

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Melanie A. Kenderdine
Cabinet Secretary

Ben Shelton
Deputy Secretary

Erin Taylor
Deputy Secretary

Albert C.S. Chang
Division Director
Oil Conservation Division



Kayla McConnell
kayla_mcconnell@eogresources.com

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL - 9012

**EOG Resources, Inc. [OGRID 7377]
Pegasus 3 Federal Com Well No. 224H
API No. 30-025-PENDING**

Reference is made to your application received on June 18th, 2025

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	397 FSL & 2355 FWL	N	03	24S	32E	Lea
First Take Point	100 FSL & 2383 FEL	N	03	24S	32E	Lea
Last Take Point/ Terminus	100 FNL & 2383 FEL	C	34	23S	32E	Lea

Proposed Horizontal Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
W/2 Section 03, T24S, R32E	639.61	Triste Draw; Bone Spring	96603
W/2 Section 34, T23S, R32E			

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 dedicates 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 - 9012
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 as close as 257 feet to the eastern edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 03, T24S, R32E, encroachment to the W/2 E/2
Section 34, T23S, R32E, encroachment to the W/2 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 develop the formation efficiently within an economic manner. This location will optimize pressures related to the completion and production drawdown of wells in order to yield ultimate recovery of resources and thus prevent waste within the Bone Spring formation underlying W/2 Section 03, T24S, R32E and the W/2 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.



Albert C.S. Chang, PE
Division Director
AC/lrl

Date: 7/25/2025

ID NO. 476754

NSL - 9012

RECEIVED: 06/18/25	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: Pegasus 3 Fed Com 224H **API:** 30-025-
Pool: TRISTE DRAW; BONE SPRING **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	
<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.

Kayla McConnell

Print or Type Name

Kayla McConnell

Signature

06/04/2025
Date

432-265-6804
Phone Number

kayla_mcconnell@eogresources.com
e-mail Address



Kayla McConnell
Phone: (432) 265-6804
Email: kayla_mcconnell@eogresources.com

June 6, 2025

VIA ONLINE FILING

Gerasimos Razatos, Division Director (Acting)
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 #224H well dedicated to the W/2 of Section 3, Township 24 South, Range 32 East and W/2 of Section 34, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico.

Dear (Acting) Director Razatos,

EOG Resources, Inc. (OGRID No. 7377) seeks administrative approval of an unorthodox well location for its **Pegasus 3 Fed Com #224H** well (API No. not yet assigned). The spacing unit dedicated to the well is comprised of the **W/2 of Section 3, Township 24 South, Range 32 East and W/2 of Section 34, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico.** and is within the Triste Draw; Bone Spring (96603). The horizontal spacing unit for the well is approximately 639.61 acres and does not include proximity tracts.

This well has not yet been drilled. It is proposed to be drilled as follows:

- Surface location is located 397 feet from the South line, 2355 feet from the West line (Unit N) of Section 3,
- Bottom hole location is located 100 feet from the North line, 2383 feet from the West line (Unit C) of Section 34,
- First take point is located 100 feet from the South line, 2383 feet from the West line (Unit N) of Section 3,
- Last take point is located 100 feet from the North line, 2383 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 E2 of Section 3 and E2 of Section 34. Approval of the unorthodox location

will allow EOG to use its preferred well spacing plan for horizontal wells, which will prevent waste.

Exhibit A – C-102 showing the location of the well, including the proposed unorthodox, completed interval. The completed interval encroaches on the spacing unit/tracts to the east.

Exhibit B – Lease Cartoon showing the **Pegasus 3 Fed Com #224H** well in relation to the adjoining spacing units/tracts to the east.

Exhibit C – Certification Statement indicating that all tracts affected by this request have been reviewed, including a list of the affected parties.

Exhibit D – Provides 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 E – Engineering Statement providing justification for the requested non-standard location.

Thank you for your attention to this matter.

