

ID NO. 165969

NSL - 8510

RECEIVED:	REVIEWER:	TYPE:	APP NO: pLEL2234650209
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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: Pegasus 3 Fed Com No. 304H **API:** 30-025-47237
Pool: WC-025 G-08 S243217P; UPR WOLFCAMP POOL **Pool Code:** 98248

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 holders
 B. Royalty, overriding royalty owners, revenue owners
 C. Application requires published notice
 D. Notification and/or concurrent approval by SLO
 E. Notification and/or concurrent approval by BLM
 F. Surface owner
 G. For all of the above, proof of notification or publication is attached, and/or,
 H. No notice required

<u>FOR OCD ONLY</u>	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	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.

Jordan Kessler

Print or Type Name

Signature

12/12/2022
Date

432-488-6108
Phone Number

jordan_kessler@eogresources.com
e-mail Address



Jordan Lee Kessler
Phone: (432) 488-6108
Email: jordan_kessler@eogresources.com

December 9, 2022

VIA ONLINE FILING

Adrienne Sandoval, Director
Oil Conservation Division
New Mexico Department of Energy, Minerals, and Natural Resources
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Application of EOG Resources, Inc. for administrative approval of an unorthodox well location for its Pegasus 3 Fed Com No. 304H well in the W/2 of Irregular Section 3, Township 24 South, Range 32 East, and the W/2 of Section 34, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico.

Dear Director Sandoval,

EOG Resources, Inc. (OGRID No. 7377) seeks administrative approval of an unorthodox well location for its Pegasus 3 Fed Com No. 304 well (API No. 30-025-47237; sundry pending with the BLM). The spacing unit dedicated to the well is comprised of the W/2 of irregular Section 3, Township 24 South, Range 32 East, and the W/2 of Section 34, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico. The Division has designated the pool as the WC-025 G-08 S243217P; UPR WOLFCAMP pool (98248). The horizontal spacing unit for the well is approximately 639.39 acres, which includes proximity tracts. The defining well for the spacing unit is the Pegasus 3 Fed Com No. 755H well (API No. 30-025-50321).

The well has not yet been drilled. The proposed location is as follows:

- The surface location is located 616 feet from the South line, 2414 feet from the West line (Unit N) of Section 3,
- The bottom hole location is located 100 feet from the North line, 2600 feet from the West line (Unit C) of Section 34,
- The first take point is located 100 feet from the South line, 2600 feet from the West line (Unit N) of Section 3,
- The last take point is located 100 feet from the North line, 2600 feet from the West line (Unit C) of Section 34.

The acreage is governed by the Division's statewide rules. The proposed completed interval is unorthodox because it will be closer than 330 feet to the eastern boundary. It encroaches on the spacing units in the E/2 of irregular Section 3, Township 24 South, Range 32 East, and the E/2 of Section 34, Township 23 South, Range 32 East. Approval of the unorthodox location will allow EOG to use its preferred well spacing plan for horizontal wells, which will prevent waste.

Exhibit A is the sundry of the proposed location submitted to the BLM for approval. The C-102, pending approval, shows the location of the well, including the proposed unorthodox completed interval. The completed interval encroaches on the spacing unit/tracts to the east. Page 2 of Exhibit A is the C-102 currently approved by the Division.

Exhibit B is a plat that shows the Pegasus 3 Fed Com No. 304H well in relation to the adjoining spacing units/tracts to the east.

EOG is the operator of the spacing units to the east, however, ownership between the working interest owners is diverse between the subject spacing unit and the affected spacing unit/tracts to the east. **Exhibit C** is a certification from the landman indicating that she has reviewed the tracts affected by this request. Exhibit C includes a list of the affected parties and proof that a copy of this application, including exhibits, was mailed to each affected party. This notice advises affected parties that any objection must be filed in writing with the Division within 20 days from the date the Division receives the application.

Exhibit D is a statement from a petroleum engineer providing justification for the requested non-standard location.

Exhibit E is a C-102 for the defining well for the horizontal spacing unit, the Pegasus 3 Fed Com No. 755H well (API No. 30-025-50321).

Thank you for your attention to this matter.

Very truly yours,



Jordan Kessler
Senior Regulatory Advisor

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources
Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

FORM C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-	² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name PEGASUS 3 FED COM	
⁷ OGRID No. 7377	⁸ Operator Name EOG RESOURCES, INC.	⁶ Well Number 304H
		⁹ Elevation 3644'

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	3	24-S	32-E	-	616'	SOUTH	2414'	WEST	LEA

¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	34	23-S	32-E	-	100'	NORTH	2600'	WEST	LEA

¹² Dedicated Acres 639.61	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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.

