

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

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APPLICATION OF EOG RESOURCES, INC. FOR
APPROVAL OF ADDITIONAL HORIZONTAL WELLS
IN THE BONES SPRING FORMATION WITHIN
THE POTASH AREA, EDDY COUNTY, NEW MEXICO.

CASE NO. 14731

EOG's PRE-HEARING STATEMENT

EOG Resources, Inc. ("EOG"), submits this Pre-Hearing Statement for the above referenced case pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

EOG Resources, Inc.
P.O. Box 2267
Midland, Texas 79702

ATTORNEY

Michael H. Feldewert, Esq.
Holland & Hart, LLP
P. O. Box 2208
Santa Fe, NM 87504-2208
505/988-4421

OPPONENT

NONE at this time.

ATTORNEY

APPLICANT'S STATEMENT OF CASE

In January, 2011, under Order No. 13354 entered in Case No. 14584, the Division approved 160-acre project areas for three horizontal wells in the Bone Spring formation, Turkey Track Bone Spring Pool in Section 23:

- a. the Parkway 23 State Com Well No. 2H, which has been drilled at a surface location 760 feet from the North line and 200 feet from the West line and to which is dedicated a 160-acre project area comprised of the N/2 N/2 of said Section 23;
- b. the Parkway 23 State Com Well No. 3H, which has been drilled at a surface location 2050 feet from the North line and 50 feet from the West line and to which is dedicated to a 160-acre project area comprised of the S/2 N/2 of said Section 23; and
- c. the Parkway 23 State Well No. 4H, which has been drilled at a surface location 660 feet from the South line and 200 feet from the West line and to which is dedicated a 160-acre project area comprised of the S/2 S/2 of said Section 23.

In June of 2011, EOG submitted Applications for Permit to Drill (Form C-101) along with the attached Well Location and Acreage Dedication Plats (Form C-102) to the Division's district office for approval of three additional horizontal wells at the same general surface location, in the same formation/pool, and involving the same project areas as the wells approved under Order No. 13354, namely:

- a. the Parkway 23 State Com Well No. 5H, to be drilled at a surface location 930 feet from the North line and 220 feet from the West line and a bottom hole location 800 feet from the North line and 330 feet from the East line, and to be likewise dedicated the project area comprised of N/2 N/2 of Section 23 (Attachment 1);

b. the Parkway 23 State Com Well No. 6H, to be drilled at a surface location 2150 feet from the North line and 50 feet from the West line and a bottom hole location 2120 feet from the North line and 330 feet from the East line, and to be likewise dedicated to the project area comprise of the S/2 N/2 of Section 23 (Attachment 2); and

c. the Parkway 23 State Well No. 7H, to be drilled at a surface location 520 feet from the South line and 200 feet from the West line and a bottom hole location 520 feet from the South line and 330 feet from the East line, and to be likewise dedicated the S/2 S/2 of Section 23 (Attachment 3).

The Division's district office has denied these Applications for the same reasons it denied the applications for the wells eventually approved by Division Order R-13354, namely that these surface locations are within the Potash Area and allegedly within an approved Life-of-Mine Reserve ("LMR") or its buffer zone.

EOG has provided notice of this application to Intrepid Potash Company, but does not expect Intrepid Potash Company to enter an appearance in this matter. At the hearing, EOG intends to ask the Division to adopt into this case the record from Case No. 14584, which resulted in Order No. R-13354, on the grounds that it likewise demonstrates that the drilling of these additional Parkway 23 State Com Well Nos. 5H and 6H, and the Parkway 23 State Well No. 7H, in the Bone Spring formation at the proposed surface locations will not result in undue waste of commercial deposits of potash; will not interfere unduly with the orderly commercial development of any commercial potash deposits; and is in the best interests of conservation, the prevention of waste of oil and gas reserves, and the protection of correlative rights.

APPLICANT'S PROPOSED EVIDENCE

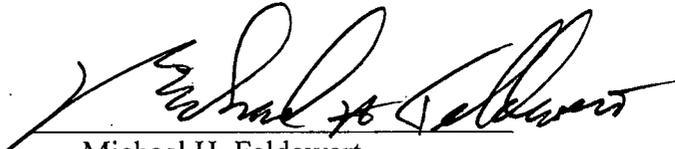
EOG does not intend to call any witnesses and instead will ask that the Division adopt into this case the record from Case No. 14584, which resulted in Order No. R-13354, on the grounds that it likewise demonstrates that the drilling of these additional Parkway 23 State Com Well Nos. 5H and 6H, and the Parkway 23 State Well No. 7H, in the Bone Spring formation at the proposed surface locations will not result in undue waste of commercial deposits of potash or interfere unduly with the orderly commercial development of any commercial potash deposits.

