

**BEFORE THE OIL CONSERVATION DIVISION  
EXAMINER HEARING AUGUST 9-10, 2023**

**APPLICATION OF CIMAREX ENERGY CO.  
FOR A HORIZONTAL SPACING UNIT AND  
COMPULSORY POOLING, LEA COUNTY, NEW MEXICO**

**HEARING PACKET II**

**Case No. 23452:**

**Loosey Goosey 4-9 Fed Com 204H Well  
Loosey Goosey 4-9 Fed Com 304H Well**

**Case No. 23453:**

**Loosey Goosey 4-9 Fed Com 301H Well**

**Case No. 23454:**

**Loosey Goosey 4-9 Fed Com 302H Well**

**Case No. 23455:**

**Loosey Goosey 4-9 Fed Com 303H Well**

**CIMAREX ENERGY CO.**

**TAB 1      Reference for Case No. 23452-23455  
Applications Case Nos. 23452-23455:**

**Loosey Goosey 4-9 Fed Com 204H Well  
Loosey Goosey 4-9 Fed Com 304H Well  
Loosey Goosey 4-9 Fed Com 301H Well  
Loosey Goosey 4-9 Fed Com 302H Well  
Loosey Goosey 4-9 Fed Com 303H Well**

**NMOCD Checklists Case Nos. 23452-23455  
Prehearing Statements Case Nos. 23452-23455**

**TAB 2      Exhibit A:      Self-Affirmed Statement of John Coffman Landman  
Exhibit A-1:    C-102 Forms  
Exhibit A-2.1: Ownership and Sectional Map  
Exhibit A-2.2: Ownership and Sectional Map  
Exhibit A-2.3: Ownership and Sectional Map  
Exhibit A-2.4: Ownership and Sectional Map  
Exhibit A-3:    Well Proposal Letters and AFEs  
Exhibit A-4:    Chronology of Contacts with Uncommitted Owners  
Exhibit A-5:    Support Letters from Interest Owners  
Exhibit A-6:    Read and Stevens Original Well Proposal  
Exhibit A-7:    Ownership Supporting Cimarex  
Exhibit A-8:    Cost Difference Between Plans**

**TAB 3      Exhibit B:      Self-Affirmed Statement of Staci Mueller, Geologist  
Exhibit B-1:    Locator Map & Stress Direction  
Exhibit B-2:    Permit Status  
Exhibit B-3:    Gun Barrel View  
Exhibit B-4:    Development Plan Comparison  
Exhibit B-5:    Subsea Structure Map  
Exhibit B-6:    3<sup>rd</sup> Bone Spring Isopach Map  
Exhibit B-7:    Structural Cross Section  
Exhibit B-8:    3<sup>rd</sup> Bone Spring Producers vs. all Wolfcamp Producers  
Exhibit B-9:    All 3<sup>rd</sup> Bone Spring and Wolfcamp Producers  
Exhibit B-10:   Comparing 3<sup>rd</sup> Sand to Wolfcamp Reservoir (SoPhiH)  
Exhibit B-11:   2<sup>nd</sup> Bone Spring Structure Map  
Exhibit B-12:   2<sup>nd</sup> Bone Spring Sand Isopach  
Exhibit B-13:   2<sup>nd</sup> Bone Spring Sand Cross Section  
Exhibit B-14:   2<sup>nd</sup> Bone Spring Sand vs. 3<sup>rd</sup> Bone Spring Carbonate Producers  
Exhibit B-15:   PhilH L 2<sup>nd</sup> Sand vs. 3<sup>rd</sup> Carbonate  
Exhibit B-16:   1<sup>st</sup> Bone Spring Sand Structure  
Exhibit B-17:   1<sup>st</sup> Bone Spring Sand Isopach  
Exhibit B-18:   1<sup>st</sup> Bone Spring Structural Cross Section  
Exhibit B-19:   Wolfcamp Structure Map (Subsea TVD)  
Exhibit B-20:   Wolfcamp XY Isopach  
Exhibit B-21:   Wolfcamp XY West to East Cross Section**

|       |               |                                                                                                                   |
|-------|---------------|-------------------------------------------------------------------------------------------------------------------|
| TAB 4 | Exhibit C:    | Self-Affirmed Statement of Calvin Boyle, Facility Engineer                                                        |
|       | Exhibit C-1:  | Mighty Pheasant - Loosey Goosey Development Plan                                                                  |
|       | Exhibit C-2:  | Mighty Pheasant - Loosey Goosey Operations and Environmental Overview                                             |
| TAB 5 | Exhibit D:    | Self-Affirmed Statement of Eddie Behm, Petroleum Engineer                                                         |
|       | Exhibit D-1:  | Cimarex's High Profile Role in Lea County                                                                         |
|       | Exhibit D-2:  | Cimarex's Overall Production in Lea County                                                                        |
|       | Exhibit D-3:  | Map of 3 <sup>rd</sup> Bone Spring Sand Producers                                                                 |
|       | Exhibit D-4:  | 3 <sup>rd</sup> Sand Well Count by Landing and Operators                                                          |
|       | Exhibit D-5:  | Black and Tan 3 <sup>rd</sup> Sand Composite Forecast 6 wells<br>(Before WC completion)                           |
|       | Exhibit D-6:  | Black and Tan 3 <sup>rd</sup> Sand Composite Forecast 6 Wells Post<br>Wolfcamp Frac                               |
|       | Exhibit D-7:  | Black and Tan Wolfcamp Composite Forecast 6 wells                                                                 |
|       | Exhibit D-8:  | Black and Tan Wolfcamp Composite Forecast 5 wells                                                                 |
|       | Exhibit D-9:  | Lessons learned from Black & Tan Development                                                                      |
|       | Exhibit D-10: | Diagram of Staggered Landing Wolfcamp 3 <sup>rd</sup> SS Vs. 3 <sup>rd</sup> SS Flat                              |
|       | Exhibit D-11: | Black and Tan Analog comparison to MP/LG                                                                          |
|       | Exhibit D-12: | Landing Zone Matters; Five Years Ago, Cimarex's Perry Test<br>Confirmed 3 <sup>rd</sup> SS Landing as Best Target |
|       | Exhibit D-13: | Vrena Frac Test                                                                                                   |
|       | Exhibit D-13: | Dataset Identifying all Wells in Area of Interest                                                                 |
|       | Exhibit D-14: | Production Projections: 1280 Scale                                                                                |
|       | Exhibit D-15: | Average Cumulations of Oil                                                                                        |
|       | Exhibit D-16: | Projected Oil Rate: 1280 Scale                                                                                    |
|       | Exhibit D-17: | Batman WH vs. EH                                                                                                  |
|       | Exhibit D-18: | Capital Plan Comparison                                                                                           |
|       | Exhibit D-19: | Cimarex Majority Working Interest                                                                                 |
|       | Exhibit D-20: | Comparison of Development Plans                                                                                   |
|       | Exhibit D-21: | PV10 Comparison: Mighty Pheasant vs. Joker                                                                        |
|       | Exhibit D-22: | PV10 Comparison: Loosey Goosey vs. Bane                                                                           |
|       | Exhibit D-23: | Ownership Ratios and Depth Severances                                                                             |
|       | Exhibit D-24: | API List of Wells by Formation                                                                                    |
| TAB 6 | Exhibit E:    | Self-Affirmed Statement of Notice, Darin C. Savage                                                                |
|       | Exhibit E-1:  | Notice Letters                                                                                                    |
|       | Exhibit E-2:  | Mailing List                                                                                                      |
|       | Exhibit E-3:  | Affidavits of Publication                                                                                         |

## TAB 1

Reference for Case Nos. 23452-23455

Applications Case Nos. 23452-23455:

Loosey Goosey 4-9 Fed Com 204H Well

Loosey Goosey 4-9 Fed Com 304H Well

Loosey Goosey 4-9 Fed Com 301H Well

Loosey Goosey 4-9 Fed Com 302H Well

Loosey Goosey 4-9 Fed Com 303H Well

NMOCD Checklists Case Nos. 23452-23455

Prehearing Statement Case Nos. 23452-23455



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

**APPLICATION OF CIMAREX ENERGY CO.  
FOR A HORIZONTAL SPACING UNIT AND  
COMPULSORY POOLING, LEA COUNTY, NEW MEXICO**

Case No. 23452

**APPLICATION**

Cimarex Energy Co. ("Cimarex"), OGRID No. 215099, through its undersigned attorneys, hereby files this Application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, Section 70-2-17, seeking an order (1) establishing a standard 320.89-acre, more or less, spacing and proration unit comprised of Lot 1 (NE/4 NE/4 equivalent), the SE/4 NE/4, and the E/2 SE/4 of Section 4 and the E/2 E/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests from a stratigraphic equivalent of 9,373 feet (that being the top of 1<sup>st</sup> Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], a depth as defined on the log for the Hudson Federal #1 Well (API No. 30-025-32819), to a stratigraphic equivalent of 10,845 feet, as defined by same Well, that being the base of the Bone Spring formation, designated as an oil pool, underlying said unit. Section 4 is an irregular section with correction Lots.

In support of its Application, Cimarex states the following:

1. Cimarex is a working interest owner in the proposed horizontal spacing and proration unit ("HSU") and has a right to drill a well thereon.

2. Cimarex proposes and dedicates to the HSU the **Loosey Goosey 4-9 Fed Com 204H Well** and the **Loosey Goosey 4-9 Fed Com 304H Well**, as initial wells, to be drilled to a sufficient depth to test the Bone Spring formation.

3. Cimarex proposes the **Loosey Goosey 4-9 Fed Com 204H Well**, an oil well, to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 33, Township 19 South, Range 34 East, NMPM, to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 9, Township 20, Range 34 East, NMPM.

4. Cimarex proposes the **Loosey Goosey 4-9 Fed Com 304H Well**, an oil well, to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 33, Township 19 South, Range 34 East, NMPM, to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 9, Township 20, Range 34 East, NMPM.

5. The proposed wells are orthodox in their locations, and the take points and completed intervals comply with setback requirements under the statewide rules.

6. Cimarex's review of the land records did not reveal any overlapping units.

7. Cimarex has sought in good faith but has been unable to obtain voluntary agreement from all interest owners to participate in the drilling of the wells or the commitment of their interests to the wells for their development within the proposed HSU.

8. The pooling of all interests in the Bone Spring formation within the proposed HSU will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

9. In order to provide for its just and fair share of the oil and gas underlying the subject lands, Cimarex requests that all uncommitted interests in this HSU be pooled and that Cimarex be designated the operator of the proposed horizontal wells and HSU.

WHEREFORE, Cimarex requests that this Application be set for hearing on April 6, 2023, before an Examiner of the Oil Conservation Division, and after notice and hearing as required by law, the Division enter an order:

- A. Establishing of a standard 320.89-acre, more or less, spacing and proration unit comprised of Lot 1 (NE/4 NE/4 equivalent), the SE/4 NE/4, and the E/2 SE/4 of Section 4 and the E/2 E/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico;
- B. Pooling all uncommitted mineral interests in the Bone Spring formation underlying the proposed HSU;
- C. Approving the **Loosey Goosey 4-9 Fed Com 204H Well** and the **Loosey Goosey 4-9 Fed Com 304H Well** as the wells for the HSU.
- D. Designating Cimarex as operator of this HSU and the horizontal wells to be drilled thereon;
- E. Authorizing Cimarex to recover its costs of drilling, equipping, and completing the wells;
- F. Approving actual operating charges and costs of supervision, to the maximum extent allowable, while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- G. Setting a 200% charge for the risk assumed by Cimarex in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

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Darin C. Savage

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**Attorneys for Cimarex Energy Co.**

***Application of Cimarex Energy Co. for a Horizontal Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico.*** Applicant in the above-styled cause seeks an order from the Division: (1) establishing a standard 320.89-acre, more or less, horizontal spacing and proration unit comprised of Lot 1 (NE/4 NE/4 equivalent), the SE/4 NE/4, and the E/2 SE/4 of Section 4 and the E/2 E/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests from a depth of 9,373 feet (top of first Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], to a depth of 10,845 feet, that being the base of said Bone Spring, designated as an oil pool, underlying the unit. Section 4 is an irregular section containing correction lots. The proposed wells to be dedicated to the horizontal spacing unit are the **Loosey Goosey 4-9 Fed Com 204H Well** and the **Loosey Goosey 4-9 Fed Com 304H Well**, both oil wells, to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 33, Township 19 South, Range 34 East, NMPM, to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 9, Township 20 South, Range 34 East, NMPM. The wells will be orthodox, and the take points and completed intervals will comply with the setback requirements under the statewide Rules; also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 40 miles northeast of Carlsbad, New Mexico.

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

**APPLICATION OF CIMAREX ENERGY CO.  
FOR A HORIZONTAL SPACING UNIT AND  
COMPULSORY POOLING, LEA COUNTY, NEW MEXICO**

Case No. 23453

**APPLICATION**

Cimarex Energy Co. ("Cimarex"), OGRID No. 215099, through its undersigned attorneys, hereby files this Application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, Section 70-2-17, seeking an order (1) establishing a standard 320.21-acre, more or less, spacing and proration unit comprised of Lot 4 (NW/4 NW/4 equivalent), the SW/4 NW/4, and the W/2 SW/4 of Section 4 and the W/2 W/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests from a stratigraphic equivalent of 9,373 feet (that being the top of 1<sup>st</sup> Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], a depth as defined on the log for the Hudson Federal #1 Well (API No. 30-025-32819), to a stratigraphic equivalent of 10,845 feet, as defined by same Well, that being the base of the Bone Spring formation, designated as an oil pool, underlying said unit. Section 4 is an irregular section with correction Lots.

In support of its Application, Cimarex states the following:

1. Cimarex is a working interest owner in the proposed horizontal spacing and proration unit ("HSU") and has a right to drill a well thereon.
2. Cimarex proposes and dedicates to the HSU the **Loosey Goosey 4-9 Fed Com 301H Well**, as the initial well, to be drilled to a sufficient depth to test the Bone Spring formation.

3. Cimarex proposes the **Loosey Goosey 4-9 Fed Com 301H Well**, an oil well, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 33, Township 19 South, Range 34 East, NMPM, to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 9, Township 20, Range 34 East, NMPM.

