

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



Jaclyn M. McLean
jmclean@hardymclean.com

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL – 9377

**Permian Resources Operating, LLC [OGRID 372165]
Fred State Com Well No. 221H
API No. 30-015-55709**

Reference is made to your application received on May 15th, 2026.

Proposed Location

	Footages	Unit/Lot	Sec.	Twsp	Range	County
Surface	2017 FNL & 1184 FWL	E	33	21S	27E	Eddy
First Take Point	1394 FNL & 100 FEL	H	32	21S	27E	Eddy
Last Take Point	1396 FNL & 100 FWL	E	36	21S	26E	Eddy
Terminus	1396 FNL & 57 FWL	E	36	21S	26E	Eddy

Proposed Horizontal Units

Description	Acres	Pool	Pool Code
Section 32, T21S R27E	1908.2	Carlsbad; Wolfcamp, East	74160
Section 31, T21S R27E			
Section 36, T21S, R26E			

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

Administrative Order NSL - 9377
Permian Resources 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 660 feet for a **gas** 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 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 First and Last Take Points referenced above within the described Horizontal Spacing Unit.

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

Section 33, T21S R27E, encroachment to the NW/4
Section 35, T21S R26E, encroachment to the NE/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.

Division understands you are seeking this unorthodox location in order to maximize lateral length, to properly place stimulation energy, and to optimize pressure drawdown within the Wolfcamp formation underlying Section 32, (T21S, R27E), Section 31, (T21S, R27E) and Section 36, (T21S, R26E). Therefore preventing waste, and protection of 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 Division deems necessary.



Albert C.S. Chang
Division Director
AC/lrl

Date: 07/24/2026

ID NO. 585653

NSL - 9377

Revised March 23, 2017

RECEIVED: 05/15/26	REVIEWER:	TYPE:	APP NO:
---------------------------	-----------	-------	---------

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: Fred State Com 221H **API:** 30-015-55703
Pool: Carlsbad; Wolfcamp, East (Gas) **Pool Code:** 74160

**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 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.

May 15, 2026

Date

Jaclyn M. McLean

Print or Type Name

505-230-4410

Phone Number

Jaclyn M. McLean

Signature

 Digitally signed by Jaclyn M. McLean
 Date: 2026.05.14 11:00:16 -06'00'
jmclean@hardymclean.com

e-mail Address



May 15, 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: Permian Resources Operating, LLC
Request for Administrative Approval of Unorthodox Well Location**

Fred State Com 221H (API No. 30-015-55709)
All of Sections 31 and 32, Township 21 South, Range 27 East and All of Section 36,
Township 21 South, Range 26 East, Eddy County, New Mexico.
Carlsbad; Wolfcamp, East (Gas) Pool (Code 74160)

Dear Mr. Chang,

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 the Fred State Com 221H well, in a 1,908.20 acre, more or less, standard horizontal spacing unit, comprised of the all of Sections 31 and 32, Township 21 South, Range 27 East and all of Section 36, Township 21 South, Range 26 East, Eddy County, New Mexico.

The location for the **Fred State Com 221H** well is as follows:

- Surface Hole Location: 2,017' FNL and 1,184' FWL, Section 33, Township 21 South, Range 27 East
- First Take Point: 1,394' FNL and 100' FEL, Section 32, Township 21 South, Range 27 East
- Last Take Point: 1,396' FNL and 100' FWL, Section 36, Township 21 South, Range 26 East

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
May 15, 2026

Page 2

- Bottom Hole Location: 1,396' FNL and 57' FWL, Section 36, Township 21 South, Range 26 East

The completed interval of the well will be unorthodox because it will be located less than 330 feet from the western and eastern boundaries of the offsetting spacing units. As explained in the engineering statement, included as **Exhibit A**, approval of the unorthodox, completed interval is necessary to allow Permian Resources to maximize lateral length, properly place stimulation energy, and optimize pressure drawdown, which will prevent waste and protect correlative rights.

