

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

**APPLICATION OF PERMIAN RESOURCES  
OPERATING, LLC AND NEW MEXICO OIL  
CORP. TO REMOVE BAR V BARB, LLC AS  
OPERATOR OF RECORD OF THE SOUTH  
LUCKY LAKE QUEEN UNIT #001A, SOUTH  
LUCKY LAKE QUEEN UNIT #001, AND SOUTH  
LUCKY LAKE QUEEN UNIT #002 WELLS,  
CHAVES COUNTY, NEW MEXICO.**

**CASE NO.** \_\_\_\_\_

**APPLICATION**

Pursuant to NMSA 1978 § 70-2-11(A) and Rule 19.15.9.9(B) NMAC, Permian Resources Operating, LLC (“Permian Resources”) (OGRID No. 372165) and New Mexico Oil Corp. apply for an order: (1) removing Bar V Barb, LLC (“BVB”) as operator of record of the South Lucky Lake Queen Unit #001A, South Lucky Lake Queen Unit #001, and South Lucky Lake Queen Unit #002 wells (“Lucky Lake Queen Wells” or “Wells”); and (2) designating Permian Resources as operator of record. Applicants state the following in support of their application.

1. Permian Resources is a registered operator in good standing with the Oil Conservation Division (“Division”).

2. Read & Stevens, Inc. is record title owner of Lease No. L0-1894-1, dated December 17, 1968, which covers the following lands in Chaves County: NE/4 NW/4, S/2 N/2, SW/4 SW/4, SE/4 SW/4, and SE/4 SE/4 of Section 16, Township 15 South, Range 29 East.

3. New Mexico Oil Corp. is record title owner of Lease No. K0-5110-1, dated July 20, 1965, which covers the following lands in Chaves County: NE/4 NE/4, NW/4 NE/4, NW/4 NW/4, SE/4 NW/4, NW/4 SW/4, and SE/4 SE/4 of Section 16, Township 15 South, Range 29 East.

4. Permian Resources is a newly formed company, which is the result of a merger between Centennial Resource Development, Inc. and Colgate Energy Partners III, LLC. Permian Resources acquired Read & Stevens, Inc. (“Read & Stevens”) via a merger transaction effective February 16, 2023. Read & Stevens remains a wholly owned subsidiary of Permian Resources.

5. New Mexico Oil Corp. is a New Mexico corporation that owns interests in certain oil and gas leases.

6. BVB (OGRID No. 371067) is operator of record of the South Lucky Lake Queen Wells at the following locations:

- a. South Lucky Lake Queen Unit #001A (API No. 30-005-60332) (Lease No. K0-5110-1) – 660 feet from the south line and 1980 feet from the east line (Unit O) of Section 16, Township 15 South, Range 29 East, Chaves County, New Mexico;
- b. South Lucky Lake Queen Unit #001 (API No. 30-005-60360) (Lease No. L0-1894-1) – 330 feet from the south line and 990 feet from the east line (Unit P) of Section 16, Township 15 South, Range 29 East, Chaves County, New Mexico; and
- c. South Lucky Lake Queen Unit #002 (API No. 30-005-60371) (Lease No. L0-1894-1) – 660 feet from the south line and 2310 feet from the west line (Unit N) of Section 16, Township 15 South, Range 29 East, Chaves County, New Mexico.

7. The Wells were completed in the Lucky Lake; Queen, South Pool (Code 41320).

8. No production has been reported for the South Lucky Lake Queen Unit #001A well since April of 2013, and the South Lucky Lake Queen Unit #001 and #002 wells have not produced since June of 2019.

9. By letter dated May 9, 2023, the New Mexico Commissioner of Public Lands (“SLO”) notified Steve Oldfield, BVB, Read & Stevens, Permian Resources, and New Mexico Oil Corp. that

the South Lucky Lake Queen Wells must be plugged and that all debris and improvements must be immediately removed from the well sites.

10. Permian Resources contacted Steve Oldfield, who is identified in Division records as the owner of BVB, to request that BVB plug and abandon and wells or execute C-145 Change of Operator Forms. Mr. Oldfield has refused to plug and abandon the wells or execute C-145s on the ground that he transferred his interest in BVB to another party (Scott Standard) in May 2019. Mr. Oldfield was unable to provide any contact information for Mr. Standard and BVB remains the operator of record for the South Lucky Lake Queen Wells.

11. New Mexico Secretary of State records show that BVB's corporate status has been revoked.

12. In 2021, BVB failed to appear at a Division hearing following the issuance of a Notice of Violation alleging that it had fifteen inactive wells that had not been plugged and abandoned or placed in approved temporary abandonment status, and that BVB did not have sufficient financial assurance for the inactive wells. The Division revoked BVB's authority to transport from all wells and assessed civil penalties.

13. BVB is either unavailable or unwilling to execute C-145s for the South Lucky Lake Queen Wells.

14. BVB is not in good standing with the Division.

15. As operator of record of the Wells, BVB has the obligation under the Oil and Gas Act and Division regulations to properly plug and abandon the Wells. As record title owner of the Leases, Read & Stevens and New Mexico Oil Corp. are responsible for certain oil and gas operations on the Leases.

16. Accordingly, Permian Resources intends to properly plug and abandon the Wells.

17. In order to prevent waste and protect correlative rights and comply with the SLO's requirements, BVB should be removed as operator of the Wells and Permian Resources should be designated operator of record so it may properly plug and abandon the Wells.

WHEREFORE, Applicants requests this application be set for hearing on September 7, 2023, and after notice and hearing, the Division enter an order removing BVB as operator of the Wells and designating Permian Resources as operator.

Respectfully submitted,

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