

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

**APPLICATION OF PERMIAN RESOURCES  
OPERATING, LLC FOR COMPULSORY  
POOLING AND OVERLAPPING SPACING  
UNIT, LEA COUNTY, NEW MEXICO.**

**CASE NO. \_\_\_\_\_**

**APPLICATION**

Pursuant to NMSA 1978, Section 70-2-17, Permian Resources Operating, LLC (OGRID No. 372165) ("Permian Resources" or "Applicant") applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 320-acre, more or less, standard, overlapping, horizontal spacing unit comprised of the W/2 W/2 of Sections 22 and 27, Township 20 South, Range 34 East, Lea County, New Mexico ("Unit"). In support of this application, Permian Resources 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 **Metallic Cat 27 Fed Com 121H, Metallic Cat 27 Fed Com 122H, and Metallic Cat 27 Fed Com 141H** wells ("Wells"), which will produce from first take points located in the SW/4 SW/4 (Unit M) of Section 27 to last take points located in the NW/4 NW/4 (Unit D) of Section 22.
3. The completed interval of the Metallic Cat 27 Fed Com 122H will be unorthodox and the completed intervals of the Metallic Cat 27 Fed Com 121H and Metallic Cat 27 Fed Com 141H wells will be orthodox.
4. The spacing unit for the Wells partially overlaps with the spacing unit for the Marathon Road 14 MD Fed #001H (API No. 30-025-41215), which is located in the W/2 W/2 of

Section 23, Township 20 South, Range 34 East, and produces from the Lea; Bone Spring pool (Code 37570).

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 as the operator of the Wells and Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on January 8, 2026, 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 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 charged and costs of supervision while drilling and after completion, together with a provision adjusting the rated pursuant to the COPAS accounting procedures; and

- F. Imposing a 200% penalty 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,

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