

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



Brian Wood
brian@permitswest.com

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL - 9295

**SCO Permian, LLC [OGRID 330782]
Teague 16 State Well No. 3
API No. 30-025-22639**

Reference is made to your application received on March 7th, 2026.

Proposed Location; Vertical Well

<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
329 FSL & 990.5 FWL	M	16	23S	37E	Lea

Proposed Unit

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
SW/4 SW/4 Section 16	40	Langlie Mattix; 7 RVRS-Q-GRAYBURG	37240

This vertical well was drilled at an unorthodox oil well location described above in the referenced pool or formation. This location is governed by statewide rules, which provides for 40-acre units, with wells to be located at least 330 from the QTR/QTR line.

Administrative Order NSL – 9295
SCO Permian, LLC
Page 2 of 2

The request to deviate from an orthodox location has met all requirements of 19.15.16.15 (C)(6) NMAC. It is understood that you are seeking this exception in order to create a non-standard location, comprised of the perforated zone referenced above within the proposed spacing unit.

This well's completed interval is as close as 1 foot to the southern and 1 foot eastern edge of the spacing unit. Encroachment will impact the following tracts.

Section 16, encroachment to the SE/4 SW/4
Section 21, encroachment to the NW/4 NW/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.

Division understands you are requesting this unorthodox location for economic reasons and will prevent waste within the Grayburg formation underlying the E/2 of Section 23.

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.



Albert C.S. Chang
Division Director
AC/lrl

Date: 04/17/2026

ID NO. 560751

NSL - 9295

Revised March 23, 2017

RECEIVED: 03/07/26	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: SCO Permian, LLC OGRID Number: 330782
 Well Name: Teague 16 State 3 API: 30-025-22639
 Pool: Langlie Mattix;7RVRS-Q-Grayburg Pool Code: 37240

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

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

- 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

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.

Brian Wood
 Print or Type Name

 Signature

3-7-26
 Date
 505 466-8120
 Phone Number
 brian@permitswest.com
 e-mail Address



March 7, 2026

Leonard Lowe
Engineering Bureau
NM Oil Conservation Division
1120 S. St. Francis Dr.
Santa Fe, NM 87504

Dear Mr. Lowe:

On behalf of SCO Permian, LLC I am requesting approval of a non-standard location (NSL) for their Teague 16 State 3 (30-025-22639) in the Langlie Mattix; Seven Rivers – Queen - Grayburg. The original operator drilled one foot too far south and one-half foot too far east of a standard location in 1968. This was not discovered until 2025 when SCO Permian, LLC had the P&A marker surveyed (Exhibit A).

Original operator drilled to 6160' and completed the well in the Blinebry and Tubb. The well was P&A in 2021.

NSL approval (NSL-9222) was granted on January 19, 2026, for the Teague; Glorieta – Upper Paddock, SW (58595). SCO Permian, LLC re-entered the well on February 25, 2026. SCO Permian, LLC could not make any hole past 3601' (Grayburg) and shut down on March 5, 2026.

This is a vertical well. SHL, FTP, LTP, and BHL are and will all be 329' FSL and 990.5' FWL 16-23s-37e.

Dedication: SWSW (UL M) 16-23s-37e
Dedicated acres: 40.00 acres (all one 160.00 acre lease (NMSLO VB-2968))

NSL pool name & number: Langlie Mattix;7 Rvrs-Q-Grayburg (37240)

Resource goal: oil

Why an NSL: original operator drilled in a slightly non-standard location
SCO Permian, LLC does not believe it is economical to drill at a standard location.

