

ID NO. 221036

NSL - 8592

Revised March 23, 2017

RECEIVED:	REVIEWER:	TYPE:	APP NO: pLEL2314652123
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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:** \_\_\_\_\_ **OGRID Number:** \_\_\_\_\_  
**Well Name:** \_\_\_\_\_ **API:** \_\_\_\_\_  
**Pool:** \_\_\_\_\_ **Pool Code:** \_\_\_\_\_

**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.**

Print or Type Name

Signature

Date

Phone Number

e-mail Address



**Paula M. Vance**  
**Associate**  
**Phone (505) 954-7286**  
PMVance@hollandhart.com

May 25, 2023

**VIA ONLINE FILING**

Dylan Fuge, 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**

Gouda Fed Com #304H well  
E/2 E/2 of Section 32, Township 21 South, Range 32 East, and E/2 E/2 of Section 5,  
Township 22 South, Range 32 East, Lea County, New Mexico  
Bilbrey Basin; Bone Spring [5695]  
API No. 30-025-PENDING

Dear Mr. Fuge:

Permian Resources Operating, LLC ("Permian") (OGRID No. 372165), pursuant to Division Rules 19.15.16.15(C)(6) and 19.15.15.13 NMAC and applicable rules governing acreage and well location requirements for the Bilbrey Basin; Bone Spring [5695], seeks administrative approval of an unorthodox well location for its **Gouda Fed Com #304H** well (API No. 30-025-PENDING), in a 319.66-acre, more or less, spacing unit underlying the E/2 E/2 of Section 32, Township 21 South, Range 25 East, and the E/2 E/2 of Section 5, Township 22 South, Range 32 East, Lea County, New Mexico.

The location for the **Gouda Fed Com #304H oil well** is as follows:

- Surface hole location: 797' FSL and 1,105' FEL (Unit P) of Section 5, T22S-R32E
- First take point: 100' FSL and 1,252' FEL (Unit P) of Section 5, T22S-R32E
- Last take point: 100' FNL and 1,252' FEL (Unit A) of Section 31, T21S-R32E
- Bottom hole location: 100' FNL and 1,252' FEL (Unit A) of Section 31, T21S-R32E

T 505.988.4421 F 505.983.6043  
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849  
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208  
www.hollandhart.com

Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming

Since this acreage is governed by the Division's statewide rules, the completed interval for this well will be unorthodox because it is closer than the standard offsets to the western boundary of the spacing unit—thus, encroaching on the Mozzarella well spacing unit in the W/2 E/2 and E/2 W/2 of Section 32, T21S-R32E, and the W/2 E/2 and E/2 W/2 of Section 5, T22S-R32E, NMPM, Lea County, New Mexico. As explained in the engineering statement included as **Exhibit A**, approval of the unorthodox, completed interval is necessary to allow Permian to use its preferred well spacing plan for horizontal wells in this area, which is necessary to maximize recovery and prevent waste.

**Exhibit B** is a Form C-102 showing the Gouda Fed Com #304H well encroaches on the unit/tracts to the west.

**Exhibit C** is a plat for Section 32, T21S-R32E, and Section 5, T22S-R32E, that shows the Gouda Fed Com #304H well in relation to the adjoining spacing unit/tracts to the west. The designated operator of the offsetting unit is Permian, which also includes the following other working interest owners: Fasken Acquisitions 02, Ltd., Paladin Energy Corp., Raven Resources, LLC, Sunrise Oil and Gas Prop., LLC, ConocoPhillips Co., and Chevron USA, Inc. In addition, the exhibit identifies that this includes New Mexico State Land Office ("SLO") and Bureau of Land Management ("BLM") leases. Accordingly, the "affected persons"<sup>1</sup> are Permian, the other working interest owners, SLO and the BLM.