4. The proposed well is orthodox in its location, and the take points and completed interval comply with setback requirements under the statewide rules.

5. Cimarex has sought in good faith but has been unable to obtain voluntary agreement from all interest owners to participate in the drilling of the well or the commitment of their interests to the well for their development within the proposed HSU.

6. The pooling of all interests in the Bone Spring formation within the proposed HSU will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

7. Cimarex's review of the land records did not reveal any overlapping units.

8. In order to provide for its just and fair share of the oil and gas underlying the subject lands, Cimarex requests that all uncommitted interests in this HSU be pooled and that Cimarex be designated the operator of the proposed horizontal well and HSU.

WHEREFORE, Cimarex requests that this Application be set for hearing on April 6, 2023, before an Examiner of the Oil Conservation Division, and after notice and hearing as required by law, the Division enter an order:

A. Establishing of a standard 320.21-acre, more or less, spacing and proration unit comprised of Lot 4 (NW/4 NW/4 equivalent), the SW/4 NW/4, and the W/2 SW/4 of Section 4 and the W/2 W/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico;

- B. Pooling all uncommitted mineral interests in the Bone Spring formation underlying the proposed HSU;
- C. Approving the **Loosey Goosey 4-9 Fed Com 301H Well** as the well for the HSU.
- D. Designating Cimarex as operator of this HSU and the horizontal well to be drilled thereon;
- E. Authorizing Cimarex to recover its costs of drilling, equipping, and completing the well;
- F. Approving actual operating charges and costs of supervision, to the maximum extent allowable, while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- G. Setting a 200% charge for the risk assumed by Cimarex in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

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

**APPLICATION OF CIMAREX ENERGY CO.  
FOR A HORIZONTAL SPACING UNIT AND  
COMPULSORY POOLING, LEA COUNTY, NEW MEXICO**

Case No. 23454

**APPLICATION**

Cimarex Energy Co. ("Cimarex"), OGRID No. 215099, through its undersigned attorneys, hereby files this Application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, Section 70-2-17, seeking an order (1) establishing a standard 320.44-acre, more or less, spacing and proration unit comprised of Lot 3 (NE/4 NW/4 equivalent), the SE/4 NW/4, and the E/2 SW/4 of Section 4 and the E/2 W/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests from a stratigraphic equivalent of 9,373 feet (that being the top of 1<sup>st</sup> Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], a depth as defined on the log for the Hudson Federal #1 Well (API No. 30-025-32819), to a stratigraphic equivalent of 10,845 feet, as defined by same Well, that being the base of the Bone Spring formation, designated as an oil pool, underlying said unit. Section 4 is an irregular section with correction Lots.

In support of its Application, Cimarex states the following:

1. Cimarex is a working interest owner in the proposed horizontal spacing and proration unit ("HSU") and has a right to drill a well thereon.
2. Cimarex proposes and dedicates to the HSU the **Loosey Goosey 4-9 Fed Com 302H Well**, as the initial well, to be drilled to a sufficient depth to test the Bone Spring formation.

3. Cimarex proposes the **Loosey Goosey 4-9 Fed Com 302H Well**, an oil well, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 33, Township 19 South, Range 34 East, NMPM, to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 9, Township 20, Range 34 East, NMPM.

4. The proposed well is orthodox in its location, and the take points and completed interval comply with setback requirements under the statewide rules.

5. Cimarex's review of the land records did not reveal any overlapping units.

6. Cimarex has sought in good faith but has been unable to obtain voluntary agreement from all interest owners to participate in the drilling of the well or the commitment of their interests to the well for their development within the proposed HSU.

7. The pooling of all interests in the Bone Spring formation within the proposed HSU will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

8. In order to provide for its just and fair share of the oil and gas underlying the subject lands, Cimarex requests that all uncommitted interests in this HSU be pooled and that Cimarex be designated the operator of the proposed horizontal well and HSU.

WHEREFORE, Cimarex requests that this Application be set for hearing on April 6, 2023, before an Examiner of the Oil Conservation Division, and after notice and hearing as required by law, the Division enter an order:

A. Establishing of a standard 320.44-acre, more or less, spacing and proration unit comprised of Lot 3 (NE/4 NW/4 equivalent), the SE/4 NW/4, and the E/2 SW/4 of Section 4 and the E/2 W/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico;

- B. Pooling all uncommitted mineral interests in the Bone Spring formation underlying the proposed HSU;
- C. Approving the **Loosey Goosey 4-9 Fed Com 302H Well** as the well for the HSU.
- D. Designating Cimarex as operator of this HSU and the horizontal well to be drilled thereon;
- E. Authorizing Cimarex to recover its costs of drilling, equipping, and completing the well;
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Respectfully submitted,

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/s/ Darin C. Savage

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**Attorneys for Cimarex Energy Co.**

***Application of Cimarex Energy Co. for a Horizontal Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico.*** Applicant in the above-styled cause seeks an order from the Division: (1) establishing a standard 320.44-acre, more or less, horizontal spacing and proration unit comprised of Lot 3 (NE/4 NW/4 equivalent), the SE/4 NW/4, and the E/2 SW/4 of Section 4 and the E/2 W/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests from a depth of 9,373 feet (top of first Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], to a depth of 10,845 feet, that being the base of said Bone Spring, designated as an oil pool, underlying the unit. Section 4 is an irregular section containing correction lots. The proposed well to be dedicated to the horizontal spacing unit is the **Loosey Goosey 4-9 Fed Com 302H Well**, an oil well, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 33, Township 19 South, Range 34 East, NMPM, to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 9, Township 20 South, Range 34 East, NMPM. The well will be orthodox, and the take points and completed interval will comply with the setback requirements under the statewide Rules; also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the well and unit; and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 40 miles northeast of Carlsbad, New Mexico.

**STATE OF NEW MEXICO  
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**APPLICATION OF CIMAREX ENERGY CO.  
FOR A HORIZONTAL SPACING UNIT AND  
COMPULSORY POOLING, LEA COUNTY, NEW MEXICO**

Case No. 23455

**APPLICATION**

Cimarex Energy Co. (“Cimarex”), OGRID No. 215099, through its undersigned attorneys, hereby files this Application with the Oil Conservation Division (“Division”) pursuant to the provisions of NMSA 1978, Section 70-2-17, seeking an order (1) establishing a standard 320.66-acre, more or less, spacing and proration unit comprised of Lot 2 (NW/4 NE/4 equivalent), the SW/4 NE/4, and the W/2 SE/4 of Section 4 and the W/2 E/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests from a stratigraphic equivalent of 9,373 feet (that being the top of 1<sup>st</sup> Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], a depth as defined on the log for the Hudson Federal #1 Well (API No. 30-025-32819), to a stratigraphic equivalent of 10,845 feet, as defined by same Well, that being the base of the Bone Spring formation, designated as an oil pool, underlying said unit. Section 4 is an irregular section with correction Lots.

In support of its Application, Cimarex states the following:

1. Cimarex is a working interest owner in the proposed horizontal spacing and proration unit (“HSU”) and has a right to drill a well thereon.
2. Cimarex proposes and dedicates to the HSU the **Loosey Goosey 4-9 Fed Com 303H Well**, as the initial well, to be drilled to a sufficient depth to test the Bone Spring formation.

3. Cimarex proposes the **Loosey Goosey 4-9 Fed Com 303H Well**, an oil well, to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 33, Township 19 South, Range 34 East, NMPM, to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 9, Township 20, Range 34 East, NMPM.

4. The proposed well is orthodox in its location, and the take points and completed interval comply with setback requirements under the statewide rules.

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8. In order to provide for its just and fair share of the oil and gas underlying the subject lands, Cimarex requests that all uncommitted interests in this HSU be pooled and that Cimarex be designated the operator of the proposed horizontal well and HSU.

WHEREFORE, Cimarex requests that this Application be set for hearing on April 6, 2023, before an Examiner of the Oil Conservation Division, and after notice and hearing as required by law, the Division enter an order:

A. Establishing of a standard 320.66-acre, more or less, spacing and proration unit comprised of Lot 2 (NW/4 NE/4 equivalent), the SW/4 NE/4, and the W/2 SE/4 of Section 4 and the W/2 E/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico;

- B. Pooling all uncommitted mineral interests in the Bone Spring formation underlying the proposed HSU;
- C. Approving the **Loosey Goosey 4-9 Fed Com 303H Well** as the well for the HSU.
- D. Designating Cimarex as operator of this HSU and the horizontal well to be drilled thereon;
- E. Authorizing Cimarex to recover its costs of drilling, equipping, and completing the well;
- F. Approving actual operating charges and costs of supervision, to the maximum extent allowable, while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- G. Setting a 200% charge for the risk assumed by Cimarex in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ *Darin C. Savage*

---

Darin C. Savage

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**Attorneys for Cimarex Energy Co.**



***Application of Cimarex Energy Co. for a Horizontal Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico.*** Applicant in the above-styled cause seeks an order from the Division: (1) establishing a standard 320.66-acre, more or less, horizontal spacing and proration unit comprised of Lot 2 (NW/4 NE/4 equivalent), the SW/4 NE/4, and the W/2 SE/4 of Section 4 and the W/2 E/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests from a depth of 9,373 feet (top of first Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], to a depth of 10,845 feet, that being the base of said Bone Spring, designated as an oil pool, underlying the unit. Section 4 is an irregular section containing correction lots. The proposed well to be dedicated to the horizontal spacing unit is the **Loosey Goosey 4-9 Fed Com 303H Well**, an oil well, to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 33, Township 19 South, Range 34 East, NMPM, to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 9, Township 20 South, Range 34 East, NMPM. The well will be orthodox, and the take points and completed interval will comply with the setback requirements under the statewide Rules; also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the well and unit; and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 40 miles northeast of Carlsbad, New Mexico.

# COMPULSORY POOLING APPLICATION CHECKLIST

## ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

|                                                                                                                                  |                                                                                                                                                                            |
|----------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Case: 23452                                                                                                                      | APPLICANT'S RESPONSE                                                                                                                                                       |
| Date: August 9, 2023 (Scheduled hearing)                                                                                         |                                                                                                                                                                            |
| Applicant                                                                                                                        | Cimarex Energy Co.                                                                                                                                                         |
| Designated Operator & OGRID (affiliation if applicable)                                                                          | 215099                                                                                                                                                                     |
| Applicant's Counsel:                                                                                                             | Darin C. Savage, Abadie & Schill, P.C.                                                                                                                                     |
| Case Title:                                                                                                                      | APPLICATION OF CIMAREX ENERGY CO., FOR A HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO                                                            |
| Entries of Appearance/Intervenors:                                                                                               | Permian Resources Operating, LLC<br>Read & Stevens, Inc.<br>Northern Oil and Gas, Inc.<br>Attorneys for Sandstone Properties, LLC                                          |
| Well Family                                                                                                                      | Loosey Goosey                                                                                                                                                              |
| <b>Formation/Pool</b>                                                                                                            |                                                                                                                                                                            |
| Formation Name(s) or Vertical Extent:                                                                                            | Bone Spring                                                                                                                                                                |
| Primary Product (Oil or Gas):                                                                                                    | Oil                                                                                                                                                                        |
| Pooling this vertical extent:                                                                                                    | Bone Spring                                                                                                                                                                |
| Pool Name and Pool Code:                                                                                                         | Teas; Bone Spring, East (96637)                                                                                                                                            |
| Well Location Setback Rules:                                                                                                     | Statewide Rules                                                                                                                                                            |
| <b>Spacing Unit</b>                                                                                                              |                                                                                                                                                                            |
| Type (Horizontal/Vertical)                                                                                                       | Horizontal                                                                                                                                                                 |
| Size (Acres)                                                                                                                     | 320.89-acre, more or less                                                                                                                                                  |
| Building Blocks:                                                                                                                 | Quarter-Quarter Sections (40 Acre Blocks)                                                                                                                                  |
| Orientation:                                                                                                                     | North to South                                                                                                                                                             |
| Description: TRS/County                                                                                                          | Lot 1 (NE/4 NE/4 equivalent), the SE/4 NE/4, and the E/2 SE/4 of Section 4 and the E/2 E/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico |
| Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application? | Yes, Standard Spacing Unit                                                                                                                                                 |
| <b>Other Situations</b>                                                                                                          |                                                                                                                                                                            |
| Depth Severance: Y/N. If yes, description                                                                                        | No, N/A                                                                                                                                                                    |
| Proximity Tracts: If yes, description                                                                                            | No                                                                                                                                                                         |
| Proximity Defining Well: if yes, description                                                                                     | No                                                                                                                                                                         |
| Applicant's Ownership in Each Tract                                                                                              | See Exhibit A-2.1, breakdown of ownership                                                                                                                                  |
| <b>Well(s)</b>                                                                                                                   |                                                                                                                                                                            |
| Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status          | Add wells as needed                                                                                                                                                        |

