

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**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](mailto:kayla_mcconnell@eogresources.com)

**ADMINISTRATIVE NON-STANDARD LOCATION**

**Administrative Order NSL - 9013**

**EOG Resources, Inc. [OGRID 7377]  
Pegasus 3 Federal Com Well No. 323H  
API No. 30-025-54622**

Reference is made to your application received on June 18<sup>th</sup>, 2025

**Proposed Location**

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	1009 FSL & 1207 FWL	M	03	24S	32E	Lea
First Take Point	100 FSL & 2383 FEL	O	03	24S	32E	Lea
Last Take Point/ Terminus	100 FNL & 2383 FEL	B	34	23S	32E	Lea

**Proposed Horizontal Units**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E/2 Section 03, T24S, R32E E/2 Section 34, T23S, R32E	639.39	Triste Draw; Bone Spring	96603

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 - 9013  
EOG Resources, Inc.  
Page 2 of 2

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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 western edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 03, T24S, R32E, encroachment to the E/2 W/2  
Section 34, T23S, R32E, encroachment to the E/2 W/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 E/2 Section 03, T24S, R32E and the E/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.



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

Date: 7/25/2025

ID NO. 476757

NSL - 9013

RECEIVED: <b>06/18/25</b>	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 323H **API:** 30-025-54622  
**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

<b>FOR OCD ONLY</b>	
<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  
Date

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 #323H well dedicated to the E/2 of Section 3, Township 24 South, Range 32 East and E/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 #323H** well (API No. 30-025-54622). The spacing unit dedicated to the well is comprised of the E/2 of Section 3, Township 24 South, Range 32 East and E/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 639.39 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 1009 feet from the South line, 1207 feet from the West line (Unit M) of Section 3,
- Bottom hole location is located 100 feet from the North line, 2383 feet from the East line (Unit B) of Section 34,
- First take point is located 100 feet from the South line, 2383 feet from the East line (Unit O) of Section 3,
- Last take point is located 100 feet from the North line, 2383 feet from the East line (Unit B) 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 western boundary. It encroaches on the spacing unit in the W2 of Section 3 and W2 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 west.

**Exhibit B** – Lease Cartoon showing the Pegasus 3 Fed Com #323H 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



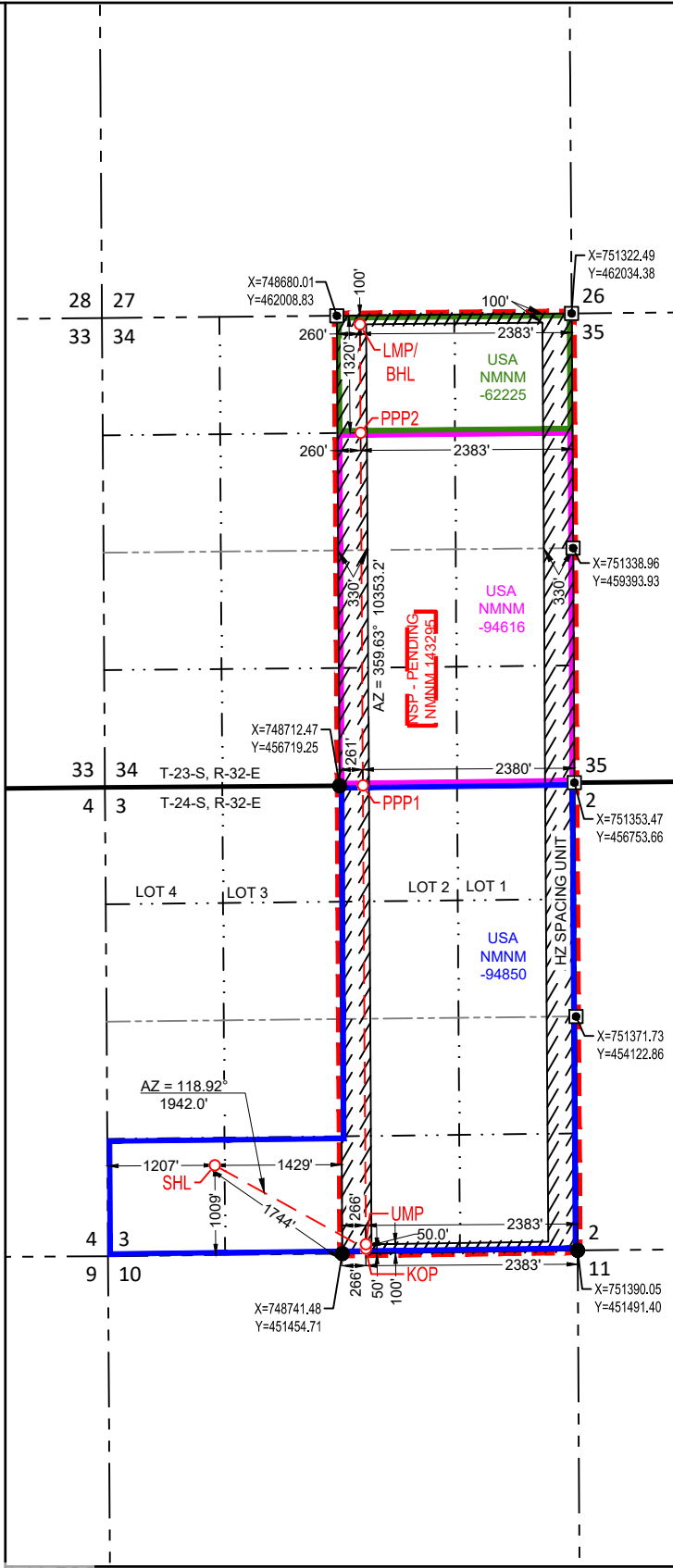
<b>C-102</b>  Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department <b>OIL CONSERVATION DIVISION</b>	Revised July 9, 2024
		Submittal Type: <input type="checkbox"/> Initial Submittal <input checked="" type="checkbox"/> Amended Report <input type="checkbox"/> As Drilled
Property Name and Well Number <b>PEGASUS 3 FED COM 323H</b>		

