

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

**APPLICATIONS OF PERMIAN RESOURCES  
OPERATING, LLC FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO**

**Case Nos. 24413-24415 & 24417-24419**

**PRE-HEARING STATEMENT**

Applicant PERMIAN RESOURCES OPERATING, LLC (“Permian”) provides this Pre-Hearing Statement as required by the rules of the Division.

**APPEARANCES**

**APPLICANT**

PERMIAN RESOURCES OPERATING, LLC

APPLICANT’S ATTORNEY

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## STATEMENT OF THE CASE

**Case No. 24413: *Application of Permian Resources Operating, LLC for Compulsory Pooling, Eddy County, New Mexico.*** Applicant in the above-styled cause seeks an order from the Oil Conservation Division pooling all uncommitted mineral interests in the Bone Spring formation (ESPERANZA; BONESPRING [97755]) in a standard 320-acre, more or less, horizontal spacing and proration unit (“HSU”) comprised of the N/2 N/2 of Sections 8 and 9, all in Township 22 South, Range 26 East, in Eddy County, New Mexico. Applicant proposes to drill the following 2-mile wells in the HSU: (1) **Mudshark 9 Fed Com 111H** well, to be horizontally drilled from an approximate surface hole location in the SW/4 of the NW/4 of Section 10, T22S-R26E, to an approximate bottom hole location 100’ FWL and 990’ FNL of Section 8, T22S-R26E; (2) **Mudshark 9 Fed Com 121H** well, to be horizontally drilled from an approximate surface hole location in the SW/4 of the NW/4 of Section 10, T22S-R26E, to an approximate bottom hole location 100’ FWL and 330’ FNL of Section 8, T22S-R26E; and (3) **Mudshark 9 Fed Com 131H** well, to be horizontally drilled from an approximate surface hole location in the SW/4 of the NW/4 of Section 10, T22S-R26E, to an approximate bottom hole location 100’ FWL and 330’ FNL of Section 8, T22S-R26E. The completed intervals and first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells. Additional considerations will be the cost of drilling and completing the wells and allocation of such costs, the designation of Applicant as operator of the HSU and wells to be drilled thereon, and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 4 miles West of Carlsbad, New Mexico.

**Case No. 24414: *Application of Permian Resources Operating, LLC for Compulsory Pooling, Eddy County, New Mexico.*** Applicant in the above-styled cause seeks an order from the Oil Conservation Division pooling all uncommitted mineral interests in the Bone Spring formation (ESPERANZA; BONESPRING [97755]) in a standard 320-acre, more or less, horizontal spacing and proration unit (“HSU”) comprised of the N/2 S/2 of Sections 8 and 9, all in Township 22 South, Range 26 East, in Eddy County, New Mexico. Applicant proposes to drill the following 2-mile wells in the HSU: (1) **Mudshark 9 Fed Com 113H** well, to be horizontally drilled from an approximate surface hole location in the NW/4 of the SW/4 of Section 10, T22S-R26E, to an approximate bottom hole location 100’ FWL and 1,650’ FSL of Section 8, T22S-R26E; (2) **Mudshark 9 Fed Com 123H** well, to be horizontally drilled from an approximate surface hole location in the NW/4 of the SW/4 of Section 10, T22S-R26E, to an approximate bottom hole location 100’ FWL and 2,310’ FSL of Section 8, T22S-R26E; and (3) **Mudshark 9 Fed Com 133H** well, to be horizontally drilled from an approximate surface hole location in the NW/4 of the SW/4 of Section 10, T22S-R26E, to an approximate bottom hole location 100’ FWL and 2,310’ FSL of Section 8, T22S-R26E. The completed intervals and first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells. Additional considerations will be the cost of drilling and completing the wells and allocation of such costs, the designation of Applicant as operator of the HSU and wells to be drilled thereon, and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 4 miles West of Carlsbad, New Mexico.

