

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Melanie Kenderdine
Cabinet Secretary - Designate

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Division Director (Acting)
Oil Conservation Division



Ms. Jaclyn M. McLean
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ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL – 8762

Permian Resources Operating, LLC [OGRID 372165]
Moran 9 Federal Com Well No. 704H
API No. 30-025-52807

Reference is made to your application received on May 23rd, 2024.

Proposed Location

| | Footages | Unit/Lot | Sec. | Twsp | Range | County |
|------------------------------|--------------------|-----------------|-------------|-------------|--------------|---------------|
| Surface | 600 FSL & 1299 FEL | P | 09 | 21S | 32E | Lea |
| First Take Point | 100 FNL & 1100 FEL | A | 16 | 21S | 32E | Lea |
| Last Take Point/ Terminus | 100 FSL & 1100 FEL | P | 21 | 21S | 32E | Lea |

Proposed Horizontal Units

| Description | Acres | Pool | Pool Code |
|-----------------------|--------------|-------------------------|------------------|
| E/2 E/2 of Section 16 | 320 | Wildcat; Upper Wolfcamp | 98313 |
| E/2 E/2 of Section 21 | | | |

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 shall dedicate to each horizontal **oil** 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 - 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 330 feet for an **oil** well. 19.15.16.15(C)(1)(b) NMAC governs the first and last take point of a horizontal

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Permian Resources Operating, LLC
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well shall be no closer than 100 feet 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 220 feet to the western edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 16, encroachment to the W/2 E/2
Section 21, encroachment to the W/2 E/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 for optimal recovery of resources, thus preventing waste and protecting correlative rights within the Wolfcamp formation underlying the E/2 E/2 of Section 16 and the E/2 E/2 of Section 21.

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.



GERASIMOS RAZATOS
DIRECTOR (ACTING)
GR/lrl

Date: 7/17/2024

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

CONDITIONS

Action 370324

CONDITIONS

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|---|--|
| Operator: Permian Resources Operating, LLC 300 N. Marienfeld St Ste 1000 Midland, TX 79701 | OGRID: 372165 |
| | Action Number: 370324 |
| | Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO) |

CONDITIONS

| | | |
|------------|-----------|----------------|
| Created By | Condition | Condition Date |
| llowe | None | 8/5/2024 |