

**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,  
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 in the Avalon formation, and the First and Second Bone Spring Intervals of the Bone Spring formation, underlying a 1,920-acre, more or less, non-standard, overlapping, horizontal spacing unit comprised of all of Sections 15, 22, and 27, Township 20 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 following wells (“Wells”):
  - a. **Metallic Cat 27 Fed Com 101H, Metallic Cat 27 Fed Com 103H, Metallic Cat 27 Fed Com 112H, Metallic Cat 27 Fed Com 141H, Metallic Cat 27 Fed Com 122H, and Metallic Cat 27 Fed Com 121H**, which will produce from first take points located in the SW/4 SW/4 (Unit M) of Section 27, to last take points in the NW/4 NW/4 (Unit D) of Section 15;
  - b. **Metallic Cat 27 Fed Com 104H, Metallic Cat 27 Fed Com 142H, and Metallic Cat 27 Fed Com 123H**, which will produce from first take points located in the

SE/4 SW/4 (Unit N) of Section 27, to last take points in the NE/4 NW/4 (Unit C) of Section 15;

- c. **Metallic Cat 27 Fed Com 5H, Metallic Cat 27 Fed Com 113H, and Metallic Cat 27 Fed Com 124H**, which will produce from first take points located in the SW/4 SE/4 (Unit O) of Section 27, to last take points in the NW/4 NE/4 (Unit B) of Section 15; and
- d. **Metallic Cat 27 Fed Com 6H, Metallic Cat 27 Fed Com 7H, Metallic Cat 27 Fed Com 114H, Metallic Cat 27 Fed Com 144H, Metallic Cat 27 Fed Com 125H, and Metallic Cat 27 Fed Com 126H**, which will produce from first take points located in the SE/4 SE/4 (Unit P) of Section 27, to last take points in the NE/4 NE/4 (Unit A) of Section 15.

3. The completed intervals of the Wells will be orthodox.

4. The spacing unit for the Wells partially overlaps with the spacing unit for the following wells:

- a. Marathon Road 15 NC Federal #001H (API No. 30-025-42201) located in the E/2 W/2 of Section 15, Township 20 South, Range 32 East, which produces from the Lea; Bone Spring Pool (Code 37570);
- b. Marathon Road 15 PA Federal #001H (API No. 30-025-41575) located in the E/2 E/2 of Section 15, Township 20 South, Range 34 East, which produces from the Lea; Bone Spring Pool (Code 37570);
- c. Perry 22 Fed Com 004H (API No. 30-025-41608) located in the W/2 W/2 of Section 22, Township 20 South, Range 34 East, and produces from the Lea; Bone Spring, South Pool (Code 37580);

- d. Perry 22 Fed Com 001H (API No. 30-025-41605) located in the E/2 E/2 of Section 22, Township 20 South, Range 34 East, which produces from the Lea; Bone Spring, South Pool (Code 37580);
  - e. Marathon Road 15 B3OB Federal #001H (API No. 30-025-41945) located in the W/2 E/2 of Section 15, Township 20 South, Range 34 East, which produces from the Lea; Bone Spring Pool (Code 37570);
  - f. Black & Tan 27 Federal Com #308H (API No. 30-025-44045) and Black & Tan 27 Federal Com #307H (API No. 30-025-44044), which are located in the E/2 E/2 of Section 27, Township 20 South, Range 34 East, and produce from the Lea; Bone Spring, South Pool (Code 37580);
  - g. Black & Tan 27 Federal Com #305H (API No. 30-025-43940), which is located in the W/2 E/2 of Section 27, Township 20 South, Range 34 East, and produces from the Lea; Bone Spring, South Pool (Code 37580);
  - h. Black & Tan 27 Federal Com #303H (API No. 30-025-43921), which is located in the E/2 W/2 of Section 27, Township 20 South, Range 34 East, and produces from the Lea; Bone Spring, South Pool (Code 37580); and
  - i. Black & Tan 27 Federal Com #301H (API No. 30-025-44017), which is located in the W/2 W/2 of Section 27, Township 20 South, Range 34 East, and produces from the Lea; Bone Spring, South Pool (Code 37580).
5. Applicant requests 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.

6. Applicant only seeks to pool those uncommitted interests from the top of the Avalon to the base of the Second Bone Spring interval of the Bone Spring formation, at a stratigraphic equivalent of approximately 8,330' to 10,515' TVD as shown on the Mud Slide Slim 15 Federal #001H well (API No. 30-025-38469) log.

7. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Wells but has been unable to obtain voluntary agreements from all interest owners.

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

9. 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 Wells and Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on July 9, 2026, 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 Wells in the Unit;
- C. Approving the overlapping spacing unit;
- D. Approving the non-standard horizontal spacing unit;
- E. Designating Applicant as operator of the Unit and the Wells to be drilled thereon;
- F. Authorizing Applicant to recover its costs of drilling, equipping and completing the Wells;

- G. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rate pursuant to the COPAS accounting procedures; and
- H. Imposing a 200% penalty for the risk assumed by Applicant in drilling and completing the Wells against any working interest owner who does not voluntarily participate in the drilling of the Wells.

Respectfully submitted,

HARDY MCLEAN LLC

/s/ Dana S. Hardy

Dana S. Hardy

Jaclyn M. McLean

Jaime R. Kennedy

Yarithza Pena

125 Lincoln Ave, Ste. 223

Santa Fe, NM 87501

Phone: (505) 230-4410

dhardy@hardymclean.com

jmclean@hardymclean.com

jkennedy@hardymclean.com

ypena@hardymclean.com

*Counsel for Permian Resources Operating, LLC*