

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

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

CASE NO. _____

APPLICATION

Pursuant to NMSA § 70-2-17, Permian Resources Operating, LLC (OGRID No. 372165) (“Applicant”) applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 640-acre, more or less, standard horizontal spacing unit comprised of the N/2 of Sections 4 and 5, Township 19 South, Range 28 East, Eddy County, New Mexico (“Unit”). In support of its application, Applicant states the following:

1. Applicant is a working interest owner in the Unit and has the right to drill wells thereon.
2. The Unit will be dedicated to the following wells (“Wells”):
 - a. **Lajitas 5-4 State Com 121H** and **Lajitas 5-4 State Com 131H** wells, which will produce from a first take point in the NW/4 NW/4 (Unit D) of Section 5 to a last take point in the NE/4 NE/4 (Unit A) of Section 4; and
 - b. **Lajitas 5-4 State Com 122H** and **Lajitas 5-4 State Com 132H** wells, which will produce from a first take point in the SW/4 NW/4 (Unit E) of Section 5 to a last take point in the SE/4 NE/4 (Unit H) of Section 4.
3. The completed intervals of the Wells will be orthodox.
4. The **Lajitas 5-4 State Com 132H** well will be located within 330’ of the quarter-quarter section line separating the N/2 N/2 and the S/2 N/2 of Sections 4 and 5 to allow for the creation of a 640-acre, more or less, standard horizontal spacing unit.

5. Applicant has undertaken diligent, good faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Wells but has been unable to obtain voluntary agreements from all interest owners.

6. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

7. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in the Unit should be pooled and Applicant should be designated the operator of the Wells and the Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on January 9, 2025, 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 Wells in the Unit;
- C. Designating Applicant as the operator of the Unit and the Wells to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping, and completing the Wells;
- 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 Applicant in drilling and completing the Wells against any working interest owner who does not voluntarily participate in the drilling of the Wells.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy _____

Dana S. Hardy

Jaclyn M. McLean

Dylan M. Villescás

P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554

dhardy@hinklelawfirm.com

jmclean@hinklelawfirm.com

dvillescás@hinklelawfirm.com

*Counsel for Permian Resources Operating,
LLC*