H
SHL: 350' FSL 792' FW, Section 3, 24S-35E (Unit M)
BHL: 3860' FNL 330' FWL Section 34, 23S-35E (Unit E)
TVD / TMD: 9,900' / 19,500'
Spacing Unit: W/2W/2 of Section 3, 24S-35E and W/2W/2 of Section 34, 23S-35E
Targeted Interval: Bone Spring

The proposed operations include drilling and completing the above well as approximate 2 mile lateral in the Bone Spring formation. A description of the total estimated cost to drill and complete the well is provided in the enclosed AFE. The locations and targets are approximate and subject to change depending on surface or subsurface issues encountered.

EOG is proposing to drill this well under the terms of an AAPL Form 610 1989 Operating Agreement naming EOG Resources, Inc. as Operator. The proposed Operating Agreement contract area will cover the W/2W/2 of Section 34, 23S-35E and W/2W/2 of Section 3, 24S-35E, as to the Bone Spring formation. The proposed Operating Agreement will contain the following key provisions:

- Non-consent Provisions of 100% / 300% / 300%
- Drilling and Producing Rates of \$7,500 / \$750
- EOG Resources, Inc. named as Operator

Please indicate your election to participate in the drilling, completing and equipping of the proposed well by executing and returning one copy of this letter and the enclosed AFE. A copy of the proposed Operating Agreement will be provided for your review. If you do not wish to participate, EOG would be interested in acquiring your interest in the subject lands (via trade, term assignment, etc.).



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

Please feel free to call or email with any questions or if you would like to discuss the enclosed proposal.

Regards,

EOG Resources, Inc.

Katie McBryde
Landman II – Midland Division
O | (432) 848-9022
E | Katie_McBryde@eogresources.com

Please indicate your election in the space provided below:

GLADIATOR 3 FED COM #301H

_____ The undersigned elects **TO PARTICIPATE** in the drilling, completing and equipping of the captioned EOG Resources, Inc. Gladiator 3 Fed Com #301H well.

_____ The undersigned elects **NOT TO PARTICIPATE** in the drilling, completing and equipping of the captioned EOG Resources, Inc. Gladiator 3 Fed Com #301H well.

Company: _____

By: _____

Title: _____

Date: _____



AFE No.	113409	Original
Property No.	140418-000	
EOG W.I.(BCP)	(ACP)	
EOG AFE Amt:	(Drig)	\$4,018,000
	(Land)	\$85,000
	(Completion)	\$4,348,169
	(Facility)	\$412,500
	(Flowback)	\$437,000
	Total Cost	\$9,300,669

AFE Type :	DEVELOPMENT DRILLING	AFE Name :	GLADIATOR 3 FED COM #301H	AFE Date :	6/21/2018	Budget Year :	2020
Reg. Lease No. :		Prospect Name :	CHILI PEPPER	TVD / MD :	9900 / 19500	Begin Date :	
Location :	Section 3-T24S-R35E, 350 FSL & 792 FWL	BH/Location :	Section 34-T23S-R35E, 100 FNL & 330 FWL				
Formation :	BONE SPRING	DD&A Field :					
Operator :	EOG RESOURCES INC	County & State :	LEA / NEW MEXICO	Field :	UNASSIGNED	Water Depth :	
AFE Description :	GLADIATOR 3 FED COM #301H D&C 9,900' TVD TO 19,500' MD IS A 2.0 MILE LATERAL TO BE COMPLETED IN BONE SPRING 1ST SAND FORMATION. THIS WELL IS LOCATED IN SEC3, T24S, R35E IN LEA CD., NM.				Product :	OIL	Days : 0 / 0