Thank you,



Kayla McConnell
Regulatory Specialist

EXHIBIT A
Revised July 9, 2024

C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION		Submittal Type: <input type="checkbox"/> Initial Submittal <input checked="" type="checkbox"/> Amended Report <input type="checkbox"/> As Drilled
	API Number	Pool Code	
	30-025-	96603	

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
30-025-	96603	TRISTE DRAW; BONE SPRING
Property Code	Property Name	Well Number
328120	PEGASUS 3 FED COM	224H
OGRID No.	Operator Name	Ground Level Elevation
7377	EOG RESOURCES, INC.	3644'
Surface Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input checked="" type="checkbox"/> Federal		Mineral Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input checked="" type="checkbox"/> Federal

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W	Latitude	Longitude	County
N	3	24-S	32-E	-	397' S	2355' W	N 32.2404318	W 103.6634268	LEA

Bottom Hole Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W	Latitude	Longitude	County
C	34	23-S	32-E	-	100' N	2383' W	N 32.2680781	W 103.6633432	LEA

Dedicated Acres	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit (Y/N)	Consolidated Code
639.61	INFILL	30-025-47250	N	C
Order Numbers NSP - PENDING NMNM 144087			Well Setbacks are under Common Ownership: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

Kick Off Point (KOP)

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W	Latitude	Longitude	County
N	3	24-S	32-E	-	50' S	2383' W	N 32.2394782	W 103.6633360	LEA

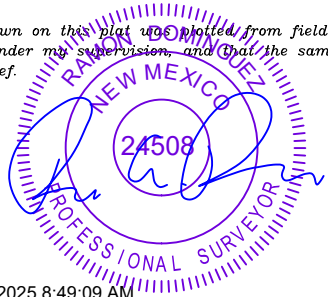
First Take Point (FTP)

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W	Latitude	Longitude	County
N	3	24-S	32-E	-	100' S	2383' W	N 32.2396156	W 103.6633360	LEA

Last Take Point (LTP)

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W	Latitude	Longitude	County
C	34	23-S	32-E	-	100' N	2383' W	N 32.2680781	W 103.6633432	LEA

Unitized Area or Area of Uniform Interest	Spacing Unity Type	Ground Floor Elevation
COMM AGREEMENT	<input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	3669'

OPERATOR CERTIFICATION 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. 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</i> 05/21/2025 Signature Date KAYLA MCCONNELL		SURVEYORS 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 and correct to the best of my belief.  5/14/2025 8:49:09 AM Signature and Seal of Professional Surveyor Date	
Print Name KAYLA_MCCONNELL@EOGRESOURCES.COM E-mail Address		Certificate Number Date of Survey 04/30/2025	

S:\SURVEY\EGO\MEG\ANDREVEGASUS_3_FED_COM\FINAL_PRODUCT\FIN_OG_PEGASUS_3_FED_COM_224H_C102_AMY_ANALYSIS_140205_846.DWG

<p>C-102</p> <p>Submit Electronically Via OCD Permitting</p>	<p>State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION</p>	<p>Revised July 9, 2024</p>							
		<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td rowspan="3" style="width:15%; vertical-align: top;"> <p>Submittal Type:</p> </td> <td style="width:5%; text-align: center;"><input type="checkbox"/></td> <td>Initial Submittal</td> </tr> <tr> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td>Amended Report</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td>As Drilled</td> </tr> </table>	<p>Submittal Type:</p>	<input type="checkbox"/>	Initial Submittal	<input checked="" type="checkbox"/>	Amended Report	<input type="checkbox"/>	As Drilled
<p>Submittal Type:</p>	<input type="checkbox"/>	Initial Submittal							
	<input checked="" type="checkbox"/>	Amended Report							
	<input type="checkbox"/>	As Drilled							
<p>Property Name and Well Number</p> <p style="text-align: center; font-weight: bold;">PEGASUS 3 FED COM 224H</p>									

