

NSL

Initial

Application

RECEIVED: 03/10/21	REVIEWER: LRL	TYPE: NSL	APP NO: pLEL2106950912
---------------------------	----------------------	------------------	-------------------------------

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 #506H Well **API:** 30-025-47247
Pool: Triste Draw; Bone Spring pool **Pool Code:** 96603

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

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.

Kaitlyn A. Luck

Print or Type Name

Signature

3/10/2021

Date

505-954-7286

Phone Number

kaluck@hollandhart.com

e-mail Address



Kaitlyn A. Luck
Phone (505) 954-7286
kaluck@hollandhart.com

March 10, 2021

VIA ONLINE FILING

Adrienne Sandoval
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint 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 #506H well in the E/2 of Section 3, Township 24 South, Range 32 East, and the E/2 of Section 34, Township 23 Range 32 East, N.M.P.M., Lea County, New Mexico.

Dear Ms. Sandoval:

EOG Resources, Inc. (OGRID No. 7377) seeks administrative approval of an unorthodox well location for its **Pegasus 3 Fed Com #506H well** (API No. 30-025-47247) to be completed within the Triste Draw; Bone Spring Pool [96603], underlying the E/2 of Section 3, Township 24 South, Range 32 East, and the E/2 of Section 34, Township 23 Range 32 East, N.M.P.M., Lea County, New Mexico.

This well is to be drilled and completed at a surface location 554 feet from the south line and 2,306 feet from the east line (Unit O) of Section 3. The first take point is located 100 feet from the south line and 2,590 feet from the east line (Unit O) of Section 3, and the last take point is located 100 feet from the north line and 2,590 feet from the east line (Unit B) of Section 34.

Since this acreage is governed by the Division's statewide rules, the completed interval for this well will be unorthodox because it is closer than the standard offsets to the western boundary of the spacing unit. Approval of the unorthodox completed interval will allow EOG to use their preferred well spacing plan for horizontal wells in this area and thereby prevent waste.

Exhibit A includes a Form C-102, showing the completed interval of the proposed **Pegasus 3 Fed Com #506H well** encroaches on the spacing unit/tracts to the west in the W/2 of said Sections 3 and 34.

Exhibit B is a plat for Sections 3 and 34 that shows the proposed **Pegasus 3 Fed Com #506H well** in relation to adjoining spacing unit/tracts to the west.

Ownership is diverse between the subject spacing unit and the affected spacing unit/tracts to the west. **Exhibit C** is a list of the “affected parties” to this application and proof that a copy of this application with all attachments has been sent by certified mail to each affected party advising that any objections 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 needed exception.

Your attention to this matter is appreciated.

Sincerely,



Kaitlyn A. Luck
ATTORNEY FOR EOG RESOURCES, INC.

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	² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name PEGASUS 3 FED COM	⁶ Well Number 506H
⁷ OGRID No.	⁸ Operator Name EOG RESOURCES, INC.	⁹ Elevation 3645'