**Case No. 24415: *Application of Permian Resources Operating, LLC for Compulsory Pooling, Eddy County, New Mexico.*** Applicant in the above-styled cause seeks an order from the

Oil Conservation Division pooling all uncommitted mineral interests in the Bone Spring formation (ESPERANZA; BONESPRING [97755]) in a standard 320-acre, more or less, horizontal spacing and proration unit (“HSU”) comprised of the S/2 N/2 of Sections 8 and 9, all in Township 22 South, Range 26 East, in Eddy County, New Mexico. Applicant proposes to drill the following 2-mile wells in the HSU: (1) **Mudshark 9 Fed Com 112H** well, to be horizontally drilled from an approximate surface hole location in the SW/4 of the NW/4 of Section 10, T22S-R26E, to an approximate bottom hole location 100’ FWL and 2,310’ FNL of Section 8, T22S-R26E; (2) **Mudshark 9 Fed Com 122H** well, to be horizontally drilled from an approximate surface hole location in the SW/4 of the NW/4 of Section 10, T22S-R26E, to an approximate bottom hole location 100’ FWL and 1,650’ FNL of Section 8, T22S-R26E; and (3) **Mudshark 9 Fed Com 132H** well, to be horizontally drilled from an approximate surface hole location in the SW/4 of the NW/4 of Section 10, T22S-R26E, to an approximate bottom hole location 100’ FWL and 1,650’ FNL of Section 8, T22S-R26E. The completed intervals and first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells. Additional considerations will be the cost of drilling and completing the wells and allocation of such costs, the designation of Applicant as operator of the HSU and wells to be drilled thereon, and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 4 miles West of Carlsbad, New Mexico.

**Case No. 24417: Application of Permian Resources Operating, LLC for Compulsory Pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order from the Oil Conservation Division pooling all uncommitted mineral interests in the Bone Spring formation (ESPERANZA; BONESPRING [97755]) in a standard 320-acre, more or less, horizontal spacing and proration unit (“HSU”) comprised of the S/2 S/2 of Sections 8 and 9, all in Township 22 South, Range 26 East, in Eddy County, New Mexico. Applicant proposes to drill the following 2-mile wells in the HSU: (1) **Mudshark 9 Fed Com 114H** well, to be horizontally drilled from an approximate surface hole location in the NW/4 of the SW/4 of Section 10, T22S-R26E, to an approximate bottom hole location 100’ FWL and 330’ FSL of Section 8, T22S-R26E; (2) **Mudshark 9 Fed Com 124H** well, to be horizontally drilled from an approximate surface hole location in the NW/4 of the SW/4 of Section 10, T22S-R26E, to an approximate bottom hole location 100’ FWL and 990’ FSL of Section 8, T22S-R26E; and (3) **Mudshark 9 Fed Com 134H** well, to be horizontally drilled from an approximate surface hole location in the NW/4 of the SW/4 of Section 10, T22S-R26E, to an approximate bottom hole location 100’ FWL and 990’ FSL of Section 8, T22S-R26E. The completed intervals and first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells. Additional considerations will be the cost of drilling and completing the wells and allocation of such costs, the designation of Applicant as operator of the HSU and wells to be drilled thereon, and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 4 miles West of Carlsbad, New Mexico.

**Case No. 24418: Application of Permian Resources Operating, LLC for Compulsory Pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order from the Oil Conservation Division pooling all uncommitted mineral interests in the Wolfcamp formation (PURPLE SAGE; WOLFCAMP (GAS) [98220]) in a standard 640-acre, more or less, horizontal spacing and proration unit (“HSU”) comprised of the S/2 of Section 8 and Section 9, T22S-R26E, in Eddy County, New Mexico. Applicant proposes to drill the following 2-mile wells in the HSU:

