

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

**IN THE MATTER OF THE APPLICATION OF
PERMIAN RESOURCES OPERATING, LLC
FOR COMPULSORY POOLING**

**AND APPROVAL OF A NONSTANDARD SPACING UNIT,
EDDY COUNTY, NEW MEXICO**

**CASE NO. 25948
ORDER NO. R-24258**

ORDER DENYING MOTION FOR RECONSIDERATION

This matter comes before the Hearing Examiner on the Motion for Reconsideration filed by Permian Resources Operating, LLC (“Permian”), requesting that the Oil Conservation Division (“Division”) vacate Order No. R-24258 and reopen the evidentiary record to admit additional materials from the New Mexico State Land Office (“NMSLO”). The Hearing Examiner, having reviewed the motion and the existing record, and being fully advised in the premises, issues the following findings and order.

FINDINGS

1. On April 3, 2026, the Division issued Order No. R-24258, denying Permian’s request for approval of a non-standard horizontal spacing unit (“NSP”) and the associated request for compulsory pooling. The Division found that Permian “did not provide adequate evidence to support approval of the requested non-standard spacing unit” and “failed to meet its burden to show that the NSP is necessary to prevent waste or protect correlative rights.”
2. The case was heard by affidavit, without protest. All exhibits were admitted, the Division’s technical examiner cross-examined Permian’s witnesses, and the evidentiary record was closed at the conclusion of the March 5, 2026 hearing.
3. Permian’s Motion for Reconsideration seeks to reopen the record to introduce NMSLO pre-authorizations of four communitization agreements covering the acreage proposed for development.
4. A party seeking reconsideration for the purpose of introducing new evidence must demonstrate that the evidence:
 - (a) is material to the issues decided; and
 - (b) was previously unavailable despite the exercise of reasonable diligence.

5. Permian's Motion does not state when the NMSLO pre-authorizations were issued, does not assert that they post-date the March 5, 2026 hearing, and does not explain why these documents could not have been obtained and submitted before the evidentiary record closed.
6. Because Permian provides no information regarding timing, diligence, or unavailability, it has not met its burden to demonstrate that the NMSLO materials constitute "new" evidence that could not, with reasonable diligence, have been presented before the hearing.
7. Even assuming the NMSLO materials were unavailable earlier, the proffered documents do not address the evidentiary deficiencies identified in Order No. R-24258. The Division denied the NSP because Permian failed to present geological or engineering evidence showing that the requested 40-acre spacing in this gas pool is necessary to prevent waste or protect correlative rights.
8. The NMSLO communitization pre-authorizations offered by Permian do not contain geological or engineering information, do not analyze reservoir characteristics, and do not provide technical support for the use of 40-acre building blocks in a gas pool.
9. Because the NMSLO materials do not cure or address the technical deficiencies that formed the basis of Order No. R-24258, the documents are **not material** to the Division's decision.
10. Even if the NMSLO materials had been presented at the time of hearing, they would not have altered the Division's findings or conclusions regarding Permian's failure to demonstrate good cause for approval of a non-standard spacing unit.

CONCLUSIONS OF LAW

1. The Division has jurisdiction over the parties and subject matter of this case under the Oil and Gas Act, NMSA 1978, Sections 70-2-1 et seq.
2. Permian has not demonstrated that the NMSLO materials were previously unavailable despite reasonable diligence, as required for reconsideration based on new evidence.
3. The NMSLO materials are not material to the issues decided in Order No. R-24258 because they do not provide technical evidence relevant to preventing waste or protecting correlative rights in the context of a non-standard spacing unit.
4. Because Permian has not met the procedural or substantive requirements for reopening the evidentiary record, reconsideration is unwarranted.

ORDER

Permian Resources Operating, LLC's **Motion for Reconsideration of Order No. R-24258 is hereby DENIED.**

Order No. R-24258 remains in full force and effect.

Nothing in this Order precludes Permian from re-filing its application or seeking amendment of the applicable pool rules in accordance with the options identified in Order No. R-24258.

GREGORY CHAKALIAN
HEARING EXAMINER
Oil Conservation Division