**Exhibit D** is a spreadsheet listing all affected persons and includes tracking information demonstrating that each of the affected persons requiring notice was sent a copy of this application with all 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. The following are the affected persons Permian provided notice:

Type	Affected Party	Location
Working Interest	Fasken Acquisitions 02, Ltd.	SW/4 SE/4 and SE/4 NW/4 of Section 32, T21S-R32E
Working Interest	Paladin Energy Corp.	SW/4 SE/4 and SE/4 NW/4 of Section 32, T21S-R32E
Working Interest	Raven Resources, LLC	SW/4 SE/4 and SE/4 NW/4 of Section 32, T21S-R32E
Working Interest	Sunrise Oil and Gas Prop., LLC	SW/4 SE/4 and SE/4 NW/4 of Section 32, T21S-R32E
Working Interest	ConocoPhillips Co.	SW/4 SE/4 and SE/4 NW/4 of Section 32, T21S-R32E
Working Interest	Chevron USA, Inc.	SE/4 NW/4 of Section 32, T21S-R32E

<sup>1</sup> See NMAC §§ 19.15.2.7.A(8) [defining "affected persons" as, "in the absence of an operator, or with respect to an application wherein the operator of the spacing unit or identified tract is the applicant, each working interest owner"] and 19.15.4.12.A(2)(a).

Mineral Interest	State Land Office	W/2 E/2 and E/2 W/2 of Section 32, T21S-R32E and the W/2 SE/4 and E/2 SW/4 of Section 5, T22S-R32E
Mineral Interest	Bureau of Land Management	W/2 NE/4 and the E/2 NW/4 of Section 5, T22S-R32E

Your attention to this matter is appreciated.

Sincerely,



Paula M. Vance  
**ATTORNEY FOR PERMIAN RESOURCES  
OPERATING, LLC**

# PERMIAN

RESOURCES

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

OFFICE 432.695.4222  
FAX 432.695.4063

May 8, 2023

**Re: Gouda Federal Com #304H**

FTP: 1,252' FEL, 100' FSL' of Section 5, T22S-R32E

LTP: 1,252' FEL, 100' FNL of Section 32, T21S-R32E

Lea County, New Mexico

To Whom it May Concern,

Permian Resources Operating, LLC ("Permian") respectfully requests administrative approval on a non-standard location for the Gouda Federal Com #304H to allow the completed interval to be less than 330 feet from the western boundary of the existing offsetting 639.34-acre horizontal spacing unit. This well is located in the Bilbrey Basin, Bone Spring pool (5695). Due to the optimal spacing of the planned wells in this section, Permian has planned the Gouda Federal Com #304H, Gouda Federal Com #404H, Mozzarella Federal Com #302H and Mozzarella Federal Com #402H wells with at least 922 feet of spacing between each well. This spacing pattern causes the Gouda Federal Com #304H to be drilled less than 330 feet from the western boundary of the spacing unit. Permian requests approval of this non-standard location because it is necessary to avoid causing wasted resources and reducing the production of the wells listed above.

Sincerely,



**John Fechtel**

Reservoir Engineering Manager

Permian Resources Operating, LLC

EXHIBIT

**A**

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-PENDING		<sup>2</sup> Pool Code 5695		<sup>3</sup> Pool Name BILBREY BASIN; BONE SPRING	
<sup>4</sup> Property Code		<sup>5</sup> Property Name GOUDA FED COM			<sup>6</sup> Well Number 304H
<sup>7</sup> OGRID No. 372165		<sup>8</sup> Operator Name PERMIAN RESOURCES OPERATING, LLC			<sup>9</sup> Elevation 3697.0'

