

**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 NON-STANDARD,
OVERLAPPING SPACING UNIT,
LEA COUNTY, NEW MEXICO.**

CASE NO. 26179

PRE-HEARING STATEMENT

Permian Resources Operating, LLC (“Permian Resources or “Applicant”) submits its Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPLICANT

Permian Resources Operating, LLC

ATTORNEYS

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INTERESTED PARTIES

None.

ATTORNEYS

STATEMENT OF THE CASE

Permian Resources seeks an order pooling all uncommitted interests in the Bone Spring formation, underlying a 960-acre, more or less, non-standard, overlapping horizontal spacing unit comprised of the S/2 of Section 22, and all of Section 27, Township 20 South, Range 35 East, Lea County, New Mexico (“Unit”). The Unit will be dedicated to the following wells (“Wells”): **Mallard Fed Com 4H** u-turn well, which will be drilled from a first take point located in the NE/4

SW/4 (Unit K) of Section 22 to a last take point NW/4 SW/4 (Unit L) of Section 22; **Mallard Fed Com 501H** u-turn well, which will be drilled from a first take point located in the NW/4 SW/4 (Unit L) of Section 22 to a last take point in NW/4 SE/4 (Unit J) of Section 22; and **Mallard Fed Com 503H** u-turn well, which will be drilled from a first take point located in the NE/4 SE/4 (Unit I) of Section 22 to a last take point in the NW/4 SE/4 (Unit J) of Section 22.

Permian Resources requests approval of a non-standard horizontal spacing unit pursuant to Rule 19.15.16.15(B)(5) NMAC, which will create cost efficiencies, prevent waste, and protect correlative rights.

The spacing unit for the Wells partially overlaps with the spacing units for the following wells, which produce from the Featherstone; Bone Spring Pool (Code 24250):

- a. Mango BRM State #001H (API No. 30-025-40517) located in the E/2 W/2 of Section 27, Township 20 South, Range 35 East;
- b. Tangerine BRT State #001H (API No. 30-025-40518) located in the E/2 E/2 of Section 27, Township 20 South, Range 35 East;
- c. Woody 22 Federal Com #501H (API No. 30-025-51394) located in the W/2 of Section 15 and the NW/4 of Section 22, Township 18 South, Range 35 East;
- d. Woody 22 Federal Com #502H (API No. 30-025-51395) located in the W/2 of Section 15 and the NW/4 of Section 22, Township 18 South, Range 35 East;
- e. Woody 22 Federal Com #503H (API No. 30-025-51396) located in the E/2 of Sections 15 and 22, Township 18 South, Range 35 East; and
- f. Woody 22 Federal Com #504H (API No. 30-025-51397) located in the E/2 of Section 15 and the SE/4 of Section 22, Township 18 South, Range 35 East.

The completed intervals of the Wells will be orthodox. Also to be considered will be the cost of drilling and completing the Wells, the allocation of the costs, the designation of Applicant as operator of the Unit and the Wells, and a 200% charge for the risk involved in drilling and completing the Wells.

PROPOSED EVIDENCE

Witness	Occupation	Estimated Time	Exhibits
Reagan Armstrong	Landman	Affidavit	Approx. 7
Cole Hendrickson	Geologist	Affidavit	Approx. 5

PROCEDURAL MATTERS

Applicant intends to present this case by affidavit if there are no objections to its application.

Respectfully submitted,

HARDY McLEAN LLC

/s/ Dana S. Hardy

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Oil Conservation Division
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QUESTIONS

Action 609006

QUESTIONS

Operator: Permian Resources Operating, LLC 300 N. Marienfeld St Ste 1000 Midland, TX 79701	OGRID: 372165
	Action Number: 609006
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
Please assist us by provide the following information about your testimony.	
Number of witnesses	Not answered.
Testimony time (in minutes)	Not answered.