|                                                                                                                                                  |                                                                                                                                                                                                                                        |
|--------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Well #1                                                                                                                                          | Loosey Goosey 4-9 Fed Com 204H Well (API No. 30-015-Pending), SHL: Unit O, 194' FSL, 1428' FEL, Section 33, T19S-R34E; BHL: Unit P, 100' FSL, 330' FEL, Section 9, T20S-R34E, NMPM; Lea County, New Mexico, standup, standard location |
| Horizontal Well First and Last Take Points                                                                                                       | Loosey Goosey 4-9 Fed Com 204H Well: FTP: 100' FNL, 330' FEL, Section 4; LTP: 100' FSL, 330' FEL, Section 9                                                                                                                            |
| Completion Target (Formation, TVD and MD)                                                                                                        | Loosey Goosey 4-9 Fed Com 204H Well: TVD approx. 10,300', TMD 20,518'; Bone Spring formation, See Exhibit A, A-1                                                                                                                       |
| Well #2                                                                                                                                          | Loosey Goosey 4-9 Fed Com 304H Well (API No. 30-015-Pending), SHL: Unit O, 194' FSL, 1408' FEL, Section 33, T19S-R34E; BHL: Unit P, 100' FSL, 330' FEL, Section 9, T20S-R34E, NMPM; Lea County, New Mexico, standup, standard location |
| Horizontal Well First and Last Take Points                                                                                                       | Loosey Goosey 4-9 Fed Com 304H Well: FTP: 100' FNL, 330' FEL, Section 4; LTP: 100' FSL, 330' FEL, Section 9                                                                                                                            |
| Completion Target (Formation, TVD and MD)                                                                                                        | Loosey Goosey 4-9 Fed Com 304H Well: TVD approx. 10,800', TMD 21,075'; Bone Spring formation, See Exhibit A, A-1                                                                                                                       |
|                                                                                                                                                  |                                                                                                                                                                                                                                        |
| <b>AFE Capex and Operating Costs</b>                                                                                                             |                                                                                                                                                                                                                                        |
| Drilling Supervision/Month \$                                                                                                                    | \$8000, Exhibit A                                                                                                                                                                                                                      |
| Production Supervision/Month \$                                                                                                                  | \$800, Exhibit A                                                                                                                                                                                                                       |
| Justification for Supervision Costs                                                                                                              | Exhibit A                                                                                                                                                                                                                              |
| Requested Risk Charge                                                                                                                            | 200%, Exhibit A                                                                                                                                                                                                                        |
| <b>Notice of Hearing</b>                                                                                                                         |                                                                                                                                                                                                                                        |
| Proposed Notice of Hearing                                                                                                                       | Exhibit E, E-1                                                                                                                                                                                                                         |
| Proof of Mailed Notice of Hearing (20 days before hearing)                                                                                       | Exhibit E-2                                                                                                                                                                                                                            |
| Proof of Published Notice of Hearing (10 days before hearing)                                                                                    | Exhibit E-3                                                                                                                                                                                                                            |
| <b>Ownership Determination</b>                                                                                                                   |                                                                                                                                                                                                                                        |
| Land Ownership Schematic of the Spacing Unit                                                                                                     | Exhibit A-2.1                                                                                                                                                                                                                          |
| Tract List (including lease numbers and owners)                                                                                                  | Exhibit A-2.1                                                                                                                                                                                                                          |
| If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements. | N/A                                                                                                                                                                                                                                    |
| Pooled Parties (including ownership type)                                                                                                        | All uncommitted WI owners; including as shown on Exhibit A-2.1                                                                                                                                                                         |
| Unlocatable Parties to be Pooled                                                                                                                 | Exhibit A                                                                                                                                                                                                                              |

|                                                                                                                  |                                        |
|------------------------------------------------------------------------------------------------------------------|----------------------------------------|
| Ownership Depth Severance (including percentage above & below)                                                   | N/A                                    |
| <b>Joinder</b>                                                                                                   |                                        |
| Sample Copy of Proposal Letter                                                                                   | Exhibit A-3                            |
| List of Interest Owners (ie Exhibit A of JOA)                                                                    | Exhibit A-2.1                          |
| Chronology of Contact with Non-Joined Working Interests                                                          | Exhibit A-4                            |
| Overhead Rates In Proposal Letter                                                                                | Exhibit A-3                            |
| Cost Estimate to Drill and Complete                                                                              | Exhibit A-3                            |
| Cost Estimate to Equip Well                                                                                      | Exhibit A-3                            |
| Cost Estimate for Production Facilities                                                                          | Exhibit A-3                            |
| <b>Geology</b>                                                                                                   |                                        |
| Summary (including special considerations)                                                                       | Exhibit B                              |
| Spacing Unit Schematic                                                                                           | Exhibit B-5, B-6, B-8, B-11, B-12      |
| Gunbarrel/Lateral Trajectory Schematic                                                                           | Exhibit B-3, B-4,                      |
| Well Orientation (with rationale)                                                                                | Exhibit A-1, B-5, B-6, B-8, B-11, B-12 |
| Target Formation                                                                                                 | Exhibit B-3, B-4, B-6, B-7, B-13, B-14 |
| HSU Cross Section                                                                                                | Exhibit B-3, B-4, B-6, B-7, B-13, B-14 |
| Depth Severance Discussion                                                                                       | N/A                                    |
| <b>Forms, Figures and Tables</b>                                                                                 |                                        |
| C-102                                                                                                            | Exhibit A-1                            |
| Tracts                                                                                                           | Exhibit A-2.1                          |
| Summary of Interests, Unit Recapitulation (Tracts)                                                               | Exhibit A-2.1                          |
| General Location Map (including basin)                                                                           | Exhibit A-2.1                          |
| Well Bore Location Map                                                                                           | Exhibit A-1, B-2, B-3                  |
| Structure Contour Map - Subsea Depth                                                                             | Exhibit B-5, B-6, B-11, B-16           |
| Cross Section Location Map (including wells)                                                                     | Exhibit B-3, B-4, B-6, B-7, B-13, B-14 |
| Cross Section (including Landing Zone)                                                                           | Exhibit B-3, B-4, B-6, B-7, B-13, B-14 |
| <b>Additional Information</b>                                                                                    |                                        |
| Special Provisions/Stipulations                                                                                  |                                        |
| <b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b> |                                        |
| <b>Printed Name</b> (Attorney or Party Representative):                                                          | Darin C. Savage                        |
| <b>Signed Name</b> (Attorney or Party Representative):                                                           | /s/ Darin Savage                       |
| <b>Date:</b>                                                                                                     | Date 8-2-2023                          |

# COMPULSORY POOLING APPLICATION CHECKLIST

## ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

|                                                                                                                                  |                                                                                                                                                                            |
|----------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Case: 23455                                                                                                                      | APPLICANT'S RESPONSE                                                                                                                                                       |
| Date: August 9, 2023 (Scheduled hearing)                                                                                         |                                                                                                                                                                            |
| Applicant                                                                                                                        | Cimarex Energy Co.                                                                                                                                                         |
| Designated Operator & OGRID (affiliation if applicable)                                                                          | 215099                                                                                                                                                                     |
| Applicant's Counsel:                                                                                                             | Darin C. Savage, Abadie & Schill, P.C.                                                                                                                                     |
| Case Title:                                                                                                                      | APPLICATION OF CIMAREX ENERGY CO., FOR A HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO                                                            |
| Entries of Appearance/Intervenors:                                                                                               | Permian Resources Operating, LLC<br>Read & Stevens, Inc.<br>Northern Oil and Gas, Inc.<br>Attorneys for Sandstone Properties, LLC                                          |
| Well Family                                                                                                                      | Loosey Goosey                                                                                                                                                              |
| <b>Formation/Pool</b>                                                                                                            |                                                                                                                                                                            |
| Formation Name(s) or Vertical Extent:                                                                                            | Bone Spring                                                                                                                                                                |
| Primary Product (Oil or Gas):                                                                                                    | Oil                                                                                                                                                                        |
| Pooling this vertical extent:                                                                                                    | Bone Spring                                                                                                                                                                |
| Pool Name and Pool Code:                                                                                                         | Teas; Bone Spring, East (96637)                                                                                                                                            |
| Well Location Setback Rules:                                                                                                     | Statewide Rules                                                                                                                                                            |
| <b>Spacing Unit</b>                                                                                                              |                                                                                                                                                                            |
| Type (Horizontal/Vertical)                                                                                                       | Horizontal                                                                                                                                                                 |
| Size (Acres)                                                                                                                     | 320.66-acre, more or less                                                                                                                                                  |
| Building Blocks:                                                                                                                 | Quarter-Quarter Sections (40 Acre Blocks)                                                                                                                                  |
| Orientation:                                                                                                                     | North to South                                                                                                                                                             |
| Description: TRS/County                                                                                                          | Lot 2 (NW/4 NE/4 equivalent), the SW/4 NE/4, and the W/2 SE/4 of Section 4 and the W/2 E/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico |
| Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application? | Yes, Standard Spacing Unit                                                                                                                                                 |
| <b>Other Situations</b>                                                                                                          |                                                                                                                                                                            |
| Depth Severance: Y/N. If yes, description                                                                                        | No, N/A                                                                                                                                                                    |
| Proximity Tracts: If yes, description                                                                                            | No                                                                                                                                                                         |
| Proximity Defining Well: if yes, description                                                                                     | No                                                                                                                                                                         |
| Applicant's Ownership in Each Tract                                                                                              | See Exhibit A-2.4, breakdown of ownership                                                                                                                                  |
| <b>Well(s)</b>                                                                                                                   |                                                                                                                                                                            |

|                                                                                                                                                    |                                                                                                                                                                                                                                         |
|----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard) | Add wells as needed                                                                                                                                                                                                                     |
| Well #1                                                                                                                                            | Loosey Goosey 4-9 Fed Com 303H Well (API No. 30-015-Pending), SHL: Unit O, 194' FSL, 1448' FEL, Section 33, T19S-R34E; BHL: Unit O, 100' FSL, 1744' FEL, Section 9, T20S-R34E, NMPM; Lea County, New Mexico, standup, standard location |
| Horizontal Well First and Last Take Points                                                                                                         | Loosey Goosey 4-9 Fed Com 303H Well: FTP: 100' FNL, 1744' FEL, Section 4; LTP: 100' FSL, 1744' FEL, Section 9                                                                                                                           |
| Completion Target (Formation, TVD and MD)                                                                                                          | Loosey Goosey 4-9 Fed Com 303H Well: TVD approx. 10,810', TMD 20,966'; Bone Spring formation, See Exhibit A, A-1                                                                                                                        |
|                                                                                                                                                    |                                                                                                                                                                                                                                         |
| <b>AFE Capex and Operating Costs</b>                                                                                                               |                                                                                                                                                                                                                                         |
| Drilling Supervision/Month \$                                                                                                                      | \$8000, Exhibit A                                                                                                                                                                                                                       |
| Production Supervision/Month \$                                                                                                                    | \$800, Exhibit A                                                                                                                                                                                                                        |
| Justification for Supervision Costs                                                                                                                | Exhibit A                                                                                                                                                                                                                               |
| Requested Risk Charge                                                                                                                              | 200%, Exhibit A                                                                                                                                                                                                                         |
| <b>Notice of Hearing</b>                                                                                                                           |                                                                                                                                                                                                                                         |
| Proposed Notice of Hearing                                                                                                                         | Exhibit E, E-1                                                                                                                                                                                                                          |
| Proof of Mailed Notice of Hearing (20 days before hearing)                                                                                         | Exhibit E-2                                                                                                                                                                                                                             |
| Proof of Published Notice of Hearing (10 days before hearing)                                                                                      | Exhibit E-3                                                                                                                                                                                                                             |
| <b>Ownership Determination</b>                                                                                                                     |                                                                                                                                                                                                                                         |
| Land Ownership Schematic of the Spacing Unit                                                                                                       | Exhibit A-2.4                                                                                                                                                                                                                           |
| Tract List (including lease numbers and owners)                                                                                                    | Exhibit A-2.4                                                                                                                                                                                                                           |
| If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.   | N/A                                                                                                                                                                                                                                     |
| Pooled Parties (including ownership type)                                                                                                          | All uncommitted WI owners; including as shown on Exhibit A-2                                                                                                                                                                            |
| Unlocatable Parties to be Pooled                                                                                                                   | Exhibit A-2                                                                                                                                                                                                                             |
| Ownership Depth Severance (including percentage above & below)                                                                                     | N/A                                                                                                                                                                                                                                     |
| <b>Joinder</b>                                                                                                                                     |                                                                                                                                                                                                                                         |
| Sample Copy of Proposal Letter                                                                                                                     | Exhibit A-3                                                                                                                                                                                                                             |
| List of Interest Owners (ie Exhibit A of JOA)                                                                                                      | Exhibit A-2.4                                                                                                                                                                                                                           |
| Chronology of Contact with Non-Joined Working Interests                                                                                            | Exhibit A-4                                                                                                                                                                                                                             |
| Overhead Rates In Proposal Letter                                                                                                                  | Exhibit A-3                                                                                                                                                                                                                             |
| Cost Estimate to Drill and Complete                                                                                                                | Exhibit A-3                                                                                                                                                                                                                             |
| Cost Estimate to Equip Well                                                                                                                        | Exhibit A-3                                                                                                                                                                                                                             |

|                                                                                                                  |                            |
|------------------------------------------------------------------------------------------------------------------|----------------------------|
| Cost Estimate for Production Facilities                                                                          | Exhibit A-3                |
| <b>Geology</b>                                                                                                   |                            |
| Summary (including special considerations)                                                                       | Exhibit B                  |
| Spacing Unit Schematic                                                                                           | Exhibit B-5, B-6, B-8      |
| Gunbarrel/Lateral Trajectory Schematic                                                                           | Exhibit B-3, B-4,          |
| Well Orientation (with rationale)                                                                                | Exhibit A-1, B-5, B-6, B-8 |
| Target Formation                                                                                                 | Exhibit B-3, B-4, B-6, B-7 |
| HSU Cross Section                                                                                                | Exhibit B-3, B-4, B-6, B-7 |
| Depth Severance Discussion                                                                                       | N/A                        |
| <b>Forms, Figures and Tables</b>                                                                                 |                            |
| C-102                                                                                                            | Exhibit A-1                |
| Tracts                                                                                                           | Exhibit A-2.4              |
| Summary of Interests, Unit Recapitulation (Tracts)                                                               | Exhibit A-2.4              |
| General Location Map (including basin)                                                                           | Exhibit A-2.4              |
| Well Bore Location Map                                                                                           | Exhibit A-1, B-2, B-3      |
| Structure Contour Map - Subsea Depth                                                                             | Exhibit B-5, B-6           |
| Cross Section Location Map (including wells)                                                                     | Exhibit B-3, B-4, B-6, B-7 |
| Cross Section (including Landing Zone)                                                                           | Exhibit B-3, B-4, B-6, B-7 |
| <b>Additional Information</b>                                                                                    |                            |
| Special Provisions/Stipulations                                                                                  |                            |
| <b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b> |                            |
| <b>Printed Name</b> (Attorney or Party Representative):                                                          | Darin C. Savage            |
| <b>Signed Name</b> (Attorney or Party Representative):                                                           | /s/ Darin Savage           |
| <b>Date:</b>                                                                                                     | Date 8-2-2023              |