PROCEDURAL MATTERS

None at this time.

Respectfully submitted,

HOLLAND & HART, LLP



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Santa Fe, New Mexico 87504-2208
(505) 988-4421
(505) 983-6043 Facsimile
mfeldewert@hollandhart.com

ATTORNEYS FOR EOG RESOURCES, INC.

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease- 4 Copies
Fee Lease- 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-	Pool Code 60660	Pool Name Turkey Track; Bone Spring
Property Code 33352	Property Name PARKWAY "23" STATE COM	Well Number 5H
OCRD No. 7377	Operator Name EOG RESOURCES, INC.	Deviation 3310.6'

Surface Location

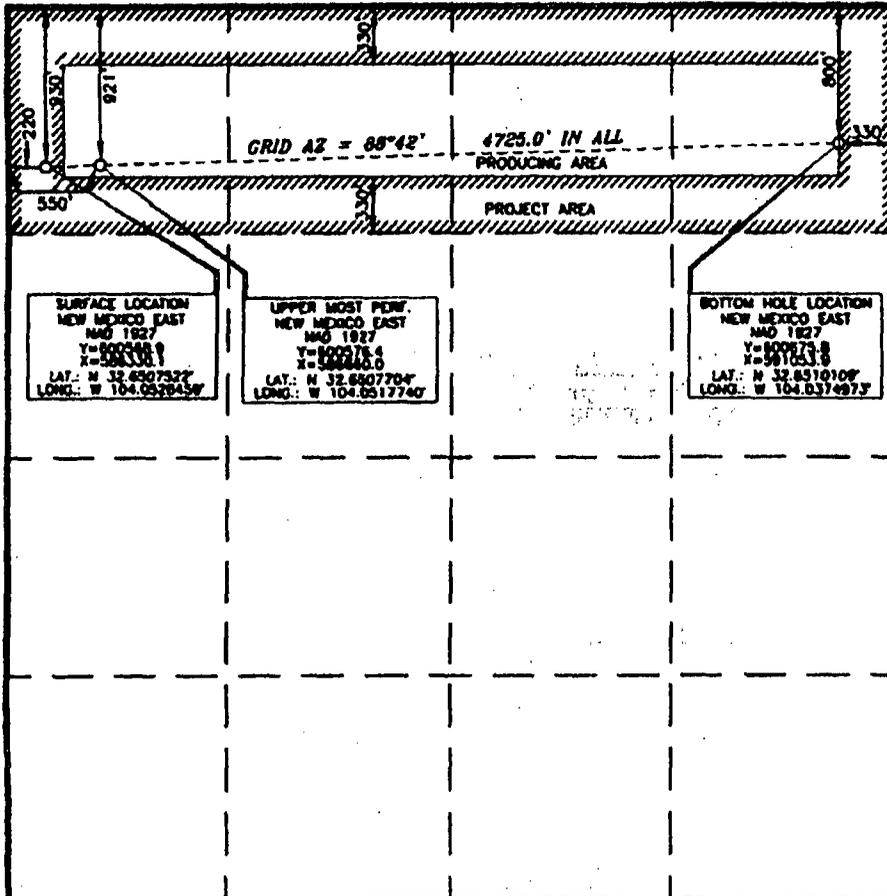
UR or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	23	19 SOUTH	29 EAST, N.M.P.M.		930'	NORTH	220'	WEST	EDDY

Bottom Hole Location if Different From Surface

UR or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	23	19 SOUTH	29 EAST, N.M.P.M.		800'	NORTH	330'	EAST	EDDY

Dedicated Acres 160	Joint or In/In	Consolidation Code	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.



OPERATOR 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 unleased 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.

Stan Wagner 7/18/11
Signature Date

Stan Wagner
Printed Name

SURVEYOR CERTIFICATION

I hereby certify that the location shown on this plat was obtained from field notes of a survey made by me or under my supervision and that the same are correct to the best of my knowledge and belief.

