

State of New Mexico  
Energy, Minerals and Natural Resources Department

**Michelle Lujan Grisham**  
Governor

**Erin Taylor**  
Acting Cabinet Secretary

**Ben Shelton**  
Deputy Secretary

**Albert C.S. Chang**  
Division Director  
Oil Conservation Division



**ADMINISTRATIVE NON-STANDARD LOCATION**

Jaclyn M. McLean  
[jmclean@hardymclean.com](mailto:jmclean@hardymclean.com)

**Administrative Order NSL – 9338**

**3R Operating, LLC [OGRID 331569]  
Mad River 13 U State Com Well No. 401H  
API No. 30-015-57282**

Reference is made to your application received on April 20<sup>th</sup>, 2026.

**Proposed Location**

	<b>Footages</b>	<b>Unit/Lot</b>	<b>Sec.</b>	<b>Twsp</b>	<b>Range</b>	<b>County</b>
Surface	2287 FSL & 161 FEL	I	13	24S	27E	Eddy
First Take Point	1980 FSL & 100 FEL	I	13	24S	27E	Eddy
Last Take Point/ Terminus	660 FSL & 100 FEL	P	13	24S	27E	Eddy

**Proposed Horizontal Spacing Unit**

<b>Description</b>	<b>Acres</b>	<b>Pool</b>	<b>Pool Code</b>
S/2 Section 13	320	Willow Lake; Bone Spring, West	96415

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 dedicate 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.

1220 South St. Francis Drive, 3<sup>rd</sup> Floor • Santa Fe, New Mexico 87505  
Phone (505) 476-3441 • [www.emnrd.state.nm.us/oed](http://www.emnrd.state.nm.us/oed)

Administrative Order NSL – 9338  
3R Operating, LLC  
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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 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 Take Points referenced above, within the described Horizontal Spacing Unit.

This well's completed interval is as close as 100 feet to the western edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 14, encroachment to the E/2 SE/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.

It is understood that the request for a non-standard location is to allow optimal recovery of resources within the Bonespring formation underlying the S/2 Section 13 and to prevent waste and protect correlative rights.

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.



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

Date: 06/12/2026

ID NO. 577478

NSL - 9338

RECEIVED: <b>04/20/26</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:** 3R Operating, LLC **OGRID Number:** 331569  
**Well Name:** Mad River 13 U State Com 401H **API:** 30-015-57282  
**Pool:** Willow Lake; Bone Spring West **Pool Code:** 96415

**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

4/20/2026  
Date

505-230-4410  
Phone Number

Jaclyn M. McLean

Signature

Digitally signed by Jaclyn M. McLean  
Date: 2026.04.20 09:18:17 -0600

jmclean@hardymclean.com  
e-mail Address



April 18, 2026

**VIA ONLINE FILING**

Albert C.S. Chang  
Division Director  
Oil Conservation Division  
Energy, Minerals and Natural Resources Department  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

**Re: 3R Operating, LLC  
Request for Administrative Approval of Unorthodox Well Location**

Mad River 13 U State Com 401H (API No. 30-015-57282)  
S/2 of Section 13, Township 24 South, Range 27 East, Eddy County, New Mexico.  
Willow Lake; Bone Spring West Pool (Code 96415)

Dear Mr. Chang,

In accordance with Division Rules 19.15.16.15(C)(6) and 19.15.15.13 NMAC, 3R Operating, LLC ("3R") (OGRID No. 331569), seeks administrative approval of an unorthodox well location for the Mad River 13 U State Com 401H well, in a 320- acre, more or less, standard horizontal spacing unit, comprised of the S/2 of Section 13, Township 24 South, Range 27 East, Eddy County, New Mexico.

The location for the **Mad River 13 U State Com 401H** well is as follows:

- Surface Hole Location: 2,287' FSL and 161' FEL, Section 13, Township 24 South, Range 27 East;
- First Take Point: 1,980' FSL and 100' FEL, Section 13, Township 24 South, Range 27 East;
- Last Take Point: 660' FSL and 100' FEL, Section 13, Township 24 South, Range 27 East
- Bottom Hole Location: 660' FSL and 100' FEL, Section 13, Township 24 South, Range 27 East

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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  
April 18, 2026

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3R plans to begin the non-perforation zone (“NPZ”) and take the turn for its Mad River 13 U State Com 401H well at the following locations:

- Start NPZ – 1,806’ FSL and 228’ FWL of Section 13, Township 24 South, Range 27 East; and
- End NPZ – 853’ FSL and 228’ FWL of Section 13, Township 24 South, Range 27 East.

