

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

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

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

**APPLICATION**

Pursuant to NMSA 1978, Section 70-2-17, Permian Resources Operating, LLC (OGRID No. 372165) (“Permian Resources” or “Applicant”) applies for an order pooling all uncommitted interests from approximately 9,568’ to 10,605’ TVD, within the Bone Spring formation, underlying a 315.38-acre, more or less, standard horizontal spacing unit, comprised of the NE/4 equivalent of irregular Section 2, Township 21 South, Range 34 East, Lea County, New Mexico (“Unit”). In support of this application, Permian Resources states the following.

1. Applicant is a working interest owner in the Unit and has the right to drill wells thereon.
2. The Unit will be dedicated to the **Escopeta State 121H** U-Turn well (“Well”), which will be drilled from a surface hole location in the NW/4 NE/4 (Unit B) of Section 2 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 2.
3. The completed interval of the Well will be orthodox.
4. A depth severance exists within the Unit. Therefore, Permian Resources seeks to pool only those uncommitted interests from approximately 9,568’ to 10,605’ TVD as found on the Butkus 2 State #001 (API No. 30-025-35325).
5. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Well but has been unable to obtain voluntary agreements from all interest owners.

6. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

7. 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 as the operator of the Well and Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on August 7, 2025, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the Well in the Unit;
- C. Designating Applicant as operator of the Unit and the Well to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping and completing the Well;
- E. Approving the actual operating charged and costs of supervision while drilling and after completion, together with a provision adjusting the rated pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% penalty for the risk assumed by Applicant in drilling and completing the Well against any working interest owner who does not voluntarily participate in the drilling of the Well.

Respectfully submitted,

HARDY MCLEAN LLC

/s/ Dana S. Hardy

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