Exhibit B is a Form C-102 showing the location of the Fred State Com 221H well in relation to the offset tracts.

Exhibit C is a plat that shows the Fred State Com 221H well in relation to the adjoining tracts. Permian Resources is the offset operator to the east. Therefore, notice was provided to the interest owners in the adjoining tract. The notice list attached as Exhibit D identifies all offset owners who were provided notice of this application.

Exhibit D is a list 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, 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 PERMIAN RESOURCES
OPERATING, LLC



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

OFFICE 432.695.4222
FAX 432.695.4063

5/6/2026

Re: FRED STATE COM 221H

SHL: 1,184' FWL, 2,017' FNL of Section 33, T21S-R27E

FTP: 100' FEL, 1,394' FNL of Section 32, T21S-R27E

LTP: 100' FWL, 1,396' FNL of Section 36, T21S-R26E

BHL: 57' FWL, 1,396' FNL of Section 36, T21S-R26E

Eddy County, New Mexico

To Whom It May Concern,

Permian Resources Operating, LLC ("Permian") respectfully requests administrative approval of a non-standard location for the Fred State Com 221H as it is being drilled 100' from the East and West line of the spacing unit, at the First Take Point and Last Take Point. Due to the optimal spacing of the planned wells in this section, Permian has planned the Fred State Com 221H at this location 100' from the East and West line 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 "Dustin Van Brunt".

Dustin Van Brunt

Sr. Staff 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:	☐ Initial Submittal
			☐ Amended Report
		☒ As Drilled	

WELL LOCATION INFORMATION

API Number 30-015-55709	Pool Code 74160	Pool Name CARLSBAD; WOLFCAMP, EAST (GAS)
Property Code 335408	Property Name FRED STATE COM	Well Number 221H
OGRID No. 372165	Operator Name PERMIAN RESOURCES OPERATING, LLC	Ground Level Elevation 3,123'
Surface Owner: ☐ State ☐ Fee ☐ Tribal ☐ Federal		Mineral Owner: ☐ State ☐ Fee ☐ Tribal ☐ Federal

Surface Location

UL E	Section 33	Township 21S	Range 27E	Lot	Ft. from N/S 2,017' FNL	Ft. from E/W 1,184' FWL	Latitude 32.438078°	Longitude -104.199657°	County EDDY
----------------	----------------------	------------------------	---------------------	-----	-----------------------------------	-----------------------------------	-------------------------------	----------------------------------	-----------------------

Bottom Hole Location

UL E	Section 36	Township 21S	Range 26E	Lot	Ft. from N/S 1,396' FNL	Ft. from E/W 57' FWL	Latitude 32.439829°	Longitude -104.254312°	County EDDY
----------------	----------------------	------------------------	---------------------	-----	-----------------------------------	--------------------------------	-------------------------------	----------------------------------	-----------------------

Dedicated Acres 1,908.20	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit (Y/N)	Consolidation Code
Order Numbers.			Well setbacks are under Common Ownership: ☐ Yes ☐ No	

Kick Off Point (KOP)

UL E	Section 33	Township 21S	Range 27E	Lot	Ft. from N/S 1,436' FNL	Ft. from E/W 394' FWL	Latitude 32.439650°	Longitude -104.202228°	County EDDY
----------------	----------------------	------------------------	---------------------	-----	-----------------------------------	---------------------------------	-------------------------------	----------------------------------	-----------------------

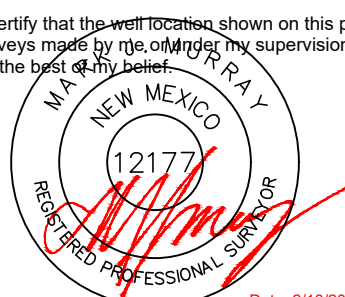
First Take Point (FTP)

UL H	Section 32	Township 21S	Range 27E	Lot	Ft. from N/S 1,394' FNL	Ft. from E/W 100' FEL	Latitude 32.439752°	Longitude -104.203829°	County EDDY
----------------	----------------------	------------------------	---------------------	-----	-----------------------------------	---------------------------------	-------------------------------	----------------------------------	-----------------------

