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

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IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSES OF CONSIDERING:

CASE NO. 14574

APPLICATION OF EOG RESOURCES, INC. FOR A NON-STANDARD SPACING AND PRORATION UNIT AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

ENTRY OF APPEARANCE AND PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Holland & Hart LLP, as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

ATTORNEY

EOG Resources Inc. PO Box 2267 Midland, Texas 79702 Ocean Munds-Dry Holland & Hart LLP 110 N. Guadalupe St. Suite 1 Santa Fe, NM 87501 (505) 988-4421 (505) 983-6043 (Fax)

STATEMENT OF CASE

APPLICANT

Applicant in the above-styled cause seeks an order: (1) creating a non-standard spacing unit comprised of the S/2 N/2 of Section 1, Township 18 South, Range 29 East, NMPM and (2) pooling all mineral interests from the surface to the base of the Bone Spring formation, Sand Tank Bone Spring Pool in the non-standard spacing unit which will be the project area for the Sand Tank "1" Fed Com No. 4H to be drilled from a surface location 2250 feet from the North line and 330 feet from the East line and a bottomhole location 2200 feet from the North line and 330 feet from the West line of said Section 1. Also to be considered will be the cost of drilling

and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of EOG Resources, Inc. as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 4 miles southwest of Loco Hills, New Mexico.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

ESTIMATED TIME

EXHIBITS

By Affidavit

PROCEDURAL MATTERS

EOG has none at this time.

Ocean Munds-Dry

Attorney for EOG Resources Inc.