

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan-Grisham
Governor

Erin Taylor
Acting Cabinet Secretary

Ben Shelton
Deputy Secretary

Albert C.S. Chang
Division Director
Oil Conservation Division



Paula M. Vance
pmvance@hollandhart.com

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL - 9440

**EOG Resources, Inc. [OGRID 7377]
Padron 3 State BS Unit Well No. 586H
API No. 30-015-58836**

Reference is made to your application received on August 7th, 2026.

Proposed Location

	Footages	Unit/Lot	Sec.	Twsp	Range	County
Surface	1827 FSL & 985 FWL	L	03	25S	27E	Eddy
First Take Point	100 FSL & 100 FWL	M	03	25S	27E	Eddy
Last Take Point/ Terminus	100 FSL & 100 FEL	P	01	25S	27E	Eddy

Proposed Horizontal Units

Description	Acres	Pool	Pool Code
SE/4 Section 02 S/2 Section 01	480	Willow Lake; Bone Spring, West	96415

You have requested to drill this horizontal well at an unorthodox 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 dedicate a horizontal well at a standard horizontal spacing unit that comprises of one or more contiguous tracts that the horizontal well's completed interval penetrates, each of which consists of a governmental quarter - quarter section or equivalent. 19.15.16.15(C)(1)(a) NMAC governs the distance in the horizontal plane from any point in the completed interval to any outer boundary of the horizontal spacing unit, measured along a line perpendicular to the completed interval or to the tangent thereof, shall be a minimum of 330 feet

Administrative Order NSL – 9440
EOG Resources, Inc.
Page 2 of 2

for an **oil** well. 19.15.16.15(C)(1)(b) NMAC governs the first and last take point of a horizontal well shall be no closer than 100 feet for a well within the horizontal plane, to any outer boundary of the horizontal spacing unit.

The request to deviate from an orthodox location has met all requirements of 19.15.16.15 (C)(5)(a) NMAC. It is understood that you are seeking this exception in order to create a non-standard location, comprised of First and Last Take Points referenced above within the described Horizontal Spacing Unit.

This well's completed interval is 100 feet to the southern edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 12, encroachment to the N/2 N/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 to allow for the most efficient development of acreage within the Bonespring formation underlying the SE/4 Section 02 and the S/2 Section 01. Thereby preventing waste while protecting the correlative rights.

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.**

Reference this NSL order number on the As Drilled C-102 submitted with the Authorization to Transport, to place this well into production.

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.



Albert C.S. Chang
Division Director
AC/lrl

Date: 09/18/2026

ID NO. 612542

NSL - 9440

Revised March 23, 2017

RECEIVED: 08/07/26	REVIEWER:	TYPE:	APP NO:
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505

**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND
 REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: EOG Resources, Inc. **OGRID Number:** 7377
Well Name: Padron 3 State BS Unit 586H **API:** 30-015-PENDING
Pool: Willow Lake; Bone Spring, West **Pool Code:** 96415

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION
 INDICATED BELOW**

1) TYPE OF APPLICATION: Check those which apply for [A]

A. Location – Spacing Unit – Simultaneous Dedication

☒ NSL☐ NSP (PROJECT AREA)☐ NSP (PRORATION UNIT)☐ SD

B. Check one only for [I] or [II]

[I] Commingling – Storage – Measurement

☐ DHC☐ CTB☐ PLC☐ PC☐ OLS☐ OLM

[II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery

☐ WFX☐ PMX☐ SWD☐ IPI☐ EOR☐ PPR**2) NOTIFICATION REQUIRED TO:** Check those which apply.A. ☒ Offset operators or lease holdersB. ☐ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☒ Notification and/or concurrent approval by SLOE. ☐ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☐ For all of the above, proof of notification or publication is attached, and/or,H. ☐ No notice required**FOR OCD ONLY**☐ Notice Complete
☐ Application
 Content
 Complete

- 3) CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

August 7, 2026

Date

Paula M. Vance

Print or Type Name

505-988-4421

Phone Number

Signature

pmvance@hollandhart.com

e-mail Address



Paula M. Vance
Associate
Phone (505) 954-7286
 PMVance@hollandhart.com

August 7, 2026

VIA ONLINE FILING

Albert Chang, Division Director
 Oil Conservation Division
 Energy, Minerals and Natural Resources Department
 1220 South Saint Francis Drive
 Santa Fe, New Mexico 87505

