

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



**ADMINISTRATIVE NON-STANDARD LOCATION**

**Administrative Order NSL – 9277**

Jaelyn M. McLean  
[jmclean@hardymclean.com](mailto:jmclean@hardymclean.com)

**3R Operating, LLC [OGRID 331569]  
Big Mick 4 U Federal Com Well No. 551H  
API No. 30-015-PENDING**

Reference is made to your application received on February 13<sup>th</sup>, 2026.

**Proposed Location**

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	1581 FNL & 422 FEL	H	04	25S	26E	Eddy
First Take Point	1650 FNL & 100 FEL	H	04	25S	26E	Eddy
Last Take Point/ Terminus	330 FNL & 100 FEL	A/1	04	25S	26E	Eddy

**Proposed Horizontal Spacing Unit**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
N/4 Section 04	319.21	Cottonwood Draw; Bone Spring	97494

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 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 – 9277  
3R Operating, LC  
Page 2 of 2

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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 Take Points referenced above, within the described Horizontal Spacing Unit.

This well's completed interval is as close as 25 feet to the western edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 05, encroachment to the E/2 NE/4

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 to allow for optimal recovery of resources within the Bone Spring formation underlying the N/2 Section 04. Therefore, avoiding the waste of resources and reducing the production of wells within the unit.

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.



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**Albert C.S. Chang**  
Division Director  
AC/lrl

Date: 4/3/26

ID NO. 553722

NSL - 9277

RECEIVED: <b>02/13/26</b>	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:** 3R Operating, LLC **OGRID Number:** 331569  
**Well Name:** Big Mick 4 U Fed Com 551H **API:** 30-015-pending  
**Pool:** Cottonwood Draw; Bone Spring (O) **Pool Code:** 97494

**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 holders  
 B.  Royalty, overriding royalty owners, revenue owners  
 C.  Application requires published notice  
 D.  Notification and/or concurrent approval by SLO  
 E.  Notification and/or concurrent approval by BLM  
 F.  Surface owner  
 G.  For all of the above, proof of notification or publication is attached, and/or,  
 H.  No notice required

<u>FOR OCD ONLY</u>	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	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

2/3/2026  
Date

505-372-6375  
Phone Number

Jaclyn M. McLean  
Signature

Digitally signed by Jaclyn M. McLean  
Date: 2026.02.03 05:58:58 -0700

jmclean@hardymclean.com  
e-mail Address



February 3, 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: 3R Operating, LLC  
Request for Administrative Approval of Unorthodox Well Location**

Big Mick 4 U Fed Com 551H (API No. 30-015-pending)  
N/2 of Section 4, Township 25 South, Range 26 East, Eddy County, New  
Mexico. Cottonwood Draw; Bone Spring (O) Pool (Code 97494)

Dear Mr. Chang,

In accordance with Division Rules 19.15.16.15(C)(6) and 19.15.15.13 NMAC, 3R Operating, LLC ("3R") (OGRID No. 331569), seeks administrative approval of an unorthodox well location for the Big Mick 4 U Fed Com 551H well, in a 319.21 acre, more or less, standard horizontal spacing unit, comprised of the N/2 of Section 4, Township 25 South, Range 26 East, Eddy County, New Mexico.

The location for the **Big Mick 4 U Fed Com 551H** well is as follows:

- Surface Hole Location: 1,581' FNL and 422' FEL, Section 4, Township 25 South, Range 26 East;
- First Take Point: 1,650' FNL and 100' FEL, Section 4, Township 25 South, Range 26 East;
- Last Take Point: 330' FNL and 100' FEL, Section 4, Township 25 South, Range 26 East
- Bottom Hole Location: 330' FNL and 100' FEL, Section 4, Township 25 South, Range 26 East

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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  
February 3, 2026

Page 2

3R plans to begin the non-perforation zone (“NPZ”) and take the turn for its Big Mick 4 U Fed Com 551H well at the following locations:

- Start NPZ – 1,468’ FNL and 228’ FWL of Section 4, Township 25 South, Range 26 East; and
- END NPZ – 515’ FNL and 228’ FWL of Section 4, Township 25 South, Range 26 East.

Therefore, the completed intervals at the start and end of the NPZ will be located within 330’ of the western boundary of the spacing unit. As explained in the engineering statement, included as **Exhibit A**, approval of the unorthodox well location is necessary to allow 3R to allow optimal recovery of resources. This will prevent waste and protect correlative rights.

