

**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. 24890 - 24891

CONSOLIDATED PRE-HEARING STATEMENT

Permian Resources Operating, LLC (“Permian Resources” or “Applicant”) submits its Consolidated Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPLICANT

Permian Resources Operating, LLC

ATTORNEYS

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INTERESTED PARTY

None at this time.

ATTORNEY

STATEMENT OF THE CASES

In **Case No. 24890**, Permian Resources seeks 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 E/2 of Sections 26 and 35, Township 18 South, Range 33 East, Lea County, New Mexico. The unit will be dedicated to the **Mercury 26 35 Fed Com #123H** well, which will be drilled from a surface hole location in the NW/4 NE/4 (Unit B) of Section 26 to a bottom hole

location in the SW/4 SE/4 (Unit O) of Section 35. The completed interval of the well is expected to be unorthodox.

In **Case No. 24891**, Permian Resources seeks 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 E/2 E/2 of Sections 26 and 35, Township 18 South, Range 33 East, Lea County, New Mexico. The Unit will be dedicated to the **Mercury 26 35 Fed Com #124H** well, which will be drilled from a surface hole location in the NW/4 NE/4 (Unit B) of Section 26 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 35. The completed interval of the well is expected to be orthodox.

Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs, the designation of Applicant as operator of the units and wells, and a 200% charge for the risk involved in drilling and completing the wells.

PROPOSED EVIDENCE

| Witness | Occupation | Estimated Time | Exhibits |
|---------------------|-------------------|-----------------------|-----------------|
| Kevin Woolley | Landman | Affidavit | Approx. 5 |
| Cole Hendrickson | Geologist | Affidavit | Approx. 5 |

PROCEDURAL MATTERS

Applicant intends to consolidate these cases for hearing and will present the cases by affidavit if there is no opposition to its applications.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy _____

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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

QUESTIONS

Action 395386

QUESTIONS

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| Operator: Permian Resources Operating, LLC 300 N. Marienfeld St Ste 1000 Midland, TX 79701 | OGRID: 372165 |
| | Action Number: 395386 |
| | Action Type: [HEAR] Prehearing Statement (PREHEARING) |

QUESTIONS

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