Notice: The well is one-foot too far south and one-half foot too far east. To the south and southeast is BLM lease NMNM-105445244, fka NMLC0030187). No Langlie Mattix;7 Rvrs-Q-Grayburg (37240) dedication or well is immediately south or southeast. FAE Oil Operating LLC has the Langlie Mattix;7 Rvrs-Q-Grayburg (37240) rights in C and D-21-23s-37e. To the east is the interior of SCO's NMSLO lease VB-2968. No Langlie Mattix;7 Rvrs-Q-Grayburg (37240) dedication or well is immediately east. SCO Permian , LLC has the Langlie Mattix;7 Rvrs-Q-Grayburg (37240) rights in N-16-23s-37e. Closest existing Langlie Mattix;7 Rvrs-Q-Grayburg (37240) dedication is FAE's J C Johnson 6 (30-025-22805) to the southwest in A-20-23s-37e. See Exhibits B and C for lease maps and dedications.

Surface (Exhibit D) concerns do not impact the NSL application.

TYPE	AFFECTED PARTY	LOCATION	DATE LETTER SENT	MAIL TRACKING NUMBER
LESSOR	BLM	N2NW4 21-23s-37e	3/7/26	9589 0710 5270 0750 2759 60
OPERATOR & LEASEHOLD INTERESTS	FAE	N2NW4 21-23s-37e	3/7/26	9589 0710 5270 1338 0325 62
LESSOR	NMSLO	SESW 16-23s-37e	3/7/26	9589 0710 5270 1338 0325 79
OPERATOR & LEASEHOLD INTERESTS	SCO	SESW 16-23s-37e	N/A	N/A

Please call me if you have any questions.

Sincerely,

Brian Wood

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 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 the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any other well.