Re: EOG Resources, Inc.
Request for Administrative Approval of Unorthodox Well Location

Padron 3 State BS Unit 586H well
 S/2 of Sections 1-3, Township 25 South, Range 27 East, NMPM, Eddy County, NM
 Willow Lake; Bone Spring, West [96415]
 API No. 30-015-PENDING

Dear Mr. Chang:

EOG Resources, Inc. ("EOG") (OGRID No. 7377), pursuant to Division Rules 19.15.16.15(C)(6) and 19.15.15.13 NMAC and applicable rules governing acreage and well location requirements for the Willow Lake; Bone Spring, West [96415], seeks administrative approval of an unorthodox well location for its Padron 3 State BS Unit 586H well (API No. 30-015-PENDING), in a 960-acre, more or less, spacing unit underlying the S/2 of Sections 1-3, Township 25 South, Range 27 East, NMPM, Eddy County, NM.

The location of the **Padron 3 State BS Unit 586H** oil well is as follows:

- Surface location: 1,827' FSL and 985' FWL (Unit L) of Section 3
- First take point: 100' FSL and 100' FWL (Unit M) of Section 3
- Last take point: 100' FSL and 100' FEL (Unit P) of Section 1
- Bottom hole location: 100' FSL and 100' FEL (Unit P) of Section 1

Since this acreage is governed by the Division's statewide rules, a portion of the lateral for this well will be unorthodox because it is closer than the standard offsets along the boundary of the Padron Unit—thus encroaching on the N/2 N/2 of Section 12.

EOG respectfully requests administrative approval of a non-standard location for the **Padron 3 State BS Unit 586H**. As explained in the engineering statement included as **Exhibit A**, approval of the unorthodox interval is necessary because EOG's technical team believes it will

T 505.988.4421 F 505.983.6043
 215 Lincoln Avenue, Suite 100, Santa Fe, NM 87501
 www.hollandhart.com

Alaska
 Colorado
 Idaho

Montana
 Nevada
 New Mexico

Utah
 Washington, D.C.
 Wyoming

allow for the most efficient development of this acreage, thereby preventing waste and protecting correlative rights.

Exhibit B is a Form C-102 showing that the lateral of the Padron 3 State BS Unit 586H well encroaches on the tracts to the south, specifically the tracts comprising the N/2 N/2 of Section 12 that is outside of the Padron Unit. This well is dedicated to two pools; however, the portion that encroaches along the outer boundary is in the Willow Lake; Bone Spring, West [96415], therefore EOG is only required to seek approval for a non-standard well location as it relates to this pool. Thus, the C-102 included is specific for the Willow Lake; Bone Spring, West [96415] and the plat included outlines in red the portion of the spacing unit dedicated to this pool and the acreage listed (480-acres) reflects the spacing unit acreage within this pool.

Exhibit C is a plat for the subject area that shows the Padron 3 State BS Unit 586H well in relation to the offsetting adjoining tracts to the south that the well encroaches upon. The affected tracts include state and fee lands, as explained by the landman statement attached. Accordingly, the “affected persons” are the New Mexico State Land Office (“NMSLO”) and the following working interest owners: The Allar Company, Inc., EG3, Inc., COG Operating, LLC, Concho Resources, Inc., and Devon Energy Production Company, LP. Also included is a diagram of the Padron Unit for reference.

Exhibit D is a spreadsheet listing all affected persons and includes tracking information demonstrating that each of the affected persons was sent a copy of this application with all attachments by certified mail advising that any objections must be filed in writing with the Division within 20 days from the date the Division receives the application. The following are the affected persons:

Type	Affected Party	Location
State	New Mexico State Land Office	N/2 NW/4 of Section 12
Working Interest Owners	The Allar Company, Inc.	N/2 N/2 of Section 12
	EG3, Inc.	
	COG Operating, LLC	
	Concho Resources, Inc.	
	Devon Energy Production Company, LP	

Your attention to this matter is appreciated.

Sincerely,



Paula M. Vance
ATTORNEY FOR EOG RESOURCES, INC.

EXHIBIT
A



5509 Champions Dr., Midland, Texas 79706
Phone: (432) 686-3600 Fax: (432) 686-3773

July 14th, 2026

Re: EOG Resources NSL Application
PADRON 3 STATE BS UNIT #586H

The proposed non-standard wellbore location is required to optimize Bone Springs development, maximize NPV through efficient well placement and section utilization, and enhance reservoir drainage. Additionally, due to well-bored and fracture orientation, limited communication is expected with offset leasehold interests. Accordingly, the proposed location will facilitate efficient resource recovery, prevent waste, and protect correlative rights.

