

**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 (“Applicant” or “Permian Resources”) (OGRID No. 372165) applies for an order pooling uncommitted interests in the Bone Spring formation, underlying a 649.43-acre, more or less, standard horizontal spacing unit comprised of the N/2 of irregular Section 13, Township 22 South, Range 25 East, and the N/2 of irregular Section 18, Township 22 South, Range 26 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 **Shownuff Fed Com 6H** well (“Well”), which will produce from a first take point in Lot 3 (SW/4 NW/4 equivalent) of irregular Section 13, Township 22 South, Range 25 East, to a last take point in the SE/4 NE/4 (Unit H) of irregular Section 18, Township 22 South, Range 26 East.
3. The completed interval of the Well will be orthodox.
4. The completed interval of the **Shownuff Fed Com 6H** well will be located within 330’ of the quarter-quarter section line separating the N/2 N/2 and S/2 N/2 of irregular Sections 13 and 18 to allow for the creation of a 649.43-acre 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 Well 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. The Oil Conservation Division issued a prehearing order on January 23, 2026, which set FE Permian Operating I, LLC's ("FE Permian") Case No. 25815 for a contested hearing on April 21, 2026. This application conflicts with FE Permian's case. Therefore, Permian Resources requests that the Division consolidate this application under the existing prehearing order and issue an amended prehearing order, setting these matters for a contested hearing on April 21, 2026.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on April 21, 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 Well in the Unit;
- C. Designating Permian Resources Operating, LLC as the operator of the Unit and the Well to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping, and completing the Well;
- 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 Permian Resources Operating, LLC in drilling and completing the Well against any working interest owner who does not voluntarily participate in the drilling of the Well.

Respectfully submitted,

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