

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Melanie Kenderdine
Cabinet Secretary

Ben Shelton
Deputy Secretary (Acting)

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



Jaelyn M. McLean
jmclean@hardymclean.com

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL – 8891

**Permian Resources Operating, LLC [OGRID 372165]
Kangaroo 12 Federal Com Well No. 204H
API No. 30-015-47497**

Reference is made to your application received on February 27th, 2025.

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	1612 FSL & 2180 FWL	K	12	20S	28E	Eddy
First Take Point	998 FSL & 2091 FWL	N	12	20S	28E	Eddy
Last Take Point	1062 FSL & 115 FWL	M	11	20S	28E	Eddy
Terminus	1064 FSL & 58 FWL	M	11	20S	28E	Eddy

Proposed Horizontal Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
S/2 SW/4 Section 12	240	Burton Flat; Wolfcamp, East	73480
S/2 S/2 Section 11			

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)(3)(a) NMAC governs this proposed well and provides that the operator shall dedicate to each horizontal **gas** 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 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 660 feet for a **gas** well. 19.15.16.15(C)(1)(b) NMAC governs the first and last take point of a horizontal

Administrative Order NSL – 8891
Permian Resources Operating, LLC
Page 2 of 2

well shall be no closer than 330 feet for a **gas** 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 263 feet to the northern edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 11, encroachment to the N/2 SW/4

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 to minimize unnecessary burden, prevent waste, and to protect the correlative rights within the Wolfcamp formation underlying the S/2 SW/4 of Section 12 and the S/2 S/2 of Section 11.

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.



Date: 4/2/2025

GERASIMOS RAZATOS
DIRECTOR (ACTING)
GR/lrl

ID NO. 436847

NSL - 8891

RECEIVED: 02/27/25	REVIEWER:	TYPE:	APP NO: pLEL2505859430
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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: Kangaroo 12 Fed Com 204H **API:** 30-015-47497
Pool: Burton Flat; Wolfcamp, East (Gas) **Pool Code:** 73480

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

<u>FOR OCD ONLY</u>	
<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.

Jaclyn M. McLean

Print or Type Name

Jaclyn M. McLean

Signature

Digitally signed by Jaclyn M. McLean
Date: 2025.02.27 13:54:18 -0700

2/27/2025
Date

505-230-4410
Phone Number

jmclean@hardymclean.com
e-mail Address



February 27, 2025

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

Kangaroo 12 Fed Com 204H
S/2 S/2 of Section 11 and S/2 SW/4 of Section 12, Township 20 South, Range 28 East,
Eddy County, New Mexico
Burton Flat; Wolfcamp, East (Gas) (Code 73480)

Dear Mr. Razatos,

In accordance with Division Rules 19.15.16.15(C)(6) and 19.15.15.13 NMAC, Permian Resources Operating, LLC ("Permian Resources") (OGRID No. 372165) seeks administrative approval of an unorthodox well location for Kangaroo 12 Fed Com 204H well, in a 240-acre, more or less, standard horizontal spacing unit underlying the S/2 S/2 of Section 11 and the S/2 SW/4 of Section 12, Township 20 South, Range 28 East, Eddy County, New Mexico.

The location for the **Kangaroo 12 Fed Com 204H** well is as follows:

- Surface Hole Location: 1,612' FSL and 2,180' FWL of Section 12
- First Take Point: 998' FSL and 2,091' FWL of Section 12
- Last Take Point: 1,062' FSL and 115' FWL of Section 11
- Bottom Hole Location: 1,064' FSL and 58' FWL of Section 11

The completed interval of the well will be unorthodox because it is located 258' from the center quarter-quarter line. As explained in the engineering statement, included as **Exhibit A**, approval of the unorthodox, completed interval is necessary to allow Permian Resources to ensure

125 Lincoln Avenue, Suite 223
Santa Fe, NM 87501
505-230-4410

HardyMcClean.com

Writer:
Jaclyn M. McLean
Managing Partner
jmclean@hardymcClean.com

Hardy McLean, LLC
February 27, 2025

Page 2

the Kangaroo 12 Fed Com 204H maintains its dedicated spacing unit. This will minimize unnecessary burden, create cost efficiencies, prevent waste, and protect correlative rights.