Sincerely,

Justin Mayorga

EOG Resources
Justin Mayorga
Reservoir Engineer

energy opportunity growth

C-102	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	Revised July 9, 2024
Submit Electronically Via OCD Permitting	Submittal Type:	☒ Initial Submittal ☐ Amended Report ☐ As Drilled
Property Name and Well Number PADRON 3 STATE BS UNIT 586H		

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-	Pool Code 96415	Pool Name WILLOW LAKE; BONE SPRING, WEST
Property Code 336782	Property Name PADRON 3 STATE BS UNIT	Well Number 586H
OGRID No. 7377	Operator Name EOG RESOURCES, INC.	Ground Level Elevation 3234'
Surface Owner: ☒ State ☐ Fee ☐ Tribal ☐ Federal		Mineral Owner: ☒ State ☐ Fee ☐ Tribal ☐ Federal

Surface Location

UL or Lot No.	Section	Township	Range	Lot	Feet from the N/S	Feet from the E/W	Latitude	Longitude	County
L	3	25 S	27 E		1827 FSL	985 FWL	N 32.156982°	W 104.183726°	EDDY

Bottom Hole Location If Different From Surface

UL or Lot No.	Section	Township	Range	Lot	Feet from the N/S	Feet from the E/W	Latitude	Longitude	County
P	1	25 S	27 E		100 FSL	100 FEL	N 32.152222°	W 104.135835°	EDDY

Dedicated Acres 480	Infill or Defining Well INFILL	Defining Well API PADRON 3 STATE BS UNIT #502H	Overlapping Spacing Unit (Y/N) Y: EOG	Consolidated Code U
Order Numbers R-23057 AND 25989 PENDING			Well Setbacks are under Common Ownership: ☐ Yes ☐ No	

Kick Off Point (KOP)

UL or lot no.	Section	Township	Range	Lot	Feet from the N/S	Feet from the E/W	Latitude	Longitude	County
M	3	25 S	27 E		100 FSL	50 FWL	N 32.152244°	W 104.186710°	EDDY

First Take Point (FTP)

UL or lot no.	Section	Township	Range	Lot	Feet from the N/S	Feet from the E/W	Latitude	Longitude	County
M	3	25 S	27 E		100 FSL	100 FWL	N 32.152244°	W 104.186548°	EDDY

Last Take Point (LTP)

UL or lot no.	Section	Township	Range	Lot	Feet from the N/S	Feet from the E/W	Latitude	Longitude	County
P	1	25 S	27 E		100 FSL	100 FEL	N 32.152222°	W 104.135835°	EDDY

Unitized Area or Area of Uniform Interest UNITIZED AREA #300406	Spacing Unity Type ☒ Horizontal ☐ Vertical	Ground Floor Elevation 3259'
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OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i> <i>If this well is a horizontal well, I further certify that this organization has received The consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.</i> Kayla McConnell 07/18/2026 SignatureDate KAYLA MCCONNELL Print Name KAYLA_MCCONNELL@EOGRESOURCES.COM E-mail Address	SURVEYORS CERTIFICATION MITCHELL L. McDONALD NEW MEXICO 29821 07/07/2026 PROFESSIONAL SURVEYOR Signature and Seal of Professional SurveyorDate <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i> MITCHELL L. MCDONALD, N.M. P.L.S. Certificate Number29821Date of SurveyJUNE 26, 2026
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Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

C-102

Submit Electronically
Via OCD PermittingState of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION

Revised July 9, 2024

Submittal
Type:

- ☒ Initial Submittal
- ☐ Amended Report
- ☐ As Drilled

Property Name and Well Number

PADRON 3 STATE BS UNIT 586H

SURFACE LOCATION

NEW MEXICO EAST
NAD 1983
X=587635' Y=420877'
LAT=N32.156982°
LONG=W104.183726°
NAD 1927
X=546452' Y=420820'
LAT=N32.156861°
LONG=W104.183231°
1827' FSL 985' FWL

KOP LOCATION

NEW MEXICO EAST
NAD 1983
X=586714' Y=419153'
LAT=N32.152244°
LONG=W104.186710°
NAD 1927
X=545531' Y=419095'
LAT=N32.152123°
LONG=W104.186214°
100' FSL 50' FWL