Last Take Point (LTP)

UL E	Section 36	Township 21S	Range 26E	Lot	Ft. from N/S 1,396' FNL	Ft. from E/W 100' FWL	Latitude 32.439825°	Longitude -104.254172°	County EDDY
----------------	----------------------	------------------------	---------------------	-----	-----------------------------------	---------------------------------	-------------------------------	----------------------------------	-----------------------

Unitized Area or Area of Uniform Interest	Spacing Unit Type ☐ Horizontal ☐ Vertical	Ground Floor Elevation:
---	---	-------------------------

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.  EXHIBIT B Date: 2/18/2026	
Signature _____ Date _____		Signature and Seal of Professional Surveyor _____	
Printed Name _____		Certificate Number 12177	Date of Survey 2/18/2026
Email Address _____		Revision Number 0	

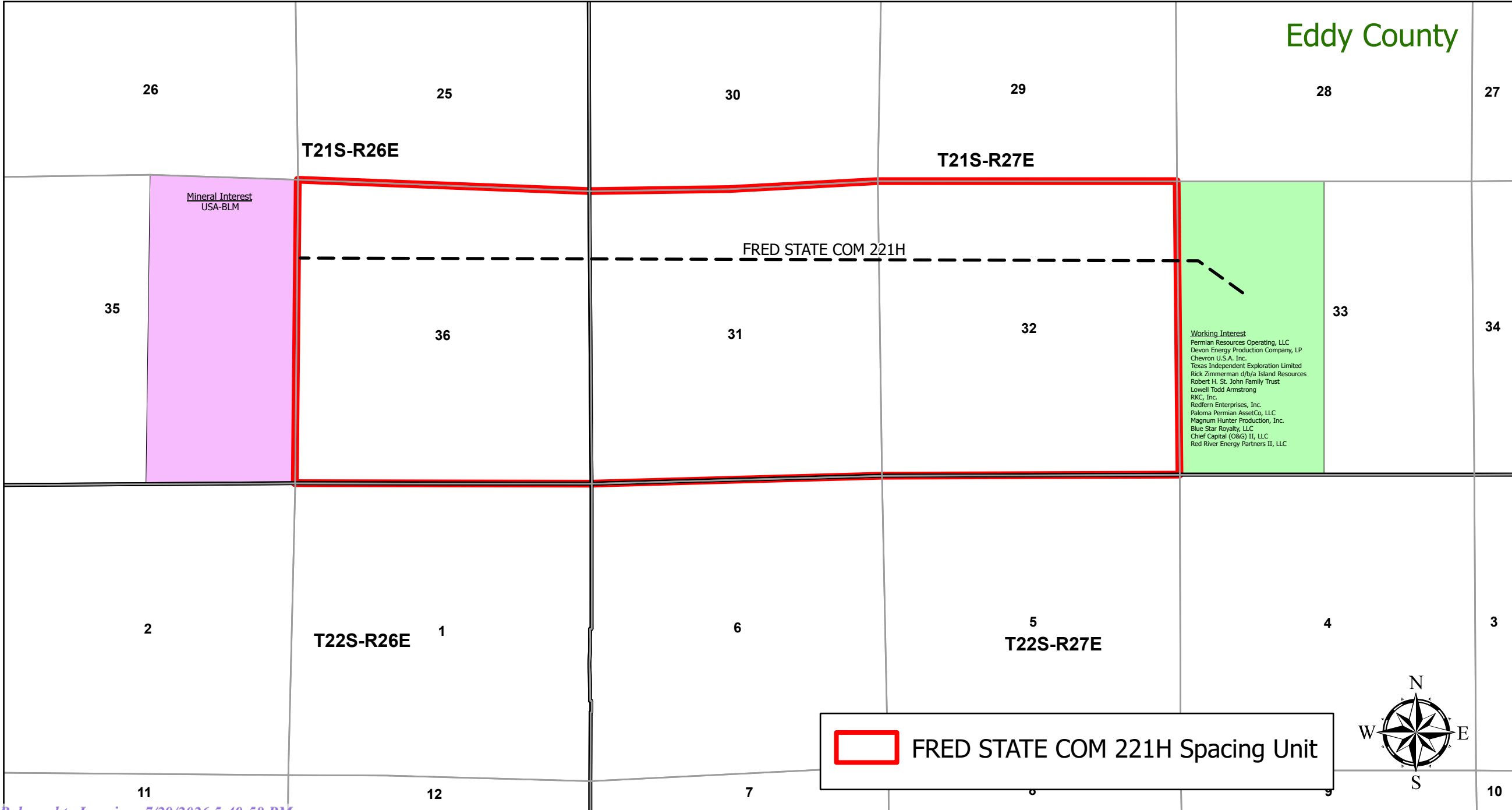
Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