DESCRIPTION	SUB ACT	DRILLING 230	LAND 237	COMPLETION 231	FACILITY 235	FLOWBACK 238	TOTAL
ACCESS LOCATION, ROADS&SURVEY	401	80,000	0	7,000	0	0	87,000
COMP-FLBK-LOCATION AND ROADS	401	0	0	0	0	15,000	15,000
COMP-RIG MOVE	402	0	0	0	0	0	0
RIG MOVE	402	300,000	0	0	0	0	300,000
FOOTAGE COST	403	0	0	0	0	0	0
DAY WORK COST	404	515,000	0	0	0	0	515,000
BITS & BHA	405	120,000	0	0	0	0	120,000
COMP-BITS & PHA	405	0	0	17,500	0	0	17,500
COMP - FUEL	406	0	0	272,500	0	7,000	279,500
FUEL	406	170,000	0	0	0	0	170,000
WATER	407	7,000	0	243,000	0	0	250,000
COMP-FLBK-CHEMICALS	408	0	0	0	0	0	0
MUD & CHEMICALS	408	335,000	0	0	0	0	335,000
CEMENTING & SERVICE	409	275,000	0	0	0	0	275,000
COMP- PERFORATING	413	0	0	391,000	0	0	391,000
COMP- STIMULATION	414	0	0	2,440,000	0	0	2,440,000
COMP-TRANSPORTATION	415	0	0	24,000	0	0	24,000
TRANSPORTATION	415	45,000	0	0	0	0	45,000
COMP-Completion Overhead	416	0	0	7,500	0	0	7,500
DRILLING OVERHEAD	416	7,000	0	0	0	0	7,000
COMP-EQUIPMENT RENTAL	417	0	0	117,500	0	0	117,500
FLBK-EQUIPMENT RENT/OPERATIONS	417	180,000	0	0	3,000	70,000	253,000
COMP-COMPLETION RIG	418	0	0	5,000	0	0	5,000
OTHER DRILLING EXPENSE	419	10,000	0	0	0	0	10,000
COMP-ENVIRON & SAFETY CHARGES	421	0	0	20,000	0	0	20,000
ENVIRONMENTAL & SAFETY	421	9,000	0	0	0	0	9,000
DIRECTIONAL DRILLING	422	400,000	0	0	0	0	400,000
COMP- SUPERVISION	424	0	0	116,500	0	0	116,500
SUPERVISION	424	150,000	0	0	0	0	150,000
COMP- COMMUNICATIONS	431	0	0	3,000	0	0	3,000
TUBULAR INSPECTION/HANDLING	436	25,000	0	0	0	0	25,000
COMP-CASED HOLE LOGGING/TEST	438	0	0	7,500	0	0	7,500
SPECIALTY SERVICES	441	115,000	0	0	0	0	115,000
COMP-WIRELINE SERVICES	442	0	0	8,500	0	0	8,500
COMP-COIL TUBING/NITROGEN	445	0	0	223,000	0	0	223,000
COMP-CONTRACT LABOR MISC	446	0	0	17,500	0	0	17,500
FLBK-DISPOSAL COSTS	447	250,000	0	22,500	0	240,000	512,500
COMP-COMPLETION FLUIDS	448	0	0	7,500	0	0	7,500
TITLE OPINION-DRILL SITE	453	0	25,000	0	0	0	25,000
COMP-FLOWBACK	465	0	0	5,000	0	80,000	85,000
COMP-REUSE WATER	477	0	0	223,500	0	0	223,500
COMP-LAND DRILL SITE TITLE OPINION	480	0	0	0	0	0	0
COMP-LAND ROW DRILLING	482	0	12,000	0	0	0	12,000
COMP-LAND ROW COMPLETION	483	0	12,000	0	0	0	12,000
COMP-LAND SURVEY & DAMAGES DRILL	484	0	10,000	0	0	0	10,000
COMP-LAND SURVEY & DAMAGES COMP	485	0	10,000	0	0	0	10,000
COMP-REG-PERMIT FEE/ENV SURV&ASSESS	486	0	16,000	0	0	0	16,000
TOTAL INTANGIBLES		\$2,993,000	\$85,000	\$4,179,500	\$3,000	\$412,000	\$7,672,500

	UOM	QTY	SIZE	SIZE	GRADE	RATE						
SURFACE CASING						162	35,000	0	0	0	35,000	
INTERMEDIATE CASING						103	450,000	0	0	0	450,000	
PRODUCTION CASING						104	430,000	0	0	0	430,000	
COMP-TUBING						106	0	0	74,169	0	74,169	
WELLHEAD EQUIPMENT						107	110,000	0	82,500	0	192,500	
COMP-FAC-FLOW LINES						109	0	0	0	132,000	132,000	
COMP-FAC-VALVES & FITTINGS						110	0	0	0	31,000	31,000	
COMP-VALVES & FITTINGS						110	0	0	1,500	0	26,500	
COMP-PUMP EQUIP/SUBSURFACE						113	0	0	10,500	0	10,500	
COMP-FAC-HEATERS,TREATRS,SEPRS						115	0	0	0	105,000	105,000	
COMP-FAC-METERING EQUIPMENT						118	0	0	0	24,000	24,000	
COMP-FAC-CONSTRUCTION COST						122	0	0	0	103,000	103,000	
COMP-FAC-LABR/ELEC MEAS/AUTOMA						124	0	0	0	1,000	1,000	
COMP-FAC-INSTRUMENT/ELECTRIC						128	0	0	0	5,000	5,000	
COMP-FAC-TRANSPORTATION						415	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							\$1,025,000	\$0	\$168,669	\$409,600	\$26,000	\$1,628,169
TOTAL COST							\$4,018,000	\$85,000	\$4,348,169	\$412,500	\$437,000	\$9,300,669

