

State of New Mexico
Energy, Minerals and Natural Resources Department

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Ms. Jordan Kessler
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NON-STANDARD LOCATION

Administrative Order NSL - 8510

**EOG Resources, Inc. [OGRID 7377]
Pegasus 3 Federal Com Well No. 304H
API No. 30-025-47237**

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	616 FSL & 2414 FWL	N	3	24S	32E	Lea
First Take Point	100 FSL & 2600 FWL	N	3	24S	32E	Lea
Last Take Point/ Terminus	100 FNL & 2600 FWL	C	34	23S	32E	Lea

Proposed Horizontal Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
W/2 of Section 03, T24S, R32E	639.61	Wildcat; Upper Wolfcamp	98248
W/2 of Section 34, T23S, R32E			

Reference is made to your application received on December 12th, 2022.

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 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 40 feet to the eastern edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 03, T24S, R32E, encroachment to the E/2
Section 34, T23S, R32E encroachment to the E/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 in order to efficiently drain, economically develop and prevent waste within the Wolfcamp formation underlying W/2 of Section 03, T24S, R32E and W/2 of Section 34, T23S, R32E.

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.



DYLM. FUGE
DIRECTOR (ACTING)
DMF/lrl

Date: 1/12/23