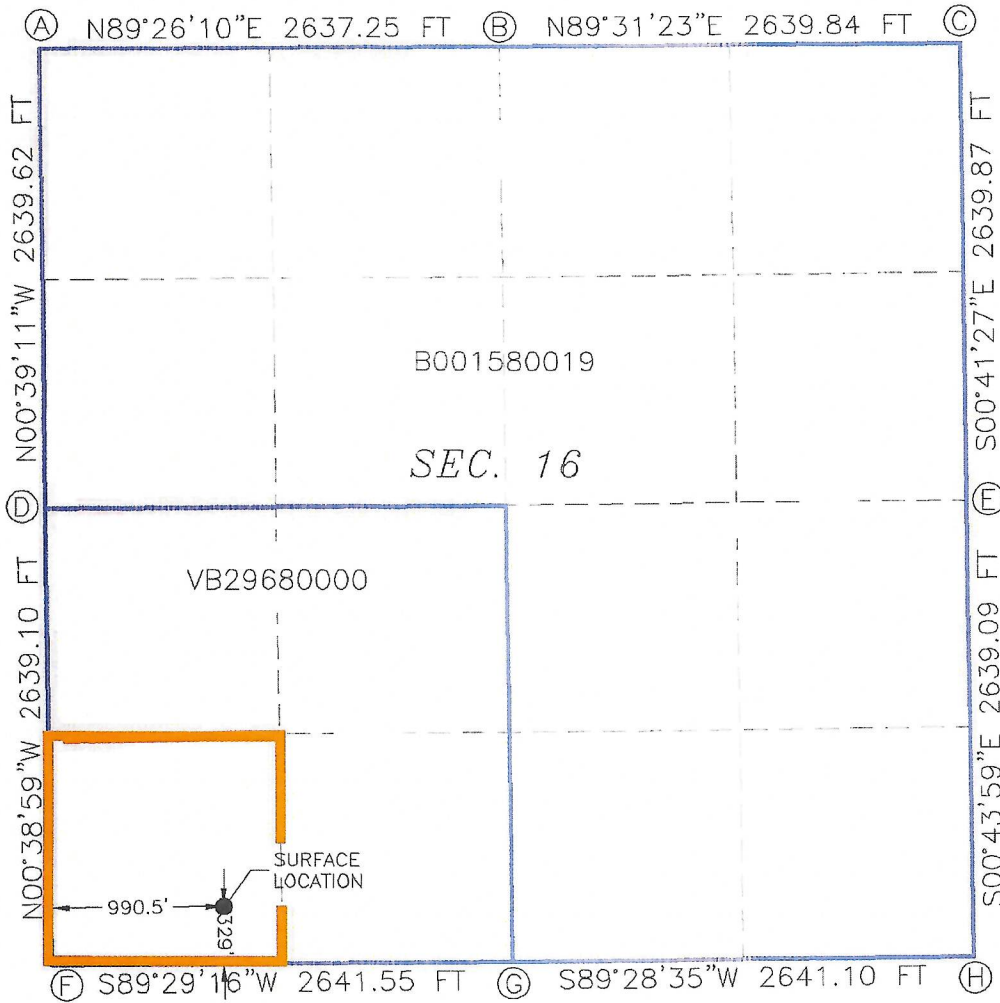
EXHIBIT A

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.

TEAGUE 16 STATE 3
EL. = 3316.3

GEODETIC COORDINATES
NAD 83 NMSP EAST
SURFACE LOCATION
329' FSL, 990.5' FWL
N.=474124.98
E.=899787.21
LAT.=32.2981125°N
LONG.=103.1732644°W

BOTTOM OF HOLE
329' FSL, 990.5' FWL
N.=474124.98
E.=899787.21
LAT.=32.2981125°N
LONG.=103.1732644°W



CORNER COORDINATES TABLE
NAD 83 NMSP EAST

A	N.=479064.99	E.=898740.51
B	N.=479090.94	E.=901377.37
C	N.=479112.92	E.=904016.86
D	N.=476425.80	E.=898770.59
E	N.=476473.50	E.=904048.68
F	N.=473787.13	E.=898800.52
G	N.=473810.74	E.=901441.71
H	N.=473834.88	E.=904082.44

LEGEND

-----	SECTION LINE
-----	QUARTER LINE
=====	LEASE LINE
-----	WELL PATH



Oil, Gas, and Minerals Leases and Wells

0 0.05 0.1 0.2 mi

New Mexico State Land Office

Disclaimer:
The New Mexico State Land Office assumes no responsibility or liability for, or in connection with the accuracy, reliability or use of the information provided herein with respect to State Land Office data or data from other sources.
Data pertaining to New Mexico State Trust Lands are provisional and subject to revision, and do not constitute an official record of title. Official records may be reviewed at the New Mexico State Land Office in Santa Fe, New Mexico.

Map Created: 11/11/2025

	Override 1		NMOCN_Inactive
	Subdivisions		Miscellaneous
	Sections		CO2 Cancelled
	Townships		CO2, Plugged
	County Boundaries		CO2, Temporarily Abandoned
	State Boundary		Gas, Cancelled
	County Seats		Gas, Plugged

