

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Melanie Kenderdine
Cabinet Secretary - Designate

Ben Shelton
Deputy Secretary (Acting)

Gerasimos "Gerry" Razatos
Division Director (Acting)
Oil Conservation Division



Jaclyn M. McLean
jackmc1984@gmail.com

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL – 8847

Earthstone Operating, LLC [OGRID 331165]
Los Vaqueros Federal Well No. 151H
API No. 30-025-PENDING

Reference is made to your application received on December 17th, 2024.

Proposed Location

	Footages	Unit/Lot	Sec.	Twsp	Range	County
Surface	212 FNL & 1788 FWL	C	30	26S	35E	Lea
First Take Point	100 FNL & 2475 FWL	C	30	26S	35E	Lea
Last Take Point	0 FSL & 2475 FWL	F/3	31	26S	35E	Lea
Terminus						

Proposed Horizontal Units

Description	Acres	Pool	Pool Code
E/2 W/2 Section 30	232.28	Wildcat; Bone Spring	96672
E/2 W/2 Section 31 (equivalent)			

The well's entire horizontal spacing unit area has a total of **342.91** acres and is to be completed in an area exterior to the state line boundary. This order encompasses acreages solely governed within New Mexico jurisdiction.

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 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. 19.15.16.15(C)(1)(a) NMAC governs the distance in the horizontal plane from any point in the

Administrative Order NSL – 8847
Earthstone Operating, LLC
Page 2 of 2

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 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 in 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 Take Points referenced above, within the described Horizontal Spacing Unit.

This well's completed interval is as close as 165 feet to the eastern edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 30, encroachment to the W/2 E/2
Section 31 (equivalent), 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.

The Division understands you are seeking this unorthodox location in order to obtain maximum lateral length, property place stimulation energy and to optimize pressure drawdown, which will create cost efficiencies, prevent waste, and protect correlative rights within the Bone Spring formation underlying the E/2 W/2 of Section 30 and the E/2 W/2 of Section 31 (equivalent). The horizontal spacing unit referenced only pertains to acreage within the state of New Mexico only and not the entirety of the well's lateral length which bottom holes in the state exterior to the state line.

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 the Division deems necessary.



GERASIMOS RAZATOS
DIRECTOR (ACTING)
GR/lrl

Date: 2/6/2025

ID NO. 413029

NSL - 8847

Revised March 23, 2017

RECEIVED: 12/17/24	REVIEWER:	TYPE:	APP NO: pLEL2501433018
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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: Earthstone Operating, LLC **OGRID Number:** 331165
Well Name: Los Vaqueros Federal 151H **API:** 30-025-PENDING
Pool: WC-025 G-08 S263412K; Bone Spring **Pool Code:** 96672

**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

Jaclyn M. McLean

Signature

Digitally signed by Jaclyn M. McLean
 Date: 2024.12.17 12:27:11 -0700

12/17/24

Date

505-982-4554

Phone Number

jackmc1984@gmail.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

Decmeber 17, 2024

VIA ONLINE FILING

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

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

Los Vaqueros Fed 151H
E/2 W/2 of Section 30 and the NE/4 NW/4 (Lot 3) of Section 31, Township 26 South,
Range 35 East, Lea County, New Mexico
WC-025 G-08 S263412K; Bone Spring Pool (Code 96672)

Dear Mr. Razatos,

In accordance with Division Rules 19.15.16.15(C)(6) and 19.15.15.13 NMAC, Earthstone Operating, LLC ("Earthstone"), as a wholly owned subsidiary of Permian Resources Operating, LLC ("Permian") (OGRID No. 372165) seeks administrative approval of an unorthodox well location for its Los Vaqueros Fed 151H well, in a 342.91-acre, more or less, non-standard horizontal spacing unit underlying the E/2 W/2 of Section 30 and the NE/4 NW/4 (Lot 3) of Section 31, Township 26 South, Range 35 East, Lea County, New Mexico.

