

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

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IN THE MATTER OF THE HEARING CALLED  
BY THE OIL CONSERVATION DIVISION FOR  
THE PURPOSE OF CONSIDERING:

APPLICATION OF EOG RESOURCES, INC.  
FOR APPROVAL OF A NON-STANDARD OIL  
SPACING AND PRORATION UNIT AND  
COMPULSORY POOLING, EDDY COUNTY,  
NEW MEXICO.

Case No. 14,723

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by EOG Resources, Inc. as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

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

Attention: Douglas Hurlbut  
(432) 686-3610

APPLICANT'S ATTORNEY

James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the S/2NE/4 of Section 17 and the S/2NW/4 of Section 16, Township 18 South, Range 30 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the S/2NE/4 of Section 17 and the S/2NW/4 of Section 16 to form a non-standard 160 acre oil spacing and proration unit (project area) for any formations and/or pools developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the Sand Tank 17 Fed. Com. Well No. 3, a horizontal well to be drilled at an orthodox surface location in the SW/4NE/4 of Section 17, with

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a terminus at an orthodox location in the SE/4NW/4 of Section 16. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well.

OPPONENT

**PROPOSED EVIDENCE**

APPLICANT

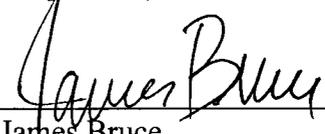
<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Douglas Hurlbut (landman)	15 min.	Approx. 6
_____ (geologist)	15 min.	Approx. 5

OPPONENT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
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**PROCEDURAL MATTERS**

Respectfully submitted,

  
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James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attorney for EOG Resources, Inc.