By	Date	By	Date
JOINT OPERATOR APPROVAL			
Firm :	By	Title	Date

Date	Parties	Notes
6/15/2020	ALL	Original Proposals sent with AFE/Plat via email and USPS Certified. - JOA sent digitally to each party.
6/16/2020	Blackbeard Operating	JOA questions emailed by landman.
6/17/2020	ALL	Revised Plat sent - Plat discrepancy explained in all communication on 06/15.
6/23/2020	Ostrich Oil & Gas	General conversation re: development begins.
6/29/2020	Ostrich Oil & Gas	Continued conversation with all owners, general JOA conversation and review of proposed JOA form, term assignment of acreage discussed.
6/29/2020	Tap Rock	Conversation re: development began.
7/8/2020	Chevron	Conversation re: development began.
7/13/2020	Blackbeard Operating	Blackbeard proposed Term Assignment to EOG, EOG did not initially agree to terms.
7/13/2020	Chevron	Chevron asked if EOG would be interested in picking up Chevron's interest as to the wellbore, EOG was not interested.
7/14/2020	Tap Rock	General conversation re: timing of project discussed, Tap Rock to discuss with asset team.
7/20/2020	Chevron	Chevron still evaluating all options.
7/21/2020	XTO Energy	Term Assignment negotiation began
7/22/2020	Blackbeard Operating	Term Assignment negotiation continued, Blackbeard also shopping to 3rd parties.
7/23/2020	Ostrich Oil & Gas	Call with Ostrich re: project, continued discussion of participation and term assignment. They stated they would be in touch by 07/27/20 - no response.
7/23/2020	Tap Rock	Phone call with Tap Rock to discuss options - stated they intended to non-consent under the pooling order. Would enter an appearance, but not delay any development.
7/27/2020	XTO Energy	Term Assignment agreed upon.
7/27/2020	Blackbeard Operating	In negotiation with 3rd party for term assignment, new owner indicates they will sign JOA.
7/28/2020	Ostrich Oil & Gas	Followed up with Ostrich on JOA, no discussion.
7/28/2020	Tap Rock	EOG offered Term Assignment, Tap Rock did not respond on offer as of 08/04/20. General conversation on title.
8/3/2020	XTO Energy	Term Assignment finalized, dropped from hearing.
8/3/2020	Chevron	Discussing Term Assignment in target depth only.
8/4/2020	Chevron	Based on revised title, Chevron only owns in the deep rights and will be removed from hearing.

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. 21377

AFFIDAVIT OF DENTON O'NEAL

Denton O'Neal, of lawful age and being first duly sworn, declares as follows:

1. My name is Denton O'Neal. I work for EOG Resources, Inc. ("EOG") as a Geologist.
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology. My credentials as a petroleum geologist have been accepted by the Division and made a matter of record.
3. I am familiar with the application filed by EOG in this case, and I have conducted a geologic study of the lands in the subject area.
4. In **Case No. 21377**, EOG is targeting the Bone Spring formation.
5. **EOG Exhibit D-1** includes a project location map outlining the sections comprising the proposed spacing unit in relating to the surrounding area in Lea County.
6. **EOG Exhibit D-1** is also a subsea structure map that I prepared off the top of the First Bone Spring Structure. Within Sections 3 and 34, there is a yellow box on the map outlining the spacing unit for the **Gladiator 3 Fed Com #301H well**. The contour interval is 25 feet. The structure map shows that the First Bone Spring Structure is dipping gently to the west. The structure appears consistent in this section. I do not observe any faulting, pinchouts, or other geologic hazards to developing a horizontal well.

7. **EOG Exhibit D-1** is also shows the location of the four wells that were used to construct a cross-section from A to A'. I consider these wells to be representative of the geology of the area.

8. **EOG Exhibit D-2** is a stratigraphic cross section prepared by me for the four representative wells from A to A'. The exhibit shows logs for gamma ray, resistivity, density, and neutron porosity for the wells. The proposed targeted interval in the First Bone Spring for **Gladiator 3 Fed Com #301H well** is labeled and depicted with a green arrow. The logs in the cross-section demonstrate that the targeted interval within the Bone Spring formation is consistent in thickness, across the entire spacing unit.