**Exhibit B** is a Form C-102 showing the location of the Big Mick 4 U Fed Com 551H well in relation to the offset tract to the west.

**Exhibit C** is a plat that shows the Big Mick 4 U Fed Com 551H well in relation to the adjoining tracts. 3R is the offset operator and the interest owners to the west are identified as the affected parties. Exhibit C also contains a tract breakdown, which identifies the interest owners by tract. Notice of this application was provided to all parties identified on the tract breakdown.

**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 3R OPERATING  
OPERATING, LLC



1/26/2026

Re: Big Mick 4 U Fed Com 551H  
NPZ 1: 1,468' FNL & 228' FWL of Section 4, T25S, R26E  
NPZ 2: 515' FNL & 228' FWL of Section 4, T 25S, R 26E  
Eddy County, New Mexico

To Whom It May Concern,

3R Operating, LLC respectfully requests administrative approval of a non-standard location for the Big Mick 4 U Fed Com 551H to allow the completed interval to be less than 330 feet from the Western boundary of the existing 319.21 acre horizontal spacing unit. Due to operational efficiencies, approval of a non-standard location will allow for optimal recovery of resources, thus preventing waste and protecting correlative rights. 3R Operating, LLC request 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 dark blue ink, appearing to read 'Austin Tramell', is written in a cursive style.

Austin Tramell  
Director Environmental and Regulatory  
3R Operating, LLC

**EXHIBIT A**

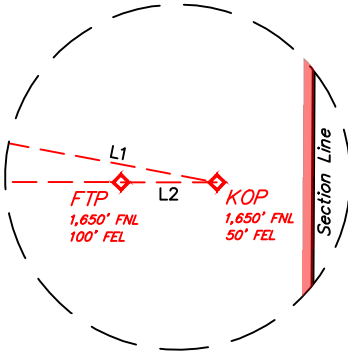


Property Name BIG MICK 4 U FED COM	Well Number 551H	Drawn By D.J.S. 08-21-25	Revised By REV: 3 N.R. 01-07-25 (UPDATE SHL & WELLBORE)
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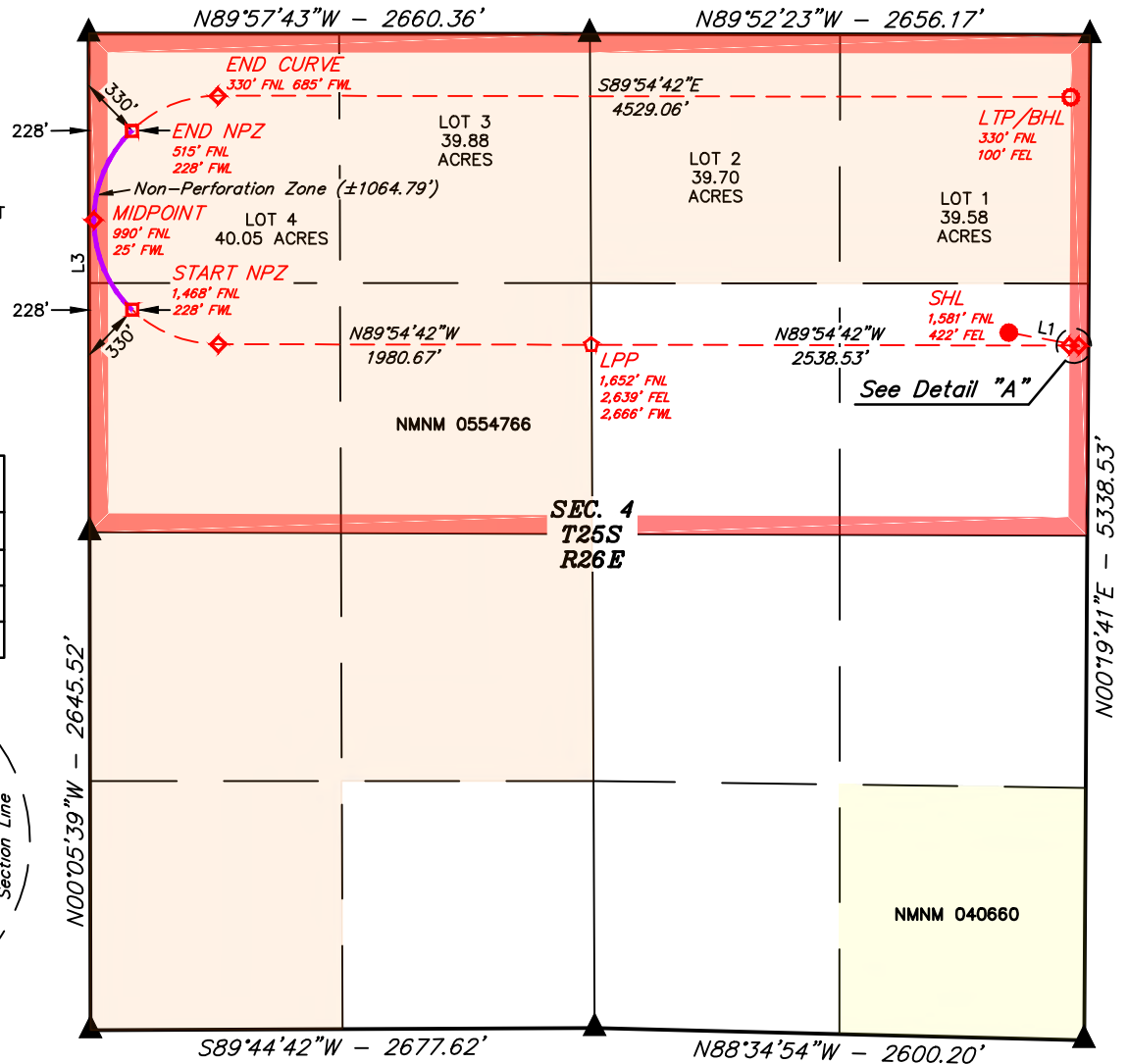
- NOTE:**
- Distances referenced on plat to section lines are perpendicular.
  - Basis of Bearings is a Transverse Mercator Projection with a Central Meridian of W103°53'00" (NAD 83)
  - Colored areas within section lines represent Federal oil & gas leases.

