

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Melanie Kenderdine
Cabinet Secretary

Ben Shelton
Deputy Secretary

Erin Taylor
Deputy Secretary

Albert Chang
Division Director
Oil Conservation Division



Jaclyn M. McLean
jmclean@hardymclean.com

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL – 8963

Permian Resources Operating, LLC [OGRID 372165]
Moran 9 Federal Com Well No. 505H
API No. 30-025-54500

Reference is made to your application received on April 25th, 2025.

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	451 FSL & 1008 FEL	P	09	21S	32E	Lea
First Take Point	100 FNL & 1254 FEL	A	16	21S	32E	Lea
Last Take Point	100 FSL & 1254 FEL	P	21	21S	32E	Lea
Terminus	10 FSL & 1254 FEL	P	21	21S	32E	Lea

Proposed Horizontal Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E/2 E/2 Section 16	320	Bilbrey Basin; Bone Spring	5695
E/2 E/2 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

Administrative Order NSL – 8963
Permian Resources Operating, LLC
Page 2 of 2

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 66 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.

The Division understands you are seeking this unorthodox location for an optimal well spacing plan within the referenced horizontal spacing unit. All while avoiding wasted resources and protecting the correlative rights within the Bone Spring formation underlying the E/2 E/2 of Section 16 and the E/2 E/2 of Section 21.

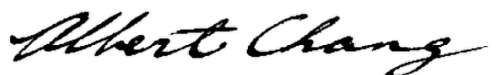
Your application has been filed under 19.15.16.15(C)(6) NMAC, 19.15.15.13 NMAC and 19.15.4.12 (A)(2) NMAC.

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 the Division deems necessary.



ALBERT CHANG
DIRECTOR
AC/lrl

Date: 7/3/2025

ID NO. 455825

NSL - 8963

Revised March 23, 2017

RECEIVED: 04/25/25	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:** Moran 9 Federal Com 505H**API:** 30-025-pending**Pool:** Bilbrey Basin; Bone Spring**Pool Code:** 5695

**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.

Jaclyn M. McLean

Print or Type Name

Signature

4/25/2025

Date

505-230-4410

Phone Number

jmclean@hardymclean.com

e-mail Address



April 25, 2025

VIA ONLINE FILING

Gerasimos Razatos
Acting 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**

Moran 9 Federal Com 505H
E/2 E/2 of Sections 16 and 21, Township 21 South, Range 32 East, Lea County, New Mexico
Bilbrey Basin; Bone Spring pool (Code 5695)

Dear Mr. Razatos,

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 Moran 9 Federal Com 505H well, in a 320-acre, more or less, standard horizontal spacing unit, comprised of the E/2 E/2 of Sections 16 and 21, Township 21 South, Range 32 East, Lea County, New Mexico.

The location for the **Moran 9 Federal Com 505H** well is as follows:

- Surface Hole Location: 451' FSL and 1,008' FEL, Section 9, Township 21 South, Range 32 East
- First Take Point: 100' FNL and 1,254' FEL, Section 16, Township 21 South, Range 32 East
- Last Take Point: 100' FSL and 1,254' FEL, Section 21, Township 21 South, Range 32 East
- Bottom Hole Location: 10' FSL and 1,254' FEL, Section 21, Township 21 South, Range 32 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
April 25, 2025

Page 2

The completed interval of the well will be unorthodox because it is located less than 330' from the eastern boundary of the offsetting spacing unit. As explained in the engineering statement, included as **Exhibit A**, approval of the unorthodox, completed interval is necessary to allow Permian Resources to optimize well spacing and improve overall productivity of the wells. This will prevent waste and protect correlative rights.

Exhibit B is a Form C-102 showing the location of the Moran 9 Federal Com 505H well in relation to the offset tracts.

Exhibit C is a plat Sections 16 and 21, Township 21 South, Range 32 East, that shows the Moran 9 Federal Com 505H well in relation to the adjoining tracts/proposed spacing units. Permian Resources is the offset operator of all adjoining tracts and spacing units, and is the sole working interest owner.

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

April 20, 2025

Re: Moran Federal COM 505H
FTP: 1,254' FEL, 100' FNL' of Section 16, T21S-R32E
LTP: 1,254' FEL, 100' FSL of Section 21, 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 Moran Federal COM 505H to allow the completed interval to be less than 330 feet from the western boundary of the existing 320-acre horizontal spacing unit. This well is located in the [5695] Bilbrey Basin; Bone Spring, South. Due to the optimal spacing of the planned wells in this section, Permian has planned the Moran Federal COM 504H, Moran Federal COM 505H, Moran Federal COM 506H, Moran Federal COM 404H, Moran Federal COM 305H and Moran Federal COM 406H wells with at least 920 feet of spacing between each well. This spacing pattern causes the Moran Federal COM 505H to be drilled less than 330 feet from the western boundary of the spacing unit. Permian requests 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 blue ink, appearing to read "Angie Underwood", with a stylized flourish at the end.