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.

NAD 83 X = 565,715.44'
NAD 83 Y = 523,749.95'
NAD 83 LAT = 32.439829°
NAD 83 LONG = -104.254312°
NAD 27 X = 524,534.48'
NAD 27 Y = 523,690.01'
NAD 27 LAT = 32.439712°
NAD 27 LONG = -104.253807°

Affected Parties Map - FRED STATE COM 221H

EXHIBIT C



Fred State Com 221H NSL Notification

Section 36, T21S-R26E and Sections 31 and 32, T21S-R27E, Eddy County, New Mexico (containing 1,908.20 acres, more or less)

Offset Proration Unit – No Established Operator: E/2 of Section 35, T21S-R26E, Eddy County, New Mexico (containing 320 acres, more or less)

Compiled Owner and Addresses:

Compiled Owner Information		
<i>Owner Type</i>	<i>Affected Party</i>	<i>Mailing Address</i>
Mineral Interest	USA – BLM	301 Dinosaur Trail, Santa Fe, New Mexico 87508
Mineral Interest	USA – BLM	620 E. Greene Street, Carlsbad, New Mexico 88220

Offset Proration Unit – No Established Operator: W/2 of Section 33, T21S-R27E, Eddy County, New Mexico (containing 320 acres, more or less)

Compiled Owners and Addresses:

Compiled Owner Information		
<i>Owner Type</i>	<i>Affected Party</i>	<i>Mailing Address</i>
WI Owner	Devon Energy Production Company, LP	333 West Sheridan Avenue, Oklahoma City, Oklahoma 73102
WI Owner	Chevron U.S.A. Inc.	1400 Smith Street, Houston, Texas 77002

WI Owner	Texas Independent Exploration Limited	6760 Portwest Drive, Houston, Texas 77024
WI Owner	Rick Zimmerman d/b/a Island Resources	6760 Portwest Drive, Houston, Texas 77024
WI Owner	Robert H. St. John Family Trust	11767 Katy Freeway, Ste. 535, Houston, Texas 77079
WI Owner	Lowell Todd Armstrong	850 Azalea Street, Houston, Texas 77018
WI Owner	RKC, Inc.	7500 E. Arapahoe Road, Ste. 380, Centennial, Colorado 80112
WI Owner	Redfern Enterprises, Inc.	P.O. Box 2127, Midland, Texas 79702
WI Owner	Paloma Permian AssetCo, LLC	1100 Louisiana Street, Ste. 5100, Houston, Texas 77002
WI Owner	Magnum Hunter Production, Inc.	6001 Deauville Blvd., Ste. 300N, Midland, Texas 79706
WI Owner	Blue Star Royalty, LLC	P.O. Box 470249, Fort Worth, Texas 76147
WI Owner	Chief Capital (O&G) II, LLC	8111 Westchester Drive, Ste. 900, Dallas, Texas 75225
WI Owner	Red River Energy Partners II, LLC	P.O. Box 1149, Covington, Louisiana 70434
Mineral Interest	Arroyo Energy Fund III, LP	P.O. Box 3429, Midland, Texas 79702
Mineral Interest	Permian Royalties, LP	300 N. Marienfeld Street, Ste. 1000, Midland, Texas 79701
Mineral Interest	Kirby Minerals, LC	100 Park Avenue, Ste. 1008, Oklahoma City, Oklahoma 73102
Mineral Interest	BNSF Railway Company	2650 Lou Menk Drive, AOB-3, Fort Worth, Texas 76131