- = SURFACE HOLE LOCATION
- ◆ = KICK OFF POINT/TAKE POINT
- = NPZ POINT
- ☆ = LEASE PENETRATION POINT
- = LAST TAKE POINT/BOTTOM HOLE LOCATION
- ▲ = SECTION CORNER LOCATED
- = DEDICATED ACREAGE
- = NON-PERFORATION ZONE

LINE TABLE		
LINE	DIRECTION	LENGTH
L1	S79°22'56"E	377.61'
L2	N89°52'23"W	50.00'
L3	N00°06'00"W	2648.15'



Detail "A"  
No Scale



<b>NAD 83 (SURFACE HOLE LOCATION)</b>	LATITUDE = 32°09'43.67" (32.162131°) LONGITUDE = -104°17'26.68" (-104.290746°)
<b>NAD 27 (SURFACE HOLE LOCATION)</b>	LATITUDE = 32°09'43.25" (32.162013°) LONGITUDE = -104°17'24.89" (-104.290246°)
<b>STATE PLANE NAD 83 (N.M. EAST)</b>	N: 422721.10' E: 554515.89'
<b>STATE PLANE NAD 27 (N.M. EAST)</b>	N: 422663.86' E: 513333.25'

<b>NAD 83 (KICK OFF POINT)</b>	LATITUDE = 32°09'42.98" (32.161940°) LONGITUDE = -104°17'22.37" (-104.289546°)
<b>NAD 27 (KICK OFF POINT)</b>	LATITUDE = 32°09'42.55" (32.161821°) LONGITUDE = -104°17'20.57" (-104.289047°)
<b>STATE PLANE NAD 83 (N.M. EAST)</b>	N: 422651.53' E: 554887.03'
<b>STATE PLANE NAD 27 (N.M. EAST)</b>	N: 422594.28' E: 513704.39'

<b>NAD 83 (FIRST TAKE POINT)</b>	LATITUDE = 32°09'42.98" (32.161940°) LONGITUDE = -104°17'22.95" (-104.289708°)
<b>NAD 27 (FIRST TAKE POINT)</b>	LATITUDE = 32°09'42.56" (32.161821°) LONGITUDE = -104°17'21.15" (-104.289208°)
<b>STATE PLANE NAD 83 (N.M. EAST)</b>	N: 422651.64' E: 554837.03'
<b>STATE PLANE NAD 27 (N.M. EAST)</b>	N: 422594.39' E: 513654.39'