The location for the **Los Vaqueros Fed 151H** well is as follows:

- Surface Hole Location: 212' FNL and 1,788' FWL (Unit C) of Section 30
- First Take Point: 100' FNL and 2,475' FWL (Lot 3) of Section 31
- Last Take Point: 100' FSL and 515' FWL (BLK-C24) of Section 25 TX
- Bottom Hole Location: 100' FSL and 515' FWL (BLK-C24) of Section 25 TX

The completed interval of the well will be unorthodox because it is located 165' from the center quarter-quarter line. As explained in the engineering statements included as **Exhibit A**, approval of the unorthodox, completed interval is necessary to allow Permian to maximize lateral length, properly place stimulation energy, and optimize pressure drawdown, which will create cost efficiencies, prevent waste, and protect correlative rights.

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

December 17, 2024

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Exhibit B is a Form C-102 showing the location of the Los Vaqueros Fed 151H well in relation to the center quarter-quarter line.

Exhibit C is a plat for Sections 30 and 31 that shows the Los Vaqueros Federal 151H well in relation to the adjoining tracts/proposed spacing units. The designated operator of the offsetting unit is Earthstone.

Exhibit D is a spreadsheet that identifies all affected persons who were sent a copy of this application and 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



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

OFFICE 432.695.4222
FAX 432.695.4063

December 10, 2024

Re: Los Vaqueros Fed 151H

SHL: Sec. 30 212' FNL & 1,788' FWL

FTP: Sec. 30 100' FNL & 2,475' FWL

LTP/BHL: Sec. 25 100' FSL, 515' FWL (TX)

Non- Standard Location (New Mexico Portion)

342.91-Acre non-standard horizontal spacing unit

[96672] WC-025 G-08 S263412K; Bone Spring

Township 26 South, Range 35 East, Lea County, New Mexico

Section 30: E2W2, Section 31: NENW, Lot 3

To Whom it May Concern,

Earthstone Operating, LLC as a wholly owned subsidiary of Permian Resources Operating, LLC ("Permian") respectfully requests administrative approval on a non-standard location for the Los Vaqueros Federal 151H as it is being drilled at 165' from the center quarter-quarter line. Permian is the present operator of record in the entire notice area which is covered by a single federal lease (NMNM 62932). The new spacing unit will allow for a 342.91-acre horizontal spacing unit on the New Mexico portion of this lateral that will penetrate the state line into Texas which Permian has joinder by the State of New Mexico and the State of Texas to perform this action. This well is located in the WC-025 G-08 S263412K; Bone Spring pool (96672). Due to the optimal spacing of the planned wells in this section, Permian has planned the Los Vaqueros 121H, 151H, 123H, 155H, and 125H with at least 825' apart. To obtain maximum lateral length, properly place stimulation energy, and optimize pressure drawdown, which will create cost efficiencies, prevent waste, and protect correlative rights, Permian respectfully requests approval of this non-standard location.

Sincerely,

A handwritten signature in black ink that reads "DAVID C. SONKA". The signature is stylized with a large, looped "D" and "S".

David Carlos Sonka
Reservoir Engineering Manager
Permian Resources Operating, LLC

Exhibit A

C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	Revised July 9, 2024	
		Submittal Type:	<input checked="" type="checkbox"/> Initial Submittal
			<input type="checkbox"/> Amended Report
			<input type="checkbox"/> As Drilled

WELL LOCATION INFORMATION

API Number	Pool Code 96672	Pool Name WC-025 G-08 S263412K; Bone Spring
Property Code	Property Name LOS VAQUEROS FED	Well Number 151H
OGRID No. 372165	Operator Name PERMIAN RESOURCES OPERATING, LLC	Ground Level Elevation 3,184.52'
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	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
C	30	26S	35E		212' FNL	1,788' FWL	32.020981°	-103.409350°	LEA

State Line Crossing

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
LOT 3	31	26S	35E		0' FSL	2,475' FWL	32.000289°	-103.407134°	LEA

Dedicated Acres 342.91	Infill or Defining Well Defining	Defining Well API	Overlapping Spacing Unit (Y/N)	Consolidation Code
Order Numbers.			Well setbacks are under Common Ownership: <input type="checkbox"/> Yes <input type="checkbox"/> No	