Tracking information:

See Exhibit D



May 15, 2026

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: ALL AFFECTED PERSONS

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

Enclosed is a copy of an administrative application requesting approval of a non-standard well location for Permian Resources Operating, LLC's ("Permian Resources") Fred State Com 221H well. An administrative application for the above-referenced non-standard location 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 Daniel Koury, Landman with Permian Resources, at Daniel.Koury@permianres.com.

Sincerely,

HARDY McLEAN LLC

/s/ Jaclyn M. McLean

Jaclyn M. McLean

Attorneys for Permian Resources Operating, LLC

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

HardyMclean.com

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

EXHIBIT D

Fred State Com 221H NSL Notice List

Mail Date	Tracking Number	Interest Owner	Address	City	State	Zip
5/15/2026	9414836208551300535985	BLM - New Mexico State Office	301 Dinosaur Trail	Santa Fe	NM	87508
5/15/2026	9414836208551300535978	BLM - Carlsbad Field Office	620 E. Greene Street	Carlsbad	NM	88220
5/15/2026	9414836208551300535992	Devon Energy Production Company, LP	333 West Sheridan Avenue	Oklahoma City	OK	73102
5/15/2026	9414836208551300536005	Chevron U.S.A. Inc.	1400 Smith Street	Houston	TX	77002
5/15/2026	9414836208551300536012	Texas Independent Exploration Limited	6760 Portwest Drive	Houston	TX	77024
5/15/2026	9414836208551300536029	Rick W. Zimmerman dba Island Resources	6760 Portwest Drive	Houston	TX	77024
5/15/2026	9414836208551300536036	Robert H. St. John Family Trust	11767 Katy Freeway, Ste. 535	Houston	TX	77079
5/15/2026	94148365208551300536050	Lowell Todd Armstrong	850 Azalea Street	Houston	TX	77018
5/15/2026	9414836208551300536043	RKC, Inc.	7500 E. Arapahoe Road, Ste. 380	Centennial	CO	80112
5/15/2026	9414836208551300536067	Redfern Enterprises, Inc.	P.O. Box 2127	Midland	TX	79702
5/15/2026	9414836208551300536074	Paloma Permian AssetCo, LLC	1100 Louisiana Street, Ste. 5100	Houston	TX	77002
5/15/2026	9414836208551300536098	Magnum Hunter Production, Inc.	6001 Deauville Blvd, Ste. 300N	Midland	TX	79706
5/15/2026	9414836208551300536081	Blue Star Royalty, LLC	P.O. Box 470249	Fort Worth	TX	76147
5/15/2026	9414836208551300536104	Chief Capital (O&G) II, LLC	8111 Westchester Drive, Ste. 900	Dallas	TX	75225
5/15/2026	9414836208551300536128	Red River Energy Partners II, LLC	P.O. Box 1149	Covington	LA	70434
5/15/2026	9414836208551300536142	Arroyo Energy Fund III, LP	P.O. Box 3429	Midland	TX	79702
5/15/2026	9414836208551300536135	Permian Royalties, LP	300 N. Marienfeld Street, Ste. 1000	Midland	TX	79701
5/15/2026	9414836208551300536159	Kirby Minerals, LC	100 Park Avenue, Ste. 1008	Oklahoma City	OK	73102
5/15/2026	9414836208551300536166	BNSF Railway Company	2650 Lou Menk Drive, AOB-3	Fort Worth	TX	76131

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 585653

CONDITIONS

Operator: Permian Resources Operating, LLC 300 N. Marienfeld St Ste 1000 Midland, TX 79701	OGRID: 372165
	Action Number: 585653
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	6/1/2026