FIRST TAKE POINT

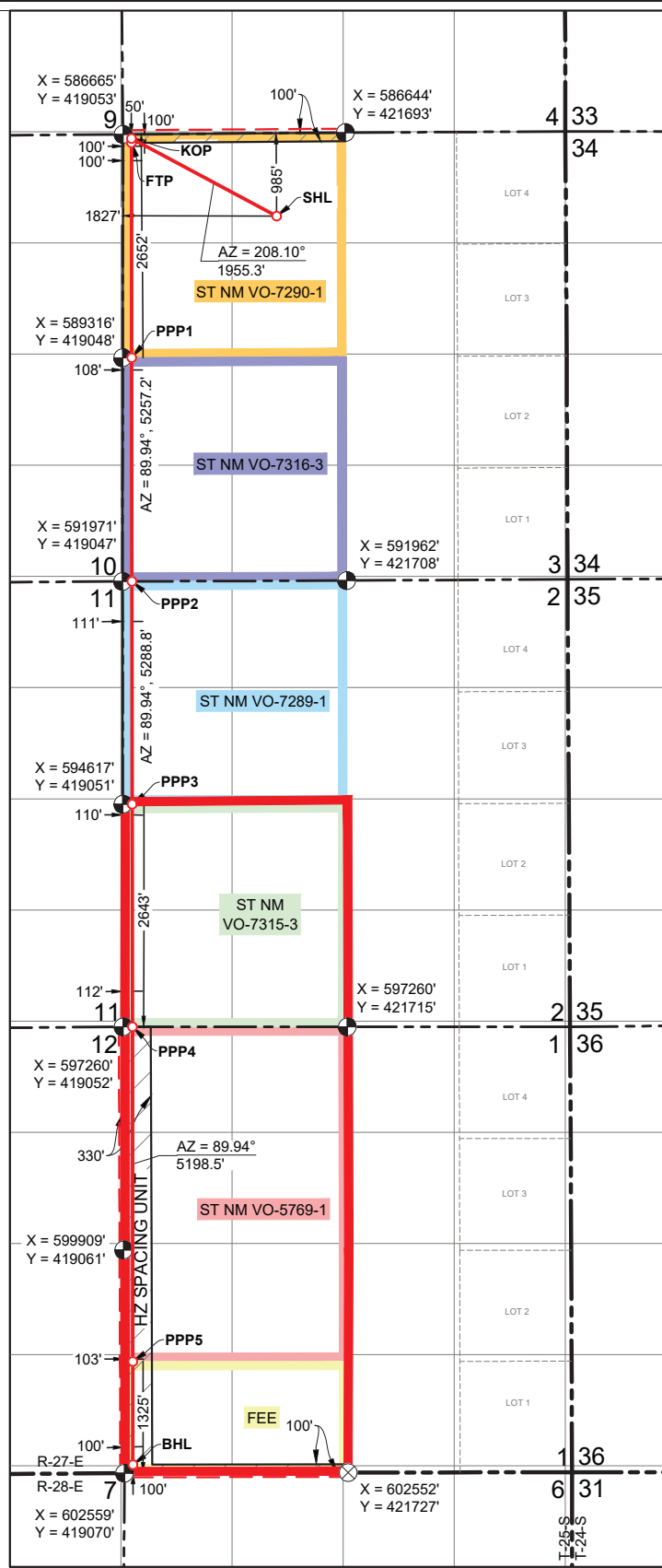
NEW MEXICO EAST
NAD 1983
X=586764' Y=419153'
LAT=N32.152244°
LONG=W104.186548°
NAD 1927
X=545581' Y=419095'
LAT=N32.152123°
LONG=W104.186053°
100' FSL 100' FWL

PROPOSED PENETRATION
POINT 1

NEW MEXICO EAST
NAD 1983
X=589316' Y=419155'
LAT=N32.152242°
LONG=W104.178302°
NAD 1927
X=548133' Y=419098'
LAT=N32.152121°
LONG=W104.177807°
108' FSL 2652' FWL

PROPOSED PENETRATION
POINT 2

NEW MEXICO EAST
NAD 1983
X=591971' Y=419158'
LAT=N32.152239°
LONG=W104.169722°
NAD 1927
X=550788' Y=419101'
LAT=N32.152118°
LONG=W104.169228°
111' FSL 0' FEL

