

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 - 9416

**Permian Resources Operating, LLC [OGRID 372165]
Mezcal 10 Federal Com Well No. 124H
API No. 30-015-57423**

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

Proposed Location

	Footages	Unit/Lot	Sec.	Twsp	Range	County
Surface	1094 FSL & 1253 FWL	M	11	20S	30E	Eddy
First Take Point	961 FSL & 100 FEL	P	10	20S	30E	Eddy
Last Take Point	989 FSL & 100 FWL	M	09	20S	30E	Eddy
Terminus	984 FSL & 63 FWL	M	09	20S	30E	Eddy

Proposed Horizontal Units

Description	Acres	Pool	Pool Code
S/2 S/2 Section 10	320	Gatuna Canyon; Bone Spring	96688
S/2 S/2 Section 09			

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

Administrative Order NSL - 9416
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 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 First and Last Take Points referenced above within the described Horizontal Spacing Unit.

This well's completed interval is as close as 193 feet to the northern edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 10, encroachment to the N/2 S/2
Section 09, encroachment to the N/2 S/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.

Division understands you are seeking this unorthodox location in order to maximize lateral length, to properly place stimulation energy, and to optimize pressure drawdown thus creating cost efficiencies, preventing waste and protecting correlative rights within the Bonespring formation underlying the S/2 S/2 Section 10 and S/2 S/2 Section 09.

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: 08/21/2026

Revised March 23, 2017

ID NO. 605119

NSL - 9416

RECEIVED: 07/15/26	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: Permian Resources Operating, LLC **OGRID Number:** 372165
Well Name: Mezcal 10 Fed Com 124H **API:** 30-015-57423
Pool: Gatuna Canyon; Bone Spring **Pool Code:** 96688

**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.

7/15/2026

Date

Jaclyn M. McLean

Print or Type Name

505-372-6375

Phone Number

Jaclyn M. McLean

Signature

Digitally signed by Jaclyn M. McLean
 Date: 2026.07.15 12:58:31 -06'00'

jmclean@hardymclean.com

e-mail Address



July 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**

Mezcal 10 Fed Com 124H (API No. 30-015-57423)
S/2 S/2 of Sections 9 and 10, Township 20 South, Range 30 East, Eddy County, New Mexico
Gatuna Canyon; Bone Spring Pool (Code 96688)

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 Mezcal 10 Fed Com 124H well, which is located in a 320 acre, more or less, standard horizontal spacing unit, comprised of the S/2 S/2 of Sections 9 and 10, Township 20 South, Range 30 East, Eddy County, New Mexico.

The location for the **Mezcal 10 Fed Com 124H** well is as follows:

- Surface Hole Location: 1,094' FSL and 1,253' FWL, Section 11, Township 20 South, Range 30 East
- First Take Point: 961' FSL and 100' FEL, Section 10, Township 20 South, Range 30 East
- Last Take Point: 989' FSL and 100' FWL, Section 9, Township 20 South, Range 30 East
- Bottom Hole Location: 984' FSL and 63' FWL, Section 9, Township 20 South, Range 30 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
July 15, 2026

Page 2

The completed interval of the well will be unorthodox because it will be located less than 330 feet from the offset spacing unit to the north, which is located in the N/2 S/2 of Sections 9 and 10, Township 20 South, range 30 East. 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 Mezcal 10 Fed Com 124H well in relation to the offset tracts.

Exhibit C is a plat that shows the Mezcal 10 Fed Com 124H well in relation to the adjoining tracts. Permian Resources is the offset operator to the north. 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

May 26, 2026

Re: Mezcal 10 Fed Com 124H NSL
SHL: 1094' FSL, 1253' FWL of Section 11, T20S-R30E
FTP: 961' FSL, 100' FEL of Section 10, T20S-R30E
LTP: 989' FSL, 100' FWL of Section 9, T20S-R30E
BHL: 984' FSL, 63' FWL of Section 9, T20S-R30E
Eddy County, New Mexico

To Whom It May Concern,

Approval of a non-standard location will maximize the wellbore's contact to undeveloped resources in this unit, reducing stranded resources, accelerating recovery time, and improving overall productivity. The request for a non-standard location is therefore in the best interests of the mineral owners, as well as the operator.

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.

To minimize unnecessary burden, prevent waste, and protect correlative rights, Permian respectfully requests approval of this non-standard location for the Mezcal 10 Fed Com 124H to allow the completed interval to be less than 330 feet from the northern boundary of the existing 320-acre horizontal spacing unit.

Sincerely,

A handwritten signature in black ink, consisting of a stylized 'H' followed by a series of loops and a horizontal line extending to the right.