# COMPULSORY POOLING APPLICATION CHECKLIST

## ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

|                                                                                                                                                    |                                                                                                                                                                            |
|----------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Case: 23454                                                                                                                                        | APPLICANT'S RESPONSE                                                                                                                                                       |
| Date: July 20, 2023 (Scheduled hearing)                                                                                                            |                                                                                                                                                                            |
| Applicant                                                                                                                                          | Cimarex Energy Co.                                                                                                                                                         |
| Designated Operator & OGRID (affiliation if applicable)                                                                                            | 215099                                                                                                                                                                     |
| Applicant's Counsel:                                                                                                                               | Darin C. Savage, Abadie & Schill, P.C.                                                                                                                                     |
| Case Title:                                                                                                                                        | APPLICATION OF CIMAREX ENERGY CO., FOR A HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO                                                            |
| Entries of Appearance/Intervenors:                                                                                                                 | Permian Resources Operating, LLC<br>Read & Stevens, Inc.<br>Northern Oil and Gas, Inc.<br>Attorneys for Sandstone Properties, LLC                                          |
| Well Family                                                                                                                                        | Loosey Goosey                                                                                                                                                              |
| <b>Formation/Pool</b>                                                                                                                              |                                                                                                                                                                            |
| Formation Name(s) or Vertical Extent:                                                                                                              | Bone Spring                                                                                                                                                                |
| Primary Product (Oil or Gas):                                                                                                                      | Oil                                                                                                                                                                        |
| Pooling this vertical extent:                                                                                                                      | Bone Spring                                                                                                                                                                |
| Pool Name and Pool Code:                                                                                                                           | Teas; Bone Spring, East (96637)                                                                                                                                            |
| Well Location Setback Rules:                                                                                                                       | Statewide Rules                                                                                                                                                            |
| <b>Spacing Unit</b>                                                                                                                                |                                                                                                                                                                            |
| Type (Horizontal/Vertical)                                                                                                                         | Horizontal                                                                                                                                                                 |
| Size (Acres)                                                                                                                                       | 320.44-acre, more or less                                                                                                                                                  |
| Building Blocks:                                                                                                                                   | Quarter-Quarter Sections (40 Acre Blocks)                                                                                                                                  |
| Orientation:                                                                                                                                       | North to South                                                                                                                                                             |
| Description: TRS/County                                                                                                                            | Lot 3 (NE/4 NW/4 equivalent), the SE/4 NW/4, and the E/2 SW/4 of Section 4 and the E/2 W/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico |
| Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?                   | Yes, Standard Spacing Unit                                                                                                                                                 |
| <b>Other Situations</b>                                                                                                                            |                                                                                                                                                                            |
| Depth Severance: Y/N. If yes, description                                                                                                          | No, N/A                                                                                                                                                                    |
| Proximity Tracts: If yes, description                                                                                                              | No                                                                                                                                                                         |
| Proximity Defining Well: if yes, description                                                                                                       | No                                                                                                                                                                         |
| Applicant's Ownership in Each Tract                                                                                                                | See Exhibit A-2.3, breakdown of ownership                                                                                                                                  |
| <b>Well(s)</b>                                                                                                                                     |                                                                                                                                                                            |
| Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard) | Add wells as needed                                                                                                                                                        |



|                                                                                                                                                  |                                                                                                                                                                                                                                          |
|--------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Well #1                                                                                                                                          | Loosey Goosey 4-9 Fed Com 302H Well (API No. 30-015-Pending), SHL: Unit N, 1189' FSL, 1484' FWL, Section 33, T19S-R34E; BHL: Unit N, 100' FSL, 2120' FWL, Section 9, T20S-R34E, NMPM; Lea County, New Mexico, standup, standard location |
| Horizontal Well First and Last Take Points                                                                                                       | Loosey Goosey 4-9 Fed Com 302H Well: FTP: 100' FNL, 2120' FWL, Section 4; LTP: 100' FSL, 2120' FWL, Section 9                                                                                                                            |
| Completion Target (Formation, TVD and MD)                                                                                                        | Loosey Goosey 4-9 Fed Com 302H Well: TVD approx. 10,820', TMD 21,100'; Bone Spring formation, See Exhibit A, A-1                                                                                                                         |
|                                                                                                                                                  |                                                                                                                                                                                                                                          |
| <b>AFE Capex and Operating Costs</b>                                                                                                             |                                                                                                                                                                                                                                          |
| Drilling Supervision/Month \$                                                                                                                    | \$8000, Exhibit A                                                                                                                                                                                                                        |
| Production Supervision/Month \$                                                                                                                  | \$800, Exhibit A                                                                                                                                                                                                                         |
| Justification for Supervision Costs                                                                                                              | Exhibit A                                                                                                                                                                                                                                |
| Requested Risk Charge                                                                                                                            | 200%, Exhibit A                                                                                                                                                                                                                          |
| <b>Notice of Hearing</b>                                                                                                                         |                                                                                                                                                                                                                                          |
| Proposed Notice of Hearing                                                                                                                       | Exhibit E, E-1                                                                                                                                                                                                                           |
| Proof of Mailed Notice of Hearing (20 days before hearing)                                                                                       | Exhibit E-2                                                                                                                                                                                                                              |
| Proof of Published Notice of Hearing (10 days before hearing)                                                                                    | Exhibit E-3                                                                                                                                                                                                                              |
| <b>Ownership Determination</b>                                                                                                                   |                                                                                                                                                                                                                                          |
| Land Ownership Schematic of the Spacing Unit                                                                                                     | Exhibit A-2.3                                                                                                                                                                                                                            |
| Tract List (including lease numbers and owners)                                                                                                  | Exhibit A-2.3                                                                                                                                                                                                                            |
| If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements. | N/A                                                                                                                                                                                                                                      |
| Pooled Parties (including ownership type)                                                                                                        | All uncommitted WI owners; including as shown on Exhibit A-2                                                                                                                                                                             |
| Unlocatable Parties to be Pooled                                                                                                                 | Exhibit A                                                                                                                                                                                                                                |
| Ownership Depth Severance (including percentage above & below)                                                                                   | N/A                                                                                                                                                                                                                                      |
| <b>Joinder</b>                                                                                                                                   |                                                                                                                                                                                                                                          |
| Sample Copy of Proposal Letter                                                                                                                   | Exhibit A-3                                                                                                                                                                                                                              |
| List of Interest Owners (ie Exhibit A of JOA)                                                                                                    | Exhibit A-2.3                                                                                                                                                                                                                            |
| Chronology of Contact with Non-Joined Working Interests                                                                                          | Exhibit A-4                                                                                                                                                                                                                              |
| Overhead Rates In Proposal Letter                                                                                                                | Exhibit A-3                                                                                                                                                                                                                              |
| Cost Estimate to Drill and Complete                                                                                                              | Exhibit A-3                                                                                                                                                                                                                              |
| Cost Estimate to Equip Well                                                                                                                      | Exhibit A-3                                                                                                                                                                                                                              |
| Cost Estimate for Production Facilities                                                                                                          | Exhibit A-3                                                                                                                                                                                                                              |
| <b>Geology</b>                                                                                                                                   |                                                                                                                                                                                                                                          |

|                                                                                                                  |                            |
|------------------------------------------------------------------------------------------------------------------|----------------------------|
| Summary (including special considerations)                                                                       | Exhibit B                  |
| Spacing Unit Schematic                                                                                           | Exhibit B-5, B-6, B-8      |
| Gunbarrel/Lateral Trajectory Schematic                                                                           | Exhibit B-3, B-4,          |
| Well Orientation (with rationale)                                                                                | Exhibit A-1, B-5, B-6, B-8 |
| Target Formation                                                                                                 | Exhibit B-3, B-4, B-6, B-7 |
| HSU Cross Section                                                                                                | Exhibit B-3, B-4, B-6, B-7 |
| Depth Severance Discussion                                                                                       | N/A                        |
| <b>Forms, Figures and Tables</b>                                                                                 |                            |
| C-102                                                                                                            | Exhibit A-1                |
| Tracts                                                                                                           | Exhibit A-2.3              |
| Summary of Interests, Unit Recapitulation (Tracts)                                                               | Exhibit A-2.3              |
| General Location Map (including basin)                                                                           | Exhibit A-2.3              |
| Well Bore Location Map                                                                                           | Exhibit A-1, B-2, B-3      |
| Structure Contour Map - Subsea Depth                                                                             | Exhibit B-5, B-6           |
| Cross Section Location Map (including wells)                                                                     | Exhibit B-3, B-4, B-6, B-7 |
| Cross Section (including Landing Zone)                                                                           | Exhibit B-3, B-4, B-6, B-7 |
| <b>Additional Information</b>                                                                                    |                            |
| Special Provisions/Stipulations                                                                                  |                            |
| <b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b> |                            |
| <b>Printed Name</b> (Attorney or Party Representative):                                                          | Darin C. Savage            |
| <b>Signed Name</b> (Attorney or Party Representative):                                                           | /s/ Darin Savage           |
| <b>Date:</b>                                                                                                     | Date 8-2-2023              |

# COMPULSORY POOLING APPLICATION CHECKLIST

## ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

|                                                                                                                                  |                                                                                                                                                                            |
|----------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Case: 23455                                                                                                                      | APPLICANT'S RESPONSE                                                                                                                                                       |
| Date: August 9, 2023 (Scheduled hearing)                                                                                         |                                                                                                                                                                            |
| Applicant                                                                                                                        | Cimarex Energy Co.                                                                                                                                                         |
| Designated Operator & OGRID (affiliation if applicable)                                                                          | 215099                                                                                                                                                                     |
| Applicant's Counsel:                                                                                                             | Darin C. Savage, Abadie & Schill, P.C.                                                                                                                                     |
| Case Title:                                                                                                                      | APPLICATION OF CIMAREX ENERGY CO., FOR A HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO                                                            |
| Entries of Appearance/Intervenors:                                                                                               | Permian Resources Operating, LLC<br>Read & Stevens, Inc.<br>Northern Oil and Gas, Inc.<br>Attorneys for Sandstone Properties, LLC                                          |
| Well Family                                                                                                                      | Loosey Goosey                                                                                                                                                              |
| <b>Formation/Pool</b>                                                                                                            |                                                                                                                                                                            |
| Formation Name(s) or Vertical Extent:                                                                                            | Bone Spring                                                                                                                                                                |
| Primary Product (Oil or Gas):                                                                                                    | Oil                                                                                                                                                                        |
| Pooling this vertical extent:                                                                                                    | Bone Spring                                                                                                                                                                |
| Pool Name and Pool Code:                                                                                                         | Teas; Bone Spring, East (96637)                                                                                                                                            |
| Well Location Setback Rules:                                                                                                     | Statewide Rules                                                                                                                                                            |
| <b>Spacing Unit</b>                                                                                                              |                                                                                                                                                                            |
| Type (Horizontal/Vertical)                                                                                                       | Horizontal                                                                                                                                                                 |
| Size (Acres)                                                                                                                     | 320.66-acre, more or less                                                                                                                                                  |
| Building Blocks:                                                                                                                 | Quarter-Quarter Sections (40 Acre Blocks)                                                                                                                                  |
| Orientation:                                                                                                                     | North to South                                                                                                                                                             |
| Description: TRS/County                                                                                                          | Lot 2 (NW/4 NE/4 equivalent), the SW/4 NE/4, and the W/2 SE/4 of Section 4 and the W/2 E/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico |
| Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application? | Yes, Standard Spacing Unit                                                                                                                                                 |
| <b>Other Situations</b>                                                                                                          |                                                                                                                                                                            |
| Depth Severance: Y/N. If yes, description                                                                                        | No, N/A                                                                                                                                                                    |
| Proximity Tracts: If yes, description                                                                                            | No                                                                                                                                                                         |
| Proximity Defining Well: if yes, description                                                                                     | No                                                                                                                                                                         |
| Applicant's Ownership in Each Tract                                                                                              | See Exhibit A-2.4, breakdown of ownership                                                                                                                                  |
| <b>Well(s)</b>                                                                                                                   |                                                                                                                                                                            |

|                                                                                                                                                    |                                                                                                                                                                                                                                          |
|----------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard) | Add wells as needed                                                                                                                                                                                                                      |
| Well #1                                                                                                                                            | Loosey Goosey 4-9 Fed Com 303H Well (API No. 30-015-Pending), SHL: Unit O, 194' FSL, 1448' FEL, Section 33, T19S-R34E; BHL: Unit O, 100' FSL, 1744' FEL, Section 9, T20S-R34E, NMPPM; Lea County, New Mexico, standup, standard location |
| Horizontal Well First and Last Take Points                                                                                                         | Loosey Goosey 4-9 Fed Com 303H Well: FTP: 100' FNL, 1744' FEL, Section 4; LTP: 100' FSL, 1744' FEL, Section 9                                                                                                                            |
| Completion Target (Formation, TVD and MD)                                                                                                          | Loosey Goosey 4-9 Fed Com 303H Well: TVD approx. 10,810', TMD 20,966'; Bone Spring formation, See Exhibit A, A-1                                                                                                                         |
|                                                                                                                                                    |                                                                                                                                                                                                                                          |
| <b>AFE Capex and Operating Costs</b>                                                                                                               |                                                                                                                                                                                                                                          |
| Drilling Supervision/Month \$                                                                                                                      | \$8000, Exhibit A                                                                                                                                                                                                                        |
| Production Supervision/Month \$                                                                                                                    | \$800, Exhibit A                                                                                                                                                                                                                         |
| Justification for Supervision Costs                                                                                                                | Exhibit A                                                                                                                                                                                                                                |
| Requested Risk Charge                                                                                                                              | 200%, Exhibit A                                                                                                                                                                                                                          |
| <b>Notice of Hearing</b>                                                                                                                           |                                                                                                                                                                                                                                          |
| Proposed Notice of Hearing                                                                                                                         | Exhibit E, E-1                                                                                                                                                                                                                           |
| Proof of Mailed Notice of Hearing (20 days before hearing)                                                                                         | Exhibit E-2                                                                                                                                                                                                                              |
| Proof of Published Notice of Hearing (10 days before hearing)                                                                                      | Exhibit E-3                                                                                                                                                                                                                              |
| <b>Ownership Determination</b>                                                                                                                     |                                                                                                                                                                                                                                          |
| Land Ownership Schematic of the Spacing Unit                                                                                                       | Exhibit A-2.4                                                                                                                                                                                                                            |
| Tract List (including lease numbers and owners)                                                                                                    | Exhibit A-2.4                                                                                                                                                                                                                            |
| If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.   | N/A                                                                                                                                                                                                                                      |
| Pooled Parties (including ownership type)                                                                                                          | All uncommitted WI owners; including as shown on Exhibit A-2                                                                                                                                                                             |
| Unlocatable Parties to be Pooled                                                                                                                   | Exhibit A-2                                                                                                                                                                                                                              |
| Ownership Depth Severance (including percentage above & below)                                                                                     | N/A                                                                                                                                                                                                                                      |
| <b>Joinder</b>                                                                                                                                     |                                                                                                                                                                                                                                          |
| Sample Copy of Proposal Letter                                                                                                                     | Exhibit A-3                                                                                                                                                                                                                              |
| List of Interest Owners (ie Exhibit A of JOA)                                                                                                      | Exhibit A-2.4                                                                                                                                                                                                                            |
| Chronology of Contact with Non-Joined Working Interests                                                                                            | Exhibit A-4                                                                                                                                                                                                                              |
| Overhead Rates In Proposal Letter                                                                                                                  | Exhibit A-3                                                                                                                                                                                                                              |
| Cost Estimate to Drill and Complete                                                                                                                | Exhibit A-3                                                                                                                                                                                                                              |
| Cost Estimate to Equip Well                                                                                                                        | Exhibit A-3                                                                                                                                                                                                                              |