**SURFACE LOCATION (SHL)**  
 NEW MEXICO EAST  
 NAD 1983  
 X=747307 Y=452447  
 LAT.: N 32.2420974  
 LONG.: W 103.6671402  
 NAD 1927  
 X=706123 Y=452389  
 LAT.: N 32.2419742  
 LONG.: W 103.6666587  
 1009' FSL 1207' FWL

**KICK OFF POINT (KOP)**  
 NEW MEXICO EAST  
 NAD 1983  
 X=749007 Y=451508  
 LAT.: N 32.2394873  
 LONG.: W 103.6616612  
 NAD 1927  
 X=707823 Y=451450  
 LAT.: N 32.2393641  
 LONG.: W 103.6611801  
 50' FSL 2383' FEL

**UPPER MOST PERF. (UMP)**  
 NEW MEXICO EAST  
 NAD 1983  
 X=749007 Y=451558  
 LAT.: N 32.2396248  
 LONG.: W 103.6616613  
 NAD 1927  
 X=707823 Y=451500  
 LAT.: N 32.2395016  
 LONG.: W 103.6611801  
 100' FSL 2383' FEL

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 (PPP1)**  
 NEW MEXICO EAST  
 NAD 1983  
 X=748973 Y=456723  
 LAT.: N 32.2538203  
 LONG.: W 103.6616638  
 NAD 1927  
 X=707790 Y=456664  
 LAT.: N 32.2536972  
 LONG.: W 103.6611820  
 0' FNL 2380' FEL

**PROPOSED PERF. POINT (PPP2)**  
 NEW MEXICO EAST  
 NAD 1983  
 X=748948 Y=460691  
 LAT.: N 32.2647283  
 LONG.: W 103.6616657  
 NAD 1927  
 X=707764 Y=460632  
 LAT.: N 32.2646053  
 LONG.: W 103.6611835  
 1320' FNL 2383' FEL

**LOWER MOST PERF. (LMP)  
 BOTTOM HOLE LOCATION (BHL)**  
 NEW MEXICO EAST  
 NAD 1983  
 X=748940 Y=461911  
 LAT.: N 32.2680831  
 LONG.: W 103.6616663  
 NAD 1927  
 X=707757 Y=461852  
 LAT.: N 32.2679602  
 LONG.: W 103.6611839  
 100' FNL 2383' FEL