Therefore, the completed intervals at the start and end of the NPZ will be located within 330’ of the western boundary of the spacing unit. As explained in the engineering statement, included as **Exhibit A**, approval of the unorthodox well location is necessary to allow 3R to allow optimal recovery of resources. This will prevent waste and protect correlative rights.

**Exhibit B** is a Form C-102 showing the location of the Mad River 13 U State Com 401H well in relation to the offset tract to the west.

**Exhibit C** is a plat that shows the Mad River 13 U State Com 401H well in relation to the adjoining tracts. The interest owners to the west are identified as the affected parties. Exhibit C also contains a tract breakdown, which identifies the interest owners by tract. Notice of this application was provided to all parties identified on the tract breakdown.

Exhibit C also 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, along with the date notice was sent, and a copy of the notice letter to affected persons.

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 3R OPERATING  
OPERATING, LLC



4/9/2026

Re: Mad River 13 U State Com #401H  
NPZ 1: 1,806' FSL & 228' FWL of Section 13, T24S, R27E  
NPZ 2: 853' FSL & 228' FWL of Section 13, T 24S, R 27E  
Eddy County, New Mexico

To Whom It May Concern,

3R Operating, LLC respectfully requests administrative approval of a non-standard location for the Mad River 13 U State Com #401H to allow the completed interval to be less than 330 feet from the Western boundary of the existing 320 acre horizontal spacing unit. Due to common ownership and operational efficiencies, approval of a non-standard location will allow for optimal recovery of resources, thus preventing waste and protecting correlative rights. 3R Operating, LLC request approval of this non-standard location to avoid causing wasted resources and reducing the production of the wells listed above,

Sincerely,

A handwritten signature in black ink, appearing to read 'Austin Tramell', is written in a cursive style.