Angie Underwood
Sr. Reservoir Engineer
Permian Resources Operating, LLC

EXHIBIT A

EXHIBIT B

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:	<input checked="" type="checkbox"/> Initial Submittal
			<input type="checkbox"/> Amended Report <input type="checkbox"/> As Drilled

WELL LOCATION INFORMATION

API Number	Pool Code 5695	Pool Name Bilbrey Basin; Bone Spring
Property Code 335722	Property Name MORAN 9 FEDERAL COM	Well Number 505H
OGRID No. 372165	Operator Name PERMIAN RESOURCES OPERATING, LLC	Ground Level Elevation 3,767'
Surface Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input checked="" type="checkbox"/> Federal		Mineral Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input checked="" type="checkbox"/> Federal

Surface Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
P	9	21S	32E		451' FSL	1,008' FEL	32.487265°	-103.674424°	LEA

Bottom Hole Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
P	21	21S	32E		10' FSL	1,254' FEL	32.457030°	-103.675239°	LEA

Dedicated Acres 320	Infill or Defining Well Defining	Defining Well API	Overlapping Spacing Unit (Y/N) Y	Consolidation Code C
Order Numbers. TBD			Well setbacks are under Common Ownership: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
P	9	21S	32E		451' FSL	1,008' FEL	32.487265°	-103.674424°	LEA

First Take Point (FTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
A	16	21S	32E		100' FNL	1,254' FEL	32.485749°	-103.675222°	LEA

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
P	21	21S	32E		100' FSL	1,254' FEL	32.457277°	-103.675239°	LEA

Unitized Area or Area of Uniform Interest	Spacing Unit Type <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation:
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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.

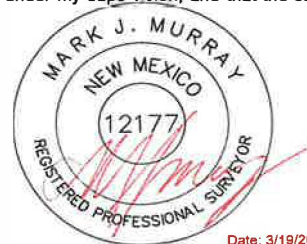
Signature Cassie Evans Date 3/29/25

Printed Name
Cassie Evans

Email Address Cassie.Evans@permianres.com

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.



