

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING DECEMBER 3, 2020**

CASE No. 21551

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.
TO AMEND ORDER R-21431 FOR APPROVAL
OF A NON-STANDARD SPACING UNIT,
LEA COUNTY, NEW MEXICO.**

CASE NO. 21551

APPLICATION

EOG Resources, Inc. (“EOG” or “Applicant”) (OGRID No. 7377) files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an amended order approving a 320-acre, more or less, non-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, the proposed non-standard unit as provided in Order R-21431. In support of this application, EOG states:

1. Order R-21431, entered on August 18, 2020, in Case No. 21377, created a 320-acre, more or less, standard horizontal well spacing unit consisting 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 (the “Unit”), and designated Applicant as the operator of the Unit.

2. Order R-21431 further pooled the uncommitted interests in the Bone Spring formation [WC-025 G-08 S233528D; LWR BONE SPRING (97958)] in the Unit and dedicated the Unit to the initial **Gladiator 3 Fed Com #301H well** (the “well”) to be drilled from a surface hole location in the SW/4 SW/4 (Unit M) of Section 3 to bottom hole location in the SW/4 NW/4 (Unit E) of Section 34.

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B
Submitted by: EOG Resources, Inc.
Hearing Date: December 3, 2020
Case No. 21551**

3. Since the entry of Order R-21431, Applicant encountered drilling issues prior to reaching the intended last take point for the well. Due to the drilling issues, the completed interval of the well terminates in the SW/4 NW/4 of Section 34 and will not penetrate the NW/4 NW/4 of Section 34, as originally planned and as initially approved in Order R-21431.

4. In an effort to avoid the economic disparities that may arise from the completed interval not penetrating every tract included in the spacing unit, Applicant has reached an agreement with the only interest owner in the NW/4 NW/4 of Section 34 and requests that this acreage remain included in the non-standard spacing unit approval under Order R-21431.

5. Since the well does not penetrate the NW/4 NW/4 of Section 34, approval of a non-standard spacing unit is necessary to allow this acreage remain dedicated to the well. *See* 19.15.16.15.B NMAC.

6. Notice of this application will be provided as required by Division rules.

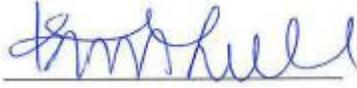
7. Approval of this application is in the best interest of conservation, the prevention of waste, and the protection of correlative rights.

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

WHEREFORE, EOG requests that this application be set for hearing before an Examiner of the Oil Conservation Division on December 3, 2020, and, after notice and hearing as required by law, the Division enter an order granting this application.

Respectfully submitted,

HOLLAND & HART LLP



By: _____

Michael H. Feldewert

Adam G. Rankin

Julia Broggi

Kaitlyn A. Luck

Post Office Box 2208

Santa Fe, New Mexico 87504-2208

(505) 988-4421

(505) 983-6043 Facsimile

mfeldewert@hollandhart.com

agrankin@hollandhart.com

jbroggi@hollandhart.com

kaluck@hollandhart.com

ATTORNEYS FOR EOG RESOURCES, INC.



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

November 13, 2020

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL AFFECTED PARTIES

Re: Application of EOG Resources, Inc. to amend Order R-21431 for approval of a non-standard spacing unit, 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 December 3, 2020, 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 Pubic Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on December 3, 2020 beginning at 8:15 a.m., until it is concluded. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <http://www.emnrd.state.nm.us/OCD/announcements.html>.

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. 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
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 - Gladiator 301H
Case 21551 Postal Delivery Report

