

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

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

CASE NOS. 25664-25666, & 25668

CONDOLIDATED 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

Dana S. Hardy
Jaclyn M. McLean
Yarithza Peña
Hardy McLean LLC
P.O. Box 2068
Santa Fe, NM 87504-2068
Phone: (505) 982-4554
dhardy@hardymclean.com
jmclean@hardymclean.com
ypena@hardymclean.com

INTERESTED PARTY

None.

ATTORNEYS

STATEMENT OF THE CASES

In **Case No. 25664**, Permian Resources applies for an order pooling all uncommitted interests in the Avalon formation and the Third Bone Spring interval of the Bone Spring formation underlying a 482.26- acre, more or less, standard, overlapping horizontal spacing unit comprised of the W/2 W/2 of irregular Section 5 and the W/2 W/2 of Sections 8 and 17, Township 22 South, Range 35 East, Lea County, New Mexico. The unit will be dedicated to the **Casa Bonita 5 State**

Com 601H well (“Well”), which will produce from a first take point in the NW/4 NW/4 (Lot 4) of Section 5 to a last take point in the SW/4 SW/4 (Unit M) of Section 17.

Multiple depth severances exist within the Unit. Accordingly, Applicant seeks to pool uncommitted interests from the top of the Avalon formation, at a stratigraphic equivalent of approximately 8,724’ TVD, to the base of the Avalon, at a stratigraphic equivalent of 9,366’ TVD, and from the top of the Third Bone Spring interval, at a stratigraphic equivalent of approximately 10,344’ TVD, to the base of the Third Bone Spring interval, at a stratigraphic equivalent of approximately 10,956’ TVD, as observed on the San Simon 32-A State Com #1 well log (API No. 30-025-27306). The unit will partially overlap with the following spacing units: the Casa Bonita 5 State Com #301H (API No. 30-025-54132), which produces from the WC-025 G-07 S223505N Pool (Code 98136); the Casa Bonita 32 State Com #121H (API No. 30-025-52199) well, which produces from the WC-025 G-07 S223505N Pool (Code 98136); the Antler 17 State 2BS #003H (API No. 30-025-44143) well, which produces from the Rock Lake; Bone Spring Pool (Code 52766); and the Casa Bonita 32 State Com #301H (API No. 30-025-54132) well, which produces from both the WC-025 G-07 S223505N Pool (Code 98136) and Rock Lake; Bone Spring Pool (Code 52766).

In **Case No. 25665**, Permian Resources applies for an order pooling all uncommitted interests in the Avalon formation and the Third Bone Spring interval of the Bone Spring formation underlying a 482.19- acre, more or less, standard, overlapping horizontal spacing unit comprised of the E/2 W/2 of irregular Section 5 and the E/2 W/2 of Sections 8 and 17, Township 22 South, Range 35 East, Lea County, New Mexico. The unit will be dedicated to the **Casa Bonita 5 State Com 602H** well, which will produce from a first take point in the NE/4 NW/4 (Lot 3) of Section 5 to a last take point in the SE/4 SW/4 (Unit N) of Section 17.

Multiple depth severances exist within the Unit. Accordingly, Applicant seeks to pool uncommitted interests from the top of the Avalon formation, at a stratigraphic equivalent of approximately 8,724' TVD, to the base of the Avalon, at a stratigraphic equivalent of 9,366' TVD, and from the top of the Third Bone Spring interval, at a stratigraphic equivalent of approximately 10,344' TVD, to the base of the Third Bone Spring interval, at a stratigraphic equivalent of approximately 10,956' TVD, as observed on the San Simon 32-A State Com #1 well log (API No. 30-025-27306). The unit will partially overlap with the following spacing units: the Antler 17 State 1BS #002H (API No. 30-025-44142) well, which produces from the Rock Lake; Bone Spring Pool (Code 52766); the Butter Stotch 17 State Com #122H (API No. 30-025-52196) well, which produces from both the Rock Lake; Bone Spring Pool (Code 52766) and the WC-025 G-07 S223505N Pool (Code 98136); Soursop 5 State Com #002H (API No. 30-025-42583) well, which produces from the WC-025 G-07 S223505N Pool (Code 98136); and Casa Bonita 5 State com #302H (API No. 30-025-54151) well, which produces from the WC-025 G-07 S223505N Pool (Code 98136).