Date: 3/19/2025

Signature and Seal of Professional Surveyor

Certificate Number
12177

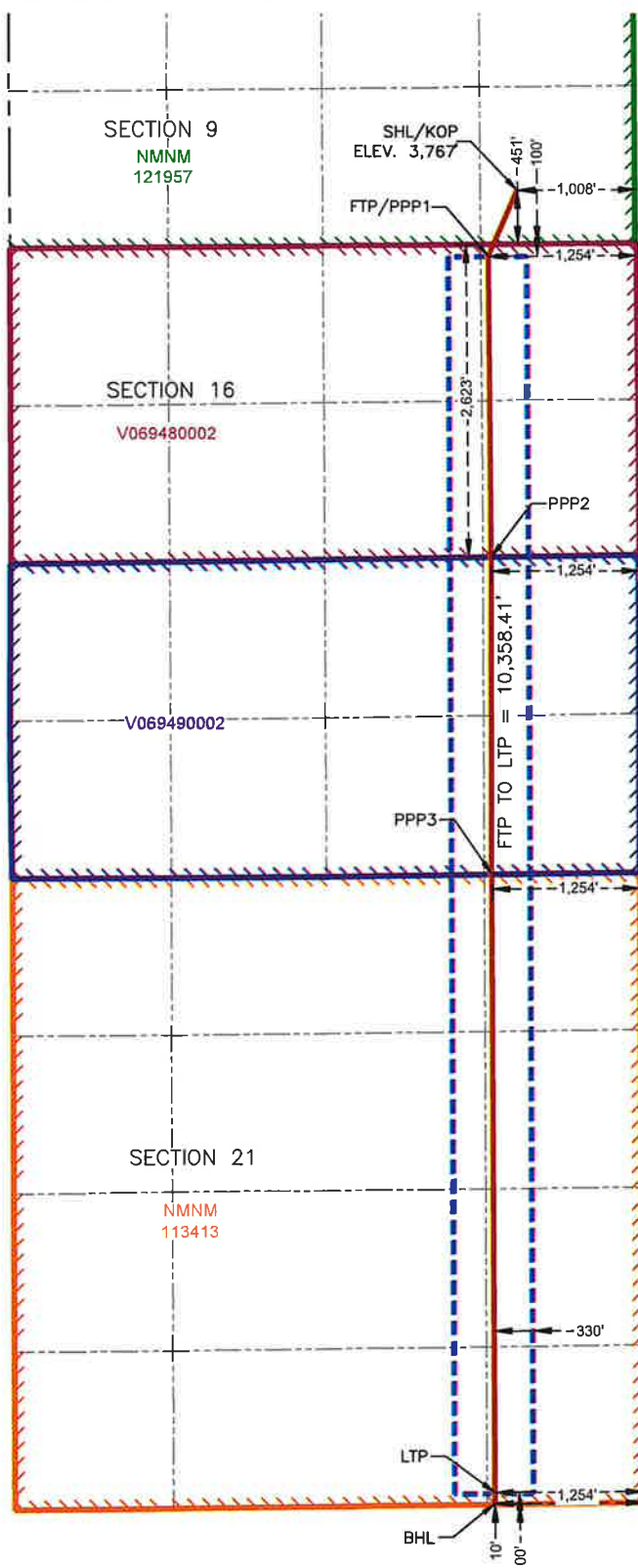
Date of Survey
3/9/2025

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.

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.



**SURFACE HOLE LOCATION
& KICK-OFF POINT**
451' FSL & 1,008' FEL
ELEV. = 3,767'

NAD 83 X = 744,505.90'
NAD 83 Y = 541,625.43'
NAD 83 LAT = 32.487265°
NAD 83 LONG = -103.674424°
NAD 27 X = 703,324.45'
NAD 27 Y = 541,563.96'
NAD 27 LAT = 32.487143°
NAD 27 LONG = -103.673933°

**FIRST TAKE POINT &
PENETRATION POINT 1**
100' FNL & 1,254' FEL

NAD 83 X = 744,263.17'
NAD 83 Y = 541,072.15'
NAD 83 LAT = 32.485749°
NAD 83 LONG = -103.675222°
NAD 27 X = 703,081.71'
NAD 27 Y = 541,010.69'
NAD 27 LAT = 32.485626°
NAD 27 LONG = -103.674731°

PENETRATION POINT 2
2,623' FNL & 1,254' FEL

NAD 83 X = 744,285.44'
NAD 83 Y = 538,549.73'
NAD 83 LAT = 32.478815°
NAD 83 LONG = -103.675200°
NAD 27 X = 703,103.90'
NAD 27 Y = 538,488.35'
NAD 27 LAT = 32.478693°
NAD 27 LONG = -103.674710°

PENETRATION POINT 3
0' FNL & 1,254' FEL

NAD 83 X = 744,292.46'
NAD 83 Y = 535,886.32'
NAD 83 LAT = 32.471494°
NAD 83 LONG = -103.675231°
NAD 27 X = 703,110.86'
NAD 27 Y = 535,825.01'
NAD 27 LAT = 32.471372°
NAD 27 LONG = -103.674740°

LAST TAKE POINT
100' FSL & 1,254' FEL

NAD 83 X = 744,321.98'
NAD 83 Y = 530,713.93'
NAD 83 LAT = 32.457277°
NAD 83 LONG = -103.675239°
NAD 27 X = 703,140.24'
NAD 27 Y = 530,652.76'
NAD 27 LAT = 32.457154°
NAD 27 LONG = -103.674749°