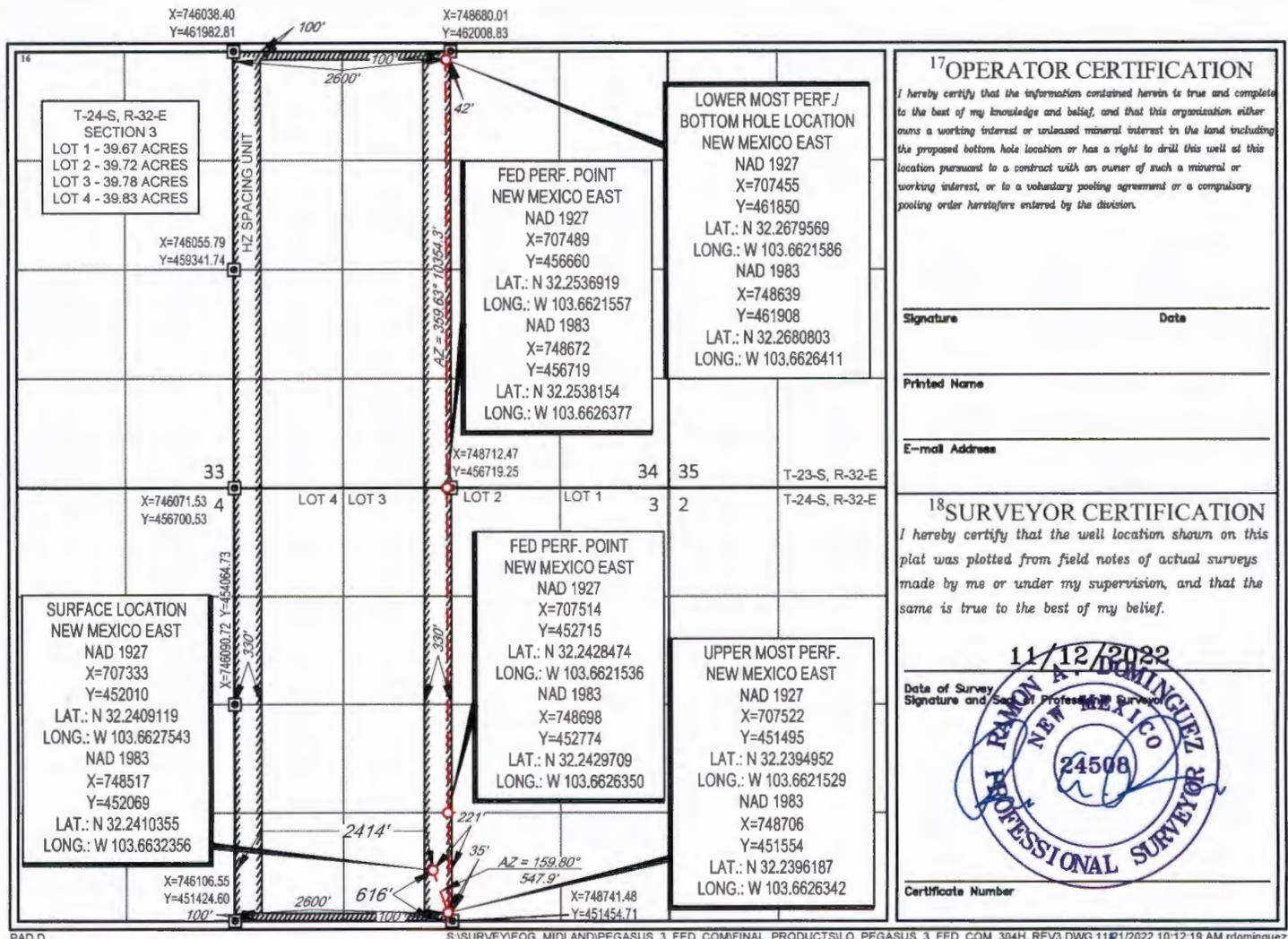
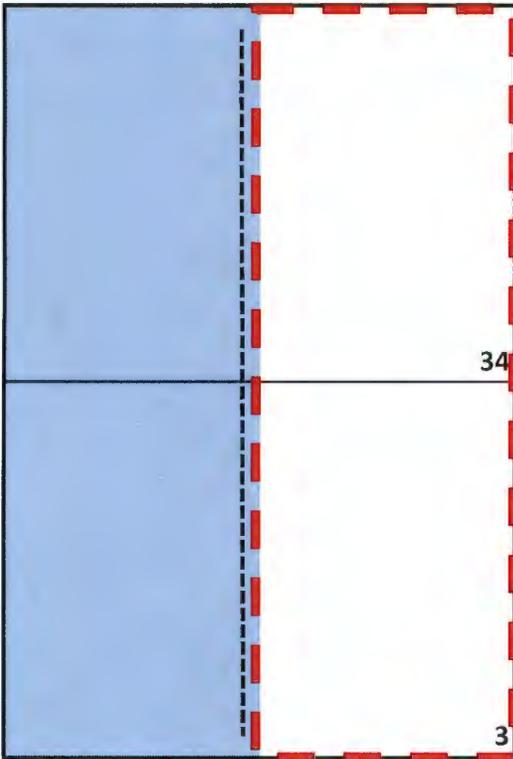


