

ID NO. 281341

NSL - 8678

Revised March 23, 2017

RECEIVED:	REVIEWER:	TYPE:	APP NO: pLEL2330460670
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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: Permian Resources Operating, LLC **OGRID Number:** 372165
Well Name: King Eider Fed Com #504H **API:** _____
Pool: WC-025G-06S2-3511G; Bone Spring pool **Pool Code:** 96585

**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.

Jaclyn M. McLean

Print or Type Name

Signature

10/3123

Date

505-982-4554

Phone Number

jmclean@hinklelawfirm.com

e-mail Address



hinklelawfirm.com

HINKLE SHANOR LLP

ATTORNEYS AT LAW

P.O. BOX 2068

SANTA FE, NEW MEXICO 87504

505-982-4554 (FAX) 505-982-8623

WRITER:
Jaclyn M. McLean, Partner
jmclean@hinklelawfirm.com

October 31, 2023

VIA ONLINE FILING

Dylan Fuge, Director
Oil Conservation Division
Energy, Minerals and Natural Resources Department
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

**Re: Permian Resources Operating, LLC
Request for Administrative Approval of Unorthodox Well Location**

King Eider 12 Fed Com 504H
W/2 E/2 of Sections 1 and 12, Township 20 South, Range 35 East, Lea County
WC-025G-06S2-3511G; Bone Spring pool (Code 96585)

Dear Mr. Fuge,

Permian Resources Operating, LLC ("Permian") (OGRID No. 372165), pursuant to Division Rules 19.15.16.15(C)(6) and 19.15.15.13 NMAC and applicable rules governing acreage and well location requirements for the WC-025G-06S2-3511G; Bone Spring pool (Code 96585), seeks administrative approval of an unorthodox well location for its King Eider 12 Fed Com 504H well, in a 320-acre, more or less, spacing unit underlying the W/2 E/2 of Sections 1 and 12, Township 20 South, Range 35 East, Lea County, New Mexico.

The location for the **King Eider 12 Fed Com 504H** well is as follows:

- Surface Hole Location: 170' FSL and 975' FEL (Unit P) of Section 12
- First Take Point: 100' FSL and 1406' FEL (Unit O) of Section 12
- Last Take Point: 100' FNL and 1433' FEL (Lot 2) of Section 1
- Bottom Hole Location: 100' FNL and 1433' FEL (Lot 2) of Section 1

Since this acreage is governed by the Division's statewide rules, the completed interval for the well will be unorthodox because it is closer than the standard offset to the eastern boundary of the existing horizontal spacing unit. As explained in the engineering statements included as **Exhibit A**, approval of the unorthodox, completed interval is necessary to allow Permian to use its preferred well spacing plan for horizontal wells in this area, which will maximize recovery and prevent waste.

PO BOX 10
ROSWELL, NEW MEXICO 88202
(575) 622-6510
FAX (575) 623-9332

7601 JEFFERSON ST NE · SUITE 180
ALBUQUERQUE, NEW MEXICO 87109
505-858-8320
(FAX) 505-858-8321

PO BOX 2068
SANTA FE, NEW MEXICO 87504
(505) 982-4554
FAX (505) 982-8623

October 30, 2023

Page 2

Exhibit B is a Form C-102 showing the King Eider 12 Fed Com 504H well encroaches on the tracts to the east in the E/2 E/2 of Sections 1 and 12.

Exhibit C is a plat for Sections 1 and 12, Township 20 South, Range 35 East that shows the King Eider 12 Fed Com 504H well in relation to the adjoining tracts/proposed spacing units to the east. The proposed designated operator of the offsetting unit is Permian, which includes the working interest owners identified in the spreadsheets attached as **Exhibit D**.

Exhibit D is a spreadsheet listing all affected persons that were sent a copy of this application with all attachments by certified mail advising that any objections must be filed in writing with the Division within 20 days from the date the Division receives the application.

Thank you for your attention to this matter. Please let me know if you require additional information.

