

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

**APPLICATION OF PERMIAN RESOURCES
OPERATING, LLC FOR COMPULSORY
POOLING AND APPROVAL OF NON-STANDARD,
OVERLAPPING SPACING UNIT,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 25633

PRE-HEARING STATEMENT

Permian Resources Operating, LLC (“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 PARTIES

None.

ATTORNEY

STATEMENT OF THE CASE

Applicant seeks an order pooling all uncommitted interests in the Third Bone Spring interval of the Bone Spring formation underlying a 1,600-acre, more or less, non-standard, overlapping horizontal spacing unit comprised of the E/2 of Section 34, and all of Sections 35 and 36, Township 18 South, Range 30 East, Eddy County, New Mexico (“Unit”). The Unit will be dedicated to the following wells (“Wells”):

- **Jakku 36 Fed State Com 131H**, which will produce from a first take point in the NE/4 NE/4 (Unit A) of Section 36 to a last take point in the NW/4 NE/4 (Unit B) of Section 34;
- **Jakku 36 Fed State Com 132H**, which will produce from a first take point in the SE/4 NE/4 (Unit H) of Section 36 to a last take point in the SW/4 NE/4 (Unit G) of Section 34;
- **Jakku 36 Fed State Com 133H**, which will produce from first take point located in the NE/4 SE/4 (Unit I) of Section 36 to a last take point located in the NW/4 SE/4 (Unit J) of Section 34; and
- **Jakku 36 Fed State Com 134H**, which will produce from surface hole located in the SE/4 SE/4 (Unit P) of Section 36 to a last take point located in the SW/4 SE/4 (Unit O) of Section 34.

The completed intervals of the Wells will be orthodox.

A depth severance exists within the Unit. Therefore, Permian Resources seeks to pool only those uncommitted interests from the top of the Third Bone Spring interval, at a stratigraphic equivalent of approximately 8,900' TVD, to the base of the Bone Spring formation, at a stratigraphic equivalent of approximately 9,780' TVD, as found on the Oxy Bits State 1 (API No. 30-015-31937). The Unit for the Wells partially overlaps with the spacing units for the following wells, which produce from the Benson; Bone Spring Pool (Code 5200):

- a) **Smokey Bits State Com #002H** (API No. 30-015-40196) located in the S/2 N/2 of Section 36, Township 18 South, Range 30 East;
- b) **Smokey Bits State Com #003H** (API No. 30-015-39118) located in the N/2 S/2 of Section 36, Township 18 South, Range 30 East;

- c) Smokey Bits State Com #005H (API No. 30-015-40070) located in the S/2 S/2 of Section 36, Township 18 South, Range 30 East;
- d) Smokey Bits State Com #006H (API No. 30-015-40148) located in the N/2 N/2 of Section 36, Township 18 South, Range 30 East.
- e) Ivore 35 Federal Com #002H (API No. 30-015-41409) located in the S/2 N/2 of Section 35, Township 18 South, Range 30 East;
- f) Misty 35 Federal Com #004H (API No. 30-015-41413) located in the N/2 S/2 of Section 35, Township 18 South, Range 30 East;
- g) Misty 35 Federal Com #003H (API No. 30-015-41416) located in the S/2 S/2 of Section 35, Township 18 South, Range 30 East; and
- h) Ivore 35 Federal Com #003H (API No. 30-015-41410) located in the N/2 N/2 of Section 35, Township 18 South, Range 30 East.

Additionally, the spacing unit for the Wells will partially overlap with the spacing units for the following wells, which produce from the Leo; Bone Spring, South Pool (Code 37920):

- a) Dorado 34 DA Federal Com #001H (API No. 30-015-41394) located in the N/2 N/2 of Section 34, Township 18 South, Range 30 East;
- b) Dorado 34 EH Federal Com #001H (API No. 30-05-41896) located in the S/2 N/2 of Section 34, Township 18 South, Range 30 East; and
- c) Dorado 34 Federal Com #001H (API No. 30-015-38984) located in the N/2 S/2 of Section 34, Township 18 South, Range 30 East.

The completed intervals of the Wells will be orthodox. Also to be considered will be the cost of drilling and completing the Wells and the allocation of the costs, the designation of Applicant as operator of the Wells, a 200% charge for the risk involved in drilling and completing

the Wells, and approval of a non-standard horizontal spacing unit pursuant to Rule 19.15.16.15(B)(5) NMAC, which will create cost efficiencies, prevent waste, and protect correlative rights.

PROPOSED EVIDENCE

Witness	Occupation	Estimated Time	Exhibits
Ryan Curry	Landman	Affidavit	Approx. 6
Chris Cantin	Geologist	Affidavit	Approx. 5

PROCEDURAL MATTERS

Applicant intends to present this case by affidavit if there is no opposition to its application.

Respectfully submitted,

HARDY McLEAN LLC

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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
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QUESTIONS

Action 511718

QUESTIONS

Operator: Permian Resources Operating, LLC 300 N. Marienfeld St Ste 1000 Midland, TX 79701	OGRID: 372165
	Action Number: 511718
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

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