

ID NO. 347255

NSL - 8764

| | | | |
|---------------------------|-----------|-------|-------------------------------|
| RECEIVED: 05/23/24 | REVIEWER: | TYPE: | APP NO: pLEL2414949357 |
|---------------------------|-----------|-------|-------------------------------|

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

372165

| | |
|--|--|
| Applicant: <u>Permian Resources Operating, LLC</u> | OGRID Number: <u>372615</u> |
| Well Name: <u>Moran 9 Fed Com 174H</u> | API: <u>30-025-52802</u> |
| Pool: <u>Bilbrey Basin; Bone Spring</u> | Pool Code: <u>5695</u> |

**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



B. Check one only for [I] or [II]

[I] Commingling - Storage - Measurement



[II] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

2) **NOTIFICATION REQUIRED TO:** Check those which apply.A. ☐ Offset operators or lease holdersB. ☐ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☐ Notification and/or concurrent approval by SLOE. ☐ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☒ 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

5/23/24

Date

505-982-4554

Phone Number

Jaclyn M. McLeanjmclea@hinkley.com



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

May 22, 2024

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**

Moran 9 Fed Com 174H (API # 30-025-52802)
E/2 E/2 of Sections 16 and 21, Township 21 South, Range 32 East, Lea County, New Mexico
Bilbrey Basin; Bone Spring (Code 5695)

Dear Mr. Fuge,

In accordance with 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 Bilbrey Basin; Bone Spring Pool (Code 5695), Permian Resources Operating, LLC ("Permian Resources") (OGRID No. 372615) seeks administrative approval of an unorthodox well location for its Moran 9 Fed Com 174H well, located within a 320-acre, more or less, non-standard horizontal spacing unit comprising the E/2 E/2 of Sections 16 and 21, Township 21 South, Range 32 East, Lea County, New Mexico.

The location for the **Moran 9 Fed Com 174H** well is as follows:

- Surface Hole Location: 300' FSL and 1334' FEL (Unit O) of Section 9
- First Take Point: 100' FNL and 1100' FEL (Unit A) of Section 16
- Last Take Point: 100' FSL and 1100' FEL (Unit P) of Section 21
- Bottom Hole Location: 100' FSL and 1100' FEL (Unit P) of Section 21

The completed interval of the well will be unorthodox because it is closer than 330' to the eastern boundary of the adjacent horizontal spacing unit. As explained in the engineering statements included as **Exhibit A**, approval of the unorthodox, completed interval is necessary to allow Permian Resources to use its preferred well spacing plan for horizontal wells in this area, which will allow for operational efficiencies that will maximize recovery, prevent waste, and

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

March 4, 2024

Page 2

protect correlative rights.

Exhibit B is a Form C-102 showing the Moran 9 Fed Com 174H well encroaches on the tracts to the west in the W/2 E/2 of Sections 16 and 21, Township 21 South, Range 32 East, Lea County, New Mexico.

Exhibit C is a plat for Sections 16 and 21, Township 21 South, Range 32 East, Lea County, New Mexico, that shows the Moran 9 Fed Com 174H well in relation to the adjoining tracts/proposed spacing units. Permian Resources owns 100% of the working interest and is the designated operator of the Moran 9 Fed Com 174H spacing unit and the adjoining affected tracts. Therefore, no notice to affected parties is required for this administrative 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



300 N. MARIENFELD STREET, SUITE 1000
MIDLAND, TX 79701

OFFICE 432.695.4222
FAX 432.695.4063

May 20, 2024

RE: **Non-Standard Location Requests**

Moran 9 Fed Com #174H

FTP: 100' FNL, 1100' FEL of Section 16, T21S-R32E

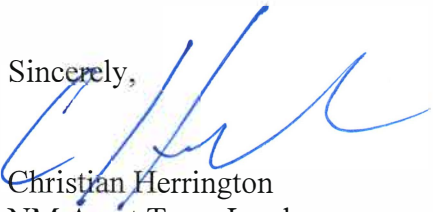
LTP: 100' FSL, 1100' FEL of Section 21, T21S-R32E

Lea County, New Mexico

To Whom it May Concern,

Permian Resources Operating, LLC ("Permian") respectfully request administrative approval of a non-standard location for the Moran 9 Fed Com #174H to allow the completed interval to be less than 330 feet from the western boundary of the adjacent 640-ac horizontal spacing unit. Due to common ownership and operational efficiencies, approval of non-standard location will allow for optimal recovery of resource, thus preventing waste and protecting correlative rights. Permian request approval of this non-standard location to avoid causing wasted resources and reducing the production of the well listed above.