Date of Survey 25, 2011
Signature of Professional Surveyor
Professional Surveyor

Terry A. Paul 6/14/11
Certificate Number 15079

WOP 110523M--6 (04)

ATTACHMENT

District I
1825 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Artec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
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Fee Lease-3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-	Pool Code 60660	Pool Name Turkey Track; Bone Spring
Property Code 33352	Property Name PARKWAY "23" STATE COM	Well Number 6H
DGRD No. 7377	Operator Name EOG RESOURCES, INC.	Deviation 3310.1'

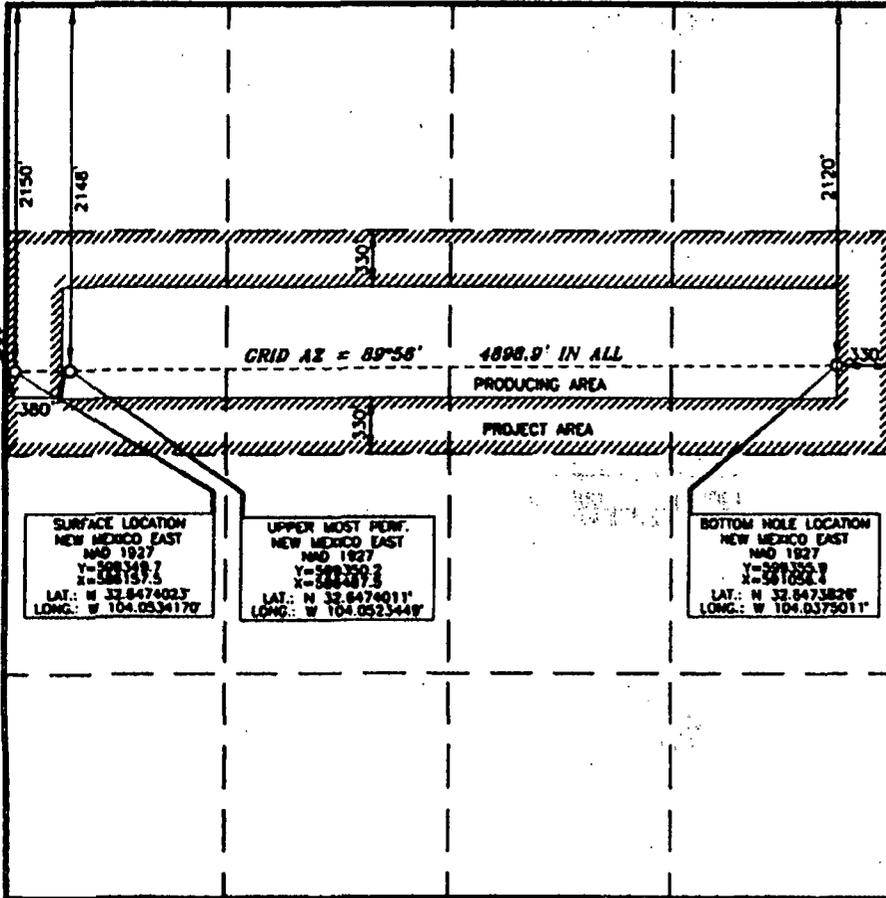
Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	23	19 SOUTH	29 EAST, N.M.P.M.		2150'	NORTH	50'	WEST	EDDY

Bottom Hole Location if Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	23	19 SOUTH	29 EAST, N.M.P.M.		2120'	NORTH	330'	EAST	EDDY
Dedicated Acres 160		Joint or Infill	Consolidation Code	Order No.					

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OPERATOR 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 unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well of 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.

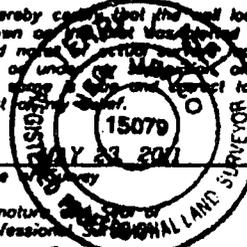
Stan Wagner 7/18/11
Signature Date

Stan Wagner
Printed Name

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was located from field notes and measurements made by me or under my supervision and that the same are true and correct to the best of my belief.

