

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

**APPLICATION OF PBEX, LLC FOR
COMPULSORY POOLING AND APPROVAL
OF OVERLAPPING SPACING UNIT,
LEA COUNTY, NEW MEXICO.**

CASE NO. 26285

PRE-HEARING STATEMENT

PBEX, LLC ("PBEX" or "Applicant") submits its Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPLICANT

PBEX, LLC

ATTORNEYS

Dana S. Hardy
Jaclyn M. McLean
Yarithza Peña
Hardy McLean LLC
125 Lincoln Ave, Ste. 223
Santa Fe, NM 87501
Phone: (505) 230-4410
dhardy@hardymclean.com
jmclean@hardymclean.com
ypena@hardymclean.com

INTERESTED PARTIES

MRC Permian Company

ATTORNEY

Michael H. Feldewert
Adam G. Rankin
Paula M. Vance
A. Raylee Starnes
Holland & Hart, LLP
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988-4421
(505) 983-6043 Facsimile
mfeldewert@hollandhart.com
agrarkin@hollandhart.com
pmvance@hollandhart.com
arstarnes@hollandhart.com

Marathon Oil Permian LLC

Elizabeth Ryan
Keri L. Hatley
ConocoPhillips
1048 Paseo de Peralta
Santa Fe, New Mexico 87501
(505) 780-8000
beth.ryan@conocophillips.com
keri.hatley@conocophillips.com

STATEMENT OF THE CASE

Applicant seeks an order pooling all uncommitted interests in the Third Bone Spring interval of the Bone Spring formation underlying a 640-acre, more or less, non-standard, overlapping horizontal spacing unit comprised of the E/2 of Sections 24 and 25, Township 18 South, Range 32 East, Lea County, New Mexico ("Unit"). Applicant seeks to designate PBEX Operations, LLC (OGRID No. 332544) as the operator of the Unit. The Unit will be dedicated to the following wells ("Wells"): **LTK 24-25 Fed Com 301H** well, which will be horizontally drilled from a proposed surface hole location in the NE/4 NE/4 (Unit A) of Section 24 to a proposed bottom hole location in the SE/4 SE/4 (Unit P) of Section 25; and **LTK 24-25 Fed Com 304H** well, which will be horizontally drilled from a proposed surface hole location in the NE/4 NE/4 (Unit A) of Section 24 to a proposed bottom hole location in the SW/4 SE/4 (Unit O) of Section 25. Applicant has received administrative approval (Administrative Order NSP-2374) of the non-standard spacing unit.

Due to a depth severance in the Bone Spring formation within the Unit, PBEX seeks to pool only those interests from the top of the Third Bone Spring interval, at a stratigraphic equivalent of approximately 9869' TVD, as shown on the French 9004 JV-P 004 (API No. 30-025-31235) well log, to the base of the Bone Spring Formation. The spacing unit for the Wells partially overlaps with the spacing unit for the French 9004 JV-P #002 (API No. 30-025-31118),

which is located in the NE/4 SE/4 of Section 24, Township 18 South, Range 32 East, and produces from the Corbin; Bone Spring, South Pool (Code 13160).

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 units and the Wells, and a 200% charge for the risk involved in drilling and completing the Wells.

PROPOSED EVIDENCE

Witness	Occupation	Estimated Time	Exhibits
Ruth Pelzel	Landman	Affidavit	Approx. 6
Christian S. Bradshaw	Geologist	Affidavit	Approx. 6

PROCEDURAL MATTERS

Applicant intends to present this case by affidavit if there is no opposition.

Respectfully submitted,

HARDY McLEAN LLC

/s/ Dana S. Hardy

Dana S. Hardy

Jaclyn M. McLean

Yarithza Peña

125 Lincoln Ave, Ste. 223

Santa Fe, NM 87501

Phone: (505) 230-4410

dhardy@hardymclean.com

jmclean@hardymclean.com

ypena@hardymclean.com

Counsel for PBEX, LLC

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served upon the following counsel of record by electronic mail on July 30, 2026.

Michael H. Feldewert
Adam G. Rankin
Paula M. Vance
A. Raylee Starnes
Holland & Hart, LLP
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988-4421
(505) 983-6043 Facsimile
mfeldewert@hollandhart.com
agrankin@hollandhart.com
pmvance@hollandhart.com
arstarnes@hollandhart.com
Attorneys for MRC Permian Company

Elizabeth Ryan
Keri L. Hatley
ConocoPhillips
1048 Paseo de Peralta
Santa Fe, New Mexico 87501
(505) 780-8000
beth.ryan@conocophillips.com
keri.hatley@conocophillips.com
Attorneys for Marathon Oil Permian LLC

/s/ Dana S. Hardy
Dana S. Hardy

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

QUESTIONS

Action 609449

QUESTIONS

Operator: PBEX Operations, LLC 223 West Wall Street Midland, TX 79701	OGRID: 332544
	Action Number: 609449
	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.