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
C	30	26S	35E		212' FNL	1,788' FWL	32.020981°	-103.409350°	LEA

First Take Point (FTP)

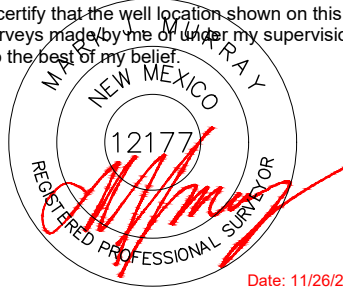
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
C	30	26S	35E		100' FNL	2,475' FWL	32.021284°	-103.407134°	LEA

Last Take Point (LTP), Bottom Hole Location (BHL)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
	25	BLK-C24	A-701		100' FSL	515' FWL	31.989514°	-103.407134°	LOVING, TX

***LTP & BHL WILL BE IN TEXAS**

Unitized Area or Area of Uniform Interest	Spacing Unit Type <input type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation:
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OPERATOR CERTIFICATIONS 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.		SURVEYOR CERTIFICATIONS 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.  Date: 11/26/2024	
Signature _____ Date _____		Signature and Seal of Professional Surveyor _____	
Printed Name _____		Certificate Number 12177	Date of Survey 11/26/2024
Email Address _____			

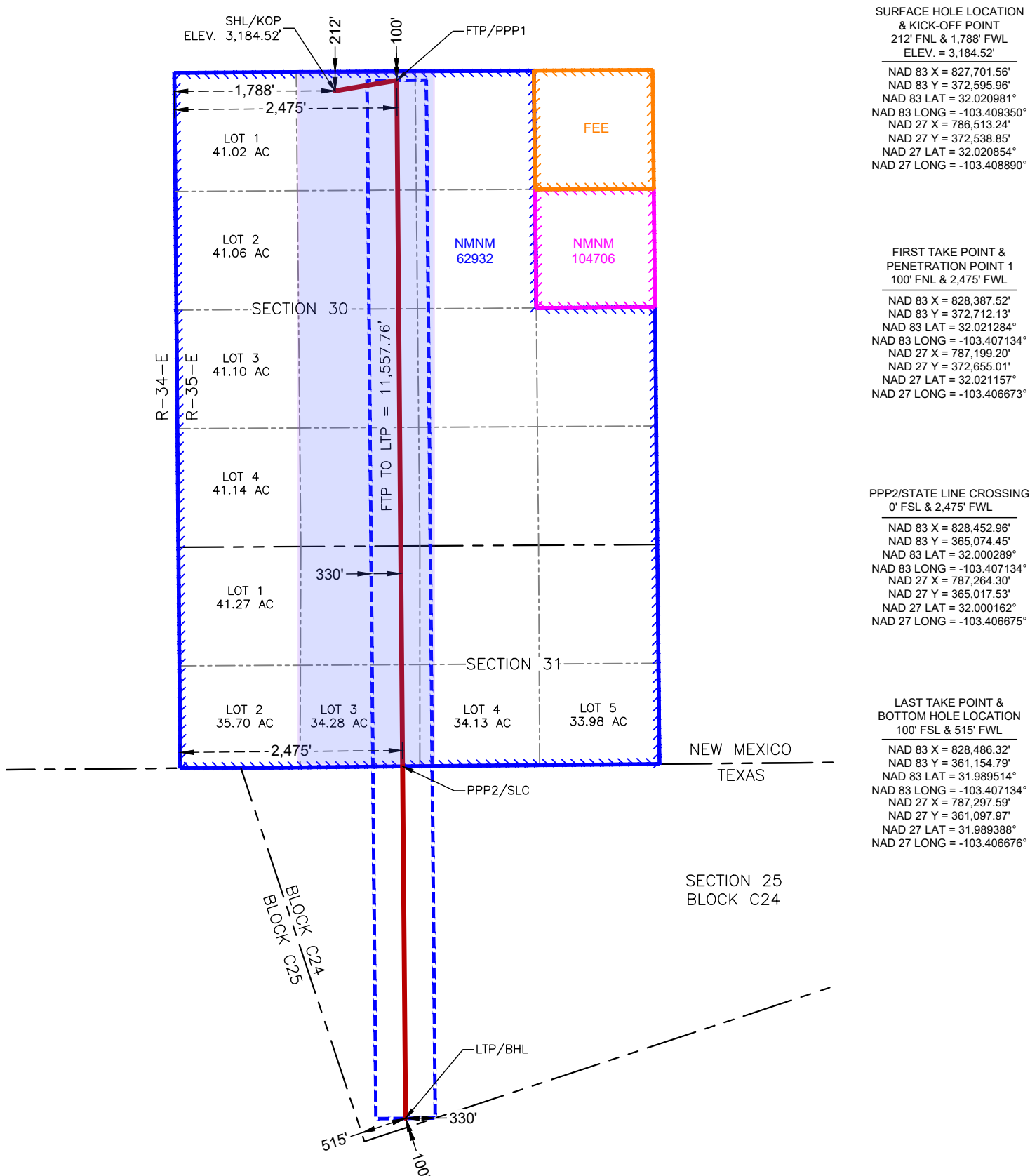
Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

