

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

**APPLICATIONS OF EOG RESOURCES, INC. FOR SIMULTANEOUS DEDICATION  
AND AN EXCEPTION TO THE SPECIAL RULES AND  
REGULATIONS FOR THE RED HILLS-BONE SPRING POOL,  
LEA COUNTY, NEW MEXICO.**

RECEIVED OGD  
2011 SEP 2 P 3:5

**CASE NOS. 14738 & 14739**

**EOG's CONSOLIDATED PRE-HEARING STATEMENT**

EOG Resources, Inc. ("EOG"), submits this Pre-Hearing Statement for the above referenced cases 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**

EOG in the above-styled cases seeks an exception to the special rules and regulations for the Red Hills-Bone Spring Pool for the following areas:

- A 480-acre spacing unit and project area comprised of the W/2 of Section 31, Township 24 South, Range 34 East, and the NW/4 of Section 6, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico [Case No. 14738], and

- A 480-acre spacing unit and project area comprised of the E/2 of said Section 31 and the NE/4 of said Section 6 [Case No. 14739].

Portions of these proposed 480-acre spacing units and project areas (the NW/4 and the E/2 NE/4 of Section 6) are currently dedicated to the Diamond 6 Federal Well No. 2 (API No. 3002536628) which is producing in the third Bone Springs sand of the Red Hills-Bone Spring Pool. Division Order No. R-10109, dated April 26, 1994, established special rules and regulations for Red Hills-Bone Spring Pool that provide for 80-acre spacing and proration units, allow one well in each quarter-quarter section of an 80 acre unit, and require each well to be located no closer than 330 feet to any governmental quarter-quarter section or lot. These special rules and regulations were designed for production from the deeper Bones Spring sand component of the Pool. Compliance with these existing rules will impede EOG's ability to efficiently and effectively drain the reserves in the shallower Leonard shale portion of the Red Hills-Bone Spring Pool. Applicant therefore seeks authority to drill and complete in the Leonard shale portion of the Pool more than one horizontal well at unorthodox locations in quarter-quarter sections of the proposed 480-acre spacing units and project areas, provided that the producing interval of any such well remains at least 330 feet from the outer boundary of the designated 480-acre spacing unit and project area.

**APPLICANT'S PROPOSED EVIDENCE**

<b>WITNESS Name and Expertise</b>	<b>ESTIMATED TIME</b>	<b>EXHIBITS</b>
Doug Hurlbut – Landman	Approx. 10 minutes	Approx. 5
Bill Morris – Geologist	Approx. 10 minutes	Approx. 4
Steve Robertson – Engineer	Approx. 10 minutes	Approx. 4

**PROCEDURAL MATTERS**

EOG asks that the above reference cases be consolidated for hearing since they involve adjacent lands.

Respectfully submitted,

HOLLAND & HART, LLP



Michael H. Feldewert  
Post Office Box 2208  
Santa Fe, New Mexico 87504-2208  
(505) 988-4421  
(505) 983-6043 Facsimile  
mfeldewert@hollandhart.com

**ATTORNEYS FOR EOG RESOURCES, INC.**