<b>NAD 83 (LPP)</b>	LATITUDE = 32°09'43.03" (32.161953°) LONGITUDE = -104°17'52.48" (-104.297911°)
<b>NAD 27 (LPP)</b>	LATITUDE = 32°09'42.60" (32.161835°) LONGITUDE = -104°17'50.68" (-104.297412°)
<b>STATE PLANE NAD 83 (N.M. EAST)</b>	N: 422655.55' E: 552298.51'
<b>STATE PLANE NAD 27 (N.M. EAST)</b>	N: 422598.35' E: 511115.89'

<b>NAD 83 (BEGIN CURVE)</b>	LATITUDE = 32°09'43.07" (32.161963°) LONGITUDE = -104°18'15.52" (-104.304312°)
<b>NAD 27 (BEGIN CURVE)</b>	LATITUDE = 32°09'42.64" (32.161845°) LONGITUDE = -104°18'13.72" (-104.303812°)
<b>STATE PLANE NAD 83 (N.M. EAST)</b>	N: 422658.60' E: 550317.84'
<b>STATE PLANE NAD 27 (N.M. EAST)</b>	N: 422601.44' E: 509135.24'

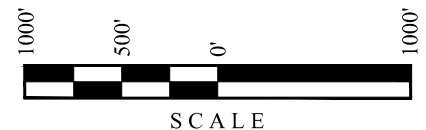
<b>NAD 83 (NPZ 1)</b>	LATITUDE = 32°09'44.88" (32.162466°) LONGITUDE = -104°18'20.84" (-104.305789°)
<b>NAD 27 (NPZ 1)</b>	LATITUDE = 32°09'44.45" (32.162347°) LONGITUDE = -104°18'19.04" (-104.305289°)
<b>STATE PLANE NAD 83 (N.M. EAST)</b>	N: 422841.30' E: 549860.85'
<b>STATE PLANE NAD 27 (N.M. EAST)</b>	N: 422784.15' E: 508678.26'

<b>NAD 83 (MIDPOINT)</b>	LATITUDE = 32°09'49.61" (32.163779°) LONGITUDE = -104°18'23.21" (-104.306448°)
<b>NAD 27 (MIDPOINT)</b>	LATITUDE = 32°09'49.18" (32.163661°) LONGITUDE = -104°18'21.41" (-104.305948°)
<b>STATE PLANE NAD 83 (N.M. EAST)</b>	N: 423319.04' E: 549656.68'
<b>STATE PLANE NAD 27 (N.M. EAST)</b>	N: 423261.89' E: 508474.10'

<b>NAD 83 (NPZ 2)</b>	LATITUDE = 32°09'54.31" (32.165086°) LONGITUDE = -104°18'20.86" (-104.305794°)
<b>NAD 27 (NPZ 2)</b>	LATITUDE = 32°09'53.88" (32.164967°) LONGITUDE = -104°18'19.06" (-104.305293°)
<b>STATE PLANE NAD 83 (N.M. EAST)</b>	N: 423794.31' E: 549859.19'
<b>STATE PLANE NAD 27 (N.M. EAST)</b>	N: 423737.14' E: 508676.61'

<b>NAD 83 (END CURVE)</b>	LATITUDE = 32°09'56.13" (32.165592°) LONGITUDE = -104°18'15.55" (-104.304319°)
<b>NAD 27 (END CURVE)</b>	LATITUDE = 32°09'55.70" (32.165473°) LONGITUDE = -104°18'13.75" (-104.303819°)
<b>STATE PLANE NAD 83 (N.M. EAST)</b>	N: 423978.60' E: 550315.53'
<b>STATE PLANE NAD 27 (N.M. EAST)</b>	N: 423921.42' E: 509132.96'