Exhibit B is a Form C-102 showing the location of the Kangaroo 12 Fed Com 204H well in relation to the center quarter-quarter line.

Exhibit C is a plat for Sections 11 and 12 that shows the Kangaroo 12 Fed Com 204H well in relation to the adjoining tracts/proposed spacing units. The designated operator of the offsetting unit is Permian Resources.

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,

HARDY MCLEAN LLC

/s/ Jaclyn M. McLean

Jaclyn M. McLean

Attorneys for Permian Resources Operating, LLC



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

OFFICE 432.695.4222
FAX 432.695.4063

February 26, 2025

Re: Kangaroo 12 Fed Com 204H

SHL: Sec. 12 1,612' FSL & 2,180' FWL (*as-drilled footages*)

FTP: Sec. 12 998' FSL & 2,091' FWL (*as-drilled footages*)

LTP: Sec. 11 1,062' FSL & 115' FWL (*as-drilled footages*)

BHL: Sec 11 1,064' FSL & 58' FWL (*as-drilled footages*)

Non- Standard Location

240.00-Acre non-standard horizontal spacing unit

[73480] Burton Flat; Wolfcamp, East (Gas)

Township 20 South, Range 28 East, Eddy County, New Mexico

Section 11: S/2S/2

Section 12: S/2SW/4

To Whom it May Concern,

Permian Resources Operating, LLC ("Permian") respectfully requests administrative approval on a non-standard location for the Kangaroo 12 Fed Com 204H. The well was planned to be drilled at 990' FSL but drifted outside of the 50' tolerance window to 1,062' FSL being within 258' of the 1,320' QQ line. The well remained outside of the 50' tolerance window for approximately the last 200' as seen on the attached plat.

Permian is the offset operator of the N/2S2 of Sections 11 where the Kangaroo 12 Fed Com 203H well was drilled alongside the 204H. All interest owners in each well are identical and no material issues have been observed. The purpose of this NSL application is to ensure the Kangaroo 12 Fed Com 204H maintains its 240-acre dedicated spacing.

To minimize unnecessary burden, prevent waste, and protect correlative rights, Permian respectfully requests approval of this non-standard location.

Sincerely,

Sam Hamilton
Reservoir Engineer
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 type="checkbox"/> Initial Submittal <input type="checkbox"/> Amended Report <input type="checkbox"/> As Drilled
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WELL LOCATION INFORMATION

API Number 30-015-47497	Pool Code 73480	Pool Name BURTON FLAT; WOLFCAMP, EAST (GAS)
Property Code	Property Name KANGAROO 12 FED COM	Well Number 204H
OGRID No. 372165	Operator Name PERMIAN RESOURCES OPERATING, LLC	Ground Level Elevation 3,259.4'
Surface Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal		Mineral Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal

Surface Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD 83)	Longitude (NAD 83)	County
K	12	20S	28E		1,612 SOUTH	2,180 WEST	32.585429°	-104.132257°	EDDY

Bottom Hole Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD 83)	Longitude (NAD 83)	County
M	11	20S	28E		1,064 SOUTH	58 WEST	32.583898°	-104.156427°	EDDY

Dedicated Acres 240	Infill or Defining Well	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 (NAD 83)	Longitude (NAD 83)	County
N	12	20S	28E		1,008 SOUTH	2,535 WEST	32.583770°	-104.131130°	EDDY

First Take Point (FTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD 83)	Longitude (NAD 83)	County
N	12	20S	28E		998 SOUTH	2,091 WEST	32.583741°	-104.132572°	EDDY

Last Take Point (LTP)

