

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

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

CASE NO. _____

APPLICATION

Permian Resources Operating, LLC (“Permian” or “Applicant”) (OGRID No. 372165) through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 642.24-acre, more or less, horizontal well spacing unit comprised of Lots 1-4 and the S/2 N/2 (N/2 equivalent) of irregular Sections 1 and 2, Township 22 South, Range 26 East, NMPM, Eddy County, New Mexico. In support of its application, Applicant states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Water Buffalo #131H** well, to be horizontally drilled from a surface location in the NE/4 SE/4 (Unit I) of irregular Section 3, with a first take point in Lot 4 (NW/4 NW/4 equivalent) of irregular Section 2, and a last take point in Lot 1 (NE/4 NE/4 equivalent) of irregular Section 1.
3. The completed interval of the **Water Buffalo #131H** is expected to remain within 330 feet of the adjoining quarter-quarter section (or equivalent) tracts to allow inclusion of these proximity tracts within the proposed horizontal spacing unit under 19.15.16.15.B(1)(b) NMAC.

4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all interest owners in the subject spacing unit.

5. The pooling of interests 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.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on February 13, 2025, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the proposed horizontal well spacing unit;
- B. Designating Applicant as operator of this horizontal spacing unit and the horizontal well to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, completing, and equipping the well;
- D. 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
- E. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP

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**ATTORNEYS FOR PERMIAN RESOURCES
OPERATING, LLC**

CASE _____: **Application of Permian Resources Operating, LLC for Compulsory Pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Bone Spring formation, from the top of the Bone Spring formation underlying a standard 642.24-acre, more or less, horizontal well spacing unit comprised of Lots 1-4 and the S/2 N/2 (N/2 equivalent) of irregular Sections 1 and 2, Township 22 South, Range 26 East, NMPM, Eddy County, New Mexico . Said unit will be initially dedicated to the proposed **Water Buffalo #131H** well, to be horizontally drilled from a surface location in the NE/4 SE/4 (Unit I) of irregular Section 3, with a first take point in Lot 4 (NW/4 NW/4 equivalent) of irregular Section 2, and a last take point in Lot 1 (NE/4 NE/4 equivalent) of irregular Section 1. The completed interval of the **Water Buffalo #131H** is expected to remain within 330 feet of the adjoining quarter-quarter section (or equivalent) tracts to allow inclusion of these proximity tracts within the proposed horizontal spacing unit under 19.15.16.15.B(1)(b) NMAC. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Applicant as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 4.5 miles northeast of Carlsbad, New Mexico.