Exhibit A (2)

Pegasus 3 Fed Com #304H
W/2 Sec. 3, T24S-R32E and W/2 Sec. 34, T23S-
R32E, Lea County, NM



Pegasus 3 Fed Com
Spacing Unit

Operator/Working Interest Owner:
EOG Resources, Inc.

Other Working Interest Owners:
First Roswell Company, Ltd.
Thomas E. Jennings
Timothy Z. Jennings

Mineral Owner:
Bureau of Land Management

Well:
Pegasus 3 Fed Com #304H

Exhibit B



Certification of Ownership

I have reviewed the ownership of the oil and gas leasehold in Section 3, T24S-R32E & Section 34, T23S-R32E, Lea County, New Mexico, for purposes of the unorthodox location for EOG Resources, Inc.'s Pegasus 3 Fed Com #304H Well in the E/2 W/2 of Sections 3 & 34. The affected parties are:

EOG Resources, Inc. 5509 Champions Drive Midland, Texas 79706
First Roswell Company, Ltd. P.O. Box 1797 Roswell, NM 88202
Thomas E. Jennings P.O. Box 1797 Roswell, NM 88202
Timothy Z. Jennings P.O. Box 1797 Roswell, NM 88202
Bureau of Land Management 301 Dinosaur Trail Santa Fe, New Mexico 87508

EOG Resources, Inc.

Chloe Sawtelle
Sr. Landman
November 28, 2022

Exhibit C



Jordan Lee Kessler
Phone: (432) 488-6108
Email: jordan_kessler@eogresources.com

December 9, 2022

VIA FEDEX

TO: AFFECTED PARTIES

Re: Application of EOG Resources, Inc. for administrative approval of an unorthodox well location for its Pegasus 3 Fed Com No. 304H well in the W/2 of Irregular Section 3, Township 24 South, Range 32 East, and the W/2 of Section 34, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico.

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 this date with the applicant and 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:

Chloe Sawtelle
EOG Resources, Inc.
(432) 686-3660
Chloe_Sawtelle@eogresources.com

Very truly yours,

A handwritten signature in blue ink, appearing to read "JKessler", written over the text "Very truly yours,".

Jordan Kessler
Senior Regulatory Advisor

Well Name	Date NSL Sent	Owners NSL Sent to	Mail Tracking #
Pegasus 3 Fed Com #304H	12/12/2022	First Roswell Co., Ltd. Thomas E. Jennings Timothy Z. Jennings BLM	Certified 7021 2720 0001 0527 5726 Certified 7021 2720 0001 0527 5733 Certified 7021 2720 0001 0527 5740 Certified 7021 2720 0001 0527 5757



Pegasus 3 Fed Com #304H

A non-standard location is necessary to develop the Upper Wolfcamp in this section efficiently and in an economic manner. A non-standard location optimizes package drainage area location as it relates to regions of pressure depletion created by existing producing wells. A non-standard location also reduces interference the other targets in this proposed pattern. Overall, a non-standard location is expected to yield a higher ultimate recovery than a standard location, thereby preventing waste and protecting correlative rights.



