

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

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

**CASE NO. \_\_\_\_\_**

**APPLICATION**

Pursuant to NMSA § 70-2-17, Permian Resources Operating, LLC (OGRID No. 372165) and Earthstone Permian, LLC, a wholly owned subsidiary of Permian Resources Operating, LLC, (hereinafter referred to as “Applicants”) apply for an order pooling all uncommitted interests in the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the W/2 W/2 of Sections 12 and 13, Township 21 South, Range 34 East, Lea County, New Mexico (“Unit”). In support of this application, Applicants state the following:

1. Applicants are working interest owners in the Unit and have the right to drill wells thereon.
2. The Unit will be dedicated to the **Chokeberry 13-12 State Com #121H** well (“Well”), which will produce from a first take point in the SW/4 SW/4 (Unit M) of Section 13 to a last take point in the NW/4 NW/4 (Unit D) of Section 12.
3. The completed interval of the Well will be orthodox.
4. Applicants have undertaken diligent, good faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Well but have been unable to obtain voluntary agreements from all interest owners.
5. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

6. In order to allow Applicants to obtain their just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in the Unit should be pooled and Permian Resources Operating, LLC (OGRID No. 372165) should be designated as operator of the Well and the Unit.

WHEREFORE, Applicants request that this application be set for hearing before an Examiner of the Oil Conservation Division on June 13, 2024, 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. Designating Permian Resources Operating, LLC as the operator of the Unit and the Well to be drilled thereon;
- D. Authorizing Permian Resources Operating, LLC to recover its costs of drilling, equipping, and completing the Well;
- 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 Well against any working interest owner who does not voluntarily participate in the drilling of the Well.

Respectfully submitted,

HINKLE SHANOR LLP

*/s/ Dana S. Hardy* \_\_\_\_\_

Dana S. Hardy

Jaclyn M. McLean

P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554

[dhardy@hinklelawfirm.com](mailto:dhardy@hinklelawfirm.com)

[jmclean@hinklelawfirm.com](mailto:jmclean@hinklelawfirm.com)

*Counsel for Earthstone Permian, LLC and  
Permian Resources Operating, LLC*