

**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

PRE-HEARING STATEMENT

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

APPLICANT

Permian Resources Operating, LLC

ATTORNEYS

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INTERESTED PARTY

Marathon Oil Permian, LLC

ATTORNEYS

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STATEMENT OF THE CASE

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 (“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 type log for 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.

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

Witness	Occupation	Estimated Time	Exhibits
Reagan Armstrong	Landman	Affidavit	Approx. 5
Chris Reudelhuber	Geologist	Affidavit	Approx. 5

PROCEDURAL MATTERS

Applicant intends to present this cases by affidavit if there is no opposition to its application.

Respectfully submitted,

HARDY McLEAN LLC

/s/ Dana S. Hardy

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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 2nd day of September, 2025.

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QUESTIONS

Action 503143

QUESTIONS

Operator: Permian Resources Operating, LLC 300 N. Marienfeld St Ste 1000 Midland, TX 79701	OGRID: 372165
	Action Number: 503143
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

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