State of New Mexico Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham Governor

Melanie A. Kenderdine Cabinent Secretary

Ben Shelton Deputy Secretary **Gerasimos "Gerry" Razatos** Division Director (Acting) Oil Conservation Division



Jaclyn M. McLean jmclean@hardymclean.com

Administrative Order NSP - 2266

ADMINISTRATIVE NON-STANDARD HORIZONTAL SPACING UNIT

Permian Resources Operating, LLC [OGRID 372165]

Fosters 16 15 Federal Com Well No. 202H [API No. 30-015-PENDING] HSU: N/2 S/2 Section 16 & N/2 S/2 Section 15, T20S, R28E, Eddy County, New Mexico

Reference is made to your application received on March 13th, 2025.

You have requested approval of a non-standard horizontal spacing unit as follows:

Proposed Decreased Horizontal Spacing Unit:

Description	Acres	Pool	Pool Code
N/2 S/2 of Section 16	320	Burton Flat; Wolfcamp, North	73520
N/2 S/2 of Section 15		-	

Area of Exclusion:

Description	Acres
S/2 S/2 of Section 16	320
S/2 S/2 of Section 15	

You have requested an exception pursuant to Rule 19.15.16.15(A)(3) NMAC, to approve a nonstandard horizontal spacing unit comprising 320 acres, consisting of the entire area described above as the horizontal spacing unit. The proposed horizontal spacing unit does not consist of a quarter section or equivalent in both sections, as required by Rule 19.15.16.15(B)(3) NMAC.

We understand that you are seeking this exception in order to allow you to create a 320-acre, non-standard horizontal spacing unit, comprised of the Proposed Horizontal Spacing Unit referenced above.

NSP - 2266 Permian Resources Operating, LLC Page 2 of 2

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (8) Subsection A of 19.15.2.7 NMAC, in all adjoining units which are being excluded.

You have requested this non-standard horizontal spacing unit in order to cease the need for a force pooling agreement, to full fill the commitment to all working interest owners of a segregated unit and is a preferred well spacing for wells within the Wolfcamp formation. This non-standard unit excludes the S/2 S/2 of both Sections 16 and Section 15. Approval thereby prevents waste underlying the N/2 S/2 of Section 16 and the N/2 S/2 of Section 15, all while protecting correlative rights within the referenced Horizontal Spacing Unit.

Pursuant to the authority conferred by Division Rule 19.15.16.15(B)(5) NMAC, the abovedescribed **non-standard horizontal spacing unit is hereby approved**. Further, the Applicant may add additional wells to the non-standard spacing unit, the well(s) must be in the same <u>horizontal spacing unit and pool/formation</u>. The new well's APD shall reference this NSP order number on Form C-102 with an adjacent letter stating this request.

General Provisions

The above approvals are subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 19.15.5.9 NMAC.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Gerasimos Razatos Division Director (Acting) GR/lrl Date: 4/9/2025

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Revised March 23, 2017

RECEIVED:	REVIEWER:	TYPE:	APP NO:
		ABOVE THIS TABLE FOR OCD I	DIVISION USE ONLY
		al & Engineering	
		ATIVE APPLICAT	
THIS			ATIONS FOR EXCEPTIONS TO DIVISION RULES AND E DIVISION LEVEL IN SANTA FE
pplicant: Permia	n Resources Operating, LLC		OGRID Number: <u>372165</u>
ell Name: Foste	rs 16-15 Fed Com 202H		API: <u>30-015</u>
DOI: Burton Flat, W	olfcamp, North (GAS)		Pool Code: 73520
		INDICATED BELC	
A. Location	ICATION: Check those v n – Spacing Unit – Simulto NSL INSP(PRO	aneous Dedicatio	-
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) CERTIFICATIO administrative understand tl	N: I hereby certify that the approval is accurate of the sector of t	ind complete to t en on this applice	ubmitted with this application for the best of my knowledge. I also ation until the required information and
Ν	lote: Statement must be complet	ed by an individual with	h managerial and/or supervisory capacity.
			3/13/2025 Date
aclyn M. McLean			
rint or Type Name			505-372-6375
			Phone Number
Jack	in M. McLean		jmclean@hardymclean.com

Signature

jmclean@hardymclean.com e-mail Address



March 13, 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 Non-Standard Horizontal Spacing Unit

Fosters 16-15 Fed Com 202H N/2 S/2 of Sections 15 and 16, Township 20 South, Range 28 East, Eddy County, New Mexico Burton Flat, Wolfcamp, North (Gas) Pool (Code 73520)

Dear Mr. Razatos,

Permian Resources Operating, LLC ("Permian Resources") (OGRID No. 372165), pursuant to Division Rules 19.15.16(B)(5) and 19.15.15.11 NMAC, seeks administrative approval of Non-Standard Horizontal Spacing Unit for its Fosters 16-15 Fed Com 202H well, in a 320-acre, more or less, spacing unit underlying the N/2 S/2 of Sections 15 and 16, Township 20 South, Range 28 East, Eddy County, New Mexico.