Sincerely,



Christian Herrington
NM Asset Team Lead
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 #,SHL, FTP, LTP/BHL

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|---|--|--|
| ¹ API Number 30-025-52802 | ² Pool Code 5695 | ³ Pool Name BILBREY BASIN; BONE SPRING |
| ⁴ Property Code 335722 | ⁵ Property Name MORAN 9 FED COM | ⁶ Well Number 174H |
| ⁷ OGRID No. 372165 | ⁸ Operator Name PERMIAN RESOURCES OPERATING, LLC | ⁹ Elevation 3758.9' |

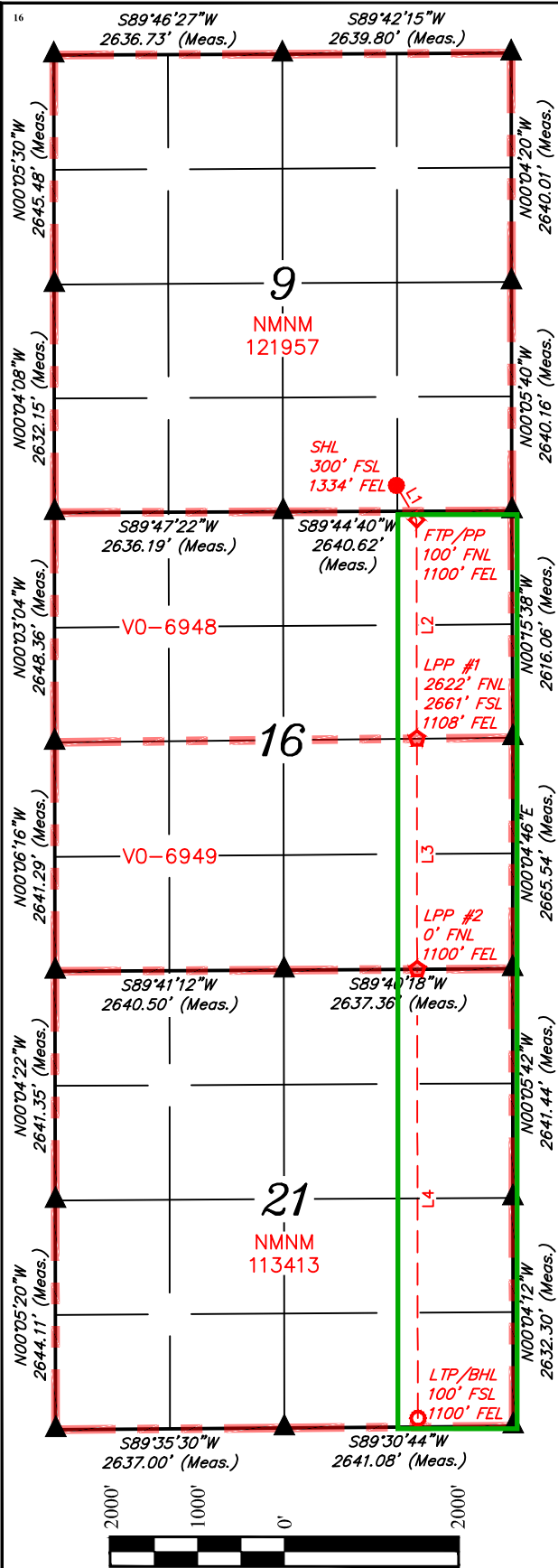
¹⁰ Surface Location

| | | | | | | | | | |
|--------------------|--------------|-----------------|--------------|---------|----------------------|---------------------------|-----------------------|------------------------|---------------|
| UL or lot no. O | Section 9 | Township 21S | Range 32E | Lot Idn | Feet from the 300 | North/South line SOUTH | Feet from the 1334 | East/West line EAST | County LEA |
|--------------------|--------------|-----------------|--------------|---------|----------------------|---------------------------|-----------------------|------------------------|---------------|

¹¹ Bottom Hole Location If Different From Surface

| | | | | | | | | | |
|--------------------------------------|-------------------------------|----------------------------------|-------------------------|---------|----------------------|---------------------------|-----------------------|------------------------|---------------|
| UL or lot no. P | Section 21 | Township 21S | Range 32E | Lot Idn | Feet from the 100 | North/South line SOUTH | Feet from the 1100 | 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.



