

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

IN THE MATTER OF THE APPLICATION OF PERMIAN
RESOURCES, INC. FOR COMPULSORY POOLING,
UNORTHODOX WELL LOCATION, DESIGNATION
OF A SPECIAL PROJECT AREA, AND SIMULTANEOUS
DEDICATION, LEA COUNTY, NEW MEXICO

CASE NO. 12953

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Permian Resources, Inc. as required by the Oil
Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Permian Resources, Inc.
Post Office Drawer 590
Midland, Texas 79702
Attention: Will Porter
(915) 685-0113

ATTORNEY

J. Scott Hall, Esq.
Miller, Stratvert & Torgerson, P.A.
Post Office Box 1986
Santa Fe, New Mexico 87504-1986
(505) 989-9614

OPPOSITION OR OTHER PARTY

None.

ATTORNEY

STATEMENT OF CASE

APPLICANT

Applicant seeks an order pooling all unleased mineral interests in the Strawn formation,
Northeast Shoe Bar-Strawn Oil Pool, underlying the S/2 SE/4 of Section 7, Township 16 South,

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Range 36 East, to form a standard 80-acre spacing and proration unit to be dedicated to Applicant's Chambers No. 2 well. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Permian Resources, Inc. as operator of the well and a charge for risk involved in drilling said well. Applicant further seeks approval to designate the referenced unit as a Special Project Area for the directional drilling of its well from an unorthodox surface location 1000 feet from the South line and 1,100 feet from the East line to an unorthodox bottom hole location 950 feet from the South line and 1,025 feet from the East line in the SW/4 SE/4 (Unit O) of said Section 7 to a depth sufficient to test the Strawn and Wolfcamp formations. Applicant further proposes the simultaneous dedication of Wolfcamp production from the Chambers No. 2 well and the Chambers No. 1 well located in the SW/4 SE/4 of Section 7. The subject lands are approximately 3 miles West of the center of Lovington, New Mexico.

OPPOSITION OR OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

None.

PROPOSED EVIDENCE

APPLICANT

WITNESSES
(Name and expertise)

EST. TIME

EXHIBITS

Will Porter, Landman

25 minutes

4

Mike Stewart, Engineer

20 minutes

6

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Bob Marshall, Geologist

20 minutes

4

OPPOSITION

WITNESSES
(Name and expertise)

EST. TIME

EXHIBITS

None.

PROCEDURAL MATTERS
(Please identify any procedural matters which
need to be resolved prior to the hearing)

None.

MILLER, STRATVERT & TORGERSON, P.A.

By: J. Scott Hall

J. Scott Hall
Attorneys for Permian Resources, Inc.
Post Office Box 1986
Santa Fe, New Mexico 87504-1986
(505) 989-9614

Certificate of Mailing

I hereby certify that a true and correct copy of the foregoing was forwarded to counsel of record on the 23rd day of October, 2002, as follows:

J. Scott Hall
J. Scott Hall