EOG Resources
David Carlos Sonka
Reservoir Engineer

energy opportunity growth

Exhibit D

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
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District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
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State of New Mexico
Energy, Minerals & Natural Resources
Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
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FORM C-102
Revised August 1, 2011
Submit one copy to appropriate
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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025- 50321		² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name PEGASUS 3 FED COM		⁶ Well Number 755H
⁷ OGRID No. 7377	⁸ Operator Name EOG RESOURCES, INC.		⁹ Elevation 3656'

¹⁰Surface Location

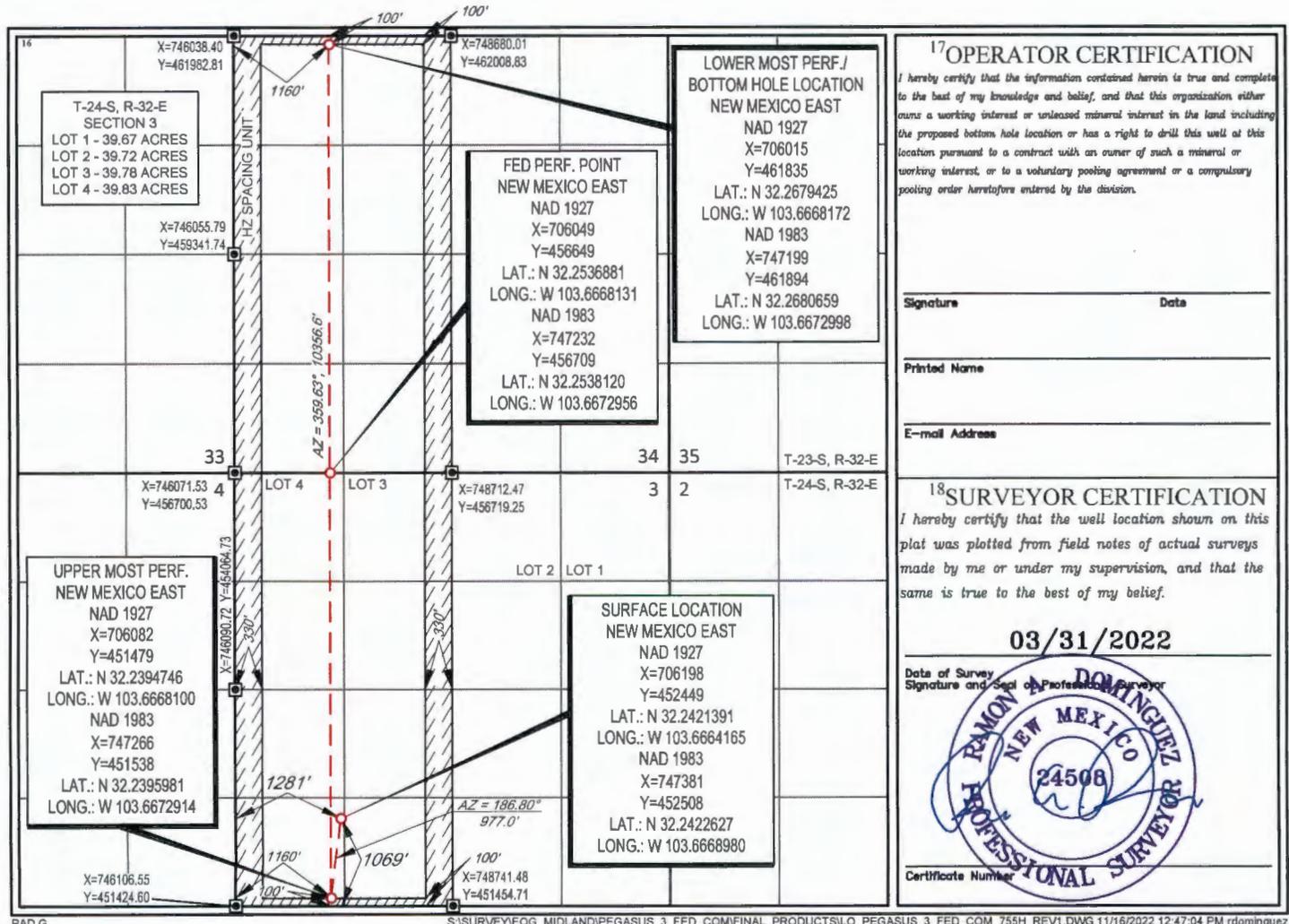
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	3	24-S	32-E	-	1069'	SOUTH	1281'	WEST	LEA

¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	34	23-S	32-E	-	100'	NORTH	1160'	WEST	LEA

¹² Dedicated Acres 639.61	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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.



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

CONDITIONS

Action 165969

CONDITIONS

Operator: EOG RESOURCES INC P.O. Box 2267 Midland, TX 79702	OGRID: 7377
	Action Number: 165969
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	1/13/2023