

**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, EDDY COUNTY, NEW MEXICO.**

CASE NO. 26165

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 PARTIES

None.

ATTORNEYS

STATEMENT OF THE CASE

Permian Resources seeks an order pooling all uncommitted interests in the Bone Spring formation, underlying a 320-acre, more or less, standard, overlapping horizontal spacing unit comprised of the N/2 N/2 of Sections 9 and 10, Township 20 South, Range 28 East, Eddy County, New Mexico (“Unit”). The Unit will be dedicated to the **Koala 9-10 Fed Com 121H** well (“Well”), which will produce from a first take point in the NW/4 NW/4 (Unit D) of Section 9 to a last take

point in the NE/4 NE/4 (Unit A) of Section 10. The completed interval of the Well will be orthodox.

The spacing unit for the Well partially overlaps with the spacing units for the following wells, which produce from the Old Millman Ranch; Bone Spring (Assoc) (Code 48035):

- a. Government AB #006 (API No. 30-015-27846) dedicated to the NW/4 NW/4 of Section 10, Township 20 South, Range 28 East;
- b. Government AB #007 (API No. 30-015-27847) dedicated to the NE/4 NW/4 of Section 10, Township 20 South, Range 28 East;
- c. Government AB #008 (API No. 30-015-27863) dedicated to the NW/4 NE/4 of Section 10, Township 20 South, Range 28 East; and
- d. Government AB Federal #012 (API No. 30-015-41049) dedicated to the W/2 NE/4 of Section 10, Township 20 South, Range 28 East.

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 Unit and the Well, and a 200% charge for the risk involved in drilling and completing the Well.

PROPOSED EVIDENCE

Witness	Occupation	Estimated Time	Exhibits
Adam Reker	Landman	Affidavit	Approx. 6
Chris Reudelhuber	Geologist	Affidavit	Approx. 5

PROCEDURAL MATTERS

Applicant intends to present this case by affidavit if there are no objections to its application.

Respectfully submitted,

HARDY MCLEAN LLC

/s/ Dana S. Hardy

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QUESTIONS

Action 597159

QUESTIONS

Operator: Permian Resources Operating, LLC 300 N. Marienfeld St Ste 1000 Midland, TX 79701	OGRID: 372165
	Action Number: 597159
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

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