Very truly yours,

/s/ Jaclyn M. McLean

Jaclyn M. McLean

HINKLE SHANOR LLP

PERMIAN
RESOURCES300 N. MARIENFELD STREET, SUITE 1000
MIDLAND, TX 79701OFFICE 432.695.4222
FAX 432.695.4063

10/27/2023

Re: King Eider Federal Com #504H

FTP: 100' FSL, 1,406' FEL of Section 12, T20S-R35E

LTP: 100' FNL, 1,433' FEL of Section 1, T20S-R35E

Lea County, New Mexico

To Whom it May Concern,

Permian Resources Operating, LLC ("Permian") respectfully requests administrative approval on a non-standard location for the King Eider Federal Com #504H to allow the completed interval to be less than 330 feet from the eastern boundary of the existing 320.24-acre horizontal spacing unit. This well is located in the WC-025 G-06 S203511G, Bone Spring pool (96585). Due to the optimal spacing of the planned wells in this section, Permian has planned the King Eider Federal Com #502H, King Eider Federal Com #503H, King Eider Federal Com #504H, and King Eider Federal Com #505H wells with at least 1,080 feet of spacing between each well. This spacing pattern causes the King Eider Federal Com #504H to be drilled less than 330 feet from the eastern boundary of the spacing unit. Permian requests approval of this non-standard location to avoid causing wasted resources and reducing the production of the wells listed above.

Sincerely,

**John Fechtel**

Reservoir Manager

Permian Resources Operating, LLC

EXHIBIT A

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 96585	³ Pool Name WC - 025 G - 06 S203511G; Bone Spring pool
⁴ Property Code	⁵ Property Name KING EIDER 12 FED COM	⁶ Well Number 504H
⁷ OGRID No.	⁸ Operator Name PERMIAN RESOURCES OPERATING, LLC	⁹ Elevation 3643.9'