- = SURFACE HOLE LOCATION
- ◆ = FIRST TAKE POINT/
PENETRATION POINT
- ◻ = LEASE PENETRATION POINT
- = LAST TAKE POINT/
BOTTOM HOLE LOCATION
- ▲ = SECTION CORNER LOCATED
- = LEASE LINE

- NOTE:
- Distances referenced on plat to section lines are perpendicular.
 - Basis of Bearings is a Transverse Mercator Projection with a Central Meridian of W103°53'00" (NAD 83)

| LINE TABLE | | |
|------------|--------------|----------|
| LINE | DIRECTION | LENGTH |
| L1 | AZ = 149.55° | 462.78' |
| L2 | AZ = 179.92° | 2522.41' |
| L3 | AZ = 179.92° | 2660.57' |
| L4 | AZ = 179.92° | 5176.79' |

| |
|---|
| NAD 83 (SURFACE HOLE LOCATION) |
| LATITUDE = 32°29'12.65" (32.486848°) |
| LONGITUDE = -103°40'31.73" (-103.675480°) |
| NAD 27 (SURFACE HOLE LOCATION) |
| LATITUDE = 32°29'12.21" (32.486726°) |
| LONGITUDE = -103°40'29.96" (-103.674989°) |
| STATE PLANE NAD 83 (N.M. EAST) |
| N: 541471.60' E: 744181.24' |
| STATE PLANE NAD 27 (N.M. EAST) |
| N: 541410.14' E: 702999.78' |

| |
|---|
| NAD 83 (FTP/PP) |
| LATITUDE = 32°29'08.70" (32.485750°) |
| LONGITUDE = -103°40'29.00" (-103.674722°) |
| NAD 27 (FTP/PP) |
| LATITUDE = 32°29'08.26" (32.485628°) |
| LONGITUDE = -103°40'27.23" (-103.674231°) |
| STATE PLANE NAD 83 (N.M. EAST) |
| N: 541073.71' E: 744417.39' |
| STATE PLANE NAD 27 (N.M. EAST) |
| N: 541012.25' E: 703235.92' |

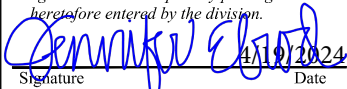
| |
|---|
| NAD 83 (LPP #1) |
| LATITUDE = 32°28'43.75" (32.478818°) |
| LONGITUDE = -103°40'29.01" (-103.674726°) |
| NAD 27 (LPP #1) |
| LATITUDE = 32°28'43.31" (32.478696°) |
| LONGITUDE = -103°40'27.25" (-103.674235°) |
| STATE PLANE NAD 83 (N.M. EAST) |
| N: 538551.80' E: 744431.73' |
| STATE PLANE NAD 27 (N.M. EAST) |
| N: 538490.41' E: 703250.19' |

| |
|---|
| NAD 83 (LPP #2) |
| LATITUDE = 32°28'17.42" (32.471507°) |
| LONGITUDE = -103°40'29.03" (-103.674730°) |
| NAD 27 (LPP #2) |
| LATITUDE = 32°28'16.98" (32.471384°) |
| LONGITUDE = -103°40'27.26" (-103.674240°) |
| STATE PLANE NAD 83 (N.M. EAST) |
| N: 535891.75' E: 744446.85' |
| STATE PLANE NAD 27 (N.M. EAST) |
| N: 535830.43' E: 703265.25' |

| |
|---|
| NAD 83 (LTP/BHL) |
| LATITUDE = 32°27'26.21" (32.457280°) |
| LONGITUDE = -103°40'29.06" (-103.674738°) |
| NAD 27 (LTP/BHL) |
| LATITUDE = 32°27'25.77" (32.457157°) |
| LONGITUDE = -103°40'27.29" (-103.674248°) |
| STATE PLANE NAD 83 (N.M. EAST) |
| N: 530715.97' E: 744476.28' |
| STATE PLANE NAD 27 (N.M. EAST) |
| N: 530654.80' E: 703294.53' |

¹⁷ OPERATOR
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

JENNIFER ELROD
Printed Name

jelrod@permres.com
E-mail Address

EXHIBIT B

¹⁸ SURVEYOR
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.

