

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

**APPLICATION OF EOG RESOURCES, INC.
FOR A NON-STANDARD SPACING AND PRORATION UNIT,
APPROVAL OF AN UNORTHODOX LOCATION, APPROVAL
TO SURFACE POOL-LEASE COMMINGLE, AND FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

**APPLICATION OF EOG RESOURCES, INC.
FOR A NON-STANDARD SPACING AND PRORATION UNIT,
APPROVAL TO SURFACE POOL-LEASE COMMINGLE, AND FOR COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.**

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CASE NOS. 15667 and 15666

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by EOG Resources, Inc. ("EOG") as required by the Oil Conservation Division Rule 19.15.4.13.B.

APPEARANCES

APPLICANT

EOG Resources, Inc.
5509 Champions Dr.
Midland, TX 79706

APPLICANT'S ATTORNEY

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OTHER PARTIES

MRC Permian
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ATTORNEY

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APPLICANT'S STATEMENT OF CASE

In Case No. 15667, EOG seeks an order (1) creating a 240-acre spacing and proration unit comprised of the W/2 W/2 of Section 10, and the W/2 SW/4 of Section 3, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico; (2) approving an unorthodox location for the wellbore; and (3) pooling all mineral interests in the Bone Spring formation underlying this acreage. EOG proposes to dedicate the above-referenced spacing and proration unit as the project area for its proposed **Osprey 10 No. 602H**, which will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 10 to a bottom hole location in NW/4 SW/4 (Unit L) of Section 3. The project area is located within the Red Hills; Bone Spring, East (97369), which is subject to statewide rules for oil pools and requires wells to be located no closer than 330 feet to the outer boundary of the spacing unit. The completed interval for this well will commence 330 feet from the South line, 1,270 feet from the West line (Unit M) of Section 10 to a location 2,304 feet from the South line, 1,270 feet from the West line (Unit L) of Section 3. The completed interval therefore encroaches on the spacing and proration units to the East and Northeast.

In Case No. 15666, EOG seeks an order (1) creating a 240-acre spacing and proration unit comprised of the W/2 W/2 of Section 10, and the W/2 SW/4 of Section 3, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the Wolfcamp formation underlying this acreage. EOG proposes to dedicate the spacing and proration unit as the project area for its proposed **Osprey 10 No. 701H**, which will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 10 to a bottom hole location in NW/4 SW/4 (Unit L) of Section 3. The project area is located within the WC-

025-G-09-S253402N; Wolfcamp Pool (98116)), and the completed interval for this well will remain within the 330-foot standard offset required by the statewide rules.

APPLICANT'S PROPOSED EVIDENCE

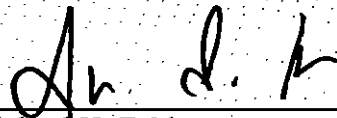
WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Gavin Smith, Petroleum Landman	Approx. 20 minutes	Approx. 10
Lorraine Baline, Petroleum Geologist	Approx. 15 minutes	Approx. 5

PROCEDURAL MATTERS

EOG requests that Cases 15666 and 15667 be consolidated for hearing. EOG also seeks to dismiss the portion of each application requesting surface commingling. EOG will seek commingling approval by administrative application.

Respectfully submitted,

HOLLAND & HART, LLP



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ATTORNEYS FOR EOG RESOURCES, INC.

CERTIFICATE OF SERVICE

I hereby certify that on March 23, 2017, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

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