PROPOSED PENETRATION
POINT 3

NEW MEXICO EAST
NAD 1983
X=594617' Y=419161'
LAT=N32.152235°
LONG=W104.161174°
NAD 1927
X=553433' Y=419103'
LAT=N32.152114°
LONG=W104.160680°
110' FSL 2643' FEL

PROPOSED PENETRATION
POINT 4

NEW MEXICO EAST
NAD 1983
X=597260' Y=419164'
LAT=N32.152231°
LONG=W104.152633°
NAD 1927
X=556076' Y=419106'
LAT=N32.152110°
LONG=W104.152139°
112' FSL 0' FEL

PROPOSED PENETRATION
POINT 5

NEW MEXICO EAST
NAD 1983
X=601233' Y=419168'
LAT=N32.152224°
LONG=W104.139793°
NAD 1927
X=560050' Y=419111'
LAT=N32.152103°
LONG=W104.139300°
103' FSL 1325' FEL

LOWER MOST PERF./
BOTTOM HOLE LOCATION

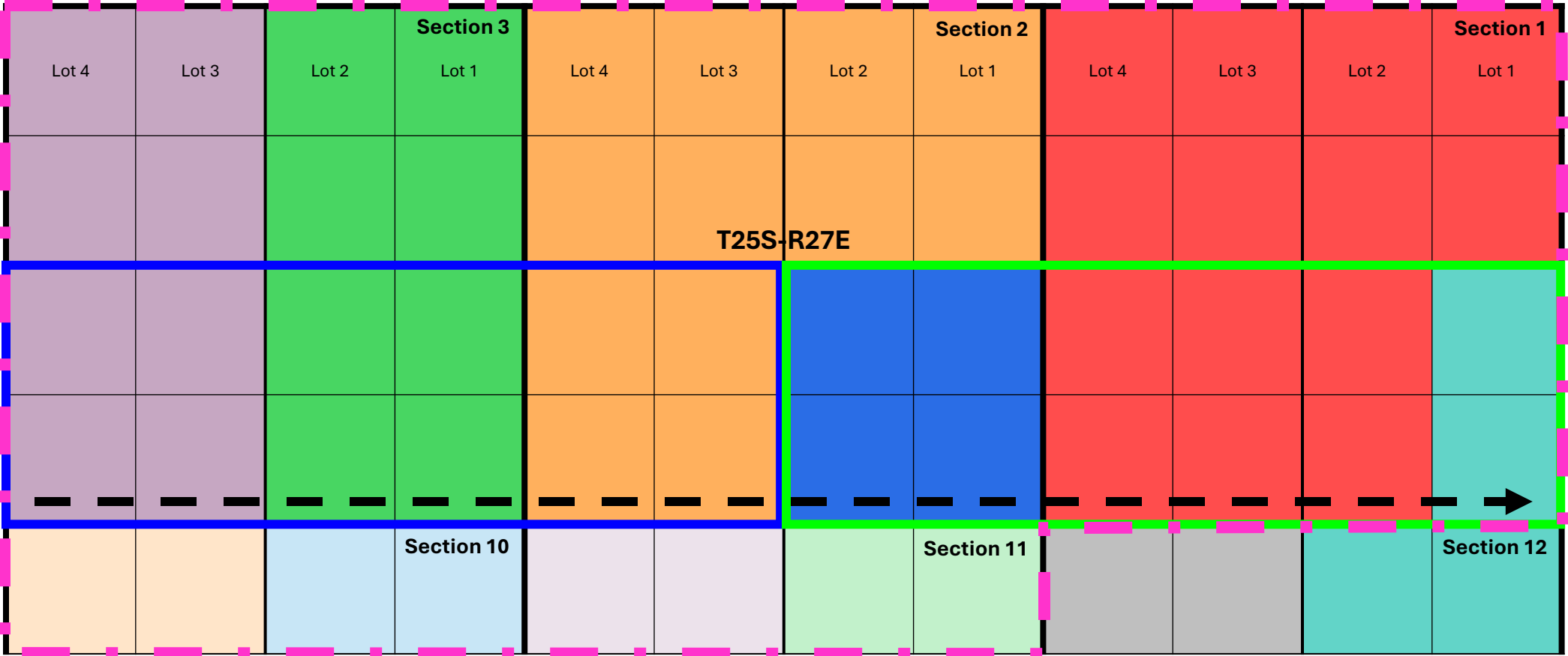
NEW MEXICO EAST
NAD 1983
X=602458' Y=419170'
LAT=N32.152222°
LONG=W104.135835°
NAD 1927
X=561275' Y=419112'
LAT=N32.152100°
LONG=W104.135342°
100' FSL 100' FEL