|                                                                                                                  |                            |
|------------------------------------------------------------------------------------------------------------------|----------------------------|
| Cost Estimate for Production Facilities                                                                          | Exhibit A-3                |
| <b>Geology</b>                                                                                                   |                            |
| Summary (including special considerations)                                                                       | Exhibit B                  |
| Spacing Unit Schematic                                                                                           | Exhibit B-5, B-6, B-8      |
| Gunbarrel/Lateral Trajectory Schematic                                                                           | Exhibit B-3, B-4,          |
| Well Orientation (with rationale)                                                                                | Exhibit A-1, B-5, B-6, B-8 |
| Target Formation                                                                                                 | Exhibit B-3, B-4, B-6, B-7 |
| HSU Cross Section                                                                                                | Exhibit B-3, B-4, B-6, B-7 |
| Depth Severance Discussion                                                                                       | N/A                        |
| <b>Forms, Figures and Tables</b>                                                                                 |                            |
| C-102                                                                                                            | Exhibit A-1                |
| Tracts                                                                                                           | Exhibit A-2.4              |
| Summary of Interests, Unit Recapitulation (Tracts)                                                               | Exhibit A-2.4              |
| General Location Map (including basin)                                                                           | Exhibit A-2.4              |
| Well Bore Location Map                                                                                           | Exhibit A-1, B-2, B-3      |
| Structure Contour Map - Subsea Depth                                                                             | Exhibit B-5, B-6           |
| Cross Section Location Map (including wells)                                                                     | Exhibit B-3, B-4, B-6, B-7 |
| Cross Section (including Landing Zone)                                                                           | Exhibit B-3, B-4, B-6, B-7 |
| <b>Additional Information</b>                                                                                    |                            |
| Special Provisions/Stipulations                                                                                  |                            |
| <b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b> |                            |
| <b>Printed Name</b> (Attorney or Party Representative):                                                          | Darin C. Savage            |
| <b>Signed Name</b> (Attorney or Party Representative):                                                           | /s/ Darin Savage           |
| <b>Date:</b>                                                                                                     | Date 8-2-2023              |

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

**APPLICATIONS OF CIMAREX ENERGY CO.  
FOR A HORIZONTAL SPACING UNIT AND  
COMPULSORY POOLING, LEA COUNTY, NEW MEXICO**

**Case Nos. 23452, 23453, 23454 & 23455**

**AMENDED PREHEARING STATEMENT**

Cimarex Energy Co., (“Cimarex”), OGRID No. 215099, through its undersigned attorneys, submits the following Amended Prehearing Statement pursuant to the rules of the Oil Conservation Division (“Division”) for the above referenced Cases which are consolidated with the Case Nos. 23448-23451, 23594 – 23601 and 23508 – 23523 for a contested hearing pursuant to that certain “Further Amended Pre-Hearing Order” issued on June 8, 2023. This Prehearing Statement describes Cimarex’s Case Nos. 23452- 23455, which propose to pool the Bone Spring formation underlying Sections 4 and 9, in Township 20 South, Range 34 East, NMPM, Lea County (“Subject Lands”) and which compete directly against Case Nos. 23508 – 23511 filed by Read & Stevens, Inc., in association with Permian Resources Operating, LLC (collectively referred to herein as “Permian Resources”) which also propose to pool the Bone Spring formation underlying the Subject Lands.

**APPEARANCES**

**APPLICANT**

Cimarex Energy Co.

**ATTORNEY**

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Andrew D. Schill  
William E. Zimsky  
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#### COMPETING PARTY

Read & Stevens, Inc., in association  
with Permian Resources Operating, LLC

Michael H. Feldewert  
Adam G. Rankin  
Julia Broggi  
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Holland & Hart LLP  
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#### ADDITIONAL PARTIES

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281-203-5730  
Facsimile: 281-203-5701  
blake.jones@steptoe-johnson.com

### APPLICANT'S STATEMENT OF THE CASES

Cimarex provides this Prehearing Statement to provide a summary of Case Nos. 23452, 23453, 23454 and 23455. These four cases seek to develop the Bone Spring formation in the Subject Lands (i.e., Sections 4 and 9), and these cases are grouped and organized in a logical manner to present to the Division an intelligible overview of the cases that can be readily followed.

In Case No. 23452, Cimarex seeks an order pooling all uncommitted mineral interests in the Bone Spring formation, more specifically, the Teas; Bone Spring, East [Pool Code 96637], designated as an oil pool, underlying a standard 320.89-acre, more or less, spacing and proration unit comprised of Lot 1 (NE/4 NE/4 equivalent), the SE/4 NE/4, and the E/2 SE/4 of Section 4 and the E/2 E/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico. Cimarex proposes and dedicates to the unit the **Loosey Goosey 4-9 Fed Com 204H Well** and the **Loosey Goosey 4-9 Fed Com 304H Well**, as initial wells, to be drilled to a sufficient depth to test the Bone Spring formation. The proposed wells are orthodox in their locations, and the take points and completed intervals comply with setback requirements under statewide rules.

In Case No. 23453, Cimarex seeks an order pooling all uncommitted mineral interests in the Bone Spring formation, more specifically, the Teas; Bone Spring, East [Pool Code 96637], designated as an oil pool, underlying a standard 320.21-acre, more or less, spacing and proration unit comprised of Lot 4 (NW/4 NW/4 equivalent), the SW/4 NW/4, and the W/2 SW/4 of Section 4 and the W/2 W/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico. Cimarex proposes and dedicates to the unit the **Loosey Goosey 4-9 Fed Com 301H Well**, as the initial well, to be drilled to a sufficient depth to test the Bone Spring formation. The proposed well is orthodox in its location, and the take points and completed interval comply with setback requirements under statewide rules.



In Case No. 23454, Cimarex seeks an order pooling all uncommitted mineral interests in the Bone Spring formation, more specifically, the Teas; Bone Spring, East [Pool Code 96637], designated as an oil pool, underlying a standard 320.44-acre, more or less, spacing and proration unit comprised of Lot 3 (NE/4 NW/4 equivalent), the SE/4 NW/4, and the E/2 SW/4 of Section 4 and the E/2 W/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico. Cimarex proposes and dedicates to the unit the **Loosey Goosey 4-9 Fed Com 302H Well**, as the initial well, to be drilled to a sufficient depth to test the Bone Spring formation. The proposed well is orthodox in its location, and the take points and completed interval comply with setback requirements under statewide rules.

In Case No. 23455, Cimarex seeks an order pooling all uncommitted mineral interests in the Bone Spring formation, more specifically, the Teas; Bone Spring, East [Pool Code 96637], designated as an oil pool, designated as an oil pool, underlying a standard 320.66-acre, more or less, spacing and proration unit comprised of Lot 2 (NW/4 NE/4 equivalent), the SW/4 NE/4, and the W/2 SE/4 of Section 4 and the W/2 E/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico. Cimarex proposes and dedicates to the unit the **Loosey Goosey 4-9 Fed Com 303H Well**, as the initial well, to be drilled to a sufficient depth to test the Bone Spring formation. The proposed well is orthodox in its location, and the take points and completed interval comply with setback requirements under statewide rules.

Cimarex's four cases described herein and its plans for development compete directly with Case Nos. 23508, 23509, 23510, and 23511 filed by Permian Resources for the Subject Lands. In Case No. 23508, Permian Resources seeks to pool all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, spacing and proration unit comprised of Lot 4 (NW/4 NW/4 equivalent), the SW/4 NW/4, and the W/2 SW/4 of Section 4 and the W/2 W/2

of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, dedicating the Bane 4-9 Federal Com 111H, 121H, 122H, 171H, and 131H wells to said unit.

In Case No. 23509, Permian Resources seeks to pool all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, spacing and proration unit comprised of Lot 3 (NE/4 NW/4 equivalent), the SE/4 NW/4, and the E/2 SW/4 of Section 4 and the E/2 W/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, dedicating the Bane 4-9 Federal Com 112H, 123H, 124H, 172H, and 132H wells to said unit.

In Case No. 23510, Permian Resources seeks to pool all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, spacing and proration unit comprised of Lot 2 (NW/4 NE/4 equivalent), the SW/4 NE/4, and the W/2 SE/4 of Section 4 and the W/2 E/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, dedicating the Bane 4-9 Federal Com 113H, 125H, 126H, 173H, and 133H wells to said unit.

In Case No. 23511, Permian Resources seeks to pool all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, spacing and proration unit comprised of Lot 1 (NE/4 NE/4 equivalent), the SE/4 NE/4, and the E/2 SE/4 of Section 4 and the E/2 E/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, dedicating the Bane 4-9 Federal Com 114H, 127H, 128H, 174H, and 134H wells to said unit.

**APPLICANT'S PROPOSED EVIDENCE AND WITNESS QUALIFICATIONS**

| WITNESS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | ESTIMATED TIME     | EXHIBITS   |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|------------|
| Landman: John Coffman<br>Qualifications: I graduated in 2018 from Texas Tech University with a Bachelor's degree in Business Administration with an emphasis on Energy Commerce. I have worked at Cimarex and Coterra Energy Inc. ("Coterra") for approximately 4 years, and I have been working in New Mexico for 4 years. (I was originally employed by Cimarex. Since October 1, 2021, when Cimarex merged with Cabot Oil & Gas Corporation to form Coterra, I have been an employee of Coterra.) My credentials as an expert witness in petroleum land matters have been accepted by the Division and made a matter of record.                                                                                                                                                       | Approx. 45 min     | Approx. 11 |
| Geologist: Staci Meuller<br>Qualifications: I have a Bachelor of Science Degree in Geophysical Engineering from Colorado School of Mines, and a Master of Science Degree in Geophysics from Colorado School of Mines. I have worked on New Mexico Oil and Gas matters since July 2018. My credentials as an expert witness in geology have been accepted by the Division and made a matter of record.                                                                                                                                                                                                                                                                                                                                                                                    | Approx. 45 min     | Approx. 21 |
| Reservoir Engineer: Eddie Behm<br>Qualifications: I attended the University of Tulsa and graduated with a Bachelor of Science in Petroleum Engineering in 2011. I have worked for Occidental, California Resources prior to working for Cimarex and have been employed as a Production and Reservoir Engineer for Cimarex and Coterra (as of October 1, 2021) for the last 6 years, working in the Delaware Basin with a primary focus on Lea County, New Mexico. I have previously testified before the Division as an expert in Reservoir Engineering, and my credentials have been accepted of record.                                                                                                                                                                                | Approx. 45 minutes | Approx. 23 |
| Facilities Engineer: Calvin Boyle<br>Qualifications: I attended the University of Oklahoma and graduated with a Bachelor of Science in Petroleum Engineering in 2016 followed by Oklahoma State University where I graduated with a Master of Business Administration in 2018. I worked for Halliburton prior to working for Cimarex and have been employed as a Field, Production, and Facilities engineer for Cimarex and Coterra (as of October 1, 2021) for the last 4 years, working in the Delaware Basin with a primary focus on Lea County, New Mexico. I am familiar with the subject applications filed in the above-referenced Cases and the facilities proposed by Cimarex involved. I have not testified previously before the Division and am providing a one-page resume. | Approx. 15 min     | Approx. 2  |

**LIST OF MATERIAL FACTS NOT IN DISPUTE**

Parties are in general agreement that the Bone Spring formation underlying the Subject Lands would be productive if developed and should be developed; however, there are factual

differences regarding the best way to achieve optimum development and productivity or the Bone Spring.

### **LIST OF DISPUTED FACTS AND ISSUES**

The central issue in Cimarex's Case Nos. 23452 – 23455 and Permian Resources' competing Case Nos. 23508 – 23511 is which party should be the designated operator for the Bone Spring formation in the Subject Lands. In addition, there are specific disagreements between the parties regarding (1) the number of wells that should be used to develop the Bone Spring, (2) the depths and spacing of the wells, (3) the costs of developing the Bone Spring underlying the Subject Lands; and (4) a dispute about whether the Upper Wolfcamp should be drilled and to what extent it should be developed (Cimarex asserts that the drilling of the Upper Wolfcamp would result in waste and harm to correlative rights; while Permian Resources proposes to drill the Upper Wolfcamp).