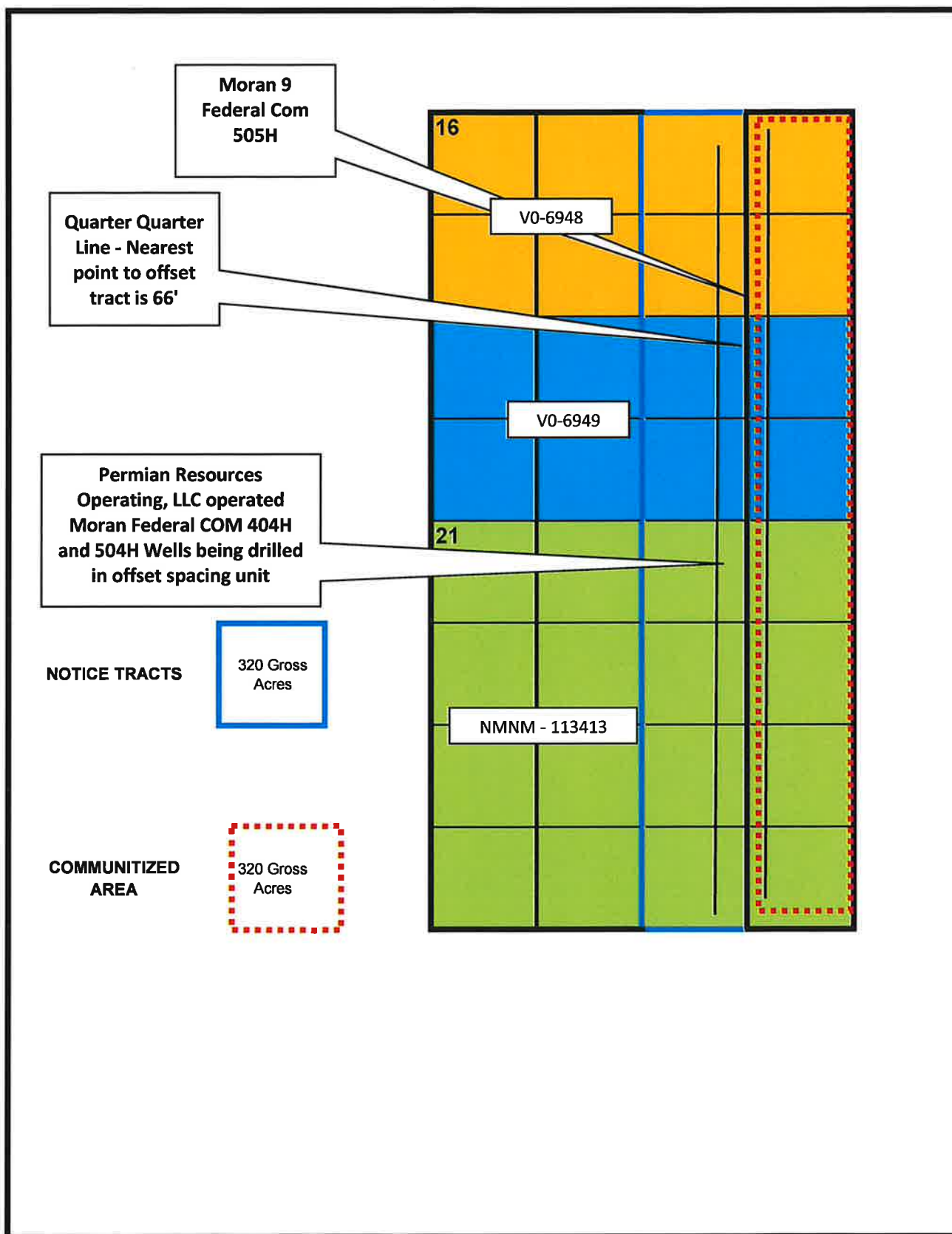
BOTTOM HOLE LOCATION
10' FSL & 1,254' FEL

NAD 83 X = 744,322.49'
NAD 83 Y = 530,623.93'
NAD 83 LAT = 32.457030°
NAD 83 LONG = -103.675239°
NAD 27 X = 703,140.75'
NAD 27 Y = 530,562.76'
NAD 27 LAT = 32.456907°
NAD 27 LONG = -103.674749°

MORAN 9 FEDERAL COM 505H

Moran 9 Federal Com 505H NSL Map

E/2 E/2 of Sections 16 and 21, Township 21 South, Range 32 East, Lea County, New Mexico

**EXHIBIT C**

Notice List – Moran 9 Federal Com Wells:

New Mexico State Land Office
310 Old Santa Fe Trail
Santa Fe, NM 87501
Date Notice Sent: 4/25/2025
Tracking Number: 9414836208551281806401

Bureau of Land Management
301 Dinosaur Trail
Santa Fe, NM 87508
Date Notice Sent: 4/25/2025
Tracking Number:
9414836208551281806487

EXHIBIT D



April 25, 2025

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 administrative applications requesting approval of unorthodox well locations for Permian Resources Operating, LLC's ("Permian Resources") Moran 9 Federal Com wells. Administrative applications for the unorthodox well locations were filed with the New Mexico Oil Conservation Division on this date. Any objection to these applications 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, these applications may be approved administratively by the Division.

If you have any questions about this application, please contact Mark Hajdik, Senior Landman at Permian Resources – Mark.Hajdik@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

HardyMcClean.com

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



April 25, 2025

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: ALL AFFECTED PERSONS

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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

HardyMcClean.com

Writer:
Jaclyn M. McLean
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April 25, 2025

VIA CERTIFIED MAIL
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TO: ALL AFFECTED PERSONS

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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 455825

CONDITIONS

Operator: Permian Resources Operating, LLC 300 N. Marienfeld St Ste 1000 Midland, TX 79701	OGRID: 372165
	Action Number: 455825
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	5/9/2025