

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

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

CASE NO. 20621

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 standard 320-acre standard horizontal spacing unit comprised of E/2 of Section 21, Township 26 South, Range 29 East, NMPM, Eddy 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. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the following proposed wells:

- The **McGwire 21 Fed Com #581H Well**, and the **McGwire 21 Fed Com #591H Well**, which are to be drilled horizontally from a surface hole location in the SE/4 SE/4 (Unit P) to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 21.
- The **McGwire 21 Fed Com #582H Well**, the **McGwire 21 Fed Com #583H Well**, and the **McGwire 21 Fed Com #592H Well**, which are to be drilled horizontally from a surface hole location in the SE/4 SE/4 (Unit P) to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 21.

The completed interval for the proposed **McGwire 21 Fed Com #582H Well** will be within 330' of the quarter-quarter line separating the W/2 E/2 and the E/2 E/2 of Section 21 to allow inclusion of this acreage into a standard 320-acre horizontal well spacing unit.

3. Since the proposed wells will be simultaneously drilled and completed, Applicant requests an extension of the time period to drill and complete the initial wells from 120 days to 365 days.

4. Applicant 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.

5. 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.

6. In order to permit Applicant 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 Applicant should be designated the operator of the proposed horizontal wells and spacing unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on July 11, 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;
- B. Approving the initial wells in the horizontal spacing unit;
- C. Designating Applicant as the operator of this spacing unit and the horizontal wells to be drilled thereon;

- D. Authorizing an extension of the time period to drill and complete the initial wells from 120 days to 365 days;
- E. Authorizing Applicant to recover its costs of drilling, equipping and completing the wells;
- F. Approving the actual operating charges and costs of supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- G. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

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ATTORNEYS FOR EOG RESOURCES, INC.

CASE 20621 : **Application of EOG Resources, Inc. for compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 320-acre standard horizontal spacing unit comprised of E/2 of Section 21, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the following proposed wells:

- The **McGwire 21 Fed Com #581H Well, and the McGwire 21 Fed Com #591H Well**, which are to be drilled horizontally from a surface hole location in the SE/4 SE/4 (Unit P) to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 21.
- The **McGwire 21 Fed Com #582H Well, the McGwire 21 Fed Com #583H Well, and the McGwire 21 Fed Com #592H Well**, which are to be drilled horizontally from a surface hole location in the SE/4 SE/4 (Unit P) to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 21.

The completed interval for the proposed **McGwire 21 Fed Com #582H Well** will be within 330' of the quarter-quarter line separating the W/2 E/2 and the E/2 E/2 of Section 21 to allow inclusion of this acreage into a standard 320-acre horizontal well spacing unit. Also, to be considered will be an extension of the timeframe to drill and complete the initial wells, 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 17 miles south of Loving, New Mexico.