Austin Tramell  
Director Environmental and Regulatory  
3R Operating, LLC

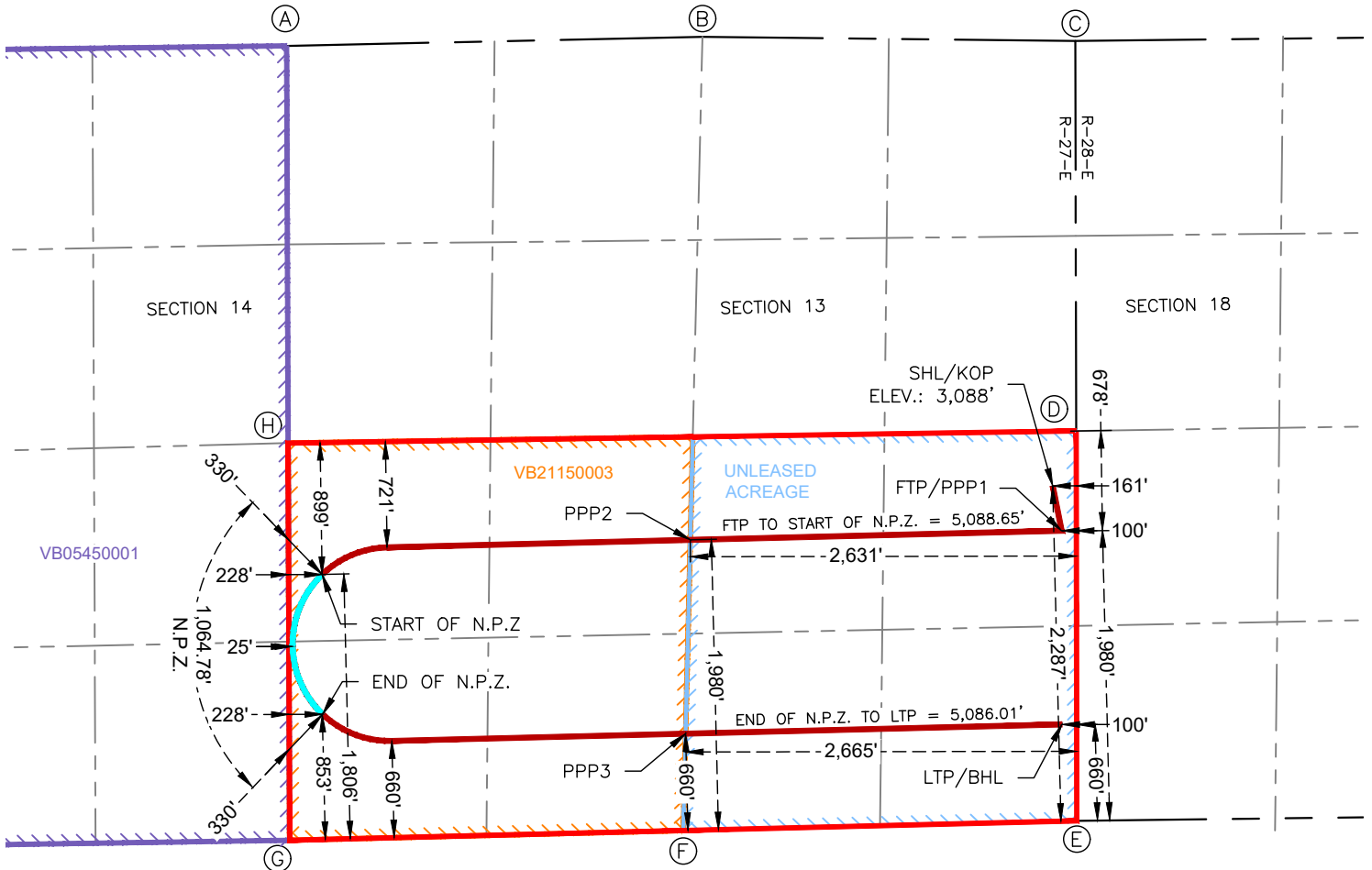
**EXHIBIT A**



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.



**MAD RIVER 13 U STATE COM 401H**

**SURFACE HOLE LOCATION & KICK-OFF POINT**  
 2,287' FSL & 161' FEL  
 ELEV. = 3,088'

NAD 83 X = 602,358.06'  
 NAD 83 Y = 442,611.25'  
 NAD 83 LAT = 32.216661°  
 NAD 83 LONG = -104.136020°  
 NAD 27 X = 561,174.94'  
 NAD 27 Y = 442,552.91'  
 NAD 27 LAT = 32.216540°  
 NAD 27 LONG = -104.135525°

**FIRST TAKE POINT & PENETRATION POINT 1**  
 1,980' FSL & 100' FEL

NAD 83 X = 602,419.19'  
 NAD 83 Y = 442,305.73'  
 NAD 83 LAT = 32.215821°  
 NAD 83 LONG = -104.135824°  
 NAD 27 X = 561,236.06'  
 NAD 27 Y = 442,247.40'  
 NAD 27 LAT = 32.215700°  
 NAD 27 LONG = -104.135330°

**PENETRATION POINT 2**  
 1,980' FSL & 2,631' FEL

NAD 83 X = 599,888.74'  
 NAD 83 Y = 442,243.33'  
 NAD 83 LAT = 32.215662°  
 NAD 83 LONG = -104.144007°  
 NAD 27 X = 558,705.66'  
 NAD 27 Y = 442,185.03'  
 NAD 27 LAT = 32.215541°  
 NAD 27 LONG = -104.143512°

**START OF N.P.Z.**  
 1,806' FSL & 228' FWL

NAD 83 X = 597,380.30'  
 NAD 83 Y = 442,007.35'  
 NAD 83 LAT = 32.215025°  
 NAD 83 LONG = -104.152119°  
 NAD 27 X = 556,197.26'  
 NAD 27 Y = 441,949.09'  
 NAD 27 LAT = 32.214905°  
 NAD 27 LONG = -104.151624°

**END OF N.P.Z.**  
 853' FSL & 228' FWL

NAD 83 X = 597,383.89'  
 NAD 83 Y = 441,054.35'  
 NAD 83 LAT = 32.212405°  
 NAD 83 LONG = -104.152113°  
 NAD 27 X = 556,200.84'  
 NAD 27 Y = 440,996.10'  
 NAD 27 LAT = 32.212285°  
 NAD 27 LONG = -104.151617°

**PENETRATION POINT 3**  
 660' FSL & 2,665' FEL

NAD 83 X = 599,856.75'  
 NAD 83 Y = 440,922.14'  
 NAD 83 LAT = 32.212030°  
 NAD 83 LONG = -104.144118°  
 NAD 27 X = 558,673.64'  
 NAD 27 Y = 440,863.86'  
 NAD 27 LAT = 32.211910°  
 NAD 27 LONG = -104.143623°