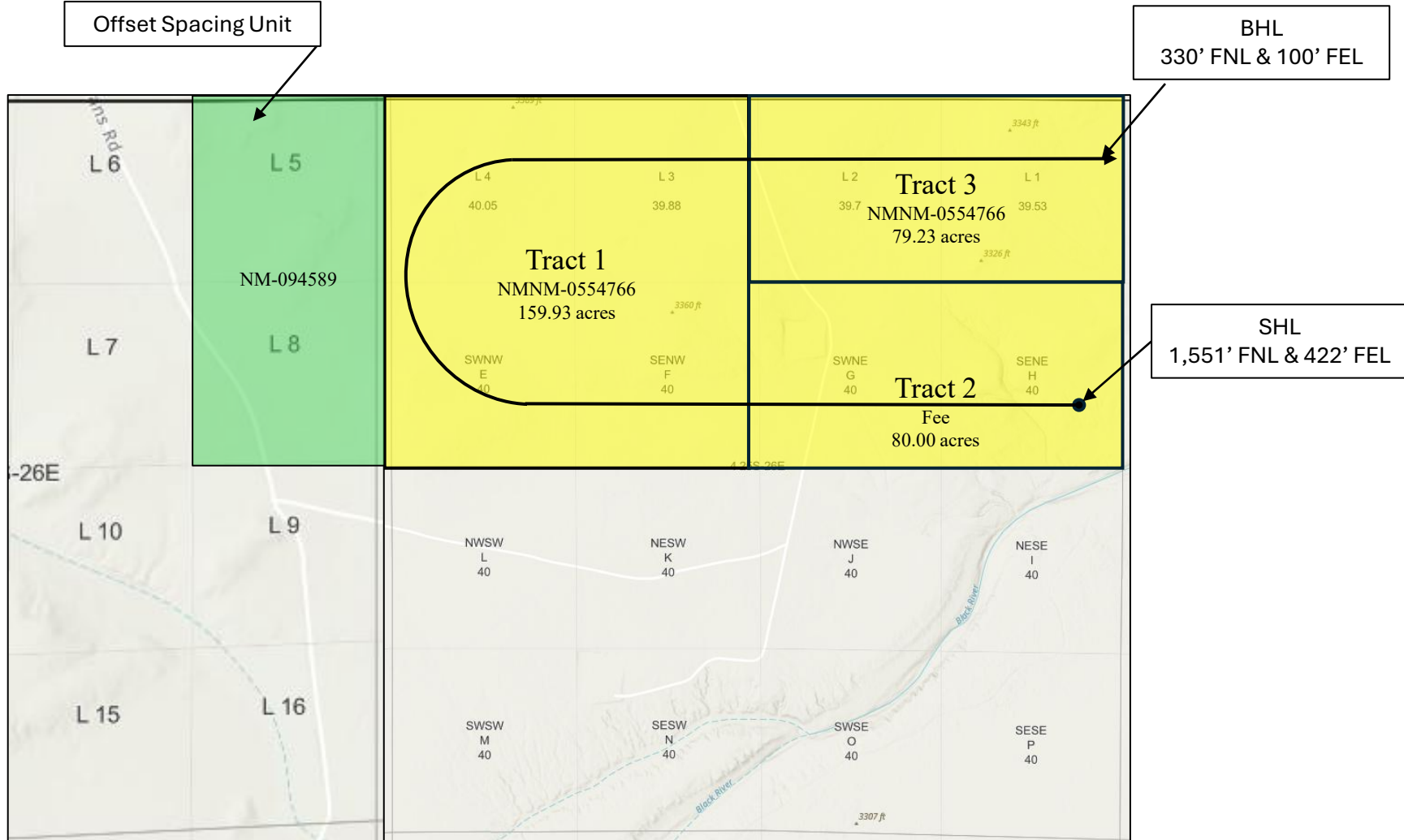
<b>NAD 83 (LTP/BHL)</b>	LATITUDE = 32°09'56.05" (32.165569°) LONGITUDE = -104°17'22.85" (-104.289682°)
<b>NAD 27 (LTP/BHL)</b>	LATITUDE = 32°09'55.62" (32.165450°) LONGITUDE = -104°17'21.06" (-104.289182°)
<b>STATE PLANE NAD 83 (N.M. EAST)</b>	N: 423971.63' E: 554844.59'
<b>STATE PLANE NAD 27 (N.M. EAST)</b>	N: 423914.35' E: 513661.97'



### Exhibit "C"

### Big Mick 4 U Fed Com 551H Map

Plat of area covering 319.21 acres being the N/2 of Section 4, Township 25 South, Range 26 East, Eddy County, New Mexico.