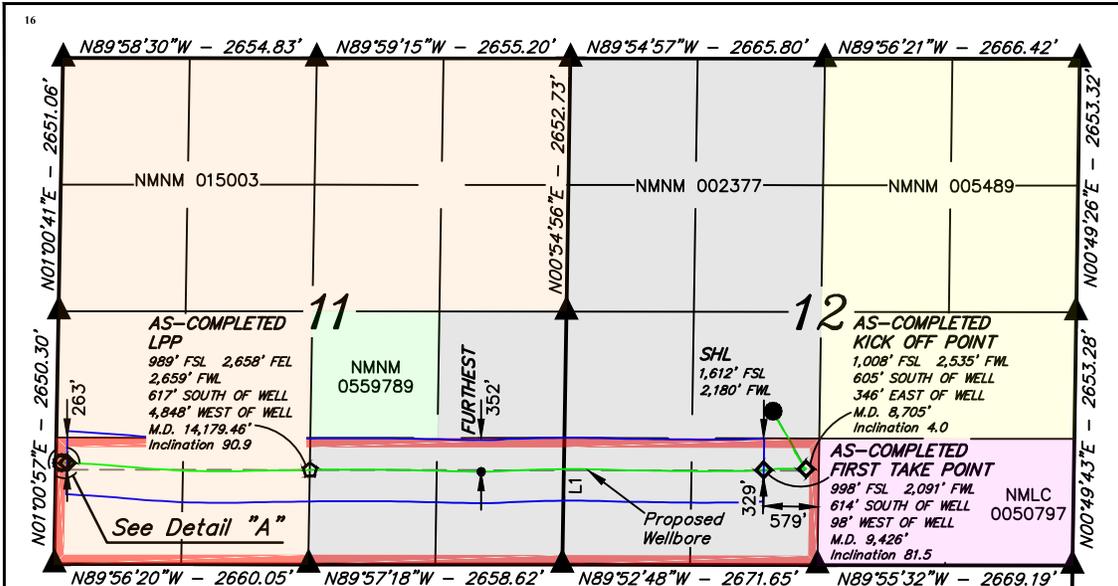
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD 83)	Longitude (NAD 83)	County
M	11	20S	28E		1,062 SOUTH	115 WEST	32.583893°	-104.156242°	EDDY

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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<p>OPERATOR CERTIFICATIONS</p> <p><i>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.</i></p> <p><i>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></p>	<p>SURVEYOR CERTIFICATIONS</p> <p><i>I hereby certify that the well location shown on this plat was plotted from the 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.</i></p> <div style="text-align: center;">  </div>
Signature _____ Date _____	Signature and Seal of Professional Surveyor
Printed Name _____	23782 April 23, 2024
Email Address _____	Certificate Number _____ Date of Survey _____

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

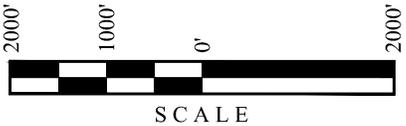
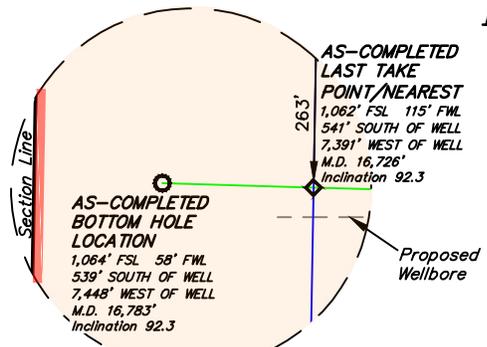
Property Name KANGAROO 12 FED COM	Well Number 204H	Drawn By L.T.T. 02-07-25	Revised By REV: 1 L.T.T. 02-11-25 (ADD DIMENSIONS TO FTP)
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SECTION LINE TABLE		
LINE	DIRECTION	LENGTH
L1	N00°55'25"E	2651.67'

APPROXIMATE WELLBORE MEASURED DEPTH DISTANCE FROM FTP TO LTP	
TRACT	DISTANCE
NMNM 002377	4,753.46'
NMNM 015003	2,546.54'
TOTAL	7,300.00'

- = SURFACE HOLE LOCATION
- ◆ = AS-COMPLETED KICK OFF POINT/TAKE POINT
- ☆ = AS-COMPLETED LEASE PENETRATION POINT
- = AS-COMPLETED BOTTOM HOLE LOCATION
- ▲ = SECTION CORNER LOCATED
- = HORIZONTAL SPACING UNIT
- = AS-COMPLETED WELLBORE
- = 330' BUFFER FROM WELLBORE



