STATE OF NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES OIL CONSERVATION DIVISION

APPLICATION OF PERMIAN RESOURCES OPERATING, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 25325

PRE-HEARING STATEMENT

Permian Resources Operating, LLC ("Applicant") submits its Pre-Hearing Statement

pursuant to the rules of the Oil Conservation Division.

APPLICANT

ATTORNEYS

Permian Resources Operating, LLC

Dana S. Hardy Jaclyn M. McLean Daniel B. Goldberg Hardy McLean LLC 125 Lincoln Ave, Ste. 223 Santa Fe, NM 87501 Phone: (505) 230-4410 dhardy@hardymclean.com jmclean@hardymclean.com

INTERESTED PARTY

ATTORNEYS

None.

STATEMENT OF THE CASE

Applicant seeks an order pooling all uncommitted interests in the Third Bone Spring interval of the Bone Spring formation underlying a 480-acre, more or less, standard horizontal spacing unit comprised of the S/2 N/2 of Section 15 and the N/2 of Section 16, Township 20 South, Range 28 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the **Fosters 16-15 Fed Com 132H** J-Turn well ("Well"), which will be drilled from a surface hole location in the SE/4 NE/4 (Unit H) of Section 15 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 16. The completed interval of the Well will be orthodox.

A depth severance exists in the Bone Spring formation within the Unit. Accordingly, Applicant seeks to pool uncommitted interests from the base of the Second Bone Spring interval, at a stratigraphic equivalent of approximately 7,493' TVD, to the base of the Third Bone Spring interval, at a stratigraphic equivalent of approximately 8,752' TVD, as observed on the State CV #1 well log (API No. 30-015-21927).

Also to be considered will be the cost of drilling and completing the Well, the allocation of the costs, the designation of Applicant as operator of the Well and the Unit, and a 200% charge for the risk involved in drilling and completing the Well.

PROPOSED EVIDENCE

Witness	Occupation	Estimated Time	Exhibits
Ryan Curry	Landman	Affidavit	Approx. 5
Christopher Cantin	Geologist	Affidavit	Approx. 5

PROCEDURAL MATTERS

Applicant intends to present the case by affidavit if there is no opposition to its application.

Respectfully submitted,

HARDY MCLEAN LLC

/s/ Dana S. Hardy Dana S. Hardy Jaclyn M. McLean Daniel B. Goldberg 125 Lincoln Ave, Ste. 223 Santa Fe, NM 87501 Phone: (505) 230-4410 dhardy@hardymclean.com jmclean@hardymclean.com dgoldberg@hardymclean.com

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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

QUESTIONS

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Action 468476

QUESTIONS

Operator:	OGRID:
Permian Resources Operating, LLC	372165
300 N. Marienfeld St Ste 1000	Action Number:
Midland, TX 79701	468476
	Action Type:
	[HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony			
	Please assist us by provide the following information about your testimony.		
ſ	Number of witnesses	Not answered.	
	Testimony time (in minutes)	Not answered.	