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

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

CASE NO. _____

APPLICATION

Permian Resources Operating, LLC ("Permian" or "Applicant") (OGRID No. 372165), through undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests from the top of the Bone Spring formation to 10,388 feet underlying a standard 160-acre, more or less, horizontal well spacing unit comprised of the W/2 E/2 of Section 31, Township 21 South, Range 35 East, NMPM, Lea County, New Mexico. In support of its application, Permian states:

1.   Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.

2.   Applicant seeks to be designated as the operator of the proposed horizontal spacing unit.

3.   Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Eric Cartman 31 State Com #504H** and **Eric Cartman 31 State Com #505H** wells, both to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 31 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 31.

4.   Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all interest owners in the subject spacing unit.

1

5.   The pooling of interests will allow Applicant to obtain a just and fair share of the oil and gas underlying the subject lands, avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 2, 2023, and, after notice and hearing as required by law, the Division enter an order:

A.   Approving the horizontal well spacing unit and pooling all uncommitted interests therein;

B.   Designating Applicant as operator of this horizontal spacing unit and the horizontal wells to be drilled thereon;

C.   Authorizing Applicant to recover its costs of drilling, completing, and equipping the wells;

D.   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

E.   Imposing a 200% penalty for the risk assumed by Applicant in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of the wells.

2

Respectfully submitted,

HOLLAND & HART LLP

By:_____

    Michael H. Feldewert
    Adam G. Rankin
    Julia Broggi
    Paula M. Vance
    Post Office Box 2208
    Santa Fe, NM 87504
    505-998-4421
    505-983-6043 Facsimile
    mfeldewert@hollandhart.com
    agrankin@hollandhart.com
    jbroggi@hollandhart.com
    pmvance@hollandhart.com

ATTORNEYS FOR PERMIAN RESOURCES OPERATING, LLC

3

CASE _____ :   **Application of Permian Resources Operating, LLC for Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interests from the top of the Bone Spring formation to 10,388 feet underlying a standard 160-acre, more or less, horizontal well spacing unit comprised of the W/2 E/2 of Section 31, Township 21 South, Range 35 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed **Eric Cartman 31 State Com #504H** and **Eric Cartman 31 State Com #505H** wells, both to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 31 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 31. Also, to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Applicant as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 15 miles west of Eunice, New Mexico.

4