In **Case No. 25666**, Permian Resources applies for an order pooling all uncommitted interests in the Avalon formation and the Third Bone Spring interval of the Bone Spring formation underlying a 482.11- acre, more or less, standard, overlapping horizontal spacing unit comprised of the W/2 E/2 of irregular Section 5 and the W/2 E/2 of Sections 8 and 17, Township 22 South, Range 35 East, Lea County, New Mexico. The unit will be dedicated to the **Casa Bonita 5 State Com 603H** well, which will produce from a first take point in the NW/4 NE/4 (Lot 2) of Section 5 to a last take point in the SW/4 SE/4 (Unit O) of Section 17.

Multiple depth severances exist within the Unit. Accordingly, Applicant seeks to pool uncommitted interests from the top of the Avalon formation, at a stratigraphic equivalent of

approximately 8,724' TVD, to the base of the Avalon, at a stratigraphic equivalent of 9,366' TVD, and from the top of the Third Bone Spring interval, at a stratigraphic equivalent of approximately 10,344' TVD, to the base of the Third Bone Spring interval, at a stratigraphic equivalent of approximately 10,956' TVD, as observed on the San Simon 32-A State Com #1 well log (API No. 30-025-27306). The unit will partially overlap with the following spacing units: the Casa Bonita 8 State Com #123H (API No. 30-025-52486) well, which produces from the WC-025 G-07 S223505N Pool (Code 98136); the Butter Stotch 8 State Com #123H (API No. 30-025-52196) well, which produces from the WC-025 G-07 S223505N Pool (Code 98136); and Casa Bonita 5 State Com #303H (API No. 30-025-54262) well, which produces from the WC-025 G-07 S223505N Pool (Code 98136).

In **Case No. 25668**, Permian Resources applies for an order pooling all uncommitted interests in the Avalon formation and the Third Bone Spring interval of the Bone Spring formation underlying a 482.04- acre, more or less, standard, overlapping horizontal spacing unit comprised of the E/2 E/2 of irregular Section 5 and the E/2 E/2 of Sections 8 and 17, Township 22 South, Range 35 East, Lea County, New Mexico. The unit will be dedicated to the **Casa Bonita 5 State Com 604H** and the **Casa Bonita 5 State Com 104H** wells ("Wells"), which will produce from first take points in the NE/4 NE/4 (Lot 1) of Section 5 to last take points in the SE/4 SE/4 (Unit P) of Section 17.

Multiple depth severances exist within the Unit. Accordingly, Applicant seeks to pool uncommitted interests from the top of the Avalon formation, at a stratigraphic equivalent of approximately 8,724' TVD, to the base of the Avalon, at a stratigraphic equivalent of 9,366' TVD, and from the top of the Third Bone Spring interval, at a stratigraphic equivalent of approximately 10,344' TVD, to the base of the Third Bone Spring interval, at a stratigraphic equivalent of

approximately 10,956' TVD, as observed on the San Simon 32-A State Com #1 well log (API No. 30-025-27306). The unit will partially overlap with the following spacing units: the Casa Bonita 8 State Com #124H (API No. 30-025-52487) well, which produces from the WC-025 G-07 S223505N Pool (Code 98136); the Butter Stotch 8 State Com #124H (API No. 30-025-52485) well, which produces from the WC-025 G-07 S223505N Pool (Code 98136); and Casa Bonita 5 State Com #304H (API No. 30-025-54263) well, which produces from the WC-025 G-07 S223505N Pool (Code 98136).

The completed intervals of the Casa Bonita wells will be orthodox. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs, the designation of Applicant as 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. 6

PROCEDURAL MATTERS

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

Respectfully submitted,

HARDY MCLEAN LLC

/s/ Dana S. Hardy
Dana S. Hardy

Jaclyn M. McLean
Yarithza Peña
P.O. Box 2068
Santa Fe, NM 87504-2068
Phone: (505) 982-4554
Facsimile: (505) 982-8623
dhardy@hardymclean.com
jmclean@hardymclean.com
ypena@hardymclean.com
Counsel for Permian Resources Operating, LLC

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

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

QUESTIONS

Action 523898

QUESTIONS

Operator: Permian Resources Operating, LLC 300 N. Marienfeld St Ste 1000 Midland, TX 79701	OGRID: 372165
	Action Number: 523898
	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>