Hank Higginson
Sr 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 30-015-57423	Pool Code 96688	Pool Name GATUNA CANYON; BONE SPRING	
Property Code 336881	Property Name MEZCAL 10 FED COM		Well Number 124H
OGRID No. 372165	Operator Name PERMIAN RESOURCES OPERATING, LLC		Ground Level Elevation 3238.28'
Surface Owner: ☐ State ☐ Fee ☐ Tribal ☒ Federal		Mineral Owner: ☐ State ☐ Fee ☐ Tribal ☒ Federal	

Surface Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
M	11	20-S	30-E		1094' S	1253' W	32.58354	-103.94731	EDDY

Bottom Hole Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
M	9	20-S	30-E		984' S	63' W	32.58337	-103.98554	EDDY

Dedicated Acres 320	Infill or Defining Well Infill	Defining Well API 30-015-57335	Overlapping Spacing Unit (Y/N) N	Consolidation Code C, P
Order Numbers. Com: Pending, NSL: Pending			Well setbacks are under Common Ownership: ☒ Yes ☐ No	

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
M	11	20-S	30-E		996' S	531' W	32.58328	-103.94966	EDDY

First Take Point (FTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
P	10	20-S	30-E		961' S	100' E	32.58319	-103.95171	EDDY

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
M	9	20-S	30-E		989' S	100' W	32.58337	-103.98542	EDDY

Unitized Area or Area of Uniform Interest NA	Spacing Unit Type ☒ Horizontal ☐ Vertical	Ground Floor Elevation: 3,238 ft.
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OPERATOR CERTIFICATIONS <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> <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>		SURVEYOR CERTIFICATIONS <i>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 beliefs.</i>	
Signature: <u>Jessica Dooling</u> Date: <u>7/14/2026</u>		Signature and Seal of Professional Surveyor: <u>Charles J. Durica</u>	
Printed Name: <u>Jessica Dooling</u>		Certificate Number: <u>25490</u> Date of Survey: <u>07/09/2026</u>	
Email Address: <u>Jessica.Dooling@permianres.com</u>			

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.

9 10 11

NMNM 135240

NMLC 0006781

NMNM 086913

16449.11' MD FURTHEST FROM LEASE PP4

PP3

FTP/PP1

8615.58' MD NEAREST TO LEASE (FTP) KOP

1253'

SHL

531'

1094'

996'

961'

100'

NMNM 138847

PP2

NMLC 0060150

NMNM 130863

PP5

330'

1233'

332'

193'

336'

63'

100'

BHL

LTP

NMNM 0313550

989'

984'

J

I

H

G

F

E

D

C

B

A

FTP TO LTP = 10,388.85'

HSU COORDINATE TABLE

POINT	N: (83)	E: (83)

HSU COORDINATE TABLE		
POINT	N: (83)	E: (83)
A	576474.56	648400.03
B	576360.42	651058.71
C	576461.92	653696.69
D	576462.58	656334.83
E	576460.47	658984.74
F	575143.78	658975.29
G	575138.92	656329.77
H	575133.25	653697.25
I	574930.89	651059.91
J	575153.58	648394.65

BOTTOM HOLE LOCATION (BHL)
NEW MEXICO EAST - NAD 83
X=648461.17 LAT.= 32.58337° N
Y=576135.79 LONG.= 103.98554° W
NEW MEXICO EAST - NAD 27
X=607280.80 LAT.= 32.58325° N
Y=576073.89 LONG.= 103.98504° W
984' FSL, 63' FWL - SECTION 9
336' FNL, 63' FWL - LEASE
MD = 19048.00'

S/2S/2 of Sections 9 & 10, T20S-R30E, Eddy County, New Mexico
Current Operator: Permian Resources Operating, LLC

			Sec. 9 T20S-R30E			Sec. 9 T20S-R30E	Sec. 10 T20S-R30E

Notice Tracts	
Tract 1	NMNM 0313550
Tract 2	NMLC 060150
Tract 3	NMNM 130863
Tract 4	NMNM 0006781

NOTICE LIST							
Mezcal 10 Fed Com 124H & 133H Wells							
Date Mailed	Notice Party	Address	City	State	Zip	Tract WI	Tracking
	PRO	N/A	N/A	N/A	N/A		N/A
7/14/2026	Bureau of Land Management	301 Dinosaur Trail	Santa Fe	NM	87508	N/A	9414836208551303552675
7/14/2026	New Mexico State Land Office	310 Old Santa Fe Trail	Santa Fe	NM	87501	N/A	9414836208551303552682
7/14/2026	ConocoPhillips Company	600 W Illinois Ave	Midland	TX	79701	Lessee (NM 0006781) & Operating Rights	9414836208551303552699
7/14/2026	Occidental Permian, LP	5 Greenway Plaza, Ste 110	Houston	TX	77046	Lessee (NM 0313550)	9414836208551303552705

EXHIBIT D



July 15, 2026

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED**TO: ALL AFFECTED PERSONS****Re: Permian Resources Operating, LLC**
Requests for Administrative Approval of Unorthodox Well Locations

Enclosed are copies of two administrative applications requesting approval of non-standard well locations for the Mezcal 10 Fed Com wells. Administrative applications for the above-referenced non-standard locations were 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 these applications are 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, the applications may be approved administratively by the Division.

Please consider this letter for notification purposes only. We do not need anything signed or returned to us. If you have any questions about this application, please contact Logan Cooksey, Landman at Permian Resources – logan.cooksey@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

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 605119

CONDITIONS

Operator: Permian Resources Operating, LLC 300 N. Marienfeld St Ste 1000 Midland, TX 79701	OGRID: 372165
	Action Number: 605119
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	7/17/2026