NAD 83 (SURFACE HOLE LOCATION)	FOOTAGE
LATITUDE = 32°35'07.55" (32.585429°)	1,612' FSL
LONGITUDE = -104°07'56.13" (-104.132257°)	2,180' FWL
NAD 27 (SURFACE HOLE LOCATION)	
LATITUDE = 32°35'07.12" (32.585311°)	
LONGITUDE = -104°07'54.30" (-104.131751°)	
STATE PLANE NAD 83 (N.M. EAST)	
N: 576768.42' E: 603269.46'	
STATE PLANE NAD 27 (N.M. EAST)	
N: 576706.85' E: 562089.22'	

NAD 83 (AS-COMPLETED LPP)	FOOTAGE
LATITUDE = 32°35'01.33" (32.583702°)	989' FSL
LONGITUDE = -104°08'52.76" (-104.147988°)	2,658' FEL
NAD 27 (AS-COMPLETED LPP)	
LATITUDE = 32°35'00.90" (32.583584°)	
LONGITUDE = -104°08'50.94" (-104.147482°)	
STATE PLANE NAD 83 (N.M. EAST)	
N: 576131.08' E: 598425.27'	
STATE PLANE NAD 27 (N.M. EAST)	
N: 576069.57' E: 557245.03'	

NAD 83 (AS-COMPLETED KOP)	FOOTAGE
LATITUDE = 32°35'01.57" (32.583770°)	1,008' FSL
LONGITUDE = -104°07'52.07" (-104.131130°)	2,535' FWL
NAD 27 (AS-COMPLETED KOP)	
LATITUDE = 32°35'01.15" (32.583652°)	
LONGITUDE = -104°07'50.25" (-104.130624°)	
STATE PLANE NAD 83 (N.M. EAST)	
N: 576165.43' E: 603617.86'	
STATE PLANE NAD 27 (N.M. EAST)	
N: 576103.87' E: 562437.60'	

NAD 83 (AS-COMPLETED LTP)	FOOTAGE
LATITUDE = 32°35'02.01" (32.583893°)	1,062' FSL
LONGITUDE = -104°09'22.47" (-104.156242°)	115' FWL
NAD 27 (AS-COMPLETED LTP)	
LATITUDE = 32°35'01.59" (32.583775°)	
LONGITUDE = -104°09'20.65" (-104.155736°)	
STATE PLANE NAD 83 (N.M. EAST)	
N: 576196.26' E: 595882.91'	
STATE PLANE NAD 27 (N.M. EAST)	
N: 576134.76' E: 554702.68'	

NAD 83 (AS-COMPLETED FTP)	FOOTAGE
LATITUDE = 32°35'01.47" (32.583741°)	998' FSL
LONGITUDE = -104°07'57.26" (-104.132572°)	2,091' FWL
NAD 27 (AS-COMPLETED FTP)	
LATITUDE = 32°35'01.04" (32.583623°)	
LONGITUDE = -104°07'55.44" (-104.132066°)	
STATE PLANE NAD 83 (N.M. EAST)	
N: 576153.94' E: 603173.79'	
STATE PLANE NAD 27 (N.M. EAST)	
N: 576092.39' E: 561993.54'	

NAD 83 (AS-COMPLETED BHL)	FOOTAGE
LATITUDE = 32°35'02.03" (32.583898°)	1,064' FSL
LONGITUDE = -104°09'23.14" (-104.156427°)	58' FWL
NAD 27 (AS-COMPLETED BHL)	
LATITUDE = 32°35'01.61" (32.583781°)	
LONGITUDE = -104°09'21.31" (-104.155921°)	
STATE PLANE NAD 83 (N.M. EAST)	
N: 576198.27' E: 595825.99'	
STATE PLANE NAD 27 (N.M. EAST)	
N: 576136.78' E: 554643.77'	

- 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)
 - Colored areas within section lines represent Federal oil & gas leases.
 - Wellbore data provided by Permian Resources Operating, LLC.
 - As-Completed well head has not been field verified.