Approval of the Non-Standard Horizontal Spacing Unit is requested to allow Permian Resources to co-develop the Fosters 16-15 Fed Com 200H, Fosters 16-15 Fed Com 201H, Fosters 16-15 Fed Com 202H, and Fosters 16-15 Fed Com 203H wells.¹ If standard gas spacing is used, the ownership of the units would be split in a manner that is not representative of the actual development of the resource. Further, the non-standard spacing has been agreed to by all working interest owners and is reflected in the Joint Operating Agreements for these units. If Permian

125 Lincoln Avenue, Suite 223 Santa Fe, NM 87501 505-230-4410 Writer: Jaclyn M. McLean Managing Partner jmclean@hardymclean.com

HardyMclean.com

¹ Permian Resources is submitting requests for Administrative Approval of Non-Standard Horizontal Spacing Units for the Fosters 16-15 Fed Com 200H, Fosters 16-15 Fed Com 201H, and Fosters 16-15 Fed Com 203H horizontal spacing units simultaneously.

Page 2

Resources is required to utilize standard spacing, the agreement would no longer be valid and additional forced pooling may be required. A Non-Standard Horizontal Spacing Unit permits Permian Resources to use its preferred well spacing plan for the horizontal wells in this area, which will maximize recovery, prevent waste, and protect correlative rights. Therefore, Permian Resources respectfully requests approval of this non-standard spacing unit.

Exhibit A is a Form C-102 showing the location of the Fosters 16-15 Fed Com 202H well, in a 320-acre, non-standard horizontal spacing unit.

Exhibit B is a plat for the N/2 S/2 of Sections 15 and 16, in relation to the adjoining tracts. Exhibit B also identifies the operators and record title owners of the adjoining tracts.

Exhibit C is a spreadsheet listing all affected persons that were 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.

Thank you for your attention to this matter. Please let me know if you require additional information.

Respectfully,

HARDY MCLEAN LLC

<u>/s/ Jaclyn M. McLean</u> Jaclyn M. McLean

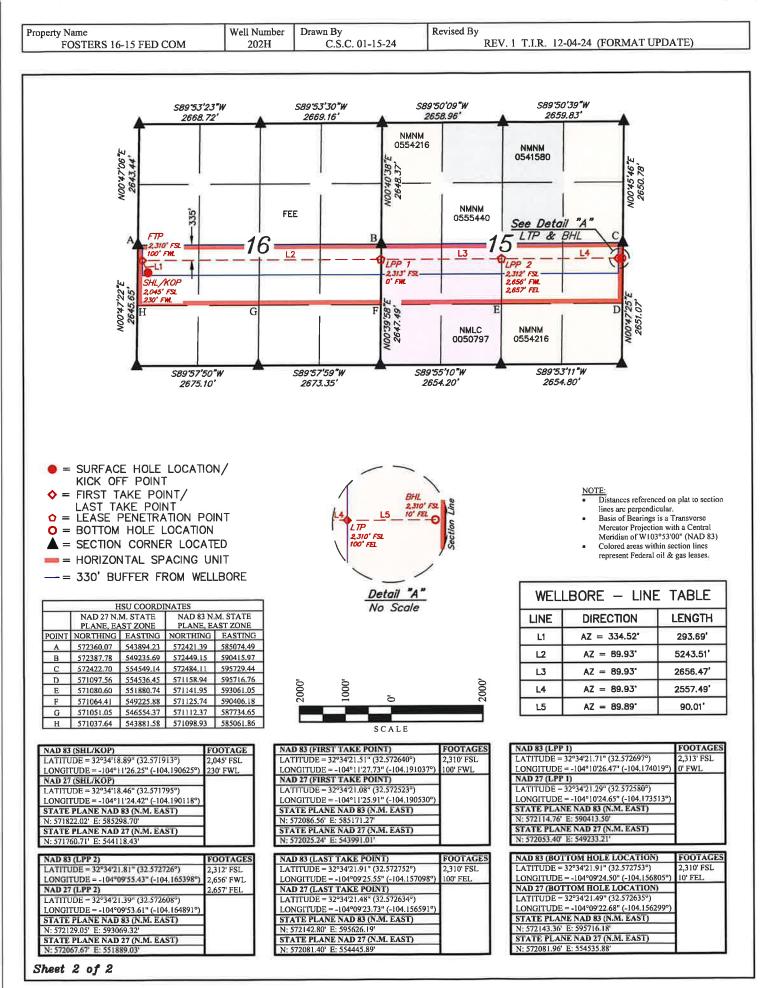
ATTORNEYS FOR PERMIAN RESOURCES OPERATING, LLC

