

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

**APPLICATION OF EOG RESOURCES, INC.
FOR APPROVAL OF AN OVERLAPPING
HORIZONTAL WELL SPACING UNIT, AND
COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO**

CASE NOs. 25760, 25761

**EOG RESOURCES, INC.'S
CONSOLIDATED PRE-HEARING STATEMENT**

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

APPEARANCES

APPLICANT

EOG Resources, Inc.

ATTORNEY

Deana M. Bennett
Earl E. DeBrine, Jr.
MODRALL, SPERLING, ROEHL,
HARRIS & SISK, P.A.
P. O. Box 2168
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(505) 848-1800

OTHER PARTIES

None

ATTORNEY

STATEMENT OF CASES

In Case No. 25760, EOG seeks an order (1) approving a 640-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation (Red Hills; Upper Bone Spring Shale [97900]) comprised of the E/2 of Sections 13 and 24, Township 25 South, Range 33 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted interests in this acreage. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Vaca 24**

Fed Com 223H well, to be drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 24, a first take point in the SW/4 SE/4 (Unit O) of Section 24 and a last take point in the NW/4 NE/4 (Unit B) of Section 13; **Vaca 24 Fed Com 225H** well, to be drilled from a surface location in the NW/4 SE/4 (Unit J) of Section 24, a first take point in the SE/4 SE/4 (Unit P) of Section 24 and a last take point in the NE/4 NE/4 (Unit A) of Section 13; and **Vaca 24 Fed Com 224H** well, to be drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 24, a first take point in the SE/4 SE/4 (Unit P) of Section 24 and a last take point in the NE/4 NE/4 (Unit A) of Section 13. This proposed horizontal well spacing unit will overlap the following spacing units in the Bone Spring formation:

- An existing 320-acre spacing unit underlying the W/2 SE/4 and SW/4 of Section 13 and the E/2 SE/4 of Section 14, T25S-R33E, currently dedicated to EOG, Resources Inc.'s Vaca 13 Federal 8H (API No. 30-025-35846); and
- An existing 480-acre spacing unit underlying the SE/4 of Section 13 and the E/2 of Section 24, T25S-R33E, currently dedicated to EOG, Resources Inc.'s Vaca 24 Federal Com 5H (API No. 30-025-40536) and Vaca 24 Federal Com 6H (API No. 30-025-40537).

Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Applicant as operator of the wells, and a 200% charge for risk involved in drilling the wells. The subject area is located approximately 8 miles north of the Texas and New Mexico border.

In Case No. 25761, EOG seeks an order (1) approving a 640-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation (Red Hills; Lower Bone Spring Shale [51020]) comprised of the E/2 of Sections 13 and 24, Township 25 South, Range 33 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted interests in this acreage. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Vaca 24 Fed Com 313H**, **Vaca 24 Fed Com 414H**, **Vaca 24 Fed Com 513H**, **Vaca 24 Fed Com 524H** and **Vaca 24 Fed Com 583H** wells, to be drilled from surface locations in the SE/4 SW/4 (Unit N) of Section 24, first take points in the SW/4 SE/4 (Unit O) of Section 24 and last take points in the NW/4 NE/4 (Unit B) of Section 13; **Vaca 24 Fed Com 314H**, **Vaca 24 Fed Com 514H**, and **Vaca 24 Fed Com 584H** wells, to be drilled from surface locations in the SW/4 SE/4 (Unit O) of Section 24, first take points in the SW/4 SE/4 (Unit O) of Section 24 and last take points in the NW/4 NE/4 (Unit B) of Section 13; **Vaca 24 Fed Com 416H**, **Vaca 24 Fed Com 526H**, and **Vaca 24 Fed Com 586H** wells, to be drilled from surface locations in the NW/4 SE/4 (Unit J) of Section 24, first take points in the SE/4 SE/4 (Unit P) of Section 24 and last take points in the NE/4 NE/4 (Unit A) of Section 13; and **Vaca 24 Fed Com 315H**, **Vaca 24 Fed Com 415H**, **Vaca 24 Fed Com 515H**, **Vaca 24 Fed Com 525H**, and **Vaca 24 Fed Com 601H** wells, to be drilled from surface locations in the SW/4 SE/4 (Unit O) of Section 24, first take points in the SE/4 SE/4 (Unit P) of Section 24 and last take points in the NE/4 NE/4 (Unit A) of Section 13. This proposed horizontal well spacing unit will overlap the following spacing units in the Bone Spring formation:

- An existing 320-acre spacing unit underlying the W/2 SE/4 and SW/4 of Section 13 and the E/2 SE/4 of Section 14, T25S-R33E, currently dedicated to EOG, Resources Inc.'s Vaca 13 Federal 8H (API No. 30-025-35846); and
- An existing 480-acre spacing unit underlying the SE/4 of Section 13 and the E/2 of Section 24, T25S-R33E, currently dedicated to EOG, Resources Inc.'s Vaca 24 Federal

Com 5H (API No. 30-025-40536) and Vaca 24 Federal Com 6H (API No. 30-025-40537).

Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Applicant as operator of the wells, and a 200% charge for risk involved in drilling the wells. The subject area is located approximately 8 miles north of the Texas and New Mexico border.

PROPOSED EVIDENCE

WITNESS	ESTIMATED TIME	EXHIBITS
Landman: James Barwis	Approx. 10 minutes	Approx. 8
Geologist: Hannah M. Durkee	Approx. 10 minutes	Approx. 6

PROCEDURAL ISSUES

EOG intends to present these cases by affidavit if there is no opposition to these applications.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

By:



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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

QUESTIONS

Action 548067

QUESTIONS

Operator: EOG RESOURCES INC 5509 Champions Drive Midland, TX 79706	OGRID: 7377
	Action Number: 548067
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS**Testimony**

Please assist us by provide the following information about your testimony.

Number of witnesses	2
Testimony time (in minutes)	<i>Not answered.</i>