¹⁰Surface Location

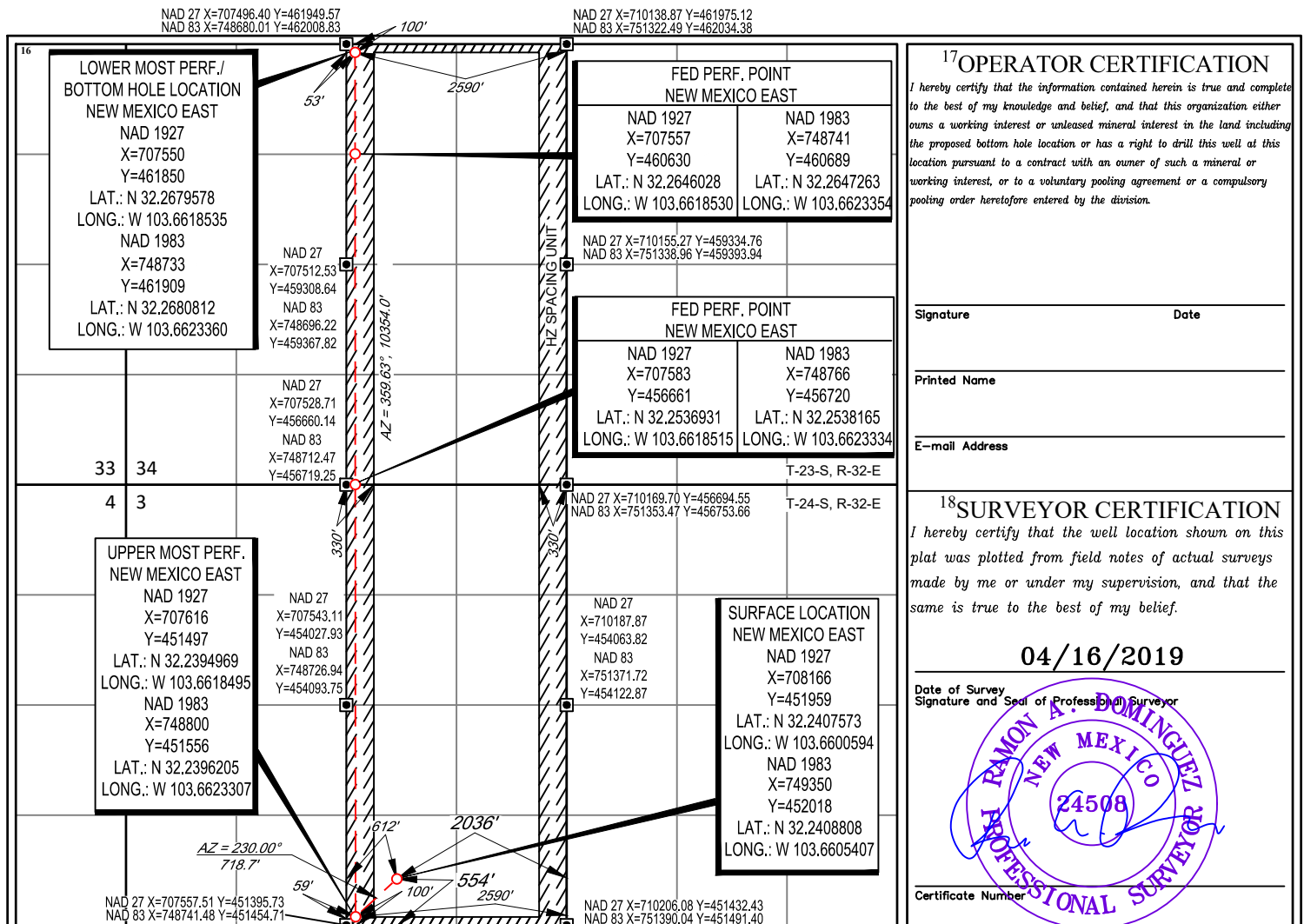
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	3	24-S	32-E	-	554'	SOUTH	2036'	EAST	LEA

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
B	34	23-S	32-E	-	100'	NORTH	2590'	EAST	LEA

¹² Dedicated Acres 639.39	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
--	-------------------------------	----------------------------------	-------------------------

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.

¹⁷OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and 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 such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____

Printed Name _____

E-mail Address _____

¹⁸SURVEYOR CERTIFICATION

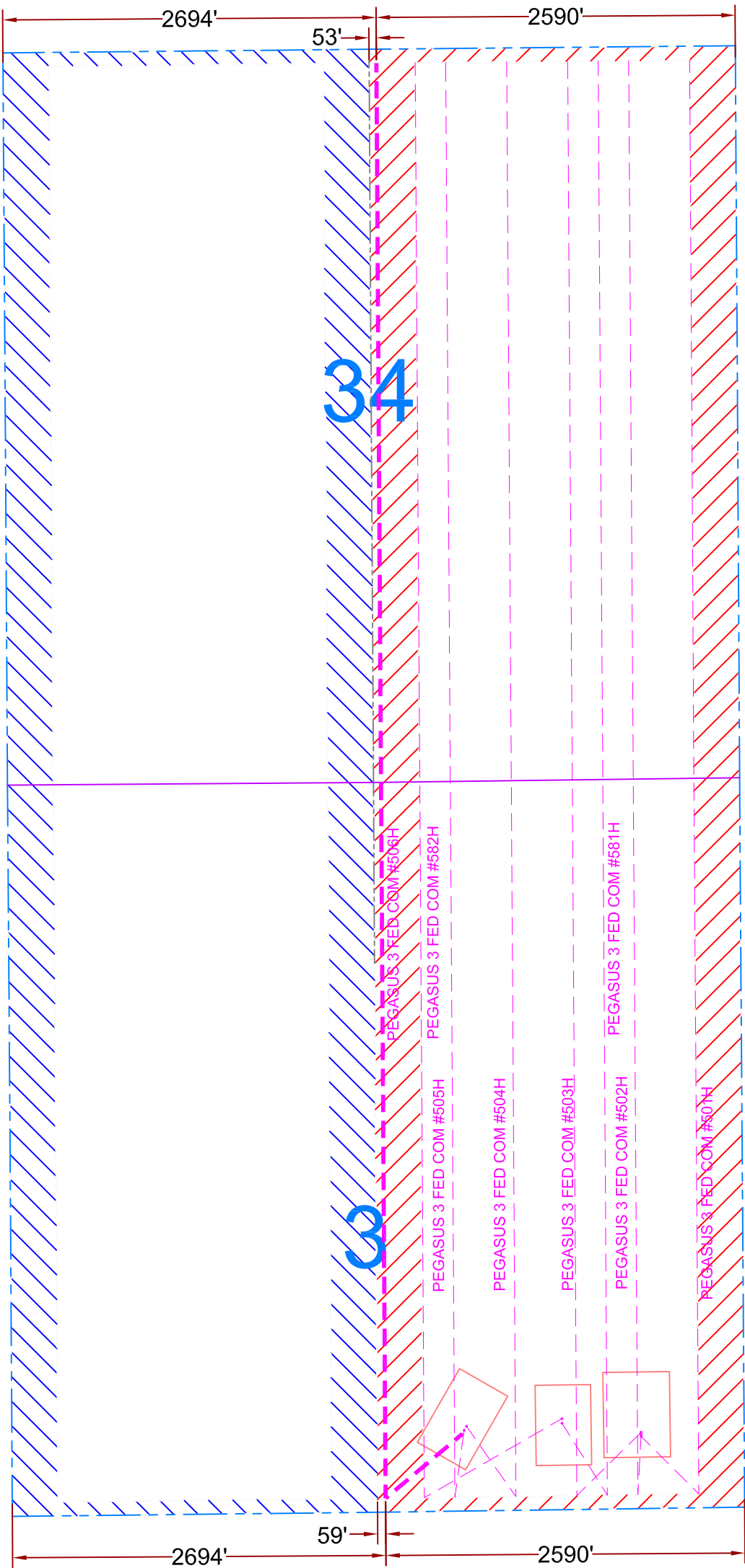
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true to the best of my belief.