Exhibit B

ACREAGE DEDICATION PLATS

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.



E/2W/2 of Section 30 NE/4NW/4, Lot 3 of Section 31, T26S-R35E, Lea County, New Mexico

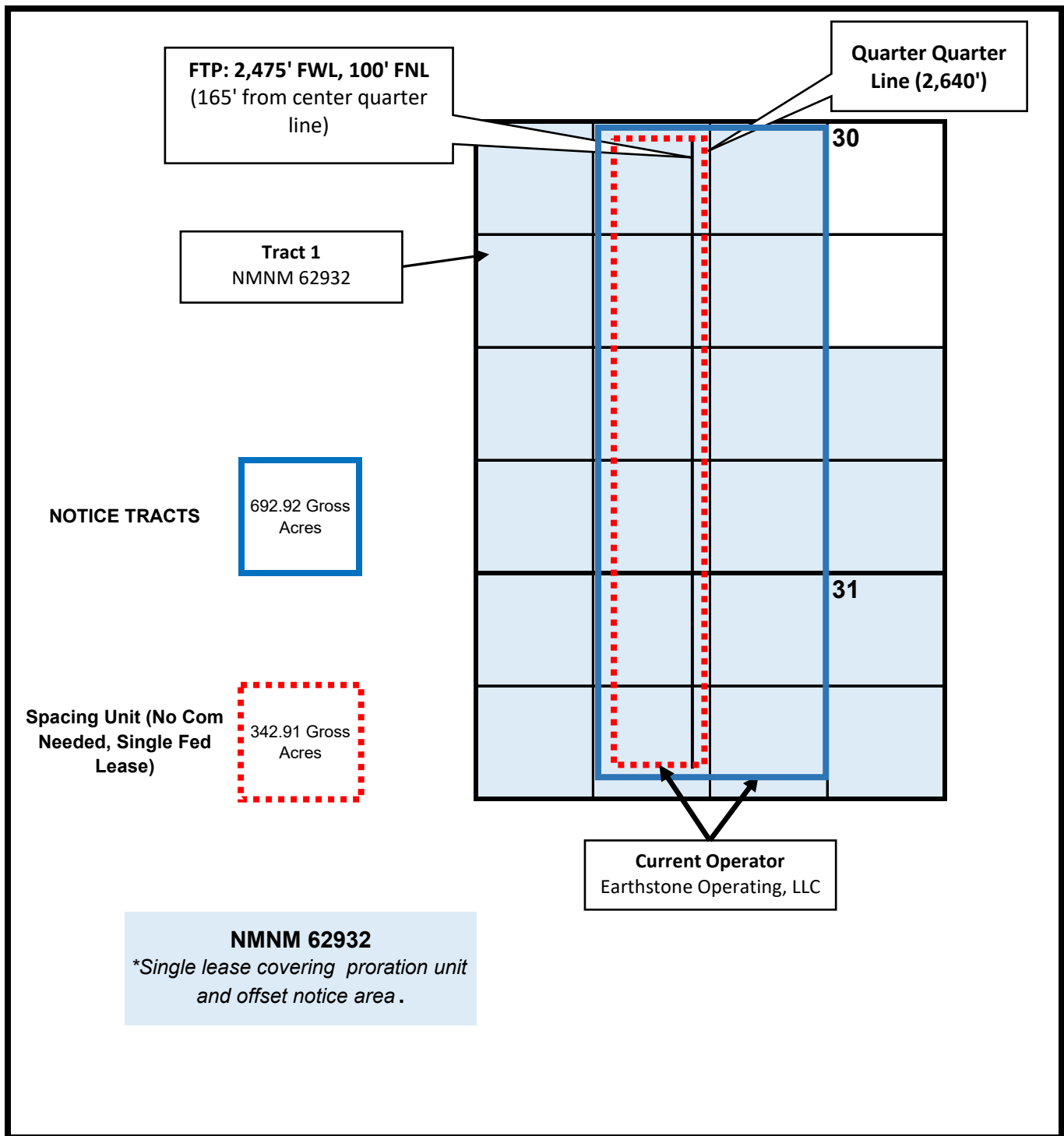


Exhibit C

Los Vaqueros Federal 151H WI information and Mailing List								
Date Mailed	Notice Party	Address	City	State	Zip	Tract	Tract WI	Tracking Number
	Earthstone Permian, LLC	N/A	N/A	N/A	N/A	NMNM 062932	78.750%	
12/17/2024	Great Western Drilling, Ltd.	P.O. Box 1659	Midland	TX	79702	NMNM 062932	10.000%	9589071052701502390948
12/17/2024	Magnum Hunter Production, Inc.	6001 Deauville Blvd., Suite 300N	Midland	TX	79706	NMNM 062932	0.731%	9589071052701502390931
12/17/2024	Walsh & Watts, Inc.	155 Walsh Drive	Aledo	TX	76008	NMNM 062932	6.000%	9589071052701502390856
12/17/2024	Chief Capital (O&G) II LLC	8111 Westchester, Suite 900	Dallas	TX	75225	NMNM 062932	0.937%	9589071052701502390863
12/17/2024	H. E. Davis Limited Partnership	P.O. Box 318	Sweetwater	TX	79556	NMNM 062932	0.469%	9589071052701502390870
12/17/2024	Bradford Working Interests, LLC	P.O. Box 51088	Midland	TX	79710	NMNM 062932	0.050%	9589071052701502390887
