

**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. _____

APPLICATION

Pursuant to NMSA § 70-2-17, Permian Resources Operating, LLC (“Applicant” or “Permian Resources”) (OGRID No. 372165) applies for an order pooling uncommitted interests in the Wolfcamp formation, underlying a 1,287.92-acre, more or less, standard, overlapping horizontal spacing unit comprised of all of irregular Section 13, Township 22 South, Range 25 East, and all of irregular Section 18, Township 22 South, Range 26 East, Eddy 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 **Shownuff Fed Com 15H** well (“Well”), which will produce from a first take point in the NW/4 SW/4 (Unit L) of irregular Section 13, Township 22 South, Range 25 East, to a last take point in the NE/4 SE/4 (Unit I) of irregular Section 18, Township 22 South, Range 26 East.
3. The completed interval of the Well will be unorthodox. Applicant intends to apply administratively for approval of the non-standard well location.
4. The completed interval of the **Shownuff Fed Com 15H** well will be located within 330’ of the half-section line separating the N/2 and S/2 of irregular Sections 13 and 18 to allow for the creation of a 1,287.92-acre standard horizontal spacing unit.

5. Additionally, the spacing unit for the Well will partially overlap with the spacing unit for the Filaree 18 Federal #001H (API No. 30-015-31707) located in the S/2 of Section 18, Township 22 South, Range 26 East, which produces from the Purple Sage; Wolfcamp (Gas) Pool (Code 98220).

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

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

8. 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 Well and the Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on May 7, 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 Well in the Unit;
- C. Approving the overlapping spacing unit;
- D. Designating Permian Resources Operating, LLC as the operator of the Unit and the Well to be drilled thereon;
- E. Authorizing Applicant to recover its costs of drilling, equipping, and completing the Well;

- F. 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
- G. Imposing a 200% charge for the risk assumed by Permian Resources Operating, LLC in drilling and completing the Well against any working interest owner who does not voluntarily participate in the drilling of the Well.

Respectfully submitted,

HARDY MCLEAN LLC

/s/ Jaclyn M. McLean

Dana S. Hardy

Jaclyn M. McLean

Jaime R. Fontaine

Yarithza Peña

125 Lincoln Avenue, Suite 223

Santa Fe, NM 87501

dhardy@hardymclean.com

jmclean@hardymclean.com

jfontaine@hardymclean.com

ypena@hardymclean.com

COUNSEL FOR PERMIAN RESOURCES
OPERATING, LLC