### EXHIBIT C

**Big Mick 4 U Fed Com 551H NSL Notification**

N/2 of Section 4, T25 – R26E, Eddy County, New Mexico (containing 319.16 acres, more or less)

**Offset Proration Unit:** E/2 NE/4 of Section 5, T24S – R26E, (containing 80.00 acres, more or less)**Notification Tracts:**

<b>Owner Type</b>	<b>Affected Party</b>	<b>WI Percentage</b>	<b>Date of Notices Sent</b>
WI Owner	EOG Resources, Inc.	68.00%	
WI Owner	Ridge Runner II Nominee Corp.	32.00%	

**Owner Information – Big Mick 4 U Fed Com 551H**

<b>Owner Type</b>	<b>Affected Party</b>	<b>WI Percentage</b>	<b>Date of Notices Sent</b>
Operator	3R Operating, LLC	0.00000000%	
WI Owner	Ridge Runner AssetCo II, LLC	19.7639583%	
WI Owner	Ridge Runner II Nominee Corp.	42.3662778%	
WI Owner	Magnum Hunter Production, Inc.	16.7180760%	
WI Owner	WPX Energy Permian, LLC	9.67595900%	
WI Owner	Chevron U.S.A. Inc.	6.42180300%	
WI Owner	MEC Petroleum Corp.	5.05392600%	

**Compiled Owners and Addresses:****Compiled Owner Information**

<b>Owner Type</b>	<b>Affected Party</b>	<b>Mailing Address</b>
Operator	3R Operating, LLC	20405 State Highway 249, Suite 820, Houston, TX 77070
WI Owner	Ridge Runner AssetCo II, LLC	20405 State Highway 249, Suite 820, Houston, TX 77070
WI Owner	Ridge Runner II Nominee Corp.	20405 State Highway 249, Suite 820, Houston, TX 77070
WI Owner	EOG Resources, Inc.	5509 Champions Drive, Midland, TX 79706
WI Owner	Magnum Hunter Production, Inc.	6001 Deauville Boulevard, Midland, TX 79706
WI Owner	WPX Energy Permian, LLC	333 W. Sheridan Avenue, Oklahoma City, OK 73102
WI Owner	Chevron U.S.A. Inc.	1400 Smith Street, Houston, TX 77002
WI Owner	MEC Petroleum Corp.	500 W. Illinois, Suite 610, Midland, TX 79701
MI Owner	Bureau of Land Management	301 Dinosaur Trail, Santa Fe, NM 87508

**Notice Parties:**

<b>Affected Party</b>	<b>Date Notice Sent</b>	<b>Tracking</b>
EOG Resources, Inc.	2/3/2026	9414836208551294536784
Magnum Hunter Production, Inc.	2/3/2026	9414836208551294536869
WPX Energy Permian, LLC	2/3/2026	9414836208551294537002
Chevron U.S.A. Inc.	2/3/2026	9414836208551294537156
MEC Petroleum Corp.	2/3/2026	9414836208551294537293
Bureau of Land Management	2/3/2026	9414836208551294537330

**EXHIBIT D**



February 3, 2026

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

**TO: ALL AFFECTED PERSONS**

**Re: 3R Operating, LLC**  
**Requests for Administrative Approval of Unorthodox Well Locations**

Enclosed are copies of administrative applications requesting approval of non-standard well locations for the Big Mick 4 U Fed Com 501H and Mig Mick 4 U Fed Com 551H wells. Administrative applications for the Big Mick 4 U Fed Com non-standard 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, this application may be approved administratively by the Division.

If you have any questions about this application, please contact Brian van Staveren, Landman at 3R Operating, LLC – [bvanstaveren@3ROperating.com](mailto:bvanstaveren@3ROperating.com).

Sincerely,

HARDY MCLEAN LLC

/s/ Jaclyn M. McLean

Jaclyn M. McLean

*Attorneys for 3R Operating, LLC*

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125 Lincoln Avenue, Suite 223  
Santa Fe, NM 87501  
505-230-4410

HardyMclean.com

**Writer:**  
Jaclyn M. McLean  
Managing Partner  
[jmclean@hardymclean.com](mailto: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 553722

**CONDITIONS**

Operator: 3R Operating, LLC 20405 State Highway 249 Houston, TX 77070	OGRID: 331569
	Action Number: 553722
	Action Type: [UF-NSL] Non-Standard Location (NSL)

**CONDITIONS**

Created By	Condition	Condition Date
llowe	None	2/13/2026