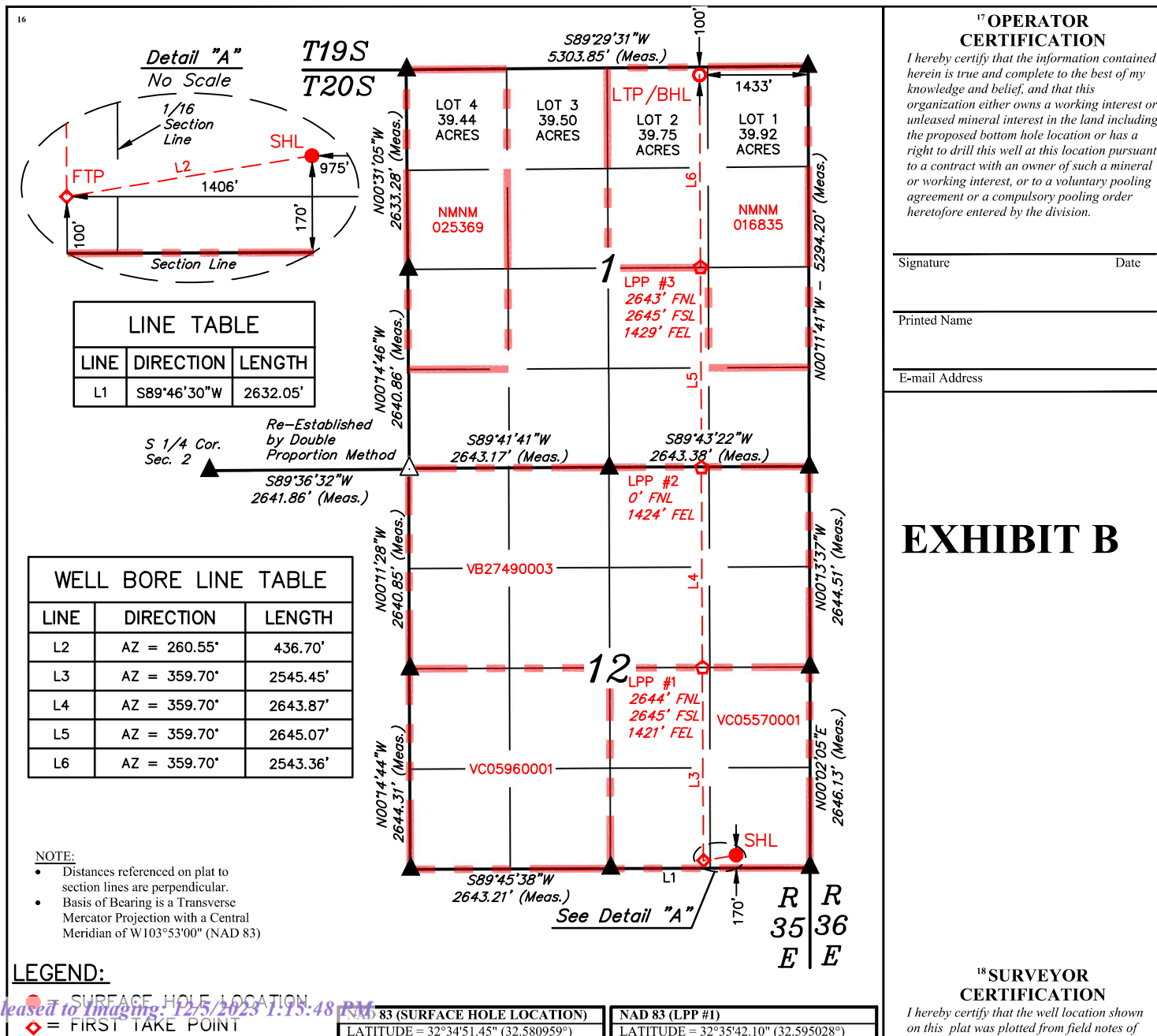
¹⁰ Surface Location

UL or lot no. P	Section 12	Township 20S	Range 35E	Lot Idn	Feet from the 170	North/South line SOUTH	Feet from the 975	East/West line EAST	County LEA
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no. 2	Section 1	Township 20S	Range 35E	Lot Idn	Feet from the 100	North/South line NORTH	Feet from the 1433	East/West line EAST	County LEA
¹² Dedicated Acres 320	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.



King Eider Federal Com #504H NSL Map

W/2E/2 of Section 1, T20S-R35E and W/2E/2 of Section 12, T20S-R35E, Lea County, New Mexico

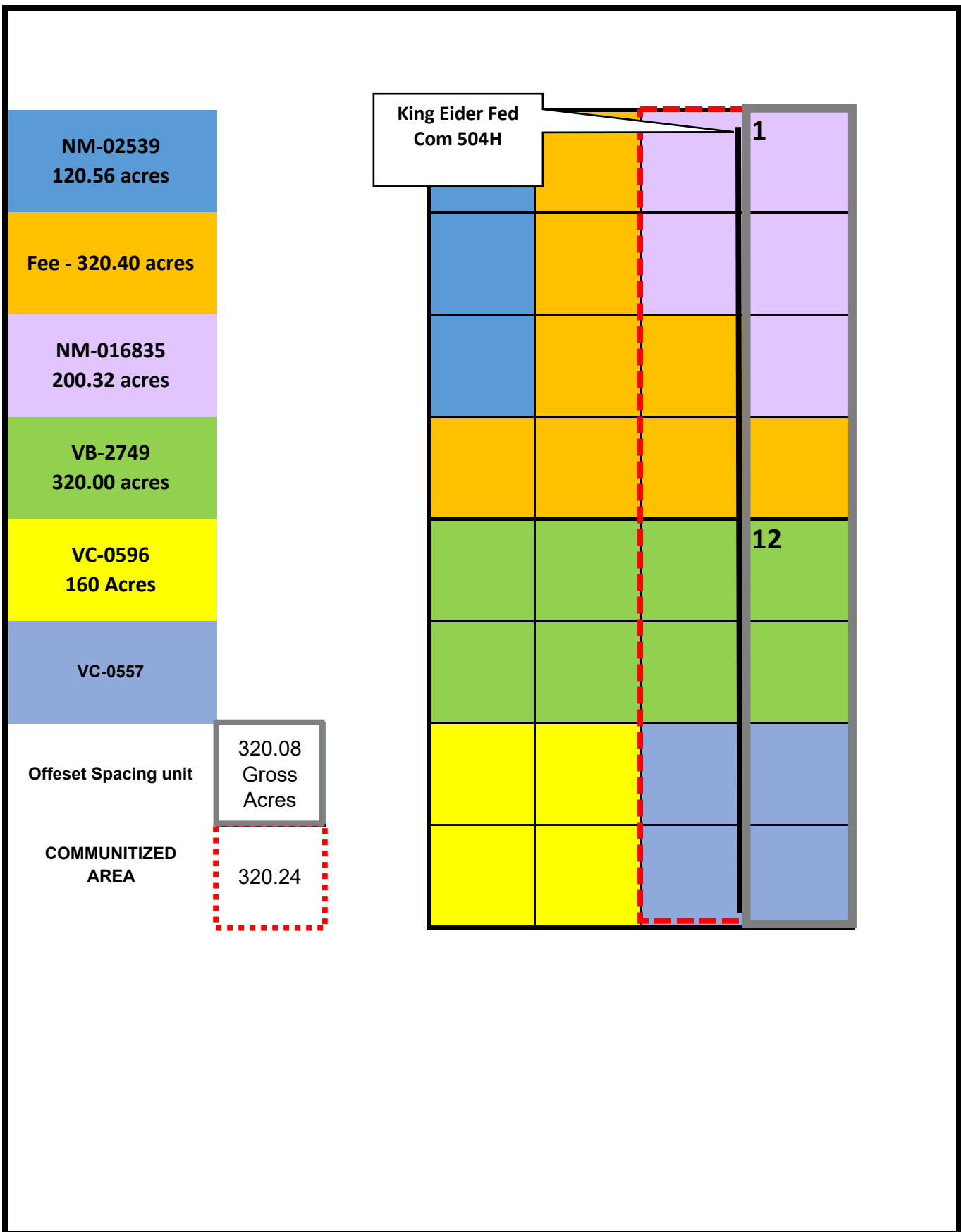


EXHIBIT C

King Eider Fed Com #504H NSL Notification

W/2E/2 of Section 1, T20S-R35E and W/2E/2 of Section 12, T20S-R35E, Lea Co., New Mexico

