

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

**APPLICATION OF PERMIAN RESOURCES
OPERATING, LLC FOR COMPULSORY
POOLING AND APPROVAL OF
OVERLAPPING SPACING UNIT,
LEA COUNTY, NEW MEXICO.**

CASE NO. 25511

**APPLICATIONS OF PERMIAN RESOURCES
OPERATING, LLC FOR COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.**

CASE NOS. 25512, 25513

CONSOLIDATED PRE-HEARING STATEMENT

Permian Resources Operating, LLC (“Permian Resources” or “Applicant”) submits its Consolidated Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPLICANT

Permian Resources Operating, LLC

ATTORNEYS

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INTERESTED PARTY

Devon Energy Production Company, L.P.
(Case Nos. 25512 and 25513)

ATTORNEYS

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STATEMENT OF THE CASES

In **Case No. 25511**, Permian Resources seeks to pool all uncommitted interests from approximately 8,076' to 9,568' TVD and 10,605' to 11,340' TVD, within the Bone Spring formation, underlying a 795.38-acre, more or less, standard horizontal spacing unit, comprised of the E/2 equivalent of irregular Section 2 and the E/2 of Section 11, Township 21 South, Range 34 East, Lea County, New Mexico. The unit will be dedicated to the following wells: **Outland State Unit 11-2 133H**, which will be drilled from a surface hole location in the NW/4 NE/4 (Unit B) of Section 2 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 11; and **Outland State Unit 11-2 134H**, which will be drilled from a surface hole location in the NW/4 NE/4 (Unit B) of Section 2 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 11. The completed interval of the wells will be orthodox.

The completed interval of the Outland State Unit 11-2 134H well will be located within 330' of the quarter-quarter section line separating the E/2 E/2 and W/2 E/2 of Sections 2 and 11 to allow for the creation of a 795.38-acre standard horizontal spacing unit. Further, depth severances exist within the unit. Therefore, Permian Resources seeks to pool only those uncommitted interests from 8,076' to 9,568' TVD and 10,605' to 11,340' TVD, as found on the Butkus 2 State #001 (API No. 30-025-35325).

The spacing unit for the wells partially overlaps with the spacing units for the following wells, which produce from the Grama Ridge; Bone Spring, North Pool (Code 28434): Outland State Unit 11 2 1BS #001H (API No. 30-025-45222), which is located in the W/2 SE/4 of Section 2 and the W/2 E/2 of Section 11; and Outland State Unit 11 2 2BS #002H (API No. 30-025-45914), which is located in the E/2 SE/4 of Section 2 and the E/2 E/2 of Section 11.

In **Case No. 25512**, Applicant seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a 634.96-acre, more or less, standard horizontal spacing unit, comprised of the E/2 equivalent of irregular Section 1 and the NE/4 of Section 12, Township 21 South, Range 34 East, Lea County, New Mexico. The unit will be dedicated to the following wells: **Outland State Unit 1 123H**, which will be drilled from a surface hole location in the NW/4NE/4 (Unit B) of Section 1 to a bottom hole location in the SW/4 NE/4 (Unit G) of Section 12; **Outland State Unit 1 124H**, which will be drilled from a surface hole location in the NW/4 NE/4 (Unit B) of Section 1 to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 12; **Outland State Unit 1 133H**, which will be drilled from a surface hole location in the NW/4 NE/4 (Unit B) of Section 1 to a bottom hole location in the SW/4 NE/4 (Unit G) of Section 12; and **Outland State Unit 1 134H**, which will be drilled from a surface hole location in the NW/4 NE/4 (Unit B) of Section 1 to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 12. The completed interval of the wells will be orthodox.

The completed interval of the Outland State Unit 1 134H well will be located within 330' of the quarter-quarter section line separating the E/2 E/2 and W/2 E/2 of Sections 1 and 12 to allow for the creation of a 634.96-acre standard horizontal spacing unit.

In **Case No. 25513**, Applicant seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a 475.12-acre, more or less, standard horizontal spacing unit, comprised of the W/2 equivalent of irregular Section 1, Township 21 South, Range 34 East, Lea County, New Mexico. The unit will be dedicated to the following wells: **Outland State Unit 1 121H**, which will be drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 1 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 1; **Outland State Unit 1 122H**, which will be drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 1 to a

bottom hole location in the SE/4 SW/4 (Unit N) of Section 1; **Outland State Unit 1 131H**, which will be drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 1 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 1; and **Outland State Unit 1 132H**, which will be drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 1 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 1.

The completed interval of the wells will be orthodox. The completed interval of the Outland State Unit 1 132H well will be located within 330' of the quarter-quarter section line separating the W/2 W/2 and E/2 W/2 to allow for the creation of a 475.12-acre standard horizontal spacing unit.

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

PROPOSED EVIDENCE

| <u>Witness</u> | <u>Occupation</u> | <u>Estimated Time</u> | <u>Exhibits</u> |
|-----------------------|--------------------------|------------------------------|------------------------|
| Reagan Armstrong | Landman | Affidavit | Approx. 5 |
| Chris Reudelhuber | Geologist | Affidavit | Approx. 5 |

PROCEDURAL MATTERS

Applicant intends to consolidate these cases for hearing and will present these cases by affidavit if there is no opposition to its applications.

Respectfully submitted,

HARDY McLEAN LLC

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Counsel for Permian Resources Operating, LLC

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Prehearing Statement was sent to the following counsel of record by electronic mail on this 31st day of July, 2025.

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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

Action 490767

QUESTIONS

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| Operator: Permian Resources Operating, LLC 300 N. Marienfeld St Ste 1000 Midland, TX 79701 | OGRID: 372165 |
| | Action Number: 490767 |
| | Action Type: [HEAR] Prehearing Statement (PREHEARING) |

QUESTIONS

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