

**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. 23729**

**PRE-HEARING STATEMENT**

Permian Resources Operating, LLC (“Permian Resources”) and New Mexico Oil Corp. (“NMOC”) (collectively “Applicants”) submit their Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division (“Division”).

**APPLICANTS**

Permian Resources Operating, LLC  
and New Mexico Oil Corp

**ATTORNEYS**

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**INTERESTED PARTY**

New Mexico State Land Office

**ATTORNEYS**

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**STATEMENT OF THE CASE**

Applicants 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 #01, and South Lucky Lake Queen Unit #002 wells (“Lucky Lake Queen Wells” or “Wells”); and (2) designating Permian Resources as operator of record of the Wells.

Read & Stevens, Inc. (“Read & Stevens”), a subsidiary of Permian Resources, 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. NMOC 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.

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

- a. South Lucky Lake Queen Unit #001A (API No. 39-005-60332) (Lease K0-5110-1) – 660 feet from the south line and 1980 feet from the east line (Unit O) of Section 16, Township 16 South, Range 29 East, Chaves County, New Mexico;
- b. South Lucky Lake Queen Unit #001 (API No. 30-005-60360) (Lease 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 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, Chavez County, New Mexico.

By letter dated May 9, 2023, the New Mexico Commissioner of Public Lands (“SLO”) notified Steve Oldfield, BVB, Read & Stevens, Permian Resources, and NMOC that the South Lucky Lake Queen Wells must be plugged and that all debris and improvements must be immediately removed from the well sites. Permian Resources contacted Steve Oldfield, who is identified in Division records as owner of BVB, to request that BVB plug and abandon the 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 operator of record for the Wells. BVB has a history of noncompliance with Division requirements, and New Mexico Secretary of State records show that BVB’s corporate status has been revoked.

Pursuant to Rule 19.15.9.9(B) NMAC, Applicants unilaterally request that the Division issue an order changing operatorship of the Wells because BVB is unavailable and as record title owners, Applicants have the right to assume operations for plugging and reclamation purposes. As a result, Applicants request that the Division enter an order removing BVB as operator of the Wells and designating Permian Resources as operator so it can properly plug and abandon the Wells in accordance with Division and SLO requirements.

**PROPOSED EVIDENCE**

<b>Witness</b>	<b>Occupation</b>	<b>Estimated Time</b>	<b>Exhibits</b>
Rob Montgomery	Attorney	Affidavit	Approx. 8
Jon Hitchcock	President	Affidavit	Approx. 5

**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 the foregoing Pre-Hearing Statement was served on the following counsel of record by electronic mail on this 31<sup>st</sup> day of August, 2023.

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/s/ Dana S. Hardy

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

QUESTIONS

Action 260964

**QUESTIONS**

Operator: Permian Resources Operating, LLC 1001 17th Street, Suite 1800 Denver, CO 80202	OGRID: 372165
	Action Number: 260964
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

**QUESTIONS**

<b>Testimony</b>	
<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>