9. Based on my geologic study of the areas, I have not identified any geologic impediments to drilling horizontal wells in the area.

10. In my opinion, each tract comprising the proposed spacing unit will be productive and contribute more-or-less equally to production from the wellbore.

11. In my opinion, the stand-up north-south orientation of the proposed well is the preferred orientation for horizontal well development in this area and is appropriate to efficiently and effectively develop the subject acreage.

12. In my opinion, the granting of EOG's applications in this case is in the best interest of conservation, the prevention of waste, and protection of correlative rights.

13. **EOG Exhibits D-1 through D-2** were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.

Denton O'Neal
DENTON O'NEAL

STATE OF TEXAS)
)
COUNTY OF MIDLAND)

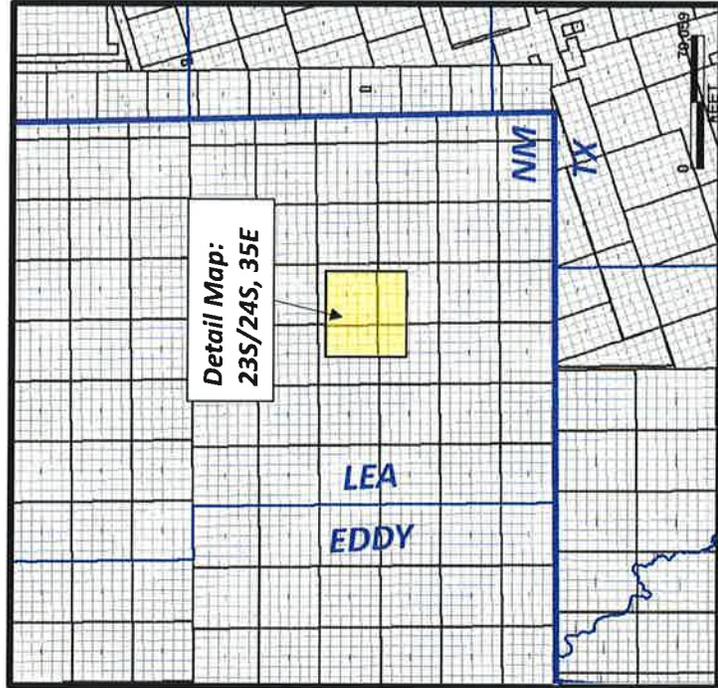
SUBSCRIBED and SWORN to before me this 4th day of August 2020 by
Denton O'Neal.