April 04, 2024

Date of Survey
Signature and Seal of Professional Surveyor:

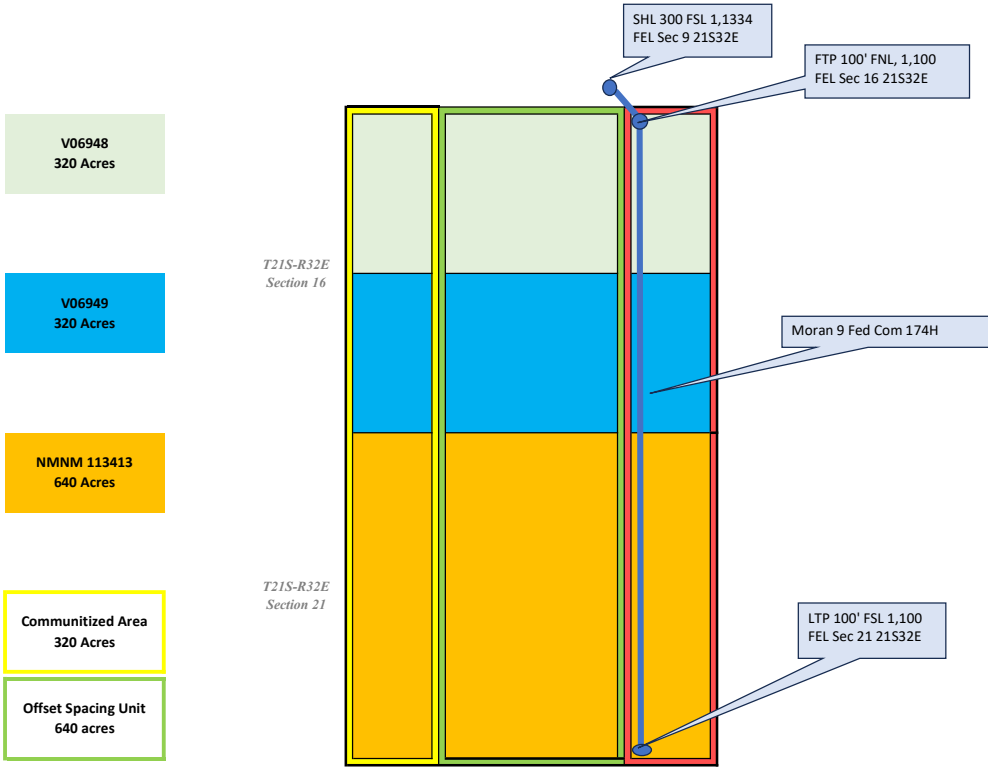


Certificate Number:

Moran 9 Fed Com 174H NSL Map

E/2 E/2 of Sections 16 & 21, T21S-R32E, Lea County, New Mexico

Containing 320.00 acres, more or less



Moran 9 Fed Com 174H NSL Notification

ffset Proration Unit: W/2 E/2 & E/2 W/2 Section 21 and W/2 E/2 & E/2 W/2 Section 16, 21S-32E, Lea Co, NN

Notification Tracts

| Tract 1 W/2 E/2 & E/2 W/2 Section 21, 21S-32E | | | |
|---|----------------------------------|---------------|---------|
| Owner Type | Affected Party | WI Percentage | Notices |
| WI Owner Operator | Permian Resources Operating, LLC | 100% | N/A |

| Tract 2 W/2 E/2 & E/2 W/2 Section 16, 21S-32E | | | |
|---|----------------------------------|---------------|---------|
| Owner Type | Affected Party | WI Percentage | Notices |
| WI Owner Operator | Permian Resources Operating, LLC | 100% | N/A |

*Permian Resources Operating, LLC owns 100% of the WI in both the Moran 9 Fed Com 174H and the Affected spacing unit

EXHIBIT C

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
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1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
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1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 347255

CONDITIONS

| | |
|---|--|
| Operator: Permian Resources Operating, LLC 300 N. Marienfeld St Ste 1000 Midland, TX 79701 | OGRID: 372165 |
| | Action Number: 347255 |
| | Action Type: [UF-NSL] Non-Standard Location (NSL) |

CONDITIONS

| | | |
|------------|-----------|----------------|
| Created By | Condition | Condition Date |
| llowe | None | 5/28/2024 |