Padron 3 State BS Unit 586H

EXHIBIT
C

Pool Codes and Spacing Units



ST NM V0-7290-1
ST NM V0-7316-3
ST NM V0-7289-1
ST NM V0-7315-3
ST NM V0-5769-1
ST NM VA-2219-1
Fee Lands: Devon

[97816] WC-015 G-02 S252715A; Bone Spring
Spacing Unit (480.00 acres)

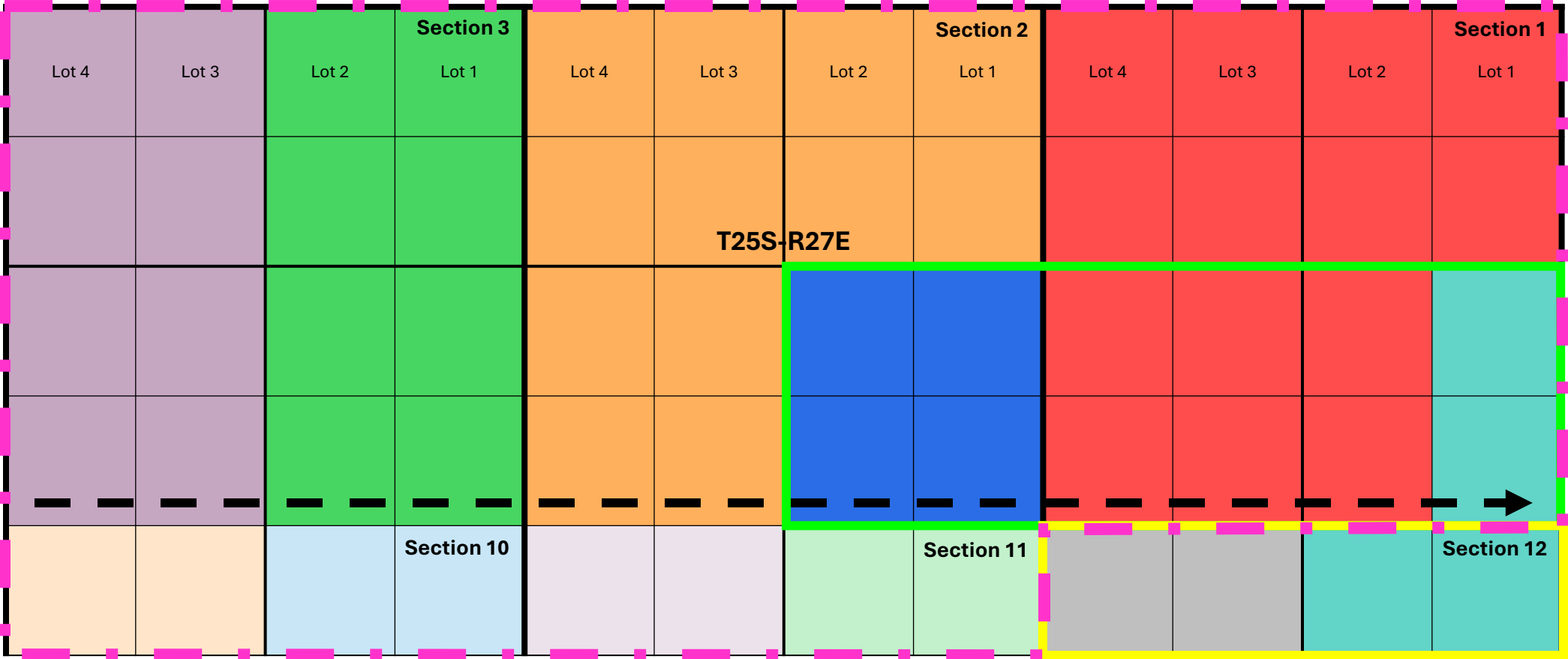
[96415] Willow Lake; Bone Spring, West
Spacing Unit (480.00 acres)

