

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

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
E.G.L. RESOURCES, INC.**

**CASE NO. 25626
ORDER NO. R-23498-A**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on October 9, 2025, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. E.G.L. Resources, Inc. (“Operator”) submitted an application (“Application”) requesting an extension to drill the well(s) as required by Order R-23498, as amended (“Order”).
2. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice of the Application was given.
3. Operator has demonstrated good cause to extend the deadlines in the Order.
4. The Application was heard by the Hearing Examiner, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.
5. Exhibit A of Order R-23498 contains a scrivener’s error in the “Description: TRS/County” section whereby Range 35 East was incorrectly listed and should have been Range 33 East.

CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
8. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.

ORDER

9. The period to drill the well(s) is extended until October 23, 2026.

10. This Order shall terminate automatically if Operator fails to comply with Paragraph 8 unless prior to termination Operator applies, and OCD grants, to amend the Order for good cause shown.
11. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.
12. The remaining provisions of the Order remain in force or effect.
13. Exhibit A of Order R-23498 is hereby replaced with amended Exhibit A attached.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



ALBERT C.S. CHANG
DIRECTOR
AC/asf

Date: 10/20/2025

Exhibit A (amended)

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COMPULSORY POOLING APPLICATION CHECKLIST (AMENDED)	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 24416	APPLICANT'S RESPONSE
Hearing Date: August 22, 2024; Request for Amendment: October 9, 2025	
Applicant:	EGL Resources, Inc.
Designated Operator & OGRID (affiliation if applicable)	EGL Resources, Inc. (OGRID No. 192373)
Applicant's Counsel:	Hinde Shanor LLP; Hardy McLean LLC (at time of amendment)
Case Title:	Application of EGL Resources, Inc. for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenor:	XTO Energy, Inc.; EOG Resources, Inc.
Well Family	Smithers
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring Formation
Pool Name and Pool Code:	1) Mesalero, Escarpe; Bone Spring pool (Code 45793); and 2) Corbin; Bone Spring pool (Code 13160)
Well Location Setback Rules:	Statewide
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	640 acres
Building Blocks:	quarter-quarter
Orientation:	South-North
Description: TRS/County	W/2 of Sections 10 and 15, Township 18 South, Range 33 East, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N). If No, describe and is approval of non-standard unit requested in this application?	Yes.
Other Situations	
Depth Severance: Y/N. If yes, description	No.
Proximity Tracts: If yes, description	Yes, the completed interval of the Smithers 10-15 Fed Com 102H well will be located within 330' of the quarter-quarter section line separating the W/2 W/2 and E/2 W/2 of Sections 10 and 15 to allow for the creation of a 640-acre standard horizontal spacing unit.
Proximity Defining Well: If yes, description	Smithers 10-15 Fed Com 102H Well
Applicant's Ownership in Each Tract	Exhibit A-3
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed.
Well #1	Smithers 10-15 Fed Com #101H (API No. Pending) SHL: 285' FSL & 1,554' FWL (Unit N), Section 15, T18S-R33E BHL: 100' FNL & 330' FWL (Unit D), Section 10, T18S-R33E Completion Target: Bone Spring (Approx. 8,620' TVD)
Well #2	Smithers 10-15 Fed Com #102H (API No. Pending) SHL: 284' FSL & 1,614' FWL (Unit N), Section 15, T18S-R33E BHL: 100' FNL & 1,321' FWL (Unit D), Section 10, T18S-R33E Completion Target: Bone Spring (Approx. 8,620' TVD)
Well #3	Smithers 10-15 Fed Com #103H (API No. Pending) SHL: 283' FSL & 1,674' FWL (Unit N), Section 15, T18S-R33E BHL: 100' FNL & 2,310' FWL (Unit C), Section 10, T18S-R33E Completion Target: Bone Spring (Approx. 8,620' TVD)
Well #4	Smithers 10-15 Fed Com #201H (API No. Pending) SHL: 284' FSL & 1,584' FWL (Unit N), Section 15, T18S-R33E BHL: 100' FNL & 1,321' FWL (Unit C), Section 10, T18S-R33E Completion Target: Bone Spring (Approx. 9,600' TVD)
Well #5	Smithers 10-15 Fed Com #203H (API No. Pending) SHL: 284' FSL & 1,644' FWL (Unit N), Section 15, T18S-R33E BHL: 100' FNL & 2,310' FWL (Unit C), Section 10, T18S-R33E Completion Target: Bone Spring (Approx. 9,600' TVD)
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$9,000
Production Supervision/Month \$	\$900
Justification for Supervision Costs	Exhibit A, A-4
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A-1

E.G.L. Resources, LLC
Case No. 25626
Exhibit A-3

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Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibits C-1, C-2, C-3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-4
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-3
Tract List (including lease numbers and owners)	Exhibit A-3
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of IOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates in Proposal Letter	Exhibit A-4
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4
Cost Estimate for Production Facilities	Exhibit A-4
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-2
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-4
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HU Cross Section	Exhibit B-4
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit A-2
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-2
Well Bore Location Map	Exhibit B-2
Structure Contour Map - Subsea Depth	Exhibit B-3
Cross Section Location Map (including wells)	Exhibit B-4
Cross Section (including Landing Zone)	Exhibit B-5
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Dana S. Hardy
Signed Name (Attorney or Party Representative):	/s/ Dana S. Hardy
Date:	9/30/2025