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

APPLICATION OF E.G.L. RESOURCES, INC. TO EXTEND TIME TO COMMENCE DRILLING OPERATIONS UNDER ORDER NO. R-23525, LEA COUNTY, NEW MEXICO.

CASE NO. _____ ORDER NO. R-23525

APPLICATION

E.G.L. Resources, Inc. ("E.G.L." or "Applicant") (OGRID No. 192373) files this application with the Oil Conservation Division ("Division") requesting a one-year extension of time to commence drilling operations under Order No. R-23525 ("Order"). In support of this application, E.G.L. states the following:

1. The Division entered the Order in Case No. 24720 on October 23, 2024.

2. The Order pooled all uncommitted interests in the Second Bone Spring interval of the Bone Spring formation, from a depth of approximately 8,700' to 9,580' TVD, underlying a 640-acre, more or less, standard horizontal spacing unit comprised of the E/2 of Sections 24 and 25, Township 18 South, Range 32 East, Lea County, New Mexico ("Unit"). The Order further dedicated the Unit to the LTK 24-25 Fed Com 201H, LTK 24-25 Fed Com 203H, and LTK 24-25 Fed Com 205H wells ("Wells").

3. The Order designated Applicant as operator of the Unit and the Wells.

4. The Order requires Applicant to commence drilling the Wells within one (1) year of the date of the Order unless Applicant obtains a time extension from the Division Director for good cause shown.

5. Applicant's ability to commence drilling the Wells has been impacted by delays in the issuance of federal drilling permits.

6. Accordingly, Applicant requests that the Division extend the deadline to commence drilling the Wells until October 23, 2026.

7. Good cause exists for the requested extension.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on July 10, 2025, and, after notice and hearing as required by law, the Division extend the deadline to commence drilling the Wells under the Order until October 23, 2026.

Respectfully submitted,

By: <u>/s/ Dana S. Hardy</u> HARDY MCLEAN LLC Dana S. Hardy Jaclyn M. McLean Daniel Goldberg 125 Lincoln Ave., Suite 223 Santa Fe, NM 87501 505-230-4410 dhardy@hardymclean.com jmclean@hardymclean.com

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