

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

**APPLICATION OF PERMIAN RESOURCES
OPERATING, LLC FOR COMPULSORY POOLING
LEA COUNTY, NEW MEXICO**

CASE NO. _____

APPLICATION

Pursuant to NMSA § 70-2-17, Permian Resources Operating, LLC (“Applicant”) (OGRID No. 372165), through its undersigned attorney, hereby files this Application with the Oil Conservation Division of the State of New Mexico (“Division”) for an order (1) creating a 400-acre, more or less, standard horizontal well spacing unit comprised of the E/2 SE/4 of Section 20 and the E/2 E/2 of Sections 29 and 32, all located in Township 20 South, Range 36 East, NMPM, Lea County, New Mexico (“Unit”), and (2) pooling all uncommitted interest within the Bone Spring formation underlying said 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 thereon.
2. Applicant seeks to dedicate the above-referenced Unit to the following wells, referred to herein as the Wells:
 - a. **Stoat State Com 12H** well which will produce from a first take point in the SE/4SE/4 (Unit P) of Section 32 to a last take point in the NE/4SE/4 (Unit I) of Section 20, Township 20 South, Range 36 East.
 - b. **Stoat State Com 16H** well which will produce from a first take point in the SE/4SE/4 (Unit P) of Section 32 to a last take point in the NE/4SE/4 (Unit I) of Section 20, Township 20 South, Range 36 East.
3. The Wells will be horizontally drilled, and the producing areas for the Wells are expected to be orthodox.
4. 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.
5. The approval of this Unit and pooling of uncommitted interests within the Unit will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

6. 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 the operator of the Wells and Unit.

WHEREFORE, competing applications have been filed in Case Nos. 26340, 26342, 26343, and 26344 which have been consolidated for contested hearing on October 27, 2026. Applicant requests this Application consolidated with the said cases for contested hearing on October 27, 2026, and that after notice and hearing, 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;
- D. Authorizing Applicant to recover its costs of drilling, equipping and completing the Wells;
- 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% 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,

HOLLIDAY ENERGY LAW GROUP, PC

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