**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:



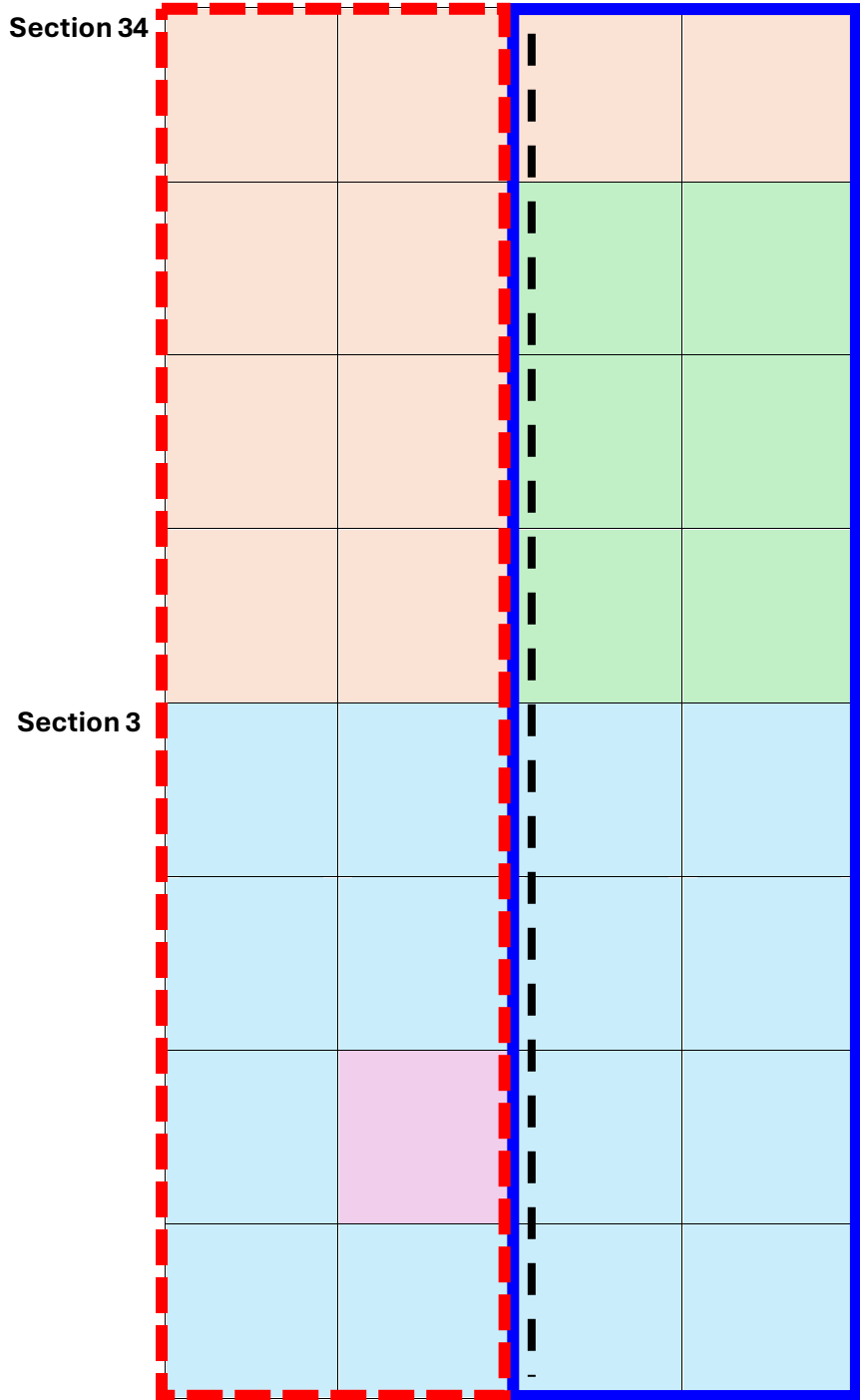
**EXHIBIT B**

**Pegasus 3 Fed Com #323H**

**E/2 Sections 3, Township 24 South, Range 32 East**

**E/2 Sections 34, Township 23 South, Range 32 East**

**Lea County, New Mexico**



NMNM 062225

NMNM 094616

NMNM 094850

NMNM 0002889

Pegasus 3 Fed  
Com #323H  
Spacing Unit

Well: Pegasus 3  
Fed Com #323H

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



EXHIBIT C



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 #323H well located in the SW/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

Notice List for Pegasus 3 Fed Com #323H

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\\_mccconnell@eogresources.com](mailto:kayla_mccconnell@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 #323H well dedicated to the E/2 of Section 3 Township 24 South, Range 32 East and E/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](mailto: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 #323H

To Whom It May Concern:

A non-standard location is necessary to develop the First Bone Spring Sand 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/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 476757

**CONDITIONS**

Operator: EOG RESOURCES INC 5509 Champions Drive Midland, TX 79706	OGRID: 7377
	Action Number: 476757
	Action Type: [UF-NSL] Non-Standard Location (NSL)

**CONDITIONS**

Created By	Condition	Condition Date
llowe	None	6/24/2025