### **PROCEDURAL MATTERS**

This contested hearing includes Cimarex's Case Nos. 23452 – 23455 and Permian Resources' competing applications in Case Nos. 23508 – 23511, as described herein, but the hearing also includes numerous additional cases for the Bone Spring in Sections 5 and 8, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, and consideration of whether to drill the Wolfcamp formation. In all, the Division will need to review and consider 32 cases addressing both the Bone Spring and Wolfcamp in Sections 5 and 8 and Sections 4 and 9, all in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico. The Prehearing Statements submitted in these matters, three Prehearing Statements in all, are organized in an effort to provide a manageable approach to reviewing the cases by addressing (1) the 8 competing cases in the Bone

Spring for Sections 5 and 8; (2) the 8 competing cases in the Bone Spring for Sections 4 and 9; and finally (3) the status of the competing cases filed for the Wolfcamp formation in both Sections 4 and 9 and Sections 5 and 8.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

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Darin C. Savage

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**Attorneys for Cimarex Energy Co.**

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing was filed with the New Mexico Oil Conservation Division and was served on counsel of record via electronic mail on August 2, 2023:

Michael H. Feldewert – [mfeldewert@hollandhart.com](mailto:mfeldewert@hollandhart.com)  
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*Attorneys for Read & Stevens, Inc.;  
and Permian Resources Operating, LLC*

Blake C. Jones – [blake.jones@steptoe-johnson.com](mailto:blake.jones@steptoe-johnson.com)

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Sealy Cavin, Jr. – [scavin@cilawnm.com](mailto:scavin@cilawnm.com)  
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*Attorneys for Sandstone Properties, LLC*

*/s/ Darin C. Savage*

---

Darin C. Savage

## TAB 2

Case Nos. 23452-23455

Exhibit A: Self-Affirmed Statement of John Coffman Landman  
Exhibit A-1: C-102 Forms  
Exhibit A-2.1: Ownership and Sectional Map  
Exhibit A-2.2: Ownership and Sectional Map  
Exhibit A-2.3: Ownership and Sectional Map  
Exhibit A-2.4: Ownership and Sectional Map  
Exhibit A-3: Well Proposal Letters and AFEs  
Exhibit A-4: Chronology of Contacts with Uncommitted Owners  
Exhibit A-5: Support Letters from Interest Owners  
Exhibit A-6: Read and Stevens Original Well Proposal  
Exhibit A-7: Ownership Supporting Cimarex  
Exhibit A-8: Cost Difference Between Plans

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

**APPLICATIONS OF CIMAREX ENERGY CO.  
FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO**

**Case Nos. 23452, 23453, 23454 & 23455**

**SELF-AFFIRMED STATEMENT OF JOHN COFFMAN**

I, being duly sworn on oath, state the following:

1. I am over the age of eighteen years and have the capacity to execute this Self-Affirmed Statement, which is based on my personal knowledge.

2. I am employed as a Landman with Coterra Energy, Inc., and its subsidiary Cimarex Energy Co. ("Cimarex"), the applicant in this case, and I am familiar with the subject application and the lands involved.

3. I graduated in 2018 from Texas Tech University with a bachelor's degree in Business Administration with an emphasis on Energy Commerce. I have worked at Cimarex for approximately 4 years, and I have been working in New Mexico for 5 years. My credentials as an expert witness in petroleum land matters have been accepted by the New Mexico Oil Conservation Division ("Division") and made a matter of record.

4. This Statement is submitted in connection with the filing by Cimarex of the above-referenced compulsory pooling applications pursuant to 19.15.4.12.A(1).

5. The Land Statement is the second Statement placed in this Hearing Packet II to address the four cases (Case Nos. 23452-23455) that involve the Bone Spring formation, in which resides the primary reservoir and common source of supply, for Sections 4 and 9, Township 20





South, Range 34 East, NMPM, Lea County, New Mexico, as it applies to Cimarex's Loosey Goosey wells. This Land Statement will discuss the Loosey Goosey wells both within the four cases that specifically focus on the wells, but also within the broader context of Cimarex's development plan for all the Subject Lands.

6. This Hearing Packet II also contains the full set of geology and engineering testimony and exhibits, for all 16 cases, that provide a larger focus on the background, technical detail, and context that support and elucidate the Landman Statement.

7. Thus, as we begin with the Loosey Goosey wells, the above-referenced cases (Case Nos. 23452 – 23455) all seek to develop the Bone Spring formation underlying Sections 4 and 9, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico.

8. Under Case No. 23452, Cimarex seeks an order pooling all uncommitted mineral interest in the Bone Spring formation, more specifically, the Teas; Bone Spring, East [Pool Code 96637], designated as an oil pool, underlying a standard 320.89-acre, more or less, spacing and proration unit comprised of Lot 1 (NE/4 NE/4 equivalent), the SE/4 NE/4, and the E/2 SE/4 of Section 4 and the E/2 E/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico. Cimarex intends to dedicate to the unit two initial wells: the **Loosey Goosey 4-9 Fed Com 204H Well**, and the **Loosey Goosey 4-9 Fed Com 304H Well**.

9. Cimarex proposes the **Loosey Goosey 4-9 Fed Com 204H Well** (API pending) to be horizontally drilled from a surface location 194' FSL and 1428' FEL of Section 33, Township 19 South, Range 34 East to a bottom hole location 100' FSL and 330' FEL of Section 9, Township 20 South, Range 34 East; approximate TVD of 10,300'; approximate TMD of 20,518'; FTP in Section 4: 100' FNL, 330' FEL; LTP in Section 9: 100' FSL, 330' FEL.

10. Cimarex proposes the **Loosey Goosey 4-9 Fed Com 304H Well** (API pending) to be horizontally drilled from a surface location 194' FSL and 1408' FEL of Section 33 to a bottom hole location 100' FSL and 330' FEL of Section 9; approximate TVD of 10,800'; approximate TMD of 21,075'; FTP in Section 4: 100' FNL, 330' FEL; LTP in Section 9: 100' FSL, 330' FEL.

11. Under Case No. 23453, Cimarex seeks an order pooling all uncommitted mineral interest in the Bone Spring formation, more specifically, the Teas; Bone Spring, East [Pool Code 96637], designated as an oil pool,, underlying a standard 320.21-acre, more or less, spacing and proration unit comprised of Lot 4 (NW/4 NW/4 equivalent), the SW/4 NW/4 and the W/2 SW/4 of Section 4 and the W/2 W/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico. Cimarex intends to dedicate to the unit the **Loosey Goosey 4-9 Fed Com 301H Well**.

12. Cimarex proposes the **Loosey Goosey 4-9 Fed Com 301H Well** (API pending) to be horizontally drilled from a surface location 1189' FSL and 1464' FWL of Section 33, Township 19 South, Range 34 East, NMPM, to a bottom hole location 100' FSL and 706' FWL of Section 9 Township 20 South, Range 34 East, NMPM; approximate TVD of 10,830'; approximate TMD of 21,091'; FTP in Section 4: 100' FNL, 706' FWL; LTP in Section 9: 100' FSL, 706' FWL.

13. Under Case No. 23454, Cimarex seeks an order pooling all uncommitted mineral interest in the Bone Spring formation, more specifically, the Teas; Bone Spring, East [Pool Code 96637], designated as an oil pool, underlying a standard 320.44-acre, more or less, spacing and proration unit comprised of Lot 3 (NE/4 NW/4 equivalent), the SE/4 NW/4 and the E/2 SW/4 of Section 4 and the E/2 W/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico. Cimarex intends to dedicate to the unit the **Loosey Goosey 4-9 Fed Com 302H Well**.

14. Cimarex proposes the **Loosey Goosey 4-9 Fed Com 302H Well** (API pending) to be horizontally drilled from a surface location 1189' FSL and 1484' FWL of Section 33 Township 19 South, Range 34 East, NMPM, to a bottom hole location in the 100' FSL and 2120' FWL of Section 9, Township 20 South, Range 34 East; with an approximate TVD of 10,820'; approximate TMD of 21,100'; FTP in Section 4: 100' FNL, 2,120' FWL; LTP in Section 9: 100' FSL, 2,120' FWL.

15. Under Case No. 23455, Cimarex seeks an order pooling all uncommitted mineral interest in the Bone Spring formation, more specifically, the Teas; Bone Spring, East [Pool Code 96637], designated as an oil pool, underlying a standard 320.66-acre, more or less, spacing and proration unit comprised of Lot 2 (NW/4 NE/4 equivalent), the SW/4 NE/4 and the W/2 SE/4 of Section 4 and the W/2 E/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico. Cimarex intends to dedicate to the unit the **Loosey Goosey 4-9 Fed Com 303H Well**.

16. Cimarex proposes the **Loosey Goosey 4-9 Fed Com 303H Well** (API pending) to be horizontally drilled from a surface location 194' FSL and 1448' FEL of Section 33, Township 19 South, Range 34 East, NMPM, to a bottom hole location 100' FSL and 1,744' FEL of Section 9; approximate TVD of 10,810'; approximate TMD of 20,966'; FTP in Section 4: 100' FNL, 1,744' FEL; LTP in Section 9: 100' FSL, 1,744' FEL.

17. Cimarex has been informed that in a recent pleading filed by Permian Resources, Permian Resources accused Cimarex of sitting on its acreage and not moving forward with development. I read this in Permian Resources' Response to Cimarex's Motion to Continue, the exact language accused Cimarex of "sitting on this acreage for years," and only now moving forward. This is a complete mischaracterization of the efforts Cimarex and its parent company

Coterra Energy, Inc., (“Coterra” or collectively “Cimarex”) have made toward developing the Subject Lands and the surrounding area (“Area of Interest”). I provide a full overview of Cimarex’s history with Read & Stevens in my Landman Statement that I provided in Hearing Packet I for the Mighty Pheasant Well, at Paragraphs 24 through 32, for the Examiners’ review.

18. Paragraphs 33 through 35 of my Landman Statement in Hearing Packet I for the Might Pheasant Wells provides a detailed overview of the extreme differences in costs between the development plans provided by Permian Resources and Cimarex, with Permian Resources’ plan costing over 52% more and drilling 18 more wells that result in no additional production or EUR than the amount that Cimarex’s plan produces. Exhibit A-8 provides a table that compares the costs of the two plans to each working interest (“WI”) owner as well as a comparison of the total costs.

19. And this is why the majority of WI owners support Cimarex over Permian Resources. This Landman Statement, as part of Hearing Packet II, focuses on Cimarex’s Loosey Goosey wells in the Bone Spring units underlying Section 4 and 9 of the Subject Lands. Exhibit A-7 provides a table showing which owners and their acreage support Cimarex, referred to in the chart as CTRA, and which support Permian Resources, referred to in table as PR. Going across the units listed in the table for the Loosey Goosey wells in the Bone Spring, you can see that the majority of owners in each unit clearly support Cimarex over Permian Resources (61.93% v. 26.98% in the W/2 W/2 unit; 61.94% v. 26.97% in the E/2 W/2 unit; 61.49% v. 28.92% in the W/2 E/2 unit; and 61.50% v. 28.92% in the E/2 E/2 unit).

20. Cimarex operates around 15,000 acres and operate ~50 wellbores in the immediate vicinity in Township 19 South, Ranges 33 and 34 East, in Lea County. I believe that Cimarex is a top-tier operator especially regarding the knowledge it takes to drill in this area. We have been

able to come to agreements with multiple owners in the area to effectively and efficiently develop a large portion of this area.

21. The proposed C-102 for each Loosey Goosey well is attached as **Exhibit A-1**.

22. A general location plat and a plat outlining the units being pooled is attached hereto as **Exhibit A-2.1** through **Exhibit A-2.4**, which show the location of the proposed Loosey Goosey wells within the units. The location of each well is orthodox, and it meets the Division's offset requirements.

23. The parties being pooled, the nature of their interests, and their last known addresses are listed in **Exhibit A-2.1** through **Exhibit A-2.4** attached hereto. These Exhibits include information regarding working interest owners.

24. In the Loosey Goosey Bone Spring units underlying Sections 4 and 9, there are no depth severances in the Bone Spring formation in this acreage. Cimarex's review of the lands shows no overlapping units.

25. I provided the law firm of Abadie & Schill P.C. a list of names and addresses for the uncommitted interest owners shown on **Exhibit A-2.1** through **Exhibit A-2.4**. In compiling these addresses, I conducted a diligent search of the public records in **Lea** County, New Mexico, where the wells are located, and of phone directories and did computer searches to locate the contact information for parties entitled to notification. All working interest owners were locatable and noticed. Cimarex published notice in the Hobbs News-Sun, a newspaper of general circulation in Lea County, New Mexico, to account for any unlocatable parties and cover any contingencies regarding notice.

26. Cimarex provided notice to all WI owners in the Bone Spring unit of Section 4 and 9, which it considers to be the necessary parties who have a right to notice. Cimarex considers the

Overriding Royalty Interest (“ORRI”) owners no be non-participatory royalty owners subject to the pooling clauses present in the assignment instruments and the leases, and therefore it is the applicant’s option to provide notice to them and pool them as part of the pooling proceeding, or to address the ORRI owners separately outside the pooling process.

27. Cimarex has made a good faith effort to negotiate with the interest owners, but has been unable to obtain, voluntary agreement from all interest owners to participate in the drilling of the well or in the commitment of their interests to the well for its development within the proposed horizontal spacing unit. **Exhibits A-4** provides a chronology and history of contacts with the owners. Prior to the acquisition by Permian Resources of Read & Stevens, Cimarex had made good faith efforts to communicate and get a plan of development in place for these Sections. No meetings with Read & Stevens had ever come to fruition. I have personally worked for over 2 years and Cimarex has worked for over 4 years to get to a resolution so that this acreage can be developed. The majority of the working interest owners in these Sections are excited for development and have been long awaiting a return on their investment. Cimarex has constantly been trying to obtain term assignments, vetting out trades with other working interest owners, and has made offers to purchase in this area. We believe in this area and have shown our earnestness in development for years. Cimarex was the first operator to do the groundwork and file applications for the Subject Lands, filing well before Read & Stevens.

28. The interest owners being pooled have been contacted regarding the proposed wells but have failed or refused to voluntarily commit their interest in the wells. However, Cimarex has been in ongoing discussions with some of the interest owners to voluntarily enter into a Joint Operating Agreement. If a mutually agreeable Joint Operating Agreement is reached between Cimarex and another interest owner or owners, Cimarex requests that the voluntary agreement

become operative and supersede the Division's order for said parties, except to the extent the Division deems it necessary to maintain spacing criteria for the purpose of conservation, the prevention of waste, and protection of correlative rights.

