

Approved

NSL

Order

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Cabinet Secretary

Adrienne E. Sandoval, Director
Oil Conservation Division



March 31, 2021

Ms. Kaitlyn A. Luck
kaluck@hollandhart.com

NON-STANDARD LOCATION

Administrative Order NSL-8153

**EOG Resources, INC. [OGRID 7377]
Pegasus Federal Com Well No. 506H
API No. 30-025-47247**

Proposed Location

	Footages	Unit/Lot	Sec.	Twsp	Range	County
Surface	554 FSL & 2036 FEL	O	3	24S	32E	Lea
First Take Point	100 FSL & 2590 FEL	O	34	23S	32E	Lea
Last Take Point/ Terminus	100 FNL & 2590 FEL	B	34	23S	32E	Lea

Proposed Horizontal Units

Description	Acres	Pool	Pool Code
E/2 of Section 3 E/2 of Section 34	639.39	Triste Draw; Bone Spring Pool	96603

Reference is made to your application received on March 10, 2021.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. 19.15.16.15(B)(1)(a) NMAC governs this proposed well and provides that the operator shall dedicate to each horizontal oil well a standard horizontal spacing unit that comprises of one or more contiguous tracts that the horizontal oil well's completed interval penetrates, each of which consists of a governmental quarter-quarter section or equivalent.

This well's completed interval is as close as 50 feet to the western edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 3, 24S 32E encroachment to the E/2 W/2
Section 34, encroachment to the E/2 W/2

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in 19.15.2.7(A)(8) NMAC, in all adjoining units towards which the proposed location encroaches.

Division understands you are seeking this unorthodox location as your preferred well spacing in order to maximize recovery and to prevent waste within the Bone Spring formation underlying the E/2 of Section 3, 24S 32E and the E/2 of Section 34 23S 32E.

Your application has been filed under 19.15.16.15(C)(6) NMAC, 19.15.15.13 NMAC and 19.15.4.12 (A)(2) NMAC.

Per 19.15.15.13 (B) NMAC, **Division approves this unorthodox location.**

The above approvals are subject to your following all other applicable Division rules.

Jurisdiction of this case is retained for the entry of further orders as Division deems necessary.



ADRIENNE E. SANDOVAL
Division Director

AES/lrl

cc: Oil Conservation Division – Hobbs District Office
Bureau of Land Management – Carlsbad Field Office

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Friday, April 2, 2021 8:33 AM
To: Kaitlyn A. Luck
Cc: Bratcher, Mike, EMNRD; Kautz, Paul, EMNRD; 'lisa@rwbyram.com'; 'jglover@blm.gov'; 'drossmango@blm.gov'
Subject: APPROVED NSL-8153_EOG Resources INC._Pegasus 3 Federal Com Well No. 506H_SEC 3 23S 32E
Attachments: NSL-8153_EOG Resources_Pegasus_APPROVED.pdf

Importance: High

Ms. Kaitlyn A. Luck,

The following NSL Administrative Order has been issued and will soon be available on the Division's web site:
<http://ocdimage.emnrd.state.nm.us/Imaging/Default.aspx>

NSL	AMD	Applicant	OGRID	WELL NAME
8153	-	EOG Resources Inc.	7377	Pegasus 3 Federal Com Well No. 506H

A copy of approved order is attached.

Leonard R. Lowe

Engineering Bureau
OCD - EMNRD
5200 Oakland Ave
Albuquerque, N.M. 87113
C: 505-930-6717
<http://www.emnrd.state.nm.us/ocd/>