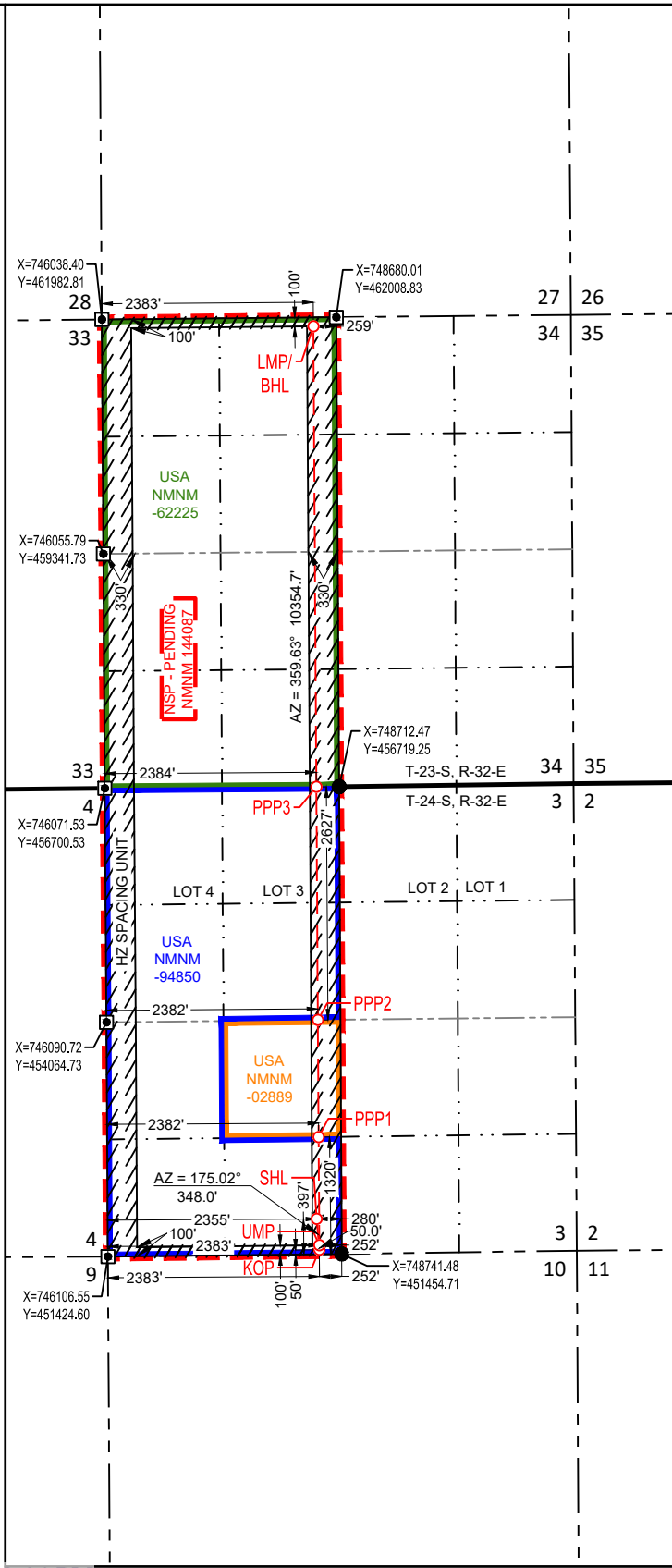
SURFACE LOCATION (SHL)
 NEW MEXICO EAST
 NAD 1983
 X=748459 Y=451849
 LAT.: N 32.2404318
 LONG.: W 103.6634268
 NAD 1927
 X=707275 Y=451790
 LAT.: N 32.2403085
 LONG.: W 103.6629455
 397' FSL 2355' FWL

KICK OFF POINT (KOP)
 NEW MEXICO EAST
 NAD 1983
 X=748489 Y=451502
 LAT.: N 32.2394782
 LONG.: W 103.6633360
 NAD 1927
 X=707305 Y=451443
 LAT.: N 32.2393550
 LONG.: W 103.6628548
 50' FSL 2383' FWL

UPPER MOST PERF. (UMP)
 NEW MEXICO EAST
 NAD 1983
 X=748489 Y=451552
 LAT.: N 32.2396156
 LONG.: W 103.6633360
 NAD 1927
 X=707305 Y=451493
 LAT.: N 32.2394924
 LONG.: W 103.6628548
 100' FSL 2383' FWL

PROPOSED PERF. POINT (PPP1)
 NEW MEXICO EAST
 NAD 1983
 X=748481 Y=452771
 LAT.: N 32.2429680
 LONG.: W 103.6633368
 NAD 1927
 X=707297 Y=452713
 LAT.: N 32.2428448
 LONG.: W 103.6628555
 1320' FSL 2382' FWL

T-24-S, R-32-E
 SECTION 3
 LOT 1 - 39.67 ACRES
 LOT 2 - 39.72 ACRES
 LOT 3 - 39.78 ACRES
 LOT 4 - 39.83 ACRES



PROPOSED PERF. POINT (PPP2)
 NEW MEXICO EAST
 NAD 1983
 X=748472 Y=454091
 LAT.: N 32.2465952
 LONG.: W 103.6633378
 NAD 1927
 X=707288 Y=454032
 LAT.: N 32.2464721
 LONG.: W 103.6628562
 2627' FNL 2382' FWL