Padron State BS-WC Unit

Padron 3 State BS Unit 586H

Padron 3 State BS Unit 586H Non-Standard Location

S/2 of Sections 1-3, T25S-R27E, Eddy County, New Mexico



ST NM V0-7290-1
ST NM V0-7316-3
ST NM V0-7289-1
ST NM V0-7315-3
ST NM V0-5769-1
ST NM VA-2219-1
Fee Lands: Devon

Padron 3 State BS Unit 586H: Non-Standard Location Spacing Unit (480.00 acres)

Mineral & Working Interest Owners: See Certification of Ownership Letter

Padron State BS-WC Unit

Padron 3 State BS Unit 586H



July 15, 2026

Certification of Ownership

I have reviewed the ownership of the oil and gas leasehold in the N/2 N/2 of Section 12, Township 25 South, Range 27 East, Eddy County, New Mexico, for purposes of the unorthodox location for EOG's Padron 3 State BS Unit #586H well located in the S/2 S/2 of Section 1, Township 25 South, Range 27 East. As of the date of this letter, the affected parties are:

1. The Allar Company, Inc.
P.O. Box 1567
Graham, Texas 76450
2. EG3, Inc.
P.O. Box 1567
Graham, Texas 76450
3. COG Operating, LLC
600 W. Illinois Avenue
Midland, Texas 79701
4. Concho Resources, Inc.
600 W. Illinois Avenue
Midland, Texas 79701
5. Devon Energy Production Company, LP
333 West Sheridan Avenue
Oklahoma City, Oklahoma 73102
6. State of New Mexico
310 Old Santa Fe Trail
P.O. Box 1148
Santa Fe, New Mexico 87504