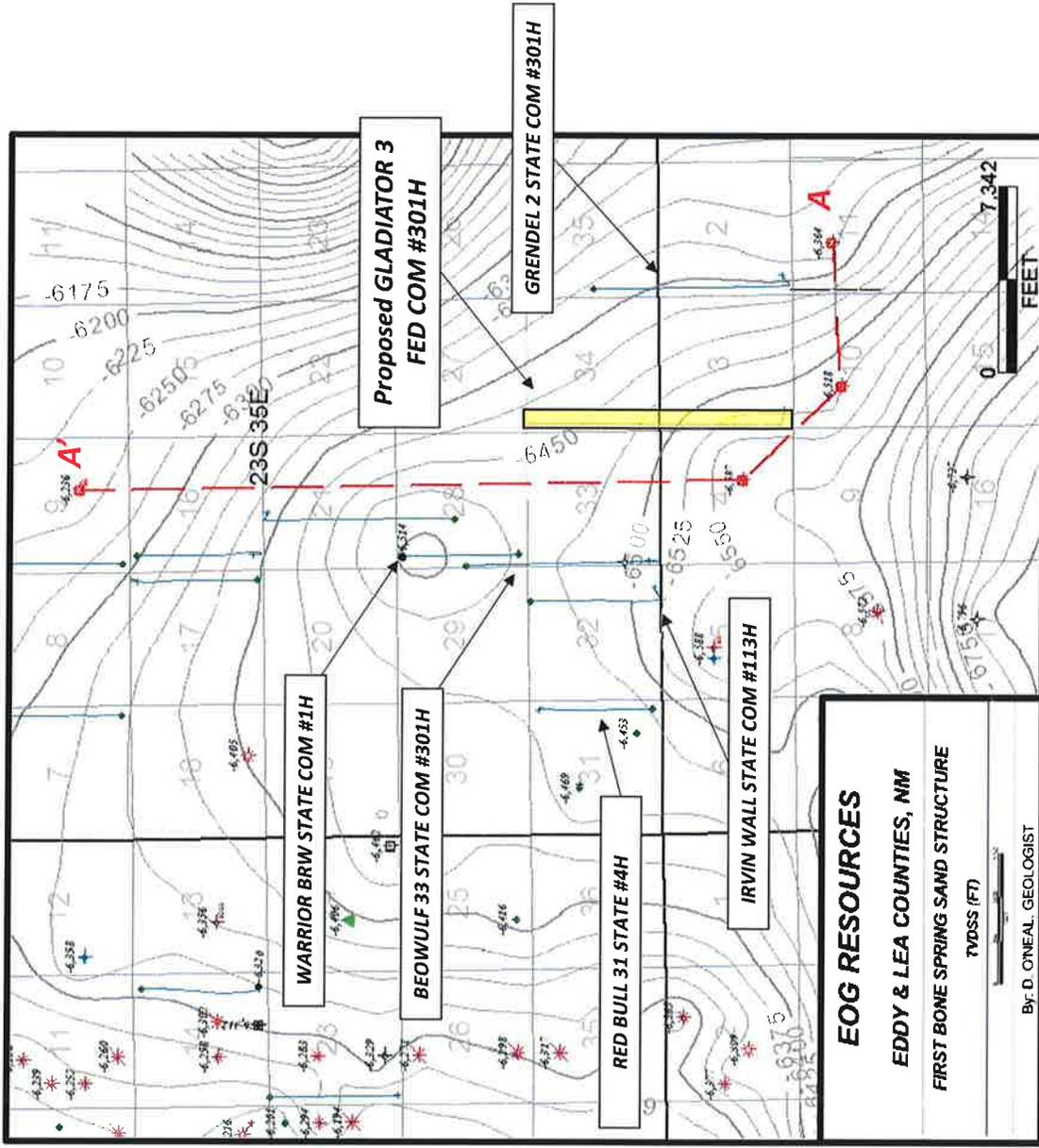
Tracy Jordan
NOTARY PUBLIC

My Commission Expires:
10-17-2023

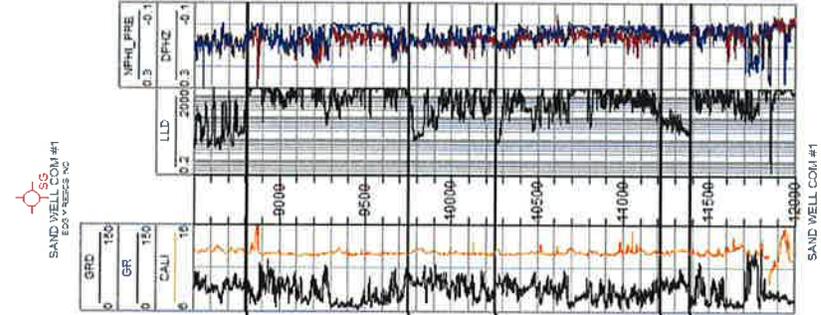
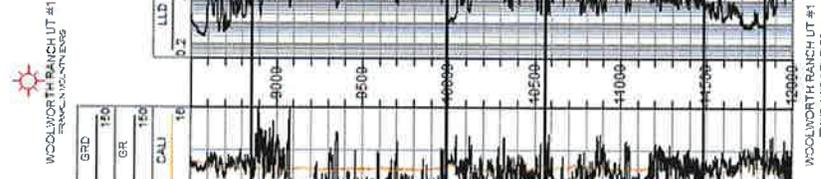
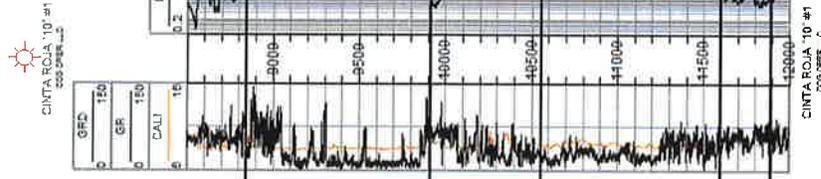
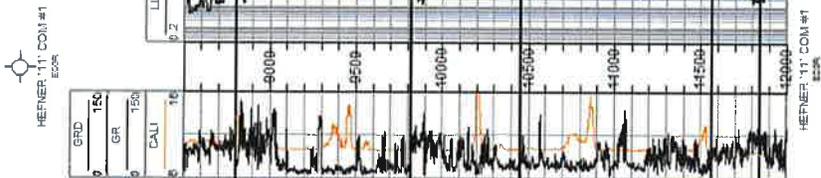
Locator and First Bone Spring Sand Structure Map