(1) **Mudshark 9 Fed Com 223H** well, to be horizontally drilled from an approximate surface hole location in the NW/4 of the SW/4 of Section 10, T22S-R26E, to an approximate bottom hole location 100' FWL and 1,650' FSL of Section 8, T22S-R26E; (2) **Mudshark 9 Fed Com 224H** well, to be horizontally drilled from an approximate surface hole location in the NW/4 of the SW/4 of Section 10, T22S-R26E, to an approximate bottom hole location 100' FWL and 330' FSL of Section 8, T22S-R26E; (3) **Mudshark 9 Fed Com 423H** well, to be horizontally drilled from an approximate surface hole location in the NW/4 of the SW/4 of Section 10, T22S-R26E, to an approximate bottom hole location 100' FWL and 2,310' FSL of Section 8, T22S-R26E; and (4) **Mudshark 9 Fed Com 424H** well, to be horizontally drilled from an approximate surface hole location in the NW/4 of the SW/4 of Section 10, T22S-R26E, to an approximate bottom hole location 100' FWL and 990' FSL of Section 8, T22S-R26E. The completed intervals will meet the setback requirements set forth in the special rules for the Purple Sage Wolfcamp. Permian will seek administrative approval for non-standard locations of the first and last take points. Additional considerations will be the cost of drilling and completing the wells and allocation of such costs, the designation of Applicant as operator of the HSU and wells to be drilled thereon, and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 4 miles West of Carlsbad, New Mexico.

**Case No. 24419: Application of Permian Resources Operating, LLC for Compulsory Pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order from the Oil Conservation Division pooling all uncommitted mineral interests in the Wolfcamp formation (PURPLE SAGE; WOLFCAMP (GAS) [98220]) in a standard 640-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the N/2 of Section 8 and Section 9, T22S-R26E, in Eddy County, New Mexico. Applicant proposes to drill the following 2-mile wells in the HSU: (1) **Mudshark 9 Fed Com 221H** well, to be horizontally drilled from an approximate surface hole location in the SW/4 of the NW/4 of Section 10, T22S-R26E, to an approximate bottom hole location 100' FWL and 990' FNL of Section 8, T22S-R26E; (2) **Mudshark 9 Fed Com 222H** well, to be horizontally drilled from an approximate surface hole location in the SW/4 of the NW/4 of Section 10, T22S-R26E, to an approximate bottom hole location 100' FWL and 2,310' FNL of Section 8, T22S-R26E; (3) **Mudshark 9 Fed Com 421H** well, to be horizontally drilled from an approximate surface hole location in the SW/4 of the NW/4 of Section 10, T22S-R26E, to an approximate bottom hole location 100' FWL and 330' FNL of Section 8, T22S-R26E; and (4) **Mudshark 9 Fed Com 422H** well, to be horizontally drilled from an approximate surface hole location in the SW/4 of the NW/4 of Section 10, T22S-R26E, to an approximate bottom hole location 100' FWL and 1,650' FNL of Section 8, T22S-R26E. The completed intervals will meet the setback requirements set forth in the special rules for the Purple Sage Wolfcamp. Permian will seek administrative approval for non-standard locations of the first and last take points. Additional considerations will be the cost of drilling and completing the wells and allocation of such costs, the designation of Applicant as operator of the HSU and wells to be drilled thereon, and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 4 miles West of Carlsbad, New Mexico.

**PROPOSED EVIDENCE**

**APPLICANT:**

WITNESSES	EST. TIME	EXHIBITS
Collin Christian, Landman	by affidavit/affirmation	6-8 per case
Tyler Chesworth, Geologist	by affidavit/affirmation	6-8 per case

**PROCEDURAL MATTERS**

This case is currently on the May 16, 2024 docket and will be presented by affidavit/affirmation if unopposed at that time.

Respectfully submitted,

**MONTGOMERY & ANDREWS, PA.**

By: /s/Sharon T. Shaheen

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*Attorney for Permian Resources Operating, LLC*

**CERTIFICATE OF SERVICE**

I hereby certify that the foregoing was emailed to the following counsel on May 9, 2024.

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**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
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QUESTIONS

Action 342686

**QUESTIONS**

Operator: Permian Resources Operating, LLC 300 N. Marienfeld St Ste 1000 Midland, TX 79701	OGRID: 372165
	Action Number: 342686
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

**QUESTIONS**

<b>Testimony</b>	
<i>Please assist us by provide the following information about your testimony.</i>	
Number of witnesses	Not answered.
Testimony time (in minutes)	Not answered.