

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

**APPLICATION OF PERMIAN RESOURCES
OPERATING, LLC FOR COMPULSORY
POOLING, AND APPROVAL OF 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 First Bone Spring Interval of the Bone Spring formation, underlying a 480-acre, more or less, standard, overlapping horizontal spacing unit comprised of the E/2 W/2 and W/2 E/2 of Section 20 and the W/2 E/2 of Section 29, Township 22 South, Range 35 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 **Bridge State Unit 29 303H** j-turn well (“Well”), which will be drilled from a first take point located in the SW/4 SE/4 (Unit O) of Section 29, to a last take point in the SE/4 SW/4 (Unit N) of Section 20.
3. The completed interval of the Well will be orthodox.
4. Permian Resources only seeks to pool interests from the top of the First Bone Spring Interval of the Bone Spring formation, at a stratigraphic equivalent of approximately 9,704’ TVD, to the base of the First Bone Spring Interval, at a stratigraphic equivalent of approximately 9,906’ TVD, as shown on the Geronimo 28 State C #1 (API No. 30-025-36025) well log.
5. The spacing unit for the Well partially overlaps with the spacing units for the following wells, which produce from the Rock Lake; Bone Spring Pool (Code 52766):

- a. Bridge State Unit 29 #501H (API No. 30-025-49222) dedicated to the W/2 of Sections 20 and 29, Township 22 South, Range 35 East;
 - b. Bridge State Unit 29 #502H (API No. 30-025-49223) dedicated to the W/2 of Sections 20 and 29, Township 22 South, Range 35 East;
 - c. Bridge State Unit 29 #504H (API No. 30-025-50157) dedicated to the E/2 of Sections 20 and 29, Township 22 South, Range 35 East;
 - d. Bridge State Unit 29 #505H (API No. 30-025- 50158) dedicated to the E/2 of Sections 20 and 29, Township 22 South, Range 35 East; and
 - e. Bridge State Unit 29 #503H (API No. 30-025- 50156) dedicated to the E/2 of Sections 20 and 29, Township 22 South, Range 35 East.
6. 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.
7. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.
8. 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 Well and Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on June 4, 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. Approving the overlapping spacing unit;
- D. Designating Applicant as operator of the Unit and the Well to be drilled thereon;
- E. Authorizing Applicant to recover its costs of drilling, equipping and completing the Well;
- F. 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
- G. Imposing a 200% penalty 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,

HARDY MCLEAN LLC

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