Offset Proration Unit: E/2E/2 of Section 1, T20S-R35E and E/2E/2 of Section 12, T20S-R35E, Lea Co. NM (containing 320.08 acres more or less)**Notification Tracts:**

Tract 1 - N/2NE/4, SE4NE/4, NE/4SE/4 of Section 1			
Owner Type	Affected Party	WI Percentage	Date of Notices Sent
WI Owner/Operator	XTO Holdings, LLC	100.000000%	10/30/2022

Tract 2 - Fee - SE/4SE/4 of Section 1			
Owner Type	Affected Party	WI Percentage	Date of Notices Sent
WI Owner/Operator	Permian Resources	28.197933%	10/30/2022
WI Owner	Northern Oil and Gas, Inc.	51.041667%	10/30/2022
WI Owner	Desert Rock Resources, LLC	0.555556%	10/30/2022
UL Mineral Owner	Malaga Royalty, LLC	3.994000%	10/30/2022
UL Mineral Owner	Magic Dog Oil & Gas Ltd.	0.500000%	10/30/2022
UL Mineral Owner	Mary Helen Energy LLC	0.832500%	10/30/2022
UL Mineral Owner	MRC Permian Company	14.166650%	10/30/2022
UL Mineral Owner	Warren Ventures Ltd.	0.859375%	10/30/2022
UL Mineral Owner	Brian Smith	0.260417%	10/30/2022
UL Mineral Owner	Donald D Spain	0.138889%	10/30/2022
UL Mineral Owner	Grace H Bunting	0.034722%	10/30/2022
UL Mineral Owner	Karen Badgett	0.052083%	10/30/2022

Tract 3 - VB-2479 - N/2 of Section 12			
Owner Type	Affected Party	WI Percentage	Date of Notices Sent
WI Owner/Operator	Permian Resources	100.000000%	10/30/2022

EXHIBIT D

Tract 4 - VC - 0557 - SE/4 of Section 12			
Owner Type	Affected Party	WI Percentage	Date of Notices Sent
WI Owner/Operator	Permian Resources	100.000000%	10/30/2022

WI Owner	XTO Holdings, LLC	22777 Springwoods Village Parkway, Spring, TX 77389-1425
WI Owner	Northern Oil and Gas, Inc.	4350 Baker Road, Suite 400, Minnetonka, MN 55343
WI Owner	Desert Rock Resources, LLC	PO Box 53713, Midland, TX 79710
UL Mineral Owner	Brian Smith	245 Indian Lake Blvd APT V302, Hendersonville, TN 37075
UL Mineral Owner	Donald D Spain	3311 Hidden Acres Dr, Atlanta, GA 30340 (Deceased)
UL Mineral Owner	Grace H Bunting	106 N. Elm St, New Sharon, IA 50207 (Deceased)
UL Mineral Owner	Karen Badgett	106 N. Elm St, New Sharon, IA 50207 (Deceased)
UL Mineral Owner	Malaga Royalty, LLC	P.O. Box 2064, Midland, Texas 79702
UL Mineral Owner	Magic Dog Oil & Gas Ltd.	P.O. Box 10708, Midland, Texas 79702
UL Mineral Owner	Mary Helen Energy LLC	P.O. Box 80190, Midland, Texas 79708-0190
UL Mineral Owner	MRC Permian Company	Freeway, Suite 1500, Dallas, Texas 75240-1017
UL Mineral Owner	Warren Ventures Ltd.	808 West Wall St., Midland, Texas 79701
Mineral Interest	NM State Land Office	310 Old Santa Fe Trl, Santa Fe NM 87501
Mineral Interest	Bureau of Land Management	301 Dinosaur Trl, Santa Fe, NM 87508

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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 281341

CONDITIONS

Operator: Permian Resources Operating, LLC 1001 17th Street, Suite 1800 Denver, CO 80202	OGRID: 372165
	Action Number: 281341
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Created By	Condition	Condition Date
Ilowe	None	10/31/2023