

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

**APPLICATION OF EOG RESOURCES, INC. FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

CASE NO. 20423

**APPLICATION**

EOG Resources, Inc. ("EOG") files this application with the Oil Conservation Division pursuant to the provisions of N.M. Stat. Ann. § 70-2-17, for an order pooling all uncommitted interests in the Bone Spring formation underlying a 240-acre standard horizontal spacing unit comprised of E/2 W/2 of Section 13 and the E/2 NW/4 of Section 24, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico. In support of its application, EOG states:

1. EOG Resources, Inc. (OGRID No. 7377) is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. EOG seeks to dedicate the above-referenced horizontal spacing unit to the proposed **Merciless 13 Federal Com 504H** and **Merciless 13 Federal Com 505H** wells to be drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 13 to a bottom hole location in the SE/4 NW/4 (Unit F) of Section 24.
3. EOG has sought and been unable to obtain voluntary agreement for the development of these lands from all the interest owners in the subject spacing unit.
4. The pooling of the mineral interests in the proposed horizontal spacing unit will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.
5. In order to permit EOG to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled and EOG should be designated the operator of this proposed horizontal wells and spacing unit.

WHEREFORE, EOG requests that this application be set for hearing before an Examiner of the Oil Conservation Division on May 2, 2019, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the horizontal spacing unit and approving the initial wells;
- B. Designating EOG the operator of this spacing unit and the horizontal wells to be drilled thereon;
- C. Authorizing EOG to recover its costs of drilling, equipping and completing the wells;
- D. Approving the actual operating charges and costs of supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% charge for the risk assumed by EOG in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

HOLLAND & HART LLP

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**ATTORNEYS FOR EOG RESOURCES, INC.**

**CASE 20423 : Application of EOG Resources, Inc. for compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a 240-acre standard horizontal spacing unit comprised of E/2 W/2 of Section 13 and the E/2 NW/4 of Section 24, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the proposed **Merciless 13 Federal Com 504H** and **Merciless 13 Federal Com 505H** wells to be drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 13 to a bottom hole location in the SE/4 NW/4 (Unit F) of Section 24. Also, to be considered will be the cost of drilling and completing the wells, the allocation of the costs thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of 200% charge for risk involved in drilling and completing the wells. Said area is located approximately 23 miles west of Jal, New Mexico.