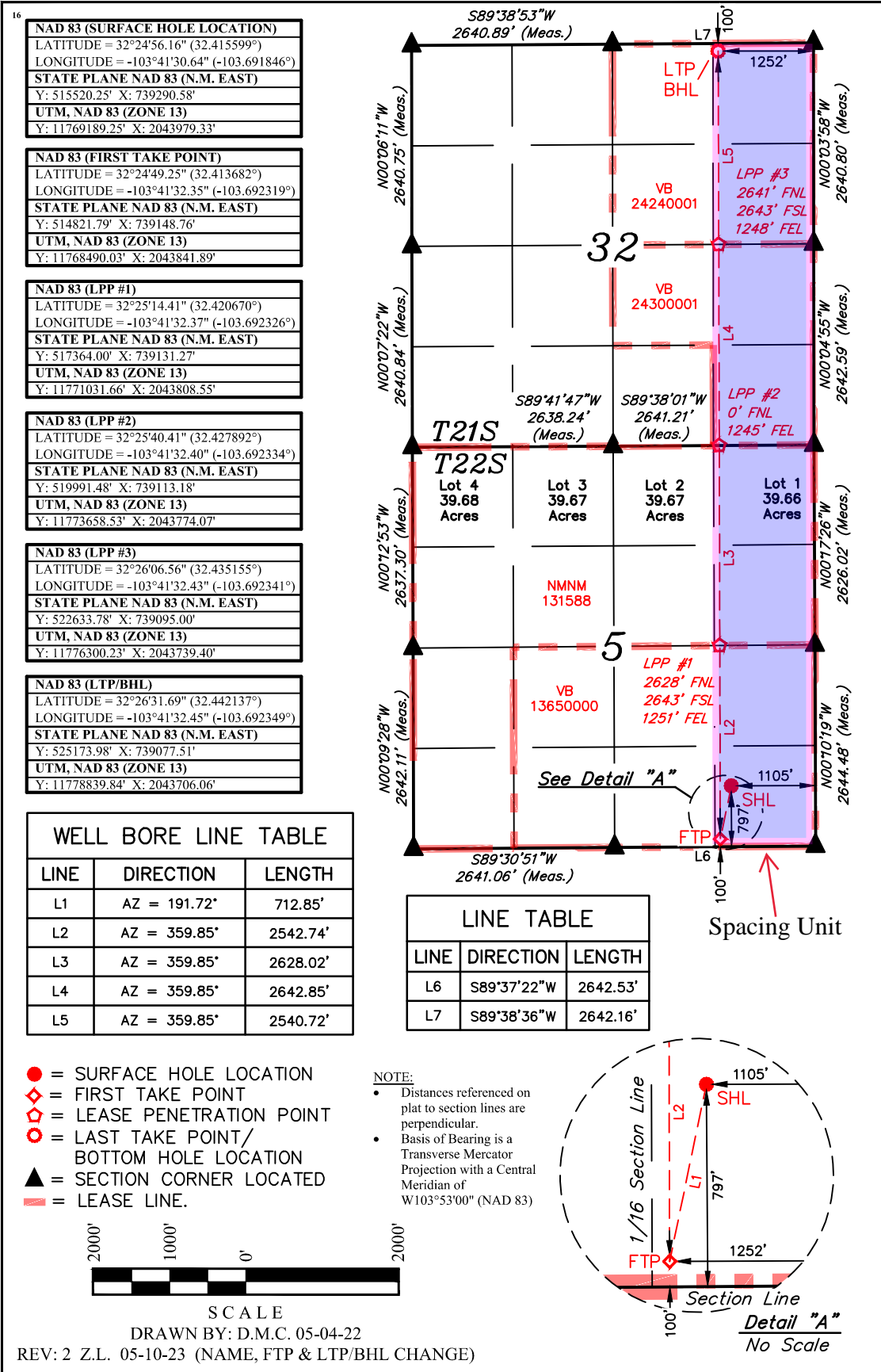
<sup>10</sup> Surface Location

UL or lot no. P	Section 5	Township 22S	Range 32E	Lot Idn	Feet from the 797	North/South line SOUTH	Feet from the 1105	East/West line EAST	County LEA
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<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no. A	Section 32	Township 21S	Range 32E	Lot Idn	Feet from the 100	North/South line NORTH	Feet from the 1252	East/West line EAST	County LEA
<sup>12</sup> Dedicated Acres 319.66		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> Order No.			

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.



**<sup>17</sup> OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and 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 such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Printed Name \_\_\_\_\_

E-mail Address \_\_\_\_\_

**<sup>18</sup> SURVEYOR CERTIFICATION**

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.