<u>C-10</u>			En			ral Resources Departm	ent		Revised July 9, 2024			
	Electronical D Permitting	Y		OIL	CONSERVA	TION DIVISION	□ Initial Submittal					
								Submitta Type:	1 Amended Rep	ort		
						□ As Drilled						
					WELL LOCA	TION INFORMATION						
API N	umber		Pool Code	73520		Pool Name Burton	Flat, w	olfcamp	, North (GAS)	•		
Proper	ty Code		Property N		FOSTER	S 16-15 FED COM			Well Number 202			
OGRI	D No. 372165		Operator N	ame Pl	ERMIAN RESC	URCES OPERATING, LL	.c		Ground Level Ele 3267			
Surfac	e Owner: 🗆	State 🗆 Fee 🗆	Tribal 🗶 Fee	leral		Mineral Owner: 🗙 S	tate 🗆 Fee [🗆 Tribal 🌶	Federal			
					Su	face Location						
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (N.	AD 83)	Longitude (NAD 83)	County		
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				I	Botto	m Hole Location		,I_,				
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Order Numbers. TBD						Well setbacks are und	er Common (Ownership	Yes No			
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	Į	J			Last 7	Take Point (LTP)						
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (N	AD 83)	Longitude (NAD 83)	County		
Ι	15	205	28E		2,310 SOUT	H 100 EAST	32.5727	752°	-104.157098°	EDDY		
Unitiza	ed Area or Ar	ea of Uniform l	Interest	Spacing	Unit Type 🗙 Hor	rizontal 🔲 Vertical	Grour	nd Floor El	evation:			
OPER.	ATOR CERT	IFICATIONS				SURVEYOR CERTIFIC	ATIONS					
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consent in each	of at least one tract (in the tai		f a working inte tion) in which a	rest or unleas ny part of the	sed mineral interest well's completed	THIS DOCUME PURPOSE A	ENT SHALI ND SHALI PON AS A F	L NOT BI L NOT BI	E RECORDED FO. E USED, VIEWED IRVEY DOCUME!	OR		
Signatu		· Evans	Date 12/8/2	24		Signature and Seal of Professi		2024				
Printed		- UUW9-				Certificate Number	January 10, Date of Surve					
	ssie Eva	ns										
Email A		ssie.Evan										
_	Note: No	allowable will b	assigned to	this compla	tion until all inte	rest have been consolidated of	or a non-stan	dard unit h	as heen approved by	the division		

Sheet 1 of 2

EXHIBIT A

Received by OCD: 3/13/2025 1:01:40 PM



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	Permian	Resource	s Applicatio	n - Reque	est for N	on-Stan	idard Prorat	ion Unit	Fosters	16-15 Fed	Com W	olfcamp W	/ells
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ction 16: N/25/	2												
ction 15: N/25/	2												
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	Party				Tov		Tract Legal(s O South, Ra		ist:		333	W Sherid	Address an Ave.
on Energy Proc	duction C	.o, LP					ection 20: N						y, OK 73102
v Mexico State	land Off	lice					NMSLO					Old Sant ta Fe, NM	
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cord Title: Davon gy Production Co, l	P											111	Bondi Fed Com Unit
	L			_	Permian	Resource	s Taipan Fed C	tinU ma					

EXHIBIT B

	and been as a set of the set of	Fosters 16-15 Fed Com 200H, 201H, 202H, 203H Notice List	IH, 201H, 202H, 20	D3H Notice	List		
Date Mailed	Notice Party	Address	City	State	Zip	Tract WI	Tracking Number
3/13/2025	Bureau of Land Management	301 Dinosaur Trail	Santa Fe	MM	87508	N/A	9414836208551279560797
3/13/2025	New Mexico State Land Office	310 Old Santa Fe Trail	Santa Fe	MM	87501	N/A	9414836208551279560810
3/13/2025	Devon Energy Production Co, LP	333 W Sheridan Ave.	Oklahoma City	OK	73102	Section 20: NE/4	9414836208551279560803
N/A	Permian Resources	N/A	N/A	N/A	N/A	N/A	N/A

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Sante Fe Main Office Phone: (505) 476-3441

General Information Phone: (505) 629-6116

CONDITIONS

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

Operator:	OGRID:
Permian Resources Operating, LLC	372165
300 N. Marienfeld St Ste 1000	Action Number:
Midland, TX 79701	442270
	Action Type:
	[UF-NSP] Non-Standard Proration (NSP)

Created By	Condition	Condition Date
llowe	If this NSP order was approved with pending API wells. The owner of the NSP shall update the OCD when an API number is assigned to those well(s) by sending an e-mail to ocd.engineer@emnrd.nm.gov. TITLED: Adding Well to an existing NSP HSU. The context of this email shall reference the NSP order number, the Well Name, and associated API number. Doing this will ease the C-104 review process for the operator to transport product from these well(s).	4/9/2025

CONDITIONS

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Action 442270