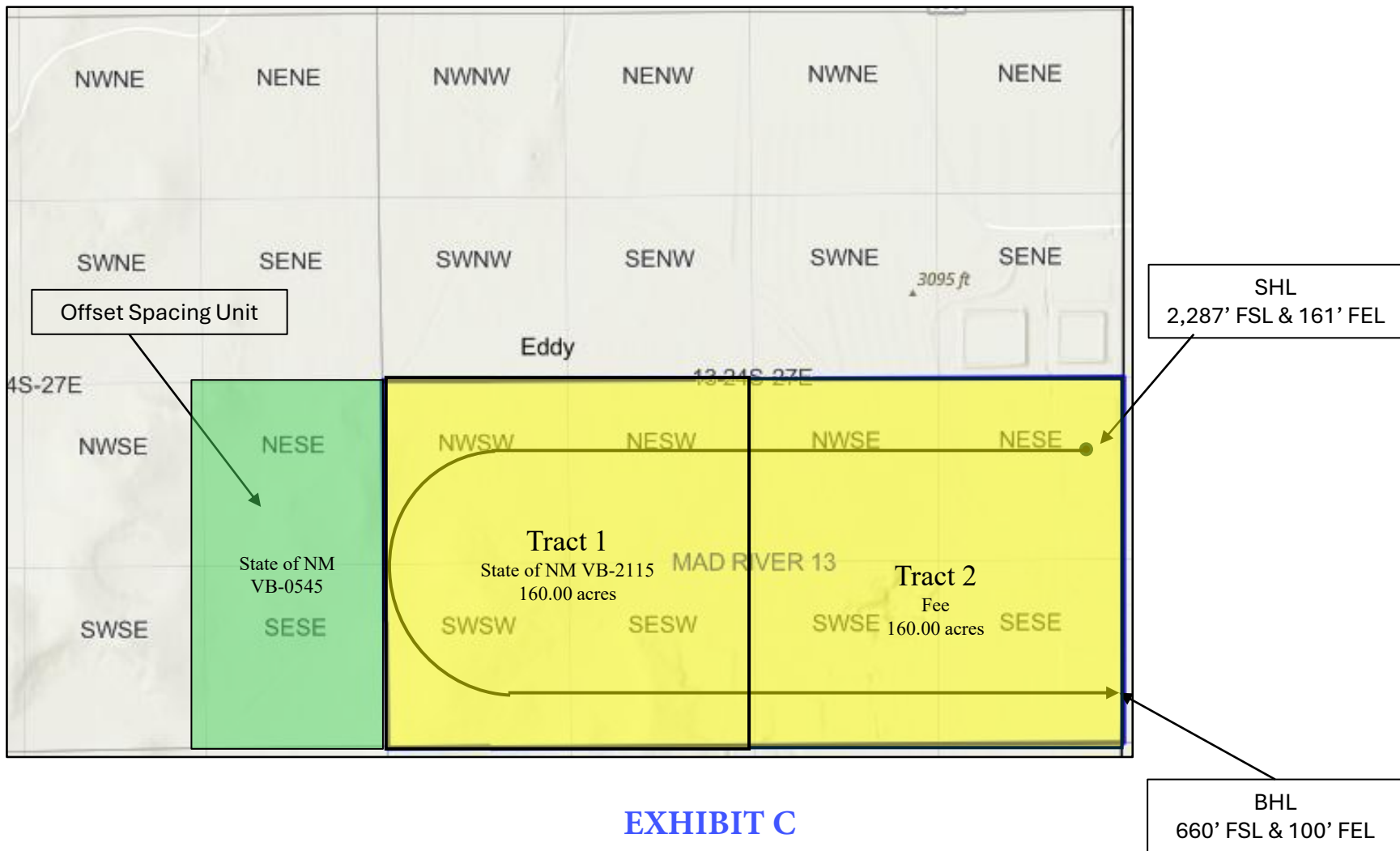
**LAST TAKE POINT & BOTTOM HOLE LOCATION**  
 660' FSL & 100' FEL

NAD 83 X = 602,421.53'  
 NAD 83 Y = 440,985.39'  
 NAD 83 LAT = 32.212191°  
 NAD 83 LONG = -104.135824°  
 NAD 27 X = 561,238.38'  
 NAD 27 Y = 440,927.08'  
 NAD 27 LAT = 32.212071°  
 NAD 27 LONG = -104.135330°