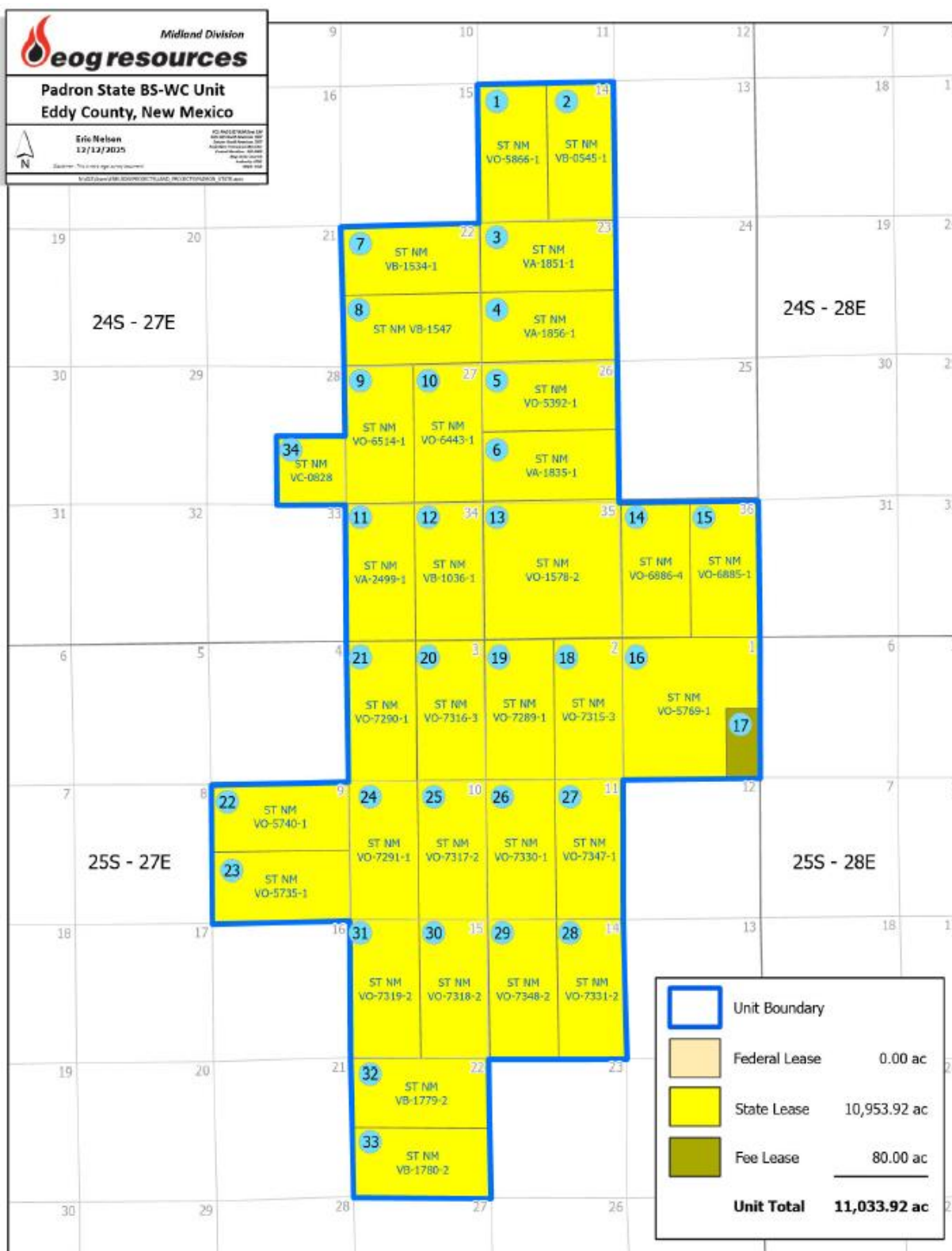
Sincerely,

EOG Resources, Inc.

Bella S. Coffman

Bella S. Coffman | Landman

Exhibit A
Map of Unit Area



The Allar Company, Inc.	P.O. Box 1567	Graham	TX	76450
EG3, Inc.	P.O. Box 1567	Graham	TX	76450
COG Operating, LLC	600 W. Illinois Avenue	Midland	TX	79701
Concho Resources, Inc.	600 W. Illinois Avenue	Midland	TX	79701
Devon Energy Production Company, LP	333 West Sheridan Avenue	Oklahoma City	OK	73102
State of New Mexico	310 Old Santa Fe Trail, PO Box 1148	Santa Fe	NM	87504



Paula M. Vance
Associate
Phone (505) 954-7286
PMVance@hollandhart.com

July 31, 2026

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: ALL AFFECTED PERSONS

Re: EOG Resources, Inc.
Request for Administrative Approval of Unorthodox Well Location

Padron 3 State BS Unit 586H well
S/2 of Sections 1-3, Township 25 South, Range 27 East, NMPM, Eddy County, NM
Willow Lake; Bone Spring, West [96415]
API No. 30-015-PENDING

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date. Any objection to this application must be filed in writing within twenty days from the date this application is received by the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division.

If you have any questions about this application, please contact the following:

Bella Coffman
EOG Resources, Inc.
(432) 236-1283
Bella_Coffman@eogresources.com

Sincerely,

A handwritten signature in blue ink, appearing to read "Paula M. Vance".

Paula M. Vance
ATTORNEY FOR EOG RESOURCES, INC.

EOG - Padron 3 State BS Unit 586H - NSL
Postal Delivery Report

9414811898765595533371	The Allar Company, Inc.	PO Box 1567	Graham	TX	76450-7567	Your item was picked up at a postal facility at 10:32 am on August 4, 2026 in GRAHAM, TX 76450.
9414811898765595533050	EG3, Inc.	PO Box 1567	Graham	TX	76450-7567	Your item was picked up at a postal facility at 10:32 am on August 4, 2026 in GRAHAM, TX 76450.
9414811898765595533029	COG Operating, LLC	600 W Illinois Ave	Midland	TX	79701-4882	Your item arrived at our MIDLAND TX DISTRIBUTION CENTER destination facility on August 5, 2026 at 3:01 pm. The item is currently in transit to the destination.
9414811898765595533005	Concho Resources, Inc.	600 W Illinois Ave	Midland	TX	79701-4882	Your item arrived at our MIDLAND TX DISTRIBUTION CENTER destination facility on August 5, 2026 at 3:01 pm. The item is currently in transit to the destination.
9414811898765595533098	Devon Energy Production Company, LP	333 W Sheridan Ave	Oklahoma City	OK	73102-5010	Your item was picked up at the post office at 10:05 am on August 4, 2026 in OKLAHOMA CITY, OK 73102.
9414811898765595533043	State of New Mexico	PO Box 1148, 310 Old Santa Fe Trl	Santa Fe	NM	87504-1148	Your item was picked up at the post office at 9:24 am on August 4, 2026 in SANTA FE, NM 87501.

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 612542

CONDITIONS

Operator: EOG RESOURCES INC 5509 Champions Drive Midland, TX 79706	OGRID: 7377
	Action Number: 612542
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	8/10/2026