

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

**IN THE MATTER OF APPLICATION OF
EOG RESOURCES, INC.
TO AMEND ORDER R-21431 FOR APPROVAL
OF A NON-STANDARD SPACING UNIT,
LEA COUNTY, NEW MEXICO**

**CASE NO. 21551
ORDER NO. R-21431-A**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on December 3, 2020, and after considering the testimony, evidence, and recommendation of the Hearing Examiners, grants EOG’s application based upon the following findings and conclusions.

FINDINGS OF FACT

1. EOG Resources, Inc. (“Operator”), submitted an application (“Application”) to amend Order R-21431 entered August 18, 2020, issued in Case 21377. Order R-21431 approved compulsory pooling of interests in a standard 320-acre horizontal spacing unit, consisting of the W/2 W/2 of Section 3, Township 24 South, Range 35 East, and the W/2 W/2 of Section 34, Township 23 South, Range 35 East, NMPR, Lea County, New Mexico (the “Unit”).
2. Due to difficulties incurred while drilling, Operator was unable to penetrate the NW/4 NW/4 (“Unit D”) of Section 34 as originally proposed and approved by Order R-21431. Operator seeks to amend Order R-21431 to create a non-standard spacing unit, thereby authorizing retention of Unit D within the original 320-acre spacing unit.
3. Operator reached an agreement with Ostrich Oil & Gas LLC, the only working interest owner in Unit D. Ostrich Oil & Gas LLC does not oppose inclusion of its acreage within the non-standard spacing unit (Exhibit C, Affidavit of Katie McBryde). No party opposed the Application.

CONCLUSIONS OF LAW

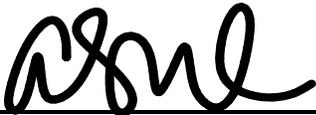
4. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
5. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.

6. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
7. A standard horizontal spacing unit is comprised of one or more contiguous tracts that the well's completed interval penetrates, each of which consists of a governmental quarter-quarter section or its equivalent. 19.15.16.15(B)(1)(a).
8. The Division may approve non-standard horizontal spacing units for horizontal oil and gas wells to prevent waste and protect correlative rights. 19.15.16.15(B)(5)(a).
9. Approval of a non-standard spacing unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.

ORDER

10. Order R-21431 is amended to allow creation of the non-standard spacing unit set forth in Exhibit A.
11. All other portions of the Order remain in effect as originally issued.
12. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL
DIRECTOR
AES/kms**

Date: 4/07/2021