12/17/2024	Stan Hamblin, Trustee of The Hamblin LivingTrust u/a/d September 26, 1994	P.O. Box 4602	Midland	TX	79704	NMNM 062932	0.050%	9589071052701502390894
12/17/2024	Peter Mitchell Anderson	1303 Campbell Road	Houston	TX	77055	NMNM 062932	0.025%	9589071052701502390900
12/17/2024	SGC Operating, LLC	P.O. Box 50576	Austin	TX	78763	NMNM 062932	0.020%	9589071052701502390917
12/17/2024	OWL Exploration, LLC	P.O. Box 1610	Midland	TX	79702	NMNM 062932	0.005%	9589071052701502390924
12/17/2024	John M. McCormack, as separate property	81089 Avenida Pamplona	Indio	CA	92203	NMNM 062932	0.150%	9589071052701502390955
12/17/2024	Patterson Petroleum, LLC	P.O. Box 201730	Dallas	TX	75230	NMNM 062932	1.969%	9589071052701502390962
12/17/2024	CML Exploration, LLC	P.O. Box 841375	Dallas	TX	75284	NMNM 062932	0.844%	9589071052701502390979
12/17/2024	Bureau of Land Management	301 Dinosaur Trail	Santa Fe	NM	87508	NMNM 062932	N/A	9589071052701502390956

Exhibit D

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 413029

CONDITIONS

Operator: Permian Resources Operating, LLC 300 N. Marienfeld St Ste 1000 Midland, TX 79701	OGRID: 372165
	Action Number: 413029
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	1/9/2025