Date: July 23, 2011
Signature: *Jerry D. Neal*
Professional: JERRY D. NEAL
Certificate Number: 15079



WOP 110523M-3 (REV)

ATTACHMENT

District I
1625 N. French Dr., Hobbs, NM 88240
District II
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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-	Pool Code 60660	Pool Name Turkey Track; Bone Spring
Property Code 33352	Property Name PARKWAY "23" STATE COM	Well Number 7H
OCRD No. 7377	Operator Name EOG RESOURCES, INC.	Elevation 3279.5'

Surface Location

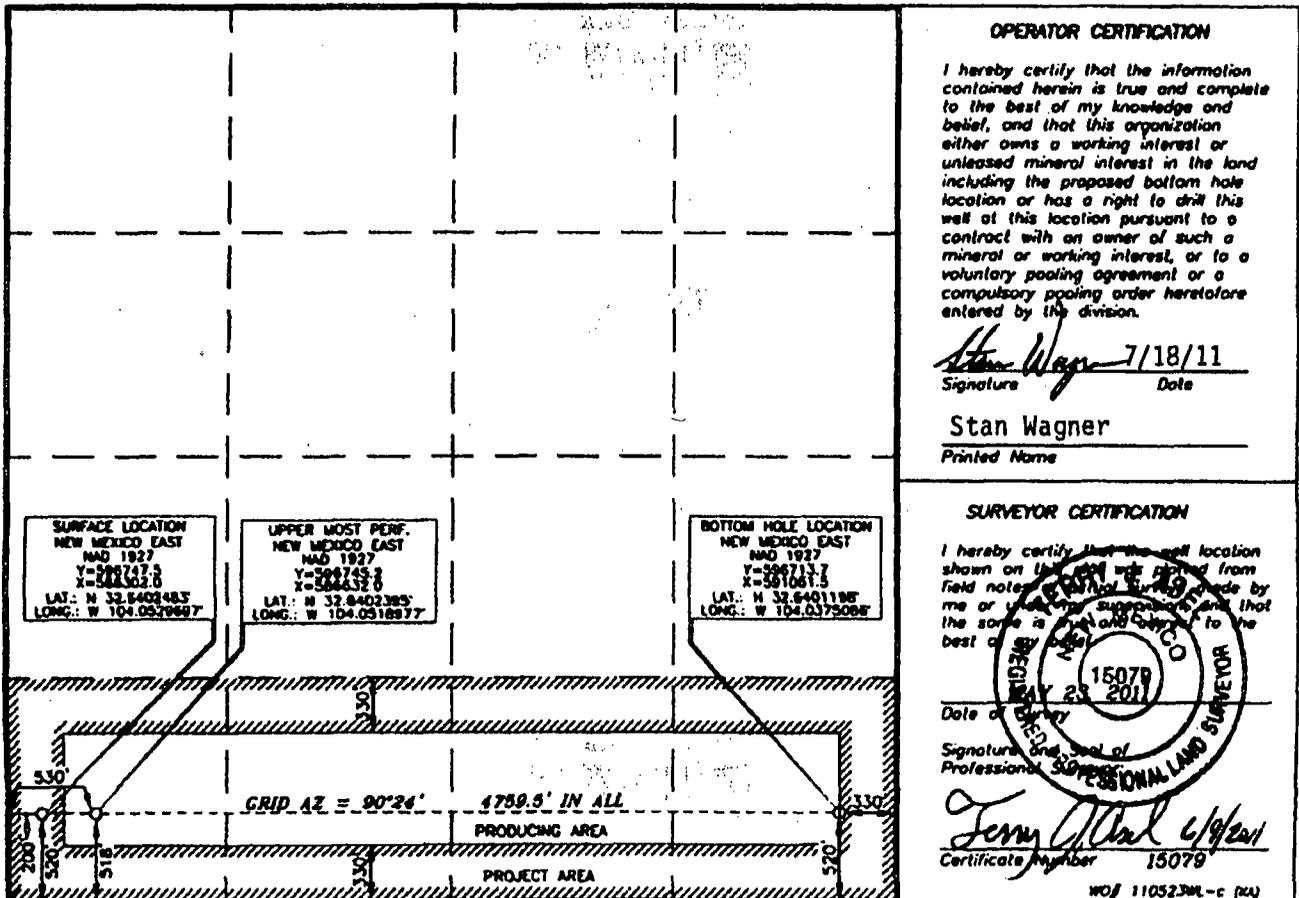
UL or lot no.	Section	Township	Range	Lot Idh	Feet from the	North/South line	Feet from the	East/West line	County
M	23	19 SOUTH	29 EAST, N.M.P.M.		520'	SOUTH	200'	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idh	Feet from the	North/South line	Feet from the	East/West line	County
P	23	19 SOUTH	29 EAST, N.M.P.M.		520'	SOUTH	330'	EAST	EDDY

Dedicated Acres 160	Joint or Infill	Consolidation Code	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.



ATTACHMENT