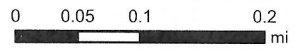


EXHIBIT C

LANGLIE MATTIX; 7RVRS-Q-GRAYBURG DEDICATIONS

Teague 16 State 3

Oil, Gas, and Minerals Leases and Wells



New Mexico State Land Office

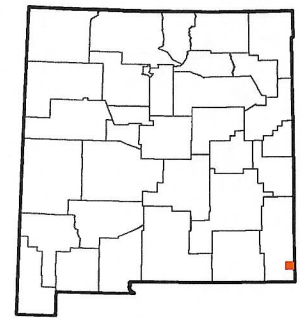
Disclaimer:
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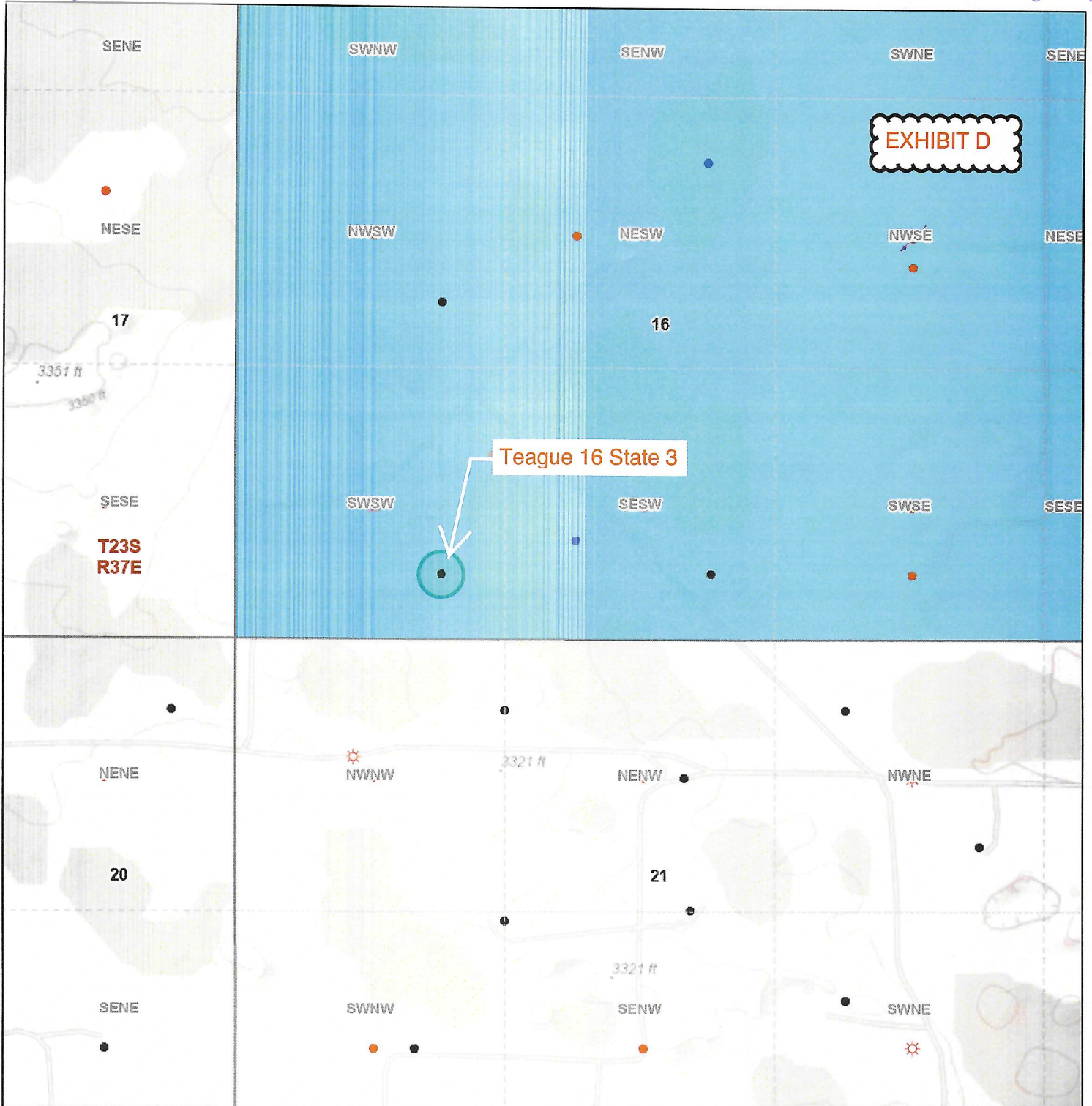
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Map Created: 11/11/2025

- Override 1
- Subdivisions
- Sections
- Townships
- County Boundaries
- State Boundary
- County Seats

- NMOCD_Inactive
 Symbology
- Miscellaneous
 - CO2 Cancelled
 - CO2, Plugged
 - CO2, Temporarily Abandoned
 - Gas, Cancelled
 - Gas, Plugged





Oil, Gas, and Minerals Leases and Wells

0 0.05 0.1 0.2 mi

New Mexico State Land Office

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Map Created: 3/7/2026

	Override 1	NMOCD_Inactive	
	Subdivisions	Symbology	
	Sections		Miscellaneous
	Townships		CO2 Cancelled
	County Boundaries		CO2, Plugged
	State Boundary		CO2, Temporarily Abandoned
	County Seats		Gas, Cancelled
			Gas, Plugged



