

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

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

CASE NO. _____

APPLICATION

Pursuant to NMSA § 70-2-17, Permian Resources Operating, LLC (“Applicant”) (OGRID No. 372165) applies for an order pooling uncommitted interests in the Bone Spring formation, underlying a 1,257.31-acre, more or less, non-standard horizontal spacing unit comprised of Lots 1 through 16 (N/2 equivalent) of Section 6, Township 21 South, Range 33 East, and all of Section 36, Township 20 South, Range 33 East, Lea County, New Mexico (“Unit”). In support of its application, Applicant states the following.

1. Applicant is a working interest owner in the Unit and has the right to drill wells thereon.
2. The Unit will be dedicated to the following wells (“Wells”):
 - a. **Two Face State Com 111H**, which will produce from a first take point in the NE/4 NW/4 (Unit C) of Section 36, Township 20 South, Range 33 East, to a last take point in the SE/4 SW/4 (Unit N) of Section 36, Township 20 South, Range 33 East;
 - b. **Two Face State Com 112H**, which will produce from a first take point located in the NE/4 NW/4 (Unit C) of Section 36, Township 20 South, Range 33 East, to a last take point in Lot 13 (SW/4 NW/4 equivalent) of Section 6, Township 21 South, Range 33 East;

- c. **Two Face State Com 121H**, which will produce from a first take point located in the NW/4 NW/4 (Unit D) of Section 36, Township 20 South, Range 33 East, to a last take point in the SW/4 SW/4 (Unit M) of Section 36, Township 20 South, Range 33 East;
- d. **Two Face State Com 122H**, which will produce from a first take point located in the NE/4 NW/4 (Unit C) of Section 36, Township 20 South, Range 33 East, to a last take point in the SE/4 SW/4 (Unit N) of Section 36, Township 20 South, Range 33 East;
- e. **Two Face State Com 123H**, which will produce from a first take point located in the NE/4 NW/4 (Unit C) of Section 36, Township 20 South, Range 33 East, to a last take point in Lot 13 (SW/4 NW/4 equivalent) of Section 6, Township 21 South, Range 33 East;
- f. **Two Face State Com 124H** j-turn well, which will produce from a first take point located in the NE/4 NW/4 (Unit C) of Section 36, Township 20 South, Range 33 East, to a last take point in Lot 2 (NW/4 NE/4 equivalent) of Section 6, Township 21 South, Range 33 East;
- g. **Two Face State Com 125H** j-turn well, which will produce from a first take point located in the NW/4 NE/4 (Unit B) of Section 36, Township 20 South, Range 33 East, to a last take point in Lot 1 (NE/4 NE/4 equivalent) of Section 6, Township 21 South, Range 33 East;
- h. **Two Face State Com 171H** u-turn well, which will produce from a first take point located in the NW/4 NW/4 (Unit D) of Section 36, Township 20 South,

Range 33 East, to a last take point in Lot 3 (NE/4 NW/4 equivalent) of Section 6, Township 21 South, Range 33 East;

- i. **Two Face State Com 173H** j-turn well, which will produce from a first take point located in the NE/4 NE/4 (Unit A) of Section 36, Township 20 South, Range 33 East, to a last take point in Lot 1 (NE/4 NE/4 equivalent) of Section 6, Township 21 South, Range 33 East;
- j. **Two Face State Com 131H**, which will produce from a first take point located in the NW/4 NW/4 (Unit D) of Section 36, Township 20 South, Range 33 East, to a last take point in the SW/4 SW/4 (Unit M) of Section 36, Township 20 South, Range 33 East; and
- k. **Two Face State Com 133H** u-turn well, which will produce from a first take point located in Lot 14 (SE/4 NW/4 equivalent) of Section 6, Township 21 South, Range 33 East, to a last take point in Lot 3 (NE/4 NW/4 equivalent) of Section 6, Township 21 South, Range 33 East.

3. The completed intervals of the Wells will be orthodox.

4. Applicant has received administrative approval (Administrative Order NSP – 2336) of the non-standard spacing unit.

5. Applicant has undertaken diligent, good faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Wells but has been unable to obtain voluntary agreements from all interest owners.

6. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

7. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in the Unit should be pooled and Applicant should be designated the operator of the Wells and the Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on January 8, 2026, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the Wells in the Unit;
- C. Designating Permian Resources Operating, LLC as the operator of the Unit and the Wells to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping, and completing the Wells;
- E. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% charge for the risk assumed by Permian Resources Operating, LLC in drilling and completing the Wells against any working interest owner who does not voluntarily participate in the drilling of the Wells.

Respectfully submitted,

HARDY MCLEAN LLC

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