

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

**IN THE MATTER OF APPLICATION FOR  
COMPULSORY POOLING SUBMITTED BY  
PERMIAN RESOURCES OPERATING, LLC**

**CASE NO. 25691  
ORDER NO. R-24113**

**ORDER**

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on November 13 and 18, 2025, and after considering the testimony, evidence, and recommendation of the Hearing and Technical Examiners, issues the following Order.

**FINDINGS OF FACT**

1. Permian Resources Operating, LLC (“Permian”) submitted an application (“Application”) to compulsorily pool the uncommitted oil and gas interests within the Wolfcamp Formation underlying the following lands within Eddy County, New Mexico (“Proposed Unit”):

Township 19 South, Range 28 East, N.M.P.M  
Section 7: S/2 N/2

Township 19 South, Range 27 East, N.M.P.M  
Section 11: S/2 N/2  
Section 12: S/2 N/2

2. Permian proposed to dedicate the following well to the Proposed Unit:

Alpine Eagle 7 11 State Com No. 202H

3. The pool that includes the Wolfcamp Formation underlying the Proposed Unit is the West Millman Wolfcamp Gas pool (pool code: 81395).

4. A non-standard horizontal spacing unit has not been approved for the Proposed Unit.

- a. A non-standard horizontal spacing unit is required for the Proposed Unit because it does not meet the criteria stipulated under 19.15.16.15(B) NMAC. The Proposed Unit does not consist of tracts comprised of governmental quarter sections.
- b. Permian states that it will seek administrative approval of the non-standard horizontal unit.

5. The compulsory pooling application checklist included in the Application identifies the Proposed Unit as consisting of a standard horizontal spacing unit.
6. Permian identified the owners of uncommitted interests in oil and gas minerals in the Proposed Unit and provided evidence that notice was given.
7. The notice provided via certified letter and published in a paper of public record states that Permian is seeking to pool a standard horizontal spacing unit despite the horizontal spacing unit being non-standard.
8. The Application was heard by the Hearing Examiner on the date specified above, during which Permian presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

### **CONCLUSIONS OF LAW**

9. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
10. Permian is the owner of an oil and gas working interest within the Proposed Unit.
11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The compulsory pooling application checklist included in the Application contains incorrect information. Historic practice by OCD is to make the compulsory pooling application checklist a part of the order issued for compulsory pooling cases and incorrect information contained therein hinders the issuance of an order.
14. Permian provided notice to the affected persons within the Proposed Unit that the horizontal spacing unit is standard despite it being non-standard, and OCD has determined that they must receive new notice clarifying that the horizontal spacing unit is non-standard under 19.15.4.12 NMAC.
15. In the absence of a correct compulsory pooling application checklist, and proper notice of the non-standard horizontal spacing unit, the Application must be denied.

### **ORDER**

16. Pursuant to the Conclusions of Law, the Application is hereby denied without prejudice. This denial is based on the requirement for a correct compulsory pooling application checklist, and the failure to provide proper notice of the non-standard horizontal spacing unit.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**

*Albert Chang*

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**ALBERT C. S. CHANG  
DIRECTOR  
AC/dm**

**Date: 1/6/2026**

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