

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

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

**CASE NOS. 24161-24162
24917-24918
24440-24442
24451-24453
& 24455**

**APPLICATIONS OF MRC PERMIAN COMPANY FOR
APPROVAL OF STANDARD OVERLAPPING HORIZONTAL
WELL SPACING UNITS AND COMPULSORY POOLING,
EDDY AND LEA COUNTIES, NEW MEXICO.**

CASE NOS. 24902-24904, 24906

**APPLICATIONS OF MRC PERMIAN COMPANY
FOR COMPULSORY POOLING,
EDDY AND LEA COUNTIES, NEW MEXICO.**

CASE NOS. 24907, 24909- 24911

**PERMIAN RESOURCES OPERATING, LLC'S UNOPPOSED MOTION TO AMEND
PRE-HEARING ORDER AND RESCHEDULE
NOVEMBER 5, 2024 CONTESTED HEARING**

Permian Resources Operating, LLC ("PRO") requests that the New Mexico Oil Conservation Division ("Division") issue an order: (1) continuing the November 5, 2024 contested hearing to a date in late January, 2025 and amending the Pre-Hearing Order deadlines accordingly; and (2) amending the Pre-Hearing Order to include MRC Permian Company ("MRC") Case Nos. 24902-24904, 24906, 24907, 24909 - 24911 and PRO Case Nos. 24917-24918, and remove PRO Case Nos. 24161 and 24162. In support of this motion, PRO states the following.

1. PRO filed its applications in Case Nos. 24440-24442, 24451-24453, and 24455 on April 2, 2024. Although Case Nos. 24161 and 24162 were initially consolidated with these matters for hearing, PRO has filed a motion to dismiss those cases and filed replacement applications on October 4, 2024. Those applications have been assigned Case Nos. 24917-24918. *See* Self-Affirmed Statement of Mark Hadjik, attached as Exh. A.

2. Collectively, PRO's applications seek to pool uncommitted interests in the first and third intervals of the Bone Spring Formation and in the Wolfcamp Formation underlying all of Sections 23, 26, and 35, Township 20 South, Range 32 East in Lea County. Thus, the development involves a total of 1,920 acres. *See id.*

3. PRO has determined that its initial well proposal letter, dated December 11, 2023, requires updating. PRO transmitted an updated well proposal letter to the interest owners on October 4, 2024. *See id.*

4. MRC initially proposed the Twinkle Fed Com wells in November 2023 and then submitted amended proposals on September 23, 2024 and October 1, 2024. The well locations differ between the proposals. *See id.*

5. MRC filed competing pooling applications for the Twinkle Fed Com wells on October 1, 2024. Those applications have been assigned Case Nos. 24902-24904, 24906, 24907, and 24909 – 24911. *See id.*

6. Collectively, MRC's applications seek to pool uncommitted interests in the Bone Spring and Wolfcamp formations underlying the S/2 of Section 26 and all of Section 35, Township 20 South, Range 32 East in Lea County, and the E/2 of Section 2 and the W/2 and W/2 E/2 of Section 1, Township 21 South, Range 31 East in Eddy County. Thus, MRC's applications overlap with PRO's applications in Section 35 and the S/2 of Section 26. *See id.*

7. Given MRC's new proposal and applications and PRO's amended applications and updated proposal, the parties require additional time to negotiate and prepare for a contested hearing, if one is ultimately required. *See id.*

8. In addition, the acreage at issue in these cases is located in the Potash Area, which restricts and complicates the parties' development options. *See id.*

9. The competing development plans involve large areas, multiple formations, and numerous wells. Accordingly, it is in the best interest of the parties, and will conserve resources of the Division, to allow the parties additional time to evaluate the competing proposals and negotiate before proceeding to a contested hearing. *See id.*

10. As a result, PRO requests that the Division vacate the November 5, 2024 contested hearing, set a new contested hearing date in late January, 2025, and amend the Pre-Hearing order deadlines accordingly.

11. PRO also requests that the Division amend the Pre-Hearing Order to include MRC Case Nos. 24902-24904, 24906, 24907, 24909 - 24911 and PRO Case Nos. 24917-24918, and remove PRO Case Nos. 24161 and 24162.

12. MRC and Coterra Energy, Inc., concur in this motion.

For the foregoing reasons, PRO requests that the Division issue an order: (1) continuing the November 5, 2024 contested hearing to a date in late January, 2025 and amending the Pre-Hearing Order deadlines accordingly; and (2) amending the Pre-Hearing Order to include MRC Case Nos. 24902-24904, 24906, 24907, 24909 - 24911 and PRO Case Nos. 24917-24918, and remove PRO Case Nos. 24161 and 24162.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

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CERTIFICATE OF SERVICE

I hereby certify that on October 9, 2024, I served a true and correct copy of the foregoing pleading on the following counsel of record by electronic mail:

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CASE NOS. 24907, 24909- 24911

SELF-AFFIRMED STATEMENT OF MARK HAJDIK

1. I am employed by Permian Resources Operating, LLC (“PRO”) as a Senior Staff Landman. I am over 18 years of age, have personal knowledge of the matters addressed herein, and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division (“Division”) and my credentials as an expert in petroleum land matters were accepted and made a matter of record.

2. I am familiar with the above-referenced cases.

3. PRO filed its applications in Case Nos. 24440-24442, 24451-24453, and 24455 on

Exhibit A

April 2, 2024. Although Case Nos. 24161 and 24162 were initially consolidated with these matters for hearing, PRO has dismissed those cases and filed replacement applications on October 4, 2024. Those applications have been assigned Case Nos. 24917-24918.

4. Collectively, PRO's applications seek to pool uncommitted interests in the first and third intervals of the Bone Spring Formation and in the Wolfcamp Formation underlying all of Sections 23, 26, and 35, Township 20 South, Range 32 East in Lea County. Thus, PRO's proposed development involves a total of 1,920 acres.

5. PRO has determined that its initial well proposal letter, dated December 11, 2023, requires updating with respect to certain well locations. PRO transmitted an updated well proposal letter to the interest owners on October 4, 2024.

6. MRC Permian Company ("MRC") initially proposed the Twinkle Fed Com wells in November 2023 and then submitted amended proposals on September 23, 2024 and October 1, 2024. The well locations differ between the proposals.

7. MRC filed competing pooling applications for the Twinkle Fed Com wells on October 1, 2024. Those applications have been assigned Case Nos. 24902-24904, 24906, 24907, 24909 – 24911.

8. Collectively, MRC's applications seek to pool uncommitted interests in the Bone Spring and Wolfcamp formations underlying the S/2 of Section 26 and all of Section 35, Township 20 South, Range 32 East in Lea County, and the E/2 of Section 2 and the W/2 and W/2 E/2 of Section 1, Township 21 South, Range 31 East in Eddy County. Thus, MRC's applications overlap with PRO's applications in Section 35 and the S/2 of Section 26.

9. Given MRC's new proposal and applications and PRO's amended applications and updated proposal, the parties require additional time to negotiate and prepare for a contested

hearing, if one is ultimately required.

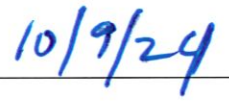
10. In addition, the acreage at issue in these cases is located in the Potash Area, which restricts and complicates the parties' development options.

11. The competing development plans involve large areas, multiple formations, and numerous wells. Accordingly, it is in the best interest of the parties, and will conserve resources of the Division, to allow the parties additional time to evaluate the competing proposals and negotiate before proceeding to a contested hearing.

12. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date next to my electronic signature below.



Mark Hajdik



Date