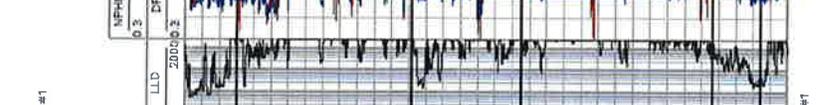
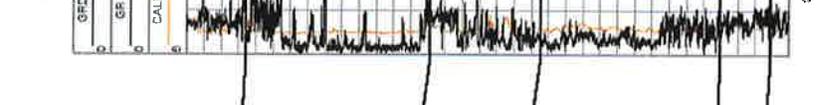
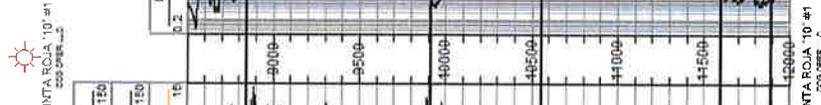
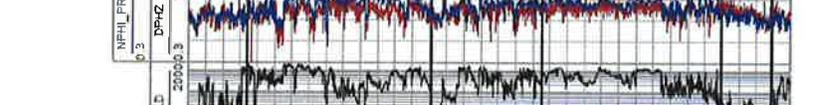
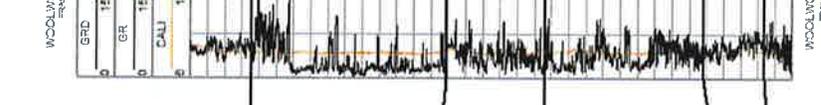
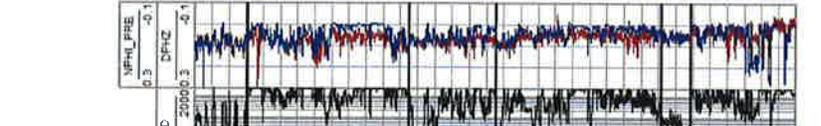
**** Callout wells have also targeted the First Bone Spring Sand**



A



A





Michael H. Feldewert
Phone (505) 988-4421
Fax (505) 983-6043
mfeldewert@hollanhart.com

July 17, 2020

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.
Gladiator 3 Fed Com #301H well

Ladies & Gentlemen:

This letter is to advise you that the enclosed application has been filed with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on August 6, 2020, and the status of the hearing can be monitored through the Division’s website at <http://www.emnrd.state.nm.us/ocd/>. 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 subsequently challenging this matter.

During the COVID-19 Pubic Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. To participate in the electronic hearing, see the instructions posted on the Oil Conservation Division “OCD Hearings” website at <http://www.emnrd.state.nm.us/OCD/announcements.html>.

Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-hearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division’s Santa Fe office at the above specified address and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Katie McBryde at (432) 686-3600 or at Katie_McBryde@eogresources.com.

Sincerely,

Michael H. Feldewert

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
Colorado
Idaho

Montana
Nevade
New Mexico

Utah
Washington, D.C.
Wyoming

EOG - Gladiator 301H
Case No. 21377 Postal Delivery Report

9414811898765825959902	Ostrich Oil & Gas, LLC	405 N. Marienfeld, Suite 200	Midland	TX	79701	In Transit, Arriving Late at Jul 24 in , .
9414811898765825959995	Blackbeard Operating, LLC	1751 River Run, Suite 405	Fort Worth	TX	76107	In Transit, Arriving Late at Jul 27 in , .
9414811898765825959940	Chevron USA, Inc.	6301 Deaville	Midland	TX	79706	Tendered to Military Agent at Jul 21 in MIDLAND, TX 79706.
9414811898765825959933	Tap Rock Resources	602 Park Point Dr., Suite 200	Golden	CO	80401	Delivered to Agent for Final Delivery at Jul 20 in GOLDEN, CO 80401.
9414811898765825959971	XTO Holdings, LLC	22777 Springwoods Village Parkway	Spring	TX	77389	Your item was delivered at Jul 22 in SPRING, TX 77379.
9414811898765825959612	Blackbeard Operating, LLC	200 N. Loraine, Suite 300	Midland	TX	79701	Delivered, Left with Individual at Jul 20 in MIDLAND, TX 79701.