29. For any unleased open acreage being pooled, Cimarex requests that the acreage be pooled pursuant to statutory one-eighth (1/8) royalty.

30. **Exhibit A-3** is a sample proposal letter and the AFEs for each proposed well. The estimated cost of the wells set forth in the AFEs is fair, reasonable, and comparable to the costs of other wells of similar depths and lengths drilled in this area of New Mexico.

31. Without Wolfcamp wells as proposed by Permian Resources, Cimarex's full development of the acreage is far, far less expensive to develop the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> Bone Spring formations. Permian not only proposes to over-drill the Subject Lands, but it will incur unnecessary costs that will substantially burden smaller working interest owners. Working interest owners should get the best wells at the most economic prices, and we feel that our development provides the most efficient and cost-saving plan. See **Exhibit A-5** which provides letters of support from working interest owners in the units who support Cimarex's development plan, based on excellent prior experiences working with Cimarex as an operator.

32. Cimarex requests overhead and administrative rates of \$8000/month for drilling each well and \$800/month for producing each well. These rates are fair and comparable to the rates charged by other operators for wells of this type in this area of southeastern New Mexico. Cimarex requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

33. Cimarex requests the maximum cost, plus 200% risk charge be assessed against non-consenting working interest owners.

34. Cimarex requests that it be designated operator of the units and wells.

35. The Exhibits to this Self-Affirmed Statement were prepared by me or compiled from Cimarex's company business records under my direct supervision.

36. The granting of this Application is in the best interests of conservation, the prevention of waste, and the protection of correlative rights, and will avoid the drilling of unnecessary wells. Due to Cimarex's operational footprint and expertise in the area, we are able to utilize our drilling efficiencies, relationships with working interest owners, and third party takeaway to cost-effectively develop this acreage. We understand the geology of this area and do not need to over-drill the Subject Lands in order to fully develop the acreage.

37. The foregoing is correct and complete to the best of my knowledge and belief.

*[Signature page follows]*



*Signature page of Self-Affirmed Statement of John Coffman:*

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case Nos. 23452, 23453, 23454 and 23455, and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.

  
John Coffman

8/1/23  
Date Signed

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

|                                    |                                                         |                                                   |
|------------------------------------|---------------------------------------------------------|---------------------------------------------------|
| <sup>1</sup> API Number<br>30-025- | <sup>2</sup> Pool Code<br>96637                         | <sup>3</sup> Pool Name<br>Teas; Bone Spring, East |
| <sup>4</sup> Property Code         | <sup>5</sup> Property Name<br>LOOSEY GOOSEY 4-9 FED COM | <sup>6</sup> Well Number<br>204H                  |
| <sup>7</sup> OGRID No.<br>215099   | <sup>8</sup> Operator Name<br>CIMAREX ENERGY CO.        | <sup>9</sup> Elevation<br>3659.8'                 |

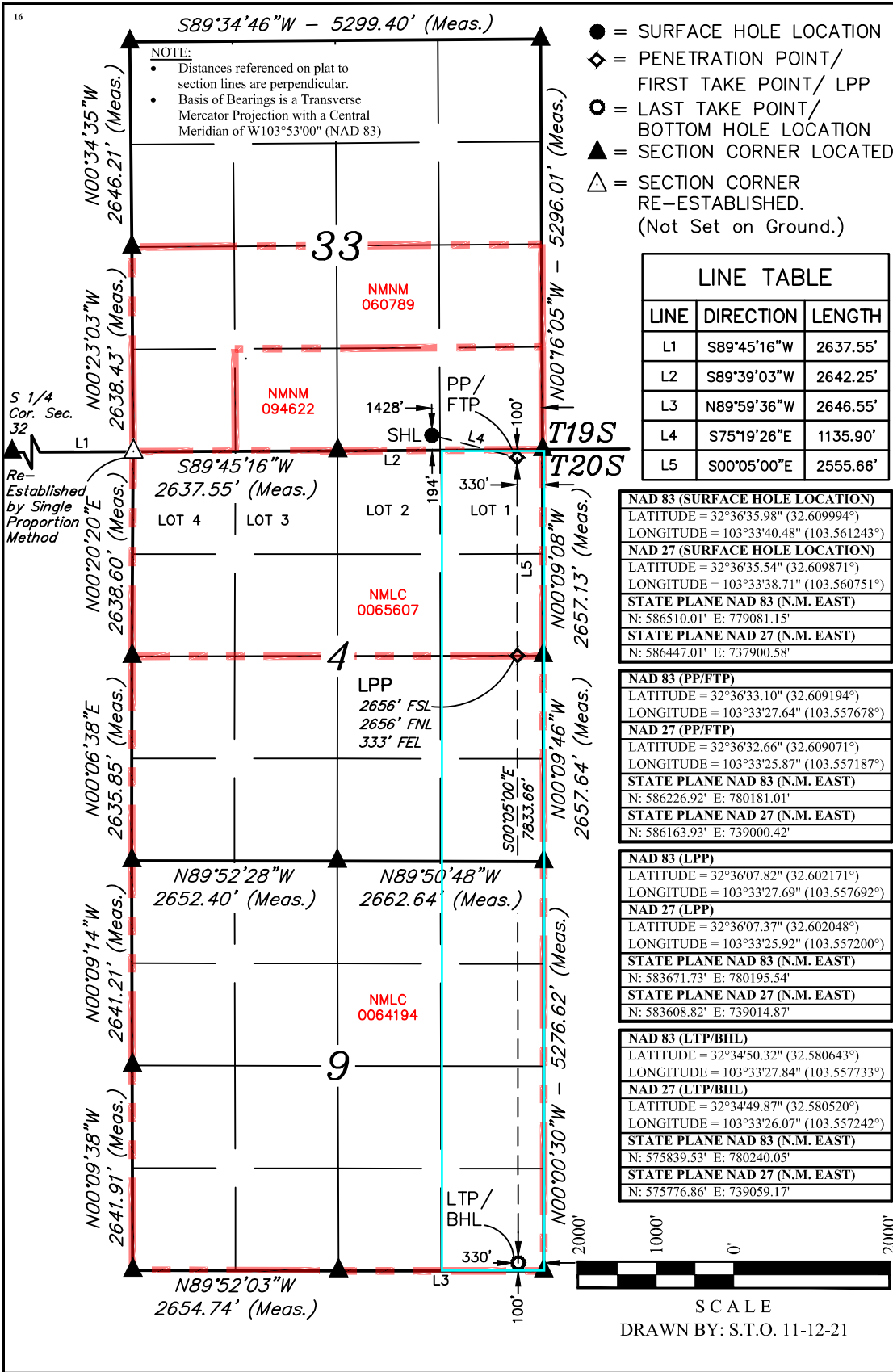
<sup>10</sup> Surface Location

|                    |               |                 |              |         |                      |                           |                       |                        |               |
|--------------------|---------------|-----------------|--------------|---------|----------------------|---------------------------|-----------------------|------------------------|---------------|
| UL or lot no.<br>O | Section<br>33 | Township<br>19S | Range<br>34E | Lot Idn | Feet from the<br>194 | North/South line<br>SOUTH | Feet from the<br>1428 | East/West line<br>EAST | County<br>LEA |
|--------------------|---------------|-----------------|--------------|---------|----------------------|---------------------------|-----------------------|------------------------|---------------|

<sup>11</sup> Bottom Hole Location If Different From Surface

|                                         |                               |                                  |                         |         |                      |                           |                      |                        |               |
|-----------------------------------------|-------------------------------|----------------------------------|-------------------------|---------|----------------------|---------------------------|----------------------|------------------------|---------------|
| UL or lot no.<br>P                      | Section<br>9                  | Township<br>20S                  | Range<br>34E            | Lot Idn | Feet from the<br>100 | North/South line<br>SOUTH | Feet from the<br>330 | East/West line<br>EAST | County<br>LEA |
| <sup>12</sup> Dedicated Acres<br>320.89 | <sup>13</sup> Joint or Infill | <sup>14</sup> Consolidation Code | <sup>15</sup> Order No. |         |                      |                           |                      |                        |               |

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



**<sup>17</sup> OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*Brittany Gordon* 7/28/2023  
Signature Date

**Brittany Gordon**  
Printed Name

*brittany.gordon@coterra.com*  
E-mail Address

**<sup>18</sup> SURVEYOR CERTIFICATION**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

November 01, 2021

Date of Survey  
Signature and Seal of Professional Surveyor:

**PAUL BUCHELE**  
NEW MEXICO  
23782  
11-12-21  
PROFESSIONAL SURVEYOR

Certificate Number:

EXHIBIT  
A-1

District I  
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| <sup>1</sup> API Number<br>30-025 | <sup>2</sup> Pool Code<br>96637                         | <sup>3</sup> Pool Name<br>Teas; Bone Spring, East |
| <sup>4</sup> Property Code        | <sup>5</sup> Property Name<br>LOOSEY GOOSEY 4-9 FED COM | <sup>6</sup> Well Number<br>304H                  |
| <sup>7</sup> OGRID No.<br>215099  | <sup>8</sup> Operator Name<br>CIMAREX ENERGY CO.        | <sup>9</sup> Elevation<br>3659.4'                 |

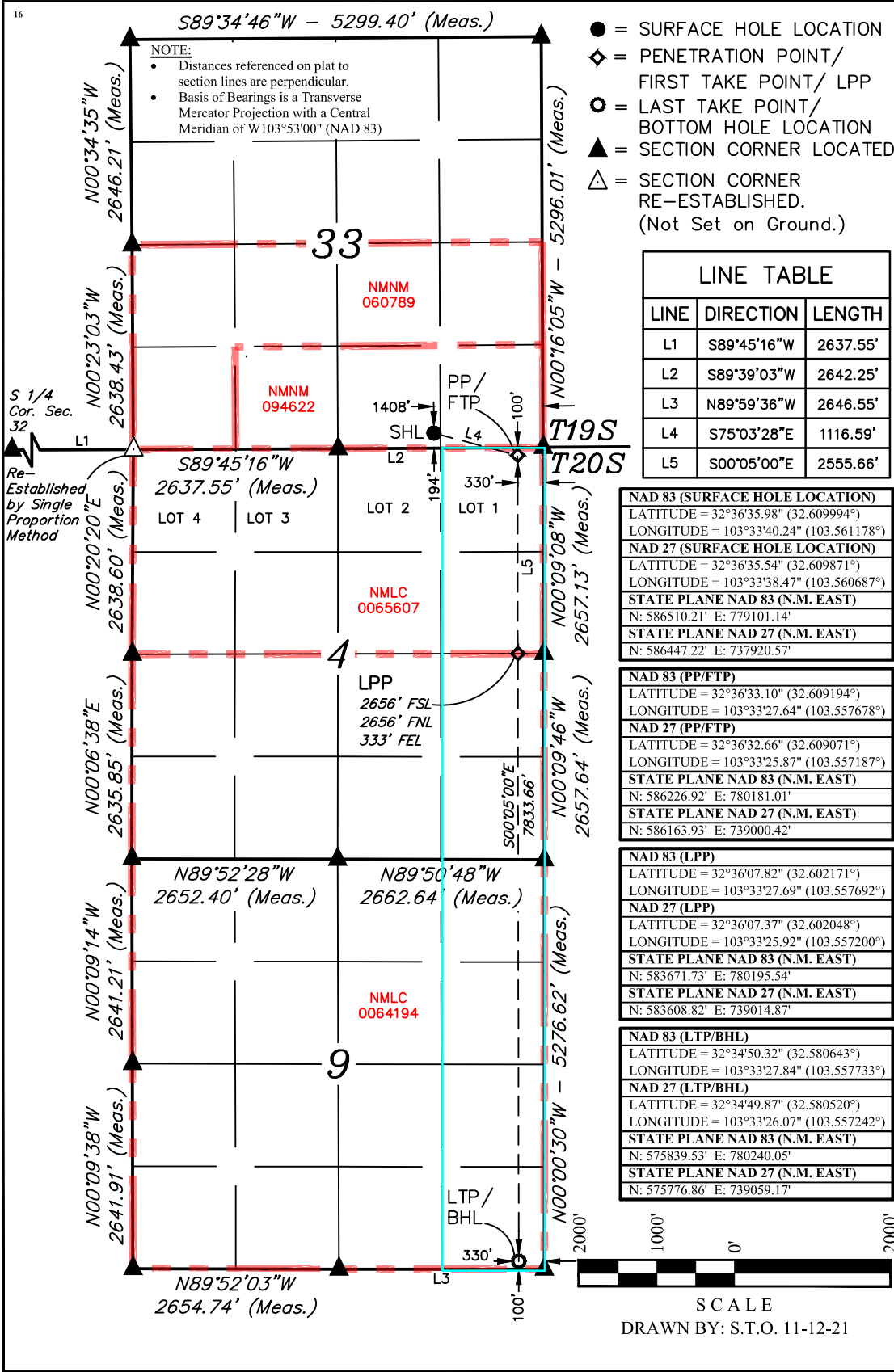
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|                    |               |                 |              |         |                      |                           |                       |                        |               |
|--------------------|---------------|-----------------|--------------|---------|----------------------|---------------------------|-----------------------|------------------------|---------------|
| UL or lot no.<br>O | Section<br>33 | Township<br>19S | Range<br>34E | Lot Idn | Feet from the<br>194 | North/South line<br>SOUTH | Feet from the<br>1408 | East/West line<br>EAST | County<br>LEA |
|--------------------|---------------|-----------------|--------------|---------|----------------------|---------------------------|-----------------------|------------------------|---------------|

