

(15)

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

**APPLICATION OF EOG RESOURCES, INC., TO EXCLUDE THE LEONARD SHALE
INTERVAL FROM THE SPECIAL RULES AND REGULATIONS FOR THE RED
HILLS-BONE SPRING POOL, LEA COUNTY, NEW MEXICO.**

CASE NO. 14760

EOG's PRE-HEARING STATEMENT

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

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APPEARANCES

APPLICANT

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

ATTORNEY

Michael H. Feldewert, Esq.
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P. O. Box 2208
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OPPONENT

NONE at this time

ATTORNEY

APPLICANT'S STATEMENT OF CASE

EOG seeks an order from the Division excluding the shallower Leonard shale interval from the special pool rules and regulations applicable to Red Hills-Bone Spring Pool, thereby bringing this shallower shale interval back under the General Statewide Rules and Regulations for development on standard 40-acre spacing and proration units. See 19.15.15.9(A) NMAC. Division Order No. R-10109, dated April 26, 1994, established special rules and regulations for

Red Hills-Bone Spring Pool that currently provide for 80-acre spacing and proration units and allow one well in each quarter-quarter section of an 80 acre unit. These special rules and regulations were based on testimony that addressed the deeper *sand* producing intervals in the Bone Spring formation, which at the time were the only producing intervals within this pool. In addition to the sand intervals within the Bone Spring formation, the Red Hills Bone Spring Pool also includes the Leonard *shale* interval, which is comprised of the interval between 9,250–9,548 feet in EOG's Lomas Rojas 26 State Com. No.6 Well (API No. 3002539705) as shown on the Halliburton Spectral Gamma Ray Dual Spaced Neutron Spectral Density log for this well. This shallower shale interval of the Bone Spring formation has different geologic and production characteristics than the deeper sand intervals in this formation. Compliance with the existing special pool rules for the shallower Leonard *shale* interval of the Red Hills-Bone Spring Pool impedes an operator's ability to efficiently and effectively drain the reserves, thereby resulting in waste.

APPLICANT'S PROPOSED EVIDENCE

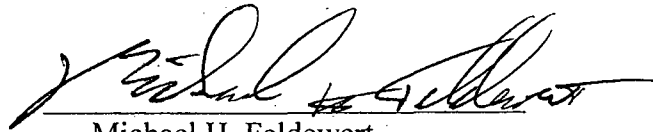
WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Doug Hurlbut – Landman	Approx. 10 minutes	Approx. 5
Joe Villalobos – Geologist	Approx. 10 minutes	Approx. 3
Steve Robertson – Reservoir Engineer	Approx. 10 minutes	Approx. 3

PROCEDURAL MATTERS

None at this time.

Respectfully submitted,

HOLLAND & HART, LLP

A handwritten signature in black ink, appearing to read "Michael H. Feldewert", written over a horizontal line.

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