

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

**APPLICATION OF PERMIAN RESOURCES
OPERATING, LLC FOR APPROVAL OF
NON-STANDARD WELL LOCATION,
LEA COUNTY, NEW MEXICO.**

CASE NO. 23532

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 PARTY

MRC Permian Company

ATTORNEY

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STATEMENT OF THE CASE

Permian Resources seeks approval of a non-standard location (“NSL”) for the Eric Cartman 31 State Com #505H well (API No. 30-025-50160) (“Well”). The Well will produce from the Ojo Chiso; Bone Spring Pool (Code 96553) and will be dedicated to a 160-acre, more or less, standard horizontal spacing unit (“Unit”) comprised of the W/2 E/2 of Section 31, Township 21

South, Range 35 East, Lea County, New Mexico. Standard statewide setbacks for horizontal oil wells require that the completed lateral be located no closer than 330 feet from the outer boundary of the unit and that the first and last take points be located no closer than 100 feet from the outer boundary of the unit. 19.15.16.15(C) NMAC. The surface hole of the Well is located approximately 135 feet FNL and 415 feet FEL (Unit A) of Section 31, and the bottom hole is located approximately 100 feet FSL and 1,330 feet FEL (Unit O) of Section 31. The first take point will be located approximately 100 feet FNL and 1,330 feet FEL (Unit B) of Section 31, and the last take point will be located approximately 100 feet FSL and 1,330 feet FEL (Unit O) of Section 31. Due to the current spacing of the producing wells in this section, Applicant has planned the Eric Cartman 6 State Com #501H, Eric Cartman 6 State Com #502H, Eric Cartman 31 State Com #504H, and Eric Cartman 31 State Com #506H wells with at least 1,000 feet of spacing between each well located in the east half of the Section. This spacing pattern causes the Eric Cartman State Com #505H well to be drilled less than 330' from the eastern boundary of the spacing unit.

On March 24, 2023, Applicant filed an administrative application for approval of the NSL requested herein and a protest was submitted. As a result, Permian Resources requested a hearing before the Division. The objection to the NSL has since been withdrawn. Approval of the NSL will allow Applicant to use its preferred well spacing plan for horizontal wells in this area and thereby maximize recovery, protect correlative rights, and prevent waste.

The Well is located 14 miles west of Eunice, New Mexico.

PROPOSED EVIDENCE

Witness	Occupation	Estimated Time	Exhibits
Chris Astwood	Landman	Affidavit	Approx. 5
Ira Bradford	Geologist	Affidavit	Approx. 4

PROCEDURAL MATTERS

Applicant will present this matter by affidavit if there is no opposition.

Respectfully submitted,

HINKLE SHANOR, LLP

/s/ Dana S. Hardy

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Counsel for Permian Resources Operating, LLC

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on the following counsel of record by electronic mail on June 29, 2023

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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
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QUESTIONS

Action 234621

QUESTIONS

Operator: COLGATE OPERATING, LLC 300 North Marienfeld Street Midland, TX 79701	OGRID: 371449
	Action Number: 234621
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

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