PROPOSED PERF. POINT (PPP3)
 NEW MEXICO EAST
 NAD 1983
 X=748455 Y=456717
 LAT.: N 32.2538146
 LONG.: W 103.6633396
 NAD 1927
 X=707272 Y=456658
 LAT.: N 32.2536915
 LONG.: W 103.6628577
 0' FNL 2384' FWL

**LOWER MOST PERF. (LMP)
 BOTTOM HOLE LOCATION (BHL)**
 NEW MEXICO EAST
 NAD 1983
 X=748422 Y=461906
 LAT.: N 32.2680781
 LONG.: W 103.6633432
 NAD 1927
 X=707238 Y=461847
 LAT.: N 32.2679552
 LONG.: W 103.6628607
 100' FNL 2383' FWL

SURVEYORS 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 and correct to the best of my belief.
 04/30/2025
 Date of Survey
 Signature and Seal of Professional Surveyor:

RAMON DOMINGUEZ
 NEW MEXICO
 24508
 PROFESSIONAL SURVEYOR

5/14/2025 8:49:10 AM

EXHIBIT B

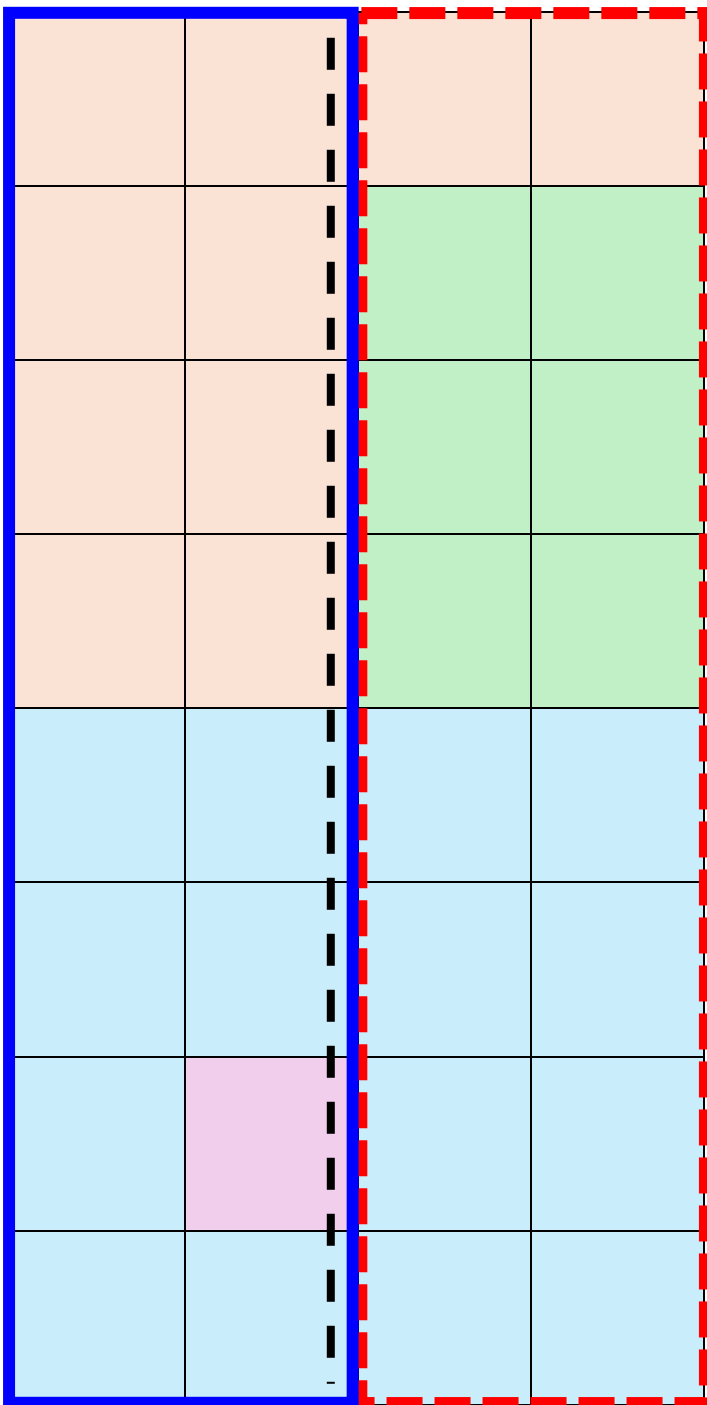
Pegasus 3 Fed Com #224H

W/2 Sections 3, Township 24 South, Range 32 East

W/2 Sections 34, Township 23 South, Range 32 East

Lea County, New Mexico

Section 34



Section 3

NMNM 062225

NMNM 094616

NMNM 094850

NMNM 0002889

Pegasus 3 Fed
Com #224H
Spacing Unit

Well: Pegasus 3
Fed Com #224H

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



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

May 8, 2025

Certification of Ownership

I have reviewed the ownership of the oil and gas leasehold in Section 3, Township 24 South, Range 32 East, and Section 34, Township 23 South, Range 32 East, Lea County, New Mexico, for purposes of the unorthodox location for EOG's Pegasus 3 Fed Com #224H well located in the SE/4 SW/4 of Section 3, Township 24 South, Range 32 East. As of the date of this letter, the affected parties are:

1. EOG Resources, Inc.
5509 Champions Drive
Midland, TX 79706
2. Bureau of Land Management
301 Dinosaur Trail
Santa Fe, NM 87508
3. First Roswell Company, Ltd.
P.O. Box 1797
Roswell, NM 88202
4. Thomas E. Jennings
P.O. Box 1797
Roswell, NM 88202
5. Timothy Z. Jennings
P.O. Box 1797
Roswell, NM 88202

Sincerely,

EOG Resources, Inc.

Bella Sikes

Bella Sikes | Landman

EXHIBIT D

Notice List for Pegasus 3 Fed Com #224H

Non-Standard Location

EOG Resources, Inc.

Notice List

EOG Resources, Inc.
5509 Champions Drive
Midland, TX 79706

Bureau of Land Management Trk# 9589071052700345283271
301 Dinosaur Trail