Kangaroo 12 Fed Com 204H
S2SE/4 of Section 12 & S/2S/2 of Section 11, T20S-R28E, Edd County, New Mexico

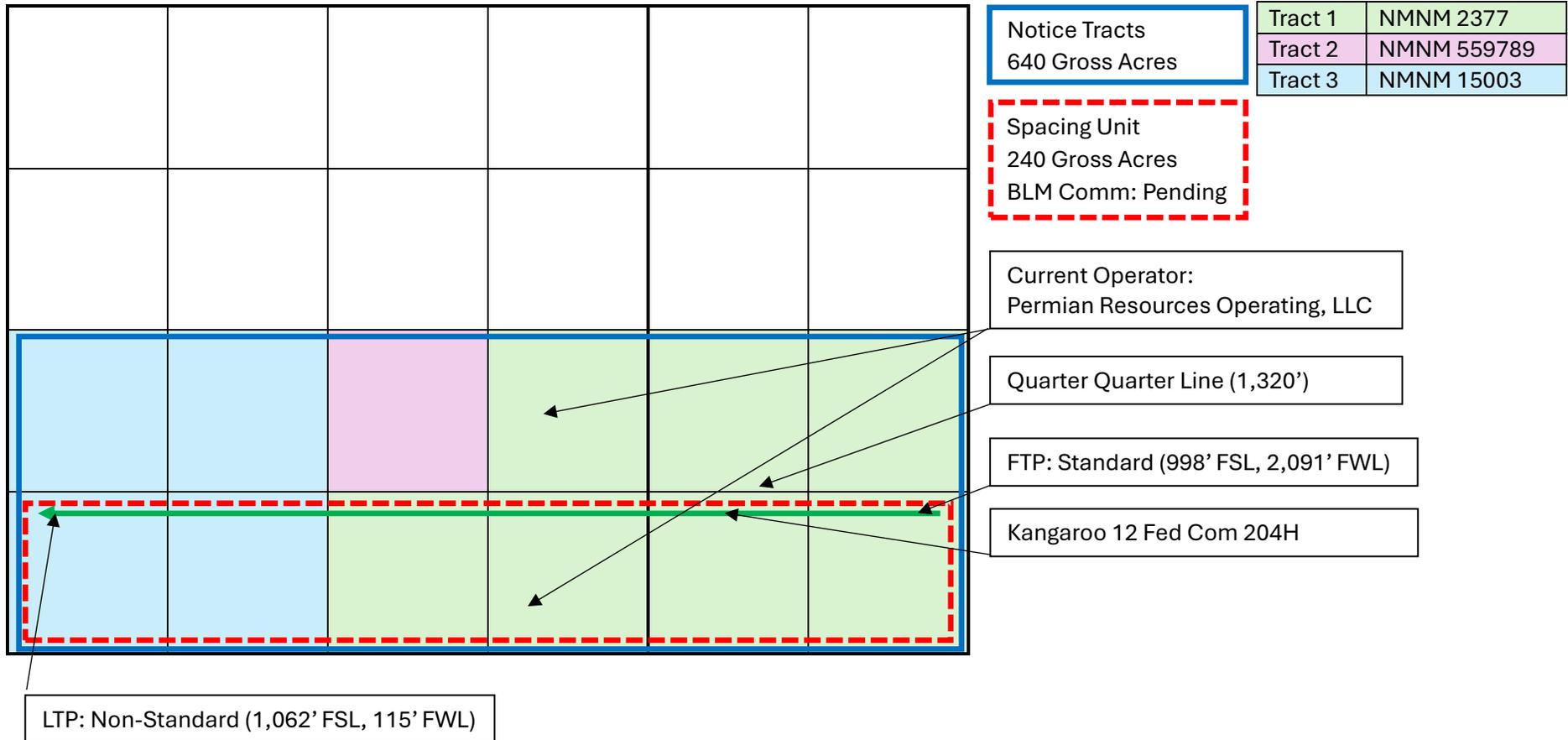


EXHIBIT C

Kangaroo 12 Fed Com 204H NSL Mailing List								
Date Mailed	Notice Party	Address	City	State	Zip	Tract	Tract WI	Tracking Number
2/27/2025	United States of America	301 Dinosaur Trail	Santa Fe	NM	87508	3	N/A	9414836208551278911446
N/A	Permian Resources	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	*Permian Resources is the operator of the N/2 S/2 of Sections 11							

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 436847

CONDITIONS

Operator: Permian Resources Operating, LLC 300 N. Marienfeld St Ste 1000 Midland, TX 79701	OGRID: 372165
	Action Number: 436847
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	2/27/2025