**CORNER COORDINATES  
 NEW MEXICO EAST - NAD 83**

POINT	NORTHING/EASTING
A	N:445,611.24' E:597,138.37'
B	N:445,673.08' E:599,971.81'
C	N:445,644.88' E:602,511.85'
D	N:442,985.73' E:602,517.98'
E	N:440,327.68' E:602,522.70'
F	N:440,261.54' E:599,840.75'
G	N:440,195.40' E:597,158.80'
H	N:442,903.32' E:597,148.58'

**Mad River 13 U State Com 401H Map**  
Plat of area covering 320.00 acres being the S/2 of Section 13, Township 24 South, Range 27 East,  
Eddy County, New Mexico.



**Mad River 13 U State Com 401H NSL Notification**

S/2 of Section 13, T24S – R27E, Eddy County, New Mexico (containing 320.00 acres, more or less)

**Offset Proration Unit:** E/2 SE/4 of Section 14, T24S – R27E, (containing 80.00 acres, more or less)**Notification Tracts:**

<b>Owner Type</b>	<b>Affected Party</b>	<b>WI Percentage</b>
WI Owner	EOG Resources, Inc.	100.00%

**Owner Information – Mad River 13 U State Com 401H**

<b>Owner Type</b>	<b>Affected Party</b>	<b>WI Percentage</b>
Operator	3R Operating, LLC	0.00000000%
WI Owner	Ridge Runner AssetCo II, LLC	74.5931000%
WI Owner	COG Operating, LLC	23.9681000%
WI Owner	Concho Oil & Gas, LLC	0.62500000%
WI Owner	Chevron U.S.A. Inc.	0.81380000%

**Compiled Owners and Addresses:****Compiled Owner Information**

<b>Owner Type</b>	<b>Affected Party</b>	<b>Mailing Address</b>
Operator	3R Operating, LLC	20405 State Highway 249, Suite 820, Houston, TX 77070
WI Owner	Ridge Runner AssetCo II, LLC	20405 State Highway 249, Suite 820, Houston, TX 77070
WI Owner	EOG Resources, Inc.	5509 Champions Drive, Midland, TX 79706
WI Owner	Chevron U.S.A. Inc.	1400 Smith Street, Houston, TX 77002
WI Owner	Concho Oil & Gas, LLC	600 W. Illinois Avenue, Midland, TX 79701
WI Owners	COG Operating, LLC	600 W. Illinois Avenue, Midland, TX 79701
MI Owner	State of New Mexico	310 Old Santa Fe Trail, Santa Fe, NM 87504

**Mailing Information**

<b>Owner</b>	<b>Date Mailing Sent</b>	<b>Tracking Number</b>
EOG Resources, Inc.	04/20/2026	9414836208551299231028
Chevron U.S.A. Inc.	04/20/2026	9414836208551299230137
Concho Oil & Gas, LLC	04/20/2026	3414836208551299230465
COG Operating, LLC	04/20/2026	9414836208551299230625
State of New Mexico	04/20/2026	9414836208551299230748



April 20, 2026

**VIA CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**TO: ALL AFFECTED PERSONS**

**Re: 3R Operating, LLC**  
**Request for Administrative Approval of Unorthodox Well Location**

Enclosed is a copy of an administrative application requesting approval of a non-standard well location for the Mad River 13 U State Com 401H well. The application was filed with the New Mexico Oil Conservation Division on this date. Any objection to this application must be filed in writing within twenty (20) days from the date this application is received by 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 Brian van Staveren, Landman at 3R Operating, LLC – [bvanstaveren@3ROperating.com](mailto:bvanstaveren@3ROperating.com).

Sincerely,

HARDY MCLEAN LLC

/s/ Jaclyn M. McLean

Jaclyn M. McLean

*Attorneys for 3R Operating, LLC*

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

[HardyMclean.com](http://HardyMclean.com)

**Writer:**  
Jaclyn M. McLean  
Managing Partner  
[jmclean@hardymclean.com](mailto:jmclean@hardymclean.com)

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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 577478

**CONDITIONS**

Operator: 3R Operating, LLC 20405 State Highway 249 Houston, TX 77070	OGRID: 331569
	Action Number: 577478
	Action Type: [UF-NSL] Non-Standard Location (NSL)

**CONDITIONS**

Created By	Condition	Condition Date
llowe	None	4/23/2026