Santa Fe, NM 87508

First Roswell Company, Ltd. Trk# 9589071052700345283288
P.O. Box 1797
Roswell, NM 88202

Thomas E. Jennings Trk# 9589071052700345283295
P.O. Box 1797
Roswell, NM 88202

Timothy Z. Jennings Trk# 9589071052700345283301
P.O. Box 1797
Roswell, NM 88202



Kayla McConnell
Phone: (432) 265-6804
Email: kayla_mcconnell@eogresources.com

June 6, 2025

VIA CERTIFIED MAIL

TO: AFFECTED PARTIES

Re: Application of EOG Resources, Inc. for administrative approval of an unorthodox well location for its Pegasus 3 Fed Com #224H well dedicated to the W/2 of Section 3, Township 24 South, Range 32 East and 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:

Bella Sikes
EOG Resources, Inc.
(432) 236-1283
Bella_Sikes@eogresources.com

Thank you,

A handwritten signature in black ink that reads "Kayla McConnell".

Kayla McConnell
Regulatory Specialist

EXHIBIT E



EOG Resources, Inc.
5509 Champions Drive
Midland, TX 79706
(432) 686-3600

P.O. Box 2267
Midland, TX 79702

June 3, 2025

RE: EOG Resources NSL Application
Pegasus 3 Fed Com #224H

To Whom It May Concern:

A non-standard location is necessary to develop the Lower Leonard B formation in this section efficiently and in an economic manner. A non-standard location optimizes pressures related to the completion and production drawdown of the wells and is expected to yield a higher ultimate recovery than a standard location, thereby preventing waste and protecting correlative rights.

Sincerely,

EOG Resources, Inc.

Anthony Small

Anthony Small
Reservoir Engineer

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

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/oecd/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 476754

CONDITIONS

Operator: EOG RESOURCES INC 5509 Champions Drive Midland, TX 79706	OGRID: 7377
	Action Number: 476754
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Created By	Condition	Condition Date
llowe	This NSL order was approved with a pending API number well. The owner of the NSL shall update the OCD when an API number is assigned to the pending APD well by sending an e-mail to ocd.engineer@emnrd.nm.gov . TITLED: (Updating NSL-XXX with API number of the Well Name).	7/30/2025