April 20, 2021

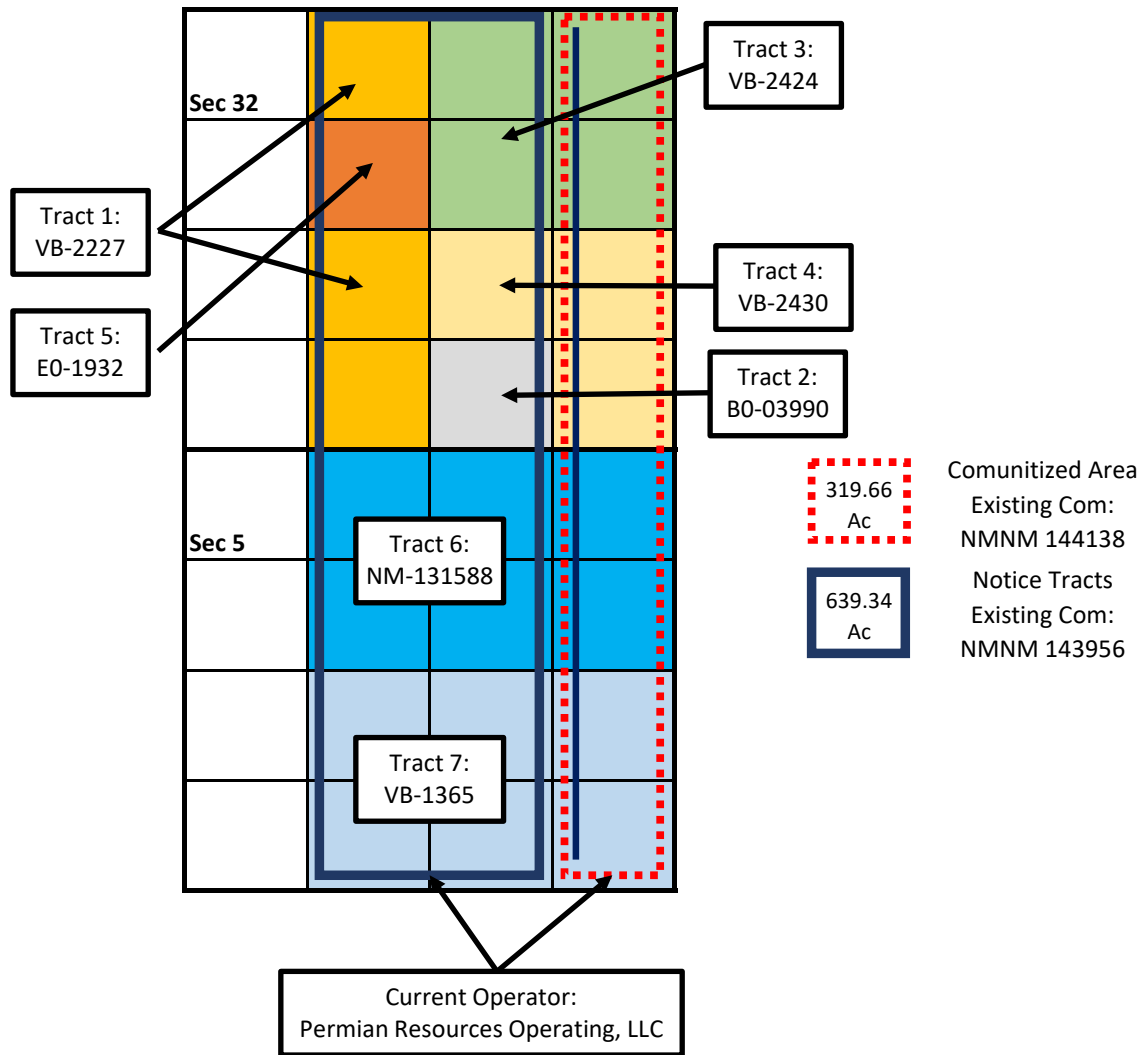
Date of Survey  
Signature and Seal of Professional Surveyor:

Certificate Number: \_\_\_\_\_

**EXHIBIT B**

**Gouda Federal Com 304H NSL Map**

E2E2 of Section 5 of T22S-R32E &amp; E2E2 of Section 32, T21S-R32E, Lea Co., New Mexico

**EXHIBIT  
C**

ADDR1	ADDR2	ADDR3	ADDR4	ADDR5
Bureau of Land Management	620 E Greene St.	Carlsbad	NM	88220
New Mexico State Land Office	P.O. Box 1148	Santa Fe	NM	87504
New Mexico State Land Office	310 Old Santa Fe Trail	Santa Fe	NM	87501
Fasken Acquisitions 02, Ltd.	6101 Holiday Hill Rd.	Midland	TX	79707
Paladin Energy Corp.	10290 Monroe Dr., Suite 301	Dallas	TX	75229
Raven Resources, LLC	P.O. Box 721880	Oklahoma City	OK	73172
Sunrise Oil and Gas Prop., LLC	5221 N. O'Conner Blvd., Suite 500	Irving	TX	75039
ConocoPhillips Co.	600 W. Illinois Ave.	Midland	TX	79701
Chevron USA, Inc.	6301 Deauville Blvd.	Midland	TX	79706