March 7, 2026

NM State Land Office
P. O. Box 1148
Santa Fe, NM 87504

TYPICAL NOTICE

As required by New Mexico Oil Conservation Division (NMOCD) Rules, I am notifying you of the following nonstandard location (NSL) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

SCO Permian, LLC is applying for NSL approval for its Teague 16 State 3 (30-025-22639) as a Langlie Mattix; Seven Rivers-Queen-Grayburg (37240) oil well. Minimum NMOCD distance for such an oil well is 330' from the closest perpendicular dedication boundary. The well is one-foot further south and one-half foot further east than is standard (see attached exhibits) for the Langlie Mattix; Seven Rivers-Queen-Grayburg pool. Thus, it is a nonstandard location.

Well Name: Teague 16 State 3 CIBP: 5293' PBTD: 6128' TVD: 6160'

Proposed NSL Zone: Seven Rivers-Queen-Grayburg (2840' - 3601')

NSL Acreage Dedication: 40.00 acres (UL: M SWSW 16-23s-37e Lea County, NM)
on NMSLO lease VB-2968-0000

Location: 329' FSL & 990.5' FWL 16-23s-37e (9 air miles south of Eunice, NM)

Applicant Name: SCO Permian, LLC

Applicant's Address: 5728 NW 132nd St., Oklahoma City, OK 73142

Submittal Information: Application for a nonstandard location will be filed with the NM Oil Conservation Division due to the 0.5' - 1' variances. Per NMAC 19.15.15.13 D., if you have an objection, protest, or question, then it must be filed in writing within 20 days from the date the NMOCD receives the application. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr., Santa Fe, NM 87505. Their phone number is (505) 476-3441. E-mail address is OCD.Engineer@emnrd.nm.gov

Please call me if you have any questions.

Sincerely,

Brian Wood

9589 0710 5270 0750 2759 60

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Carlsbad, NM 88220

Certified Mail Fee \$5.30
\$4.40
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 Return Receipt (electronic) \$0.00
 Certified Mail Restricted Delivery \$0.00
 Adult Signature Required \$0.00
 Adult Signature Restricted Delivery \$0.00
 Postage \$1.90
 Total Postage and Fees \$11.80
 03/07/2026

Sent To
Street and Apt. No., or PO Box No. *BLV*
City, State, ZIP+4®

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

EXHIBIT E

9589 0710 5270 1338 0325 62

U.S. Postal Service™
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Houston, TX 77079

Certified Mail Fee \$5.30
\$4.40
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 Return Receipt (hardcopy) \$0.00
 Return Receipt (electronic) \$0.00
 Certified Mail Restricted Delivery \$0.00
 Adult Signature Required \$0.00
 Adult Signature Restricted Delivery \$0.00
 Postage \$1.90
 Total Postage and Fees \$11.80
 03/07/2026

Sent To
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City, State, ZIP+4®

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

9589 0710 5270 1338 0325 79

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Santa Fe, NM 87504

Certified Mail Fee \$5.30
\$4.40
Extra Services & Fees (check box, add fees as appropriate)
 Return Receipt (hardcopy) \$0.00
 Return Receipt (electronic) \$0.00
 Certified Mail Restricted Delivery \$0.00
 Adult Signature Required \$0.00
 Adult Signature Restricted Delivery \$0.00
 Postage \$1.90
 Total Postage and Fees \$11.80
 03/07/2026

Sent To
Street and Apt. No., or PO Box No. *SLC*
City, State, ZIP+4®

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

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

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/oecd/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 560751

CONDITIONS

Operator: SCO PERMIAN, LLC 5728 NW 132nd Street Oklahoma City, OK 73142	OGRID: 330782
	Action Number: 560751
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	3/9/2026