04/16/2019

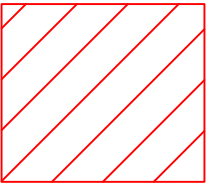
Date of Survey
Signature _____ Seal of Professional Surveyor

Certificate Number _____

SEC. 3, T-24-S, R-32-E, LEA COUNTY
SEC. 34, T-23-S, R-32-E
UNORTHODOX LOCATION APPLICATION
PEGASUS 3 FED COM # 506H



HZ SPACING UNIT
FOR PROPOSED WELL



AFFECTED PARTIES

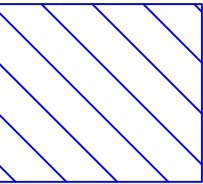


EXHIBIT B

BONE SPRING PROPOSED WELL
EXISTING WELL



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

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 #506H Well in the W/2 E/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.

A handwritten signature in blue ink that reads "Chloe Sawtelle".

Chloe Sawtelle
Sr. Landman
March 8, 2021

EXHIBIT C



Kaitlyn A. Luck
Phone (505) 954-7286
kaluck@hollandhart.com

March 10, 2021

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: ALL AFFECTED PERSONS

Re: Application of EOG Resources, Inc. for administrative approval of an unorthodox well location for its Pegasus 3 Fed Com #506H well in the E/2 of Section 3, Township 24 South, Range 32 East, and the E/2 of Section 34, Township 23 Range 32 East, N.M.P.M., 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) 208-2391
chloe_sawtelle@eogresources.com

Sincerely,

A handwritten signature in blue ink, appearing to read "Kaitlyn Luck", written over a horizontal line.

Kaitlyn A. Luck
ATTORNEY FOR EOG RESOURCES, INC.

ParentID	Mail Date	Name	DeliveryAddress	City	ST	Zip	MailClass	Tracking	Well
31309	03/10/2021	Bureau of Land Management	301 Dinosaur Trl	Santa Fe	NM	87508-1560	Certified with Return Receipt (Signature)	941481189876 5897180983	70135 - EOG - Pegasus 506H notice list - 1
31309	03/10/2021	First Roswell Company, Ltd	PO Box 1797	Roswell	NM	88202-1797	Certified with Return Receipt (Signature)	941481189876 5897180938	70135 - EOG - Pegasus 506H notice list - 2
31309	03/10/2021	Thomas E. Jennings	PO Box 1797	Roswell	NM	88202-1797	Certified with Return Receipt (Signature)	941481189876 5897180976	70135 - EOG - Pegasus 506H notice list - 3
31309	03/10/2021	Timothy Z. Jennings	PO Box 1797	Roswell	NM	88202-1797	Certified with Return Receipt (Signature)	941481189876 5897180617	70135 - EOG - Pegasus 506H notice list - 4



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

Pegasus 3 Fed Com #506H

A non-standard location is necessary to develop the Second Bone Spring Sand in this section efficiently and in an economic manner. A non-standard location optimizes drainage area footprints and eliminates inefficiently drained reservoir. Overall, a non-standard location is expected to yield a higher ultimate section recovery than a standard location, thereby preventing waste and protecting correlative rights.

A handwritten signature in black ink that reads "DAVID C. SONKA".

EOG Resources, Inc.
David Carlos Sonka
Reservoir Engineer

16342825_v1

EXHIBIT D