EXHIBIT

**D**



**Paula M. Vance**  
**Associate**  
**Phone (505) 954-7286**  
PMVance@hollandhart.com

May 24, 2023

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

**TO: ALL AFFECTED PERSONS**

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

Gouda Fed Com #304H well  
E/2 E/2 of Section 32, Township 21 South, Range 32 East, and E/2 E/2 of Section 5,  
Township 22 South, Range 32 East, Lea County, New Mexico  
Bilbrey Basin; Bone Spring [5695]  
API No. 30-025-PENDING

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date. Any objection to this application must be filed in writing within twenty 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 the following:

Travis Macha  
Permian Resources Operating, LLC  
Office: (432) 400-1037  
[travis.macha@permianres.com](mailto:travis.macha@permianres.com)

Sincerely,

A handwritten signature in blue ink, appearing to read "Paula M. Vance".

Paula M. Vance  
**ATTORNEY FOR PERMIAN RESOURCES**  
**OPERATING, LLC**

**MANIFEST - 75404 - Permian - Gouda Fed 304H**

Parent ID	Mail Date	Name	Address	City	ST	Zip	MailClass	Tracking	Well
31309	05/24/2023	Bureau of Land Management	620 E Greene St	Carlsbad	NM	88220-6292	Certified with Return Receipt (Signature)	94148118987 65427416070	75404 - Permian - Gouda Fed 304H - Notice List - 1
31309	05/24/2023	New Mexico State Land Office	PO Box 1148	Santa Fe	NM	87504-1148	Certified with Return Receipt (Signature)	94148118987 65427416414	75404 - Permian - Gouda Fed 304H - Notice List - 2
31309	05/24/2023	New Mexico State Land Office	310 Old Santa Fe Trl	Santa Fe	NM	87501-2708	Certified with Return Receipt (Signature)	94148118987 65427416452	75404 - Permian - Gouda Fed 304H - Notice List - 3
31309	05/24/2023	Fasken Acquisitions 02, Ltd.	6101 Holiday Hill Rd	Midland	TX	79707-1631	Certified with Return Receipt (Signature)	94148118987 65427416469	75404 - Permian - Gouda Fed 304H - Notice List - 4
31309	05/24/2023	Paladin Energy Corp.	10290 Monroe Dr Ste 301	Dallas	TX	75229-5722	Certified with Return Receipt (Signature)	94148118987 65427416421	75404 - Permian - Gouda Fed 304H - Notice List - 5
31309	05/24/2023	Raven Resources, LLC	PO Box 721880	Oklahoma City	OK	73172-2057	Certified with Return Receipt (Signature)	94148118987 65427416407	75404 - Permian - Gouda Fed 304H - Notice List - 6
31309	05/24/2023	Sunrise Oil and Gas Prop., LLC	5221 N O Connor Blvd Ste 500	Irving	TX	75039-3753	Certified with Return Receipt (Signature)	94148118987 65427416490	75404 - Permian - Gouda Fed 304H - Notice List - 7
31309	05/24/2023	ConocoPhillips Co.	600 W Illinois Ave	Midland	TX	79701-4882	Certified with Return Receipt (Signature)	94148118987 65427416445	75404 - Permian - Gouda Fed 304H - Notice List - 8
31309	05/24/2023	Chevron USA, Inc.	6301 Deauville	Midland	TX	79706-2964	Certified with Return Receipt (Signature)	94148118987 65427416483	75404 - Permian - Gouda Fed 304H - Notice List - 9

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone:(575) 393-6161 Fax:(575) 393-0720

**District II**  
811 S. First St., Artesia, NM 88210  
Phone:(575) 748-1283 Fax:(575) 748-9720

**District III**  
1000 Rio Brazos Rd., Aztec, NM 87410  
Phone:(505) 334-6178 Fax:(505) 334-6170

**District IV**  
1220 S. St Francis Dr., Santa Fe, NM 87505  
Phone:(505) 476-3470 Fax:(505) 476-3462

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

CONDITIONS

Action 221036

CONDITIONS

Operator: Permian Resources Operating, LLC 1001 17th Street, Suite 1800 Denver, CO 80202	OGRID: 372165
	Action Number: 221036
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Created By	Condition	Condition Date
Ilowe	None	5/26/2023