

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

**APPLICATION OF PERMIAN RESOURCES
OPERATING, LLC TO AMEND ORDER NO.
R-21104-E, EDDY COUNTY, NEW MEXICO.**

CASE NO. 24674

PRE-HEARING STATEMENT

Permian Resources Operating, LLC, applicant in the above-referenced case, submits this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

Permian Resources Operating, LLC (“Permian Resources”)

ATTORNEY

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OTHER PARTIES

None at this time.

ATTORNEY

APPLICANT’S STATEMENT OF CASE

In Case No. 24674, Permian Resources seeks to amend Order No. R-21104-E (the “Order”) to allow for a one-year extension for drilling the approved initial well under the Order until July 7, 2025. The Order originally designated SPC Resources, LLC as operator. SPC is now a wholly owned subsidiary of Permian Resources under a transaction that closed in

December 2023 with an effective date in September 2023. An amended order should, therefore, reflect that Permian Resources is the operator of record.

Good cause exists for Applicant's request that the Order be amended to allow additional time to commence drilling the initial well under the Order. Permian recently acquired SPC Resources and has undertaken a careful re-assessment of SPC's existing pooling orders and drilling plans in the Carlsbad area. As a result of this review, Permian Resources has recently filed for and received amended pooling orders in several cases within the Carlsbad area adding additional wells and reconfiguring the proposed spacing units and seeking deadline extensions in order to complete the work. Permian Resources is now in the process of drilling the approved initial wells under those recently amended orders.

For example, Permian Resources is currently drilling a five-well Wolfcamp package on its existing Betty and Barney spacing units under Order Nos. R-21100, as amended, and R-21123, as amended, respectively. Following the drilling and completion of those wells, Permian Resource's rig is scheduled this fall to drill a nine-well package in its Caveman Wolfcamp and Hannah Bone Spring spacing units under Order Nos. R-21096, as amended, and R-23221, as amended, respectively. Additional Carlsbad area wells are expected to be added to Permian Resources' drilling schedule over the next few months. With this heavy drill schedule and prior drilling commitments necessary to meet other order deadlines, Permian Resources requires additional time to drill and complete the Barney 303H well under Order No. R-21104-E.

Moreover, Permian Resources is in good standing with the Division's compliance requirements and regulations. Permian Resources and its predecessor-in-interest, SPC Resources, have invested significant effort and time at substantial cost to identify and

locate mineral owners within the subject acreage, reach voluntary agreement with many owners, and force pool interests that remain uncommitted.

Finally, none of the working interest owners that remain subject to this pooling order have been asked to make an election on the applicable wells, or to pay their estimated share of the costs to drill, complete, and equip the applicable wells. And no other operator has proposed to drill or develop the subject acreage.

Approval 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.

APPLICANT’S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Chris Astwood, Senior Landman	Self-Affirmed Statement	Approx. 4

PROCEDURAL MATTERS

Permian Resources intends to present these cases by self-affirmed statement if uncontested at time of hearing.

Respectfully submitted,

HOLLAND & HART LLP



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QUESTIONS

Action 365303

QUESTIONS

Operator: Permian Resources Operating, LLC 300 N. Marienfeld St Ste 1000 Midland, TX 79701	OGRID: 372165
	Action Number: 365303
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

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