

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

**APPLICATION OF PERMIAN RESOURCES
OPERATING, LLC FOR COMPULSORY
POOLING AND 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 Bone Spring formation underlying a 640-acre, more or less, standard, overlapping, horizontal spacing unit comprised of the W/2 of Section 34, Township 19 South, Range 32 East, and the W/2 of Section 3, Township 20 South, Range 32 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. **Colonel Freckles Fed Com 3H, Colonel Freckles Fed Com 5H, and Colonel Freckles Fed Com 7H**, which will be drilled from surface hole locations in the NE/4 NW/4 (Unit C) of Section 34, Township 19 South, Range 32 East, to bottom hole locations in SE/4 SW/4 (Unit N) of Section 3, Township 20 South, Range 32 East; and
 - b. **Colonel Freckles Fed Com 4H, Colonel Freckles Fed Com 6H, and Colonel Freckles Fed Com 8H**, which will be drilled from surface hole locations in the NW/4 NW/4 (Unit D) of Section 34, Township 19 South, Range 32 East, to bottom

hole locations in SW/4 SW/4 (Unit M) of Section 3, Township 20 South, Range 32 East.

3. The completed intervals of the Wells will be orthodox.
4. The completed interval of the Colonel Freckles Fed Com 4H well will be located within 330' of the quarter-quarter section line separating the E/2 W/2 and W/2 W/2 of Section 34, Township 19 South, Range 32 East, and Section 3, Township 20 South, Range 32 East, to allow for the creation of a 640-acre standard, horizontal spacing unit.
5. The spacing unit for the Wells partially overlaps with the spacing units for the following wells, which produce from the Lusk; Bone Spring, South Pool (Code 41460):
 - a. Lusk 34 Federal #001H (API No. 30-025-40797) located in the W/2 W/2 of Section 34, Township 19 South, Range 32 East; and
 - b. Lusk 34 Federal #002H (API No. 30-025-40693) located in the E/2 W/2 of Section 34, Township 19 South, Range 32 East.
6. 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.
7. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.
8. 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 March 5, 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. Designating Applicant as operator of the Unit and the Wells to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping and completing the Wells;
- 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 Wells against any working interest owner who does not voluntarily participate in the drilling of the Wells.

Respectfully submitted,

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