TrackingNo	ToName	DeliveryAddress	City	State	Zip	USPS_Status
9414811898765826922400	Devon Energy Corp	333 W Sheridan Ave	Oklahoma City	OK	73102-5010	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765826920222	Ostrich Oil & Gas, LLC	405 N Marienfeld St Ste 200	Midland	TX	79701-4325	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765826922486	COG Operating LLC	600 W Illinois Ave	Midland	TX	79701-4882	Your item was picked up at a postal facility at 8:45 am on November 16, 2020 in MIDLAND, TX 79702.
9414811898765826922479	Magnum Hunter Production, Inc.	202 S Cheyenne Ave Ste 1000	Tulsa	OK	74103-3001	Your item was delivered to an individual at the address at 9:06 am on November 17, 2020 in TULSA, OK 74103.
9414811898765826922554	Blackbeard Operating, LLC	1751 River Run Ste 405	Fort Worth	TX	76107-6646	Your item was picked up at the post office at 5:06 pm on November 19, 2020 in FORT WORTH, TX 76109.
9414811898765826922523	Tap Rock Resources	602 Park Point Dr Ste 200	Golden	CO	80401-9359	Your item has been delivered to an agent for final delivery in GOLDEN, CO 80401 on November 16, 2020 at 1:32 pm.
9414811898765826922592	XTO Holdings, LLC	22777 Springwoods Village Pkwy	Spring	TX	77389-1425	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765826922585	McKay Petroleum Corp	PO Box 2014	Roswell	NM	88202-2014	Your item was delivered at 1:06 pm on November 17, 2020 in ROSWELL, NM 88202.
9414811898765826922578	Chevron USA, Inc.	6301 Deauville	Midland	TX	79706-2964	Your item was delivered to the front desk, reception area, or mail room at 12:55 pm on November 16, 2020 in MIDLAND, TX 79706.
9414811898765826920253	Hoss	PO Box 11902	Fort Worth	TX	76110-0902	This is a reminder to arrange for redelivery of your item or your item will be returned to sender.

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

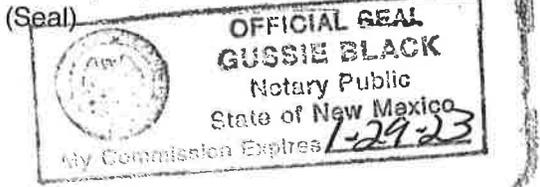
Beginning with the issue dated
November 17, 2020
and ending with the issue dated
November 17, 2020.


Publisher

Sworn and subscribed to before me this
17th day of November 2020.


Business Manager

My commission expires
January 29, 2023



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL

LEGAL

LEGAL

LEGAL NOTICE
November 17, 2020

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

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following case. During the COVID-19 Public Health Emergency, state buildings are closed to the public and Division hearings will be conducted remotely. The public hearing for the following case will be electronic and conducted remotely. The hearing will be conducted on **Thursday, December 3, 2020, beginning at 8:15 a.m.** To participate in the electronic hearing, see the instructions posted below. The docket may be viewed at <http://www.emnrd.state.nm.us/OCD/hearings.html> or obtained from Marlene Salvidrez, at Marlene.Salvidrez@state.nm.us. Documents filed in the case may be viewed at <http://ocdimage.emnrd.state.nm.us/imaging/CaseFileCriteria.aspx>. If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, contact Marlene Salvidrez at Marlene.Salvidrez@state.nm.us, or the New Mexico Relay Network at 1-800-659-1779, no later than **November 23, 2020**.

Persons may view and participate in the hearings through the following link and as indicated below:

<https://nmemnrd.webex.com/nmemnrd/onstage/g.php?MTID=ec97b56813f60ba7489b2ffd641268714>

Event number: 146 523 3652

Event password: pMmKMtF654

Join by video: 1465233652@nmemnrd.webex.com

Numeric Password: 834052

You can also dial 173.243.2.68 and enter your meeting number

Join by audio: 1-844-992-4726 United States Toll Free

Access code: 146 523 3652.

STATE OF NEW MEXICO TO:
All named parties and persons
having any right, title, interest
or claim in the following case
and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

To: All affected parties, including: Devon Energy Corp; COG Operating LLC; Magnum Hunter Production, Inc.; Blackbeard Operating, LLC; Tap Rock Resources; XTO Holdings, LLC; McKay Petroleum Corp; Chevron USA, Inc.; Hoss; and Ostrich Oil & Gas, LLC.

Case No. 21551: Application of EOG Resources, Inc. to amend Order R-21431 for approval of a non-standard spacing unit, Lea County, New Mexico. Applicant in the above-styled cause seeks an order approving a 320-acre, more or less, non-standard horizontal spacing unit and pooling all uncommitted interests in the Bone Spring formation [WC-025 G-08 S233528D; LWR BONE SPRING (97958)] underlying 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. Applicant seeks to dedicate the above-referenced non-standard horizontal spacing unit to the initial **Gladiator 3 Fed Com #301H** well that has been drilled from a surface hole location in the SW/4 SW/4 (Unit M) of Section 3 to bottom hole locations in the SW/4 NW/4 (Unit E) of Section 34. Approval of a non-standard spacing unit is required by Division rules because the well does not penetrate the NW/4 NW/4 of Section 34. Said area is located approximately 13 miles northwest of Jal, New Mexico.
#35992

67100754

00248533

HOLLAND & HART LLC
PO BOX 2208
SANTA FE, NM 87504-2208