<sup>11</sup> Bottom Hole Location If Different From Surface

|                                         |                               |                                  |                         |         |                      |                           |                      |                        |               |
|-----------------------------------------|-------------------------------|----------------------------------|-------------------------|---------|----------------------|---------------------------|----------------------|------------------------|---------------|
| UL or lot no.<br>P                      | Section<br>9                  | Township<br>20S                  | Range<br>34E            | Lot Idn | Feet from the<br>100 | North/South line<br>SOUTH | Feet from the<br>330 | East/West line<br>EAST | County<br>LEA |
| <sup>12</sup> Dedicated Acres<br>320.89 | <sup>13</sup> Joint or Infill | <sup>14</sup> Consolidation Code | <sup>15</sup> Order No. |         |                      |                           |                      |                        |               |

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



<sup>17</sup> OPERATOR  
CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*Brittany Gordon* 7/28/2023  
Signature Date

Brittany Gordon  
Printed Name

*brittany.gordon@coterra.com*  
E-mail Address

<sup>18</sup> SURVEYOR  
CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

November 01, 2021

Date of Survey  
Signature and Seal of Professional Surveyor:

PAUL BUCHELE  
NEW MEXICO  
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11-12-21  
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| <sup>4</sup> Property Code        |  | <sup>5</sup> Property Name<br>LOOSEY GOOSEY 4-9 FED COM |  |                                                   | <sup>6</sup> Well Number<br>301H  |
| <sup>7</sup> OGRID No.<br>215099  |  | <sup>8</sup> Operator Name<br>CIMAREX ENERGY CO.        |  |                                                   | <sup>9</sup> Elevation<br>3659.4' |

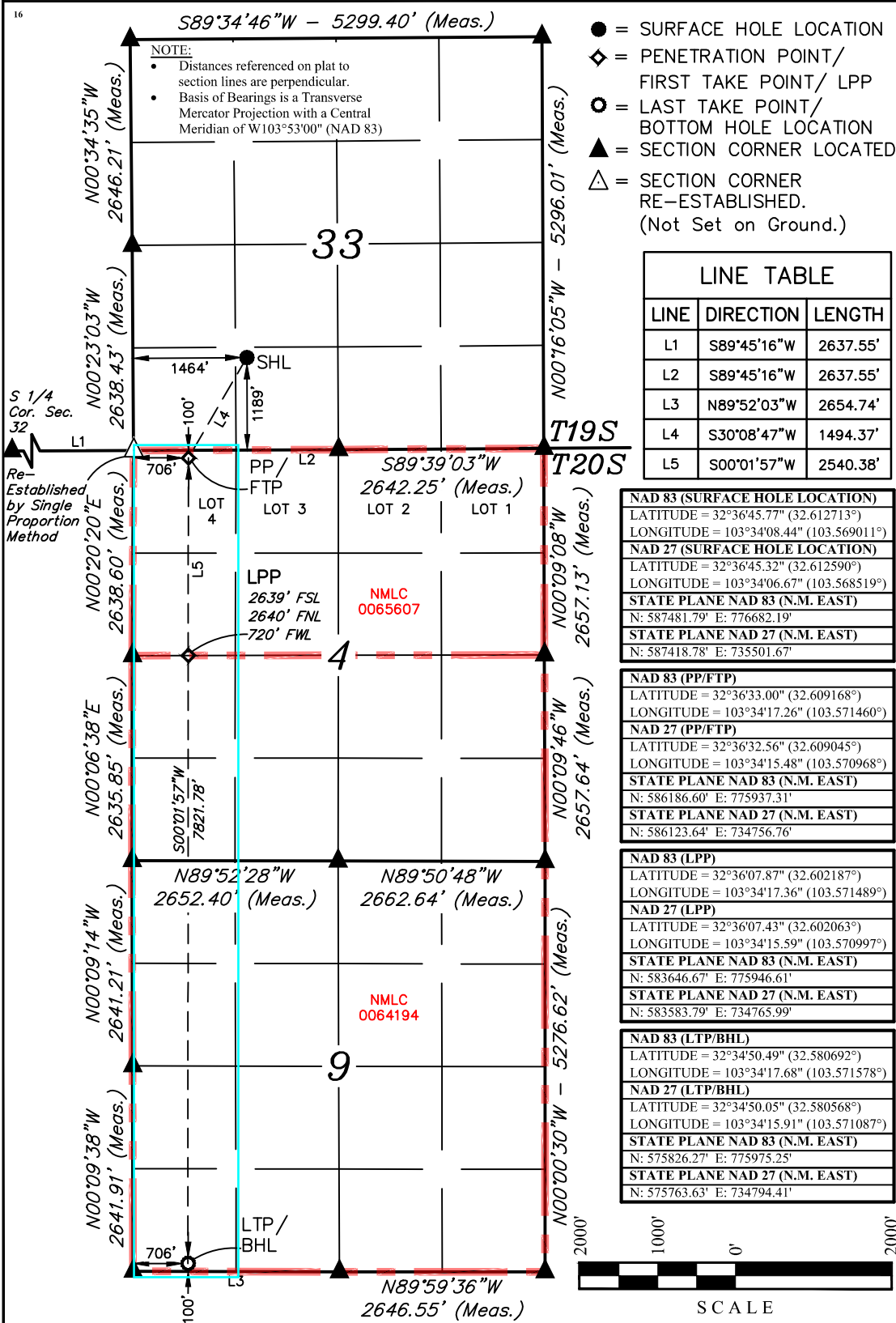
<sup>10</sup> Surface Location

|                    |               |                 |              |         |                       |                           |                       |                        |               |
|--------------------|---------------|-----------------|--------------|---------|-----------------------|---------------------------|-----------------------|------------------------|---------------|
| UL or lot no.<br>N | Section<br>33 | Township<br>19S | Range<br>34E | Lot Idn | Feet from the<br>1189 | North/South line<br>SOUTH | Feet from the<br>1464 | East/West line<br>WEST | County<br>LEA |
|--------------------|---------------|-----------------|--------------|---------|-----------------------|---------------------------|-----------------------|------------------------|---------------|

<sup>11</sup> Bottom Hole Location If Different From Surface

|                                         |              |                               |              |                                  |                      |                           |                      |                        |               |
|-----------------------------------------|--------------|-------------------------------|--------------|----------------------------------|----------------------|---------------------------|----------------------|------------------------|---------------|
| UL or lot no.<br>M                      | Section<br>9 | Township<br>20S               | Range<br>34E | Lot Idn                          | Feet from the<br>100 | North/South line<br>SOUTH | Feet from the<br>706 | East/West line<br>WEST | County<br>LEA |
| <sup>12</sup> Dedicated Acres<br>320.21 |              | <sup>13</sup> Joint or Infill |              | <sup>14</sup> Consolidation Code |                      | <sup>15</sup> Order No.   |                      |                        |               |

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<sup>17</sup> OPERATOR  
CERTIFICATION

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*Brittany Gordon* 7/28/2023

Signature Date

*Brittany Gordon*

Printed Name

*brittany.gordon@coterra.com*

E-mail Address

<sup>18</sup> SURVEYOR  
CERTIFICATION

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November 02, 2021

Date of Survey

Signature and Seal of Professional Surveyor:

*Paul Buchele*

PAUL BUCHELE  
NEW MEXICO  
23782  
11-09-21  
PROFESSIONAL SURVEYOR

Certificate Number:



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Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

|                                   |  |                                                         |  |                                                   |                                   |
|-----------------------------------|--|---------------------------------------------------------|--|---------------------------------------------------|-----------------------------------|
| <sup>1</sup> API Number<br>30-025 |  | <sup>2</sup> Pool Code<br>96637                         |  | <sup>3</sup> Pool Name<br>Teas; Bone Spring, East |                                   |
| <sup>4</sup> Property Code        |  | <sup>5</sup> Property Name<br>LOOSEY GOOSEY 4-9 FED COM |  |                                                   | <sup>6</sup> Well Number<br>302H  |
| <sup>7</sup> OGRID No.<br>215099  |  | <sup>8</sup> Operator Name<br>CIMAREX ENERGY CO.        |  |                                                   | <sup>9</sup> Elevation<br>3659.8' |

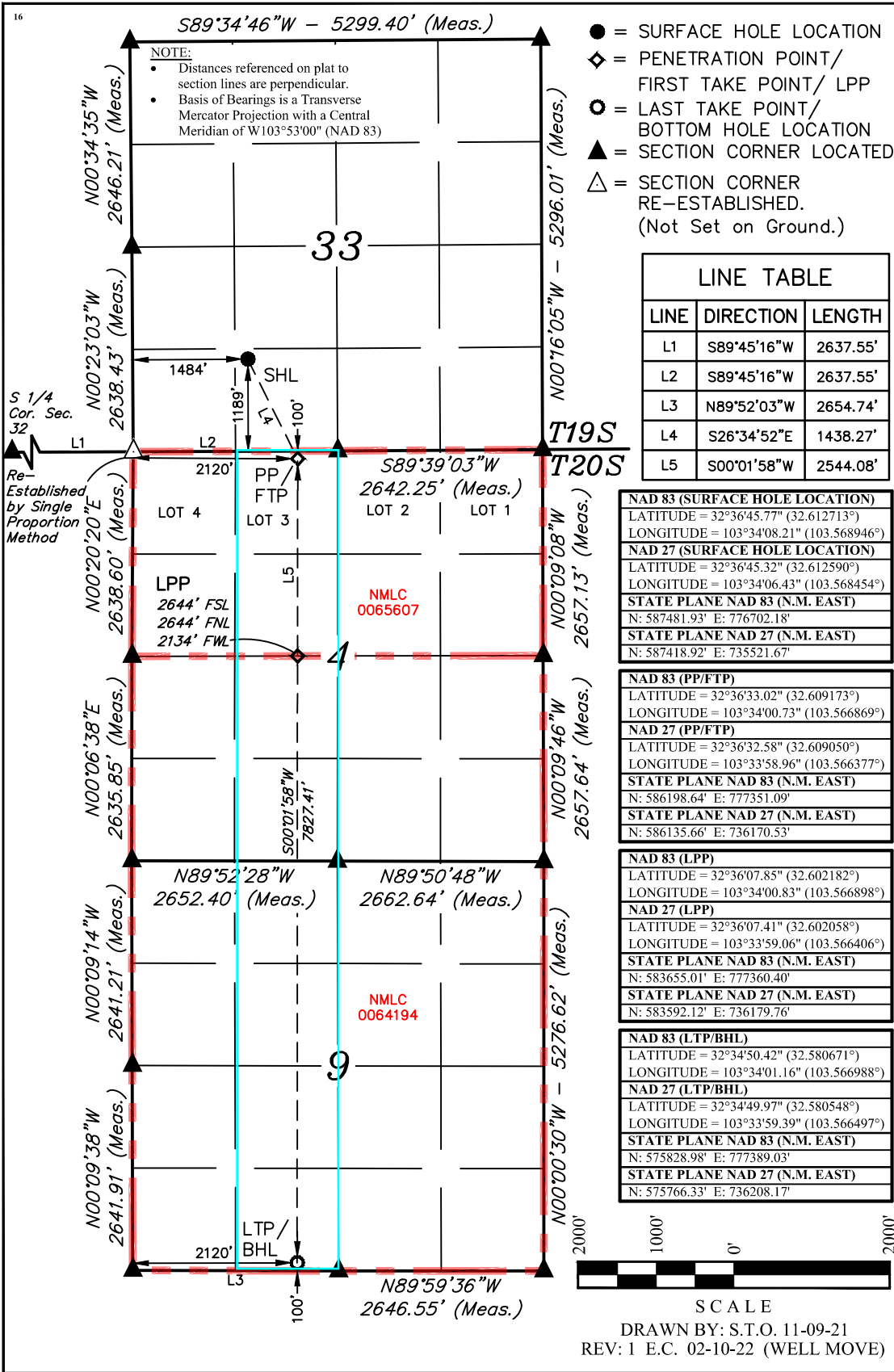
<sup>10</sup> Surface Location

|                    |               |                 |              |         |                       |                           |                       |                        |               |
|--------------------|---------------|-----------------|--------------|---------|-----------------------|---------------------------|-----------------------|------------------------|---------------|
| UL or lot no.<br>N | Section<br>33 | Township<br>19S | Range<br>34E | Lot Idn | Feet from the<br>1189 | North/South line<br>SOUTH | Feet from the<br>1484 | East/West line<br>WEST | County<br>LEA |
|--------------------|---------------|-----------------|--------------|---------|-----------------------|---------------------------|-----------------------|------------------------|---------------|

<sup>11</sup> Bottom Hole Location If Different From Surface

|                                         |              |                               |              |                                  |                      |                           |                       |                        |               |
|-----------------------------------------|--------------|-------------------------------|--------------|----------------------------------|----------------------|---------------------------|-----------------------|------------------------|---------------|
| UL or lot no.<br>N                      | Section<br>9 | Township<br>20S               | Range<br>34E | Lot Idn                          | Feet from the<br>100 | North/South line<br>SOUTH | Feet from the<br>2120 | East/West line<br>WEST | County<br>LEA |
| <sup>12</sup> Dedicated Acres<br>320.44 |              | <sup>13</sup> Joint or Infill |              | <sup>14</sup> Consolidation Code |                      | <sup>15</sup> Order No.   |                       |                        |               |

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



<sup>17</sup> OPERATOR  
CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*Brittany Gordon* 7/28/2023  
Signature Date

Brittany Gordon  
Printed Name

brittany.gordon@coterra.com  
E-mail Address

<sup>18</sup> SURVEYOR  
CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

November 02, 2021

Date of Survey  
Signature and Seal of Professional Surveyor:

PAUL BUCHELE  
NEW MEXICO  
23782  
02-18-22  
PROFESSIONAL SURVEYOR

Certificate Number:

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

|                                   |                                                         |                                                   |
|-----------------------------------|---------------------------------------------------------|---------------------------------------------------|
| <sup>1</sup> API Number<br>30-025 | <sup>2</sup> Pool Code<br>96637                         | <sup>3</sup> Pool Name<br>Teas; Bone Spring, East |
| <sup>4</sup> Property Code        | <sup>5</sup> Property Name<br>LOOSEY GOOSEY 4-9 FED COM | <sup>6</sup> Well Number<br>303H                  |
| <sup>7</sup> OGRID No.<br>215099  | <sup>8</sup> Operator Name<br>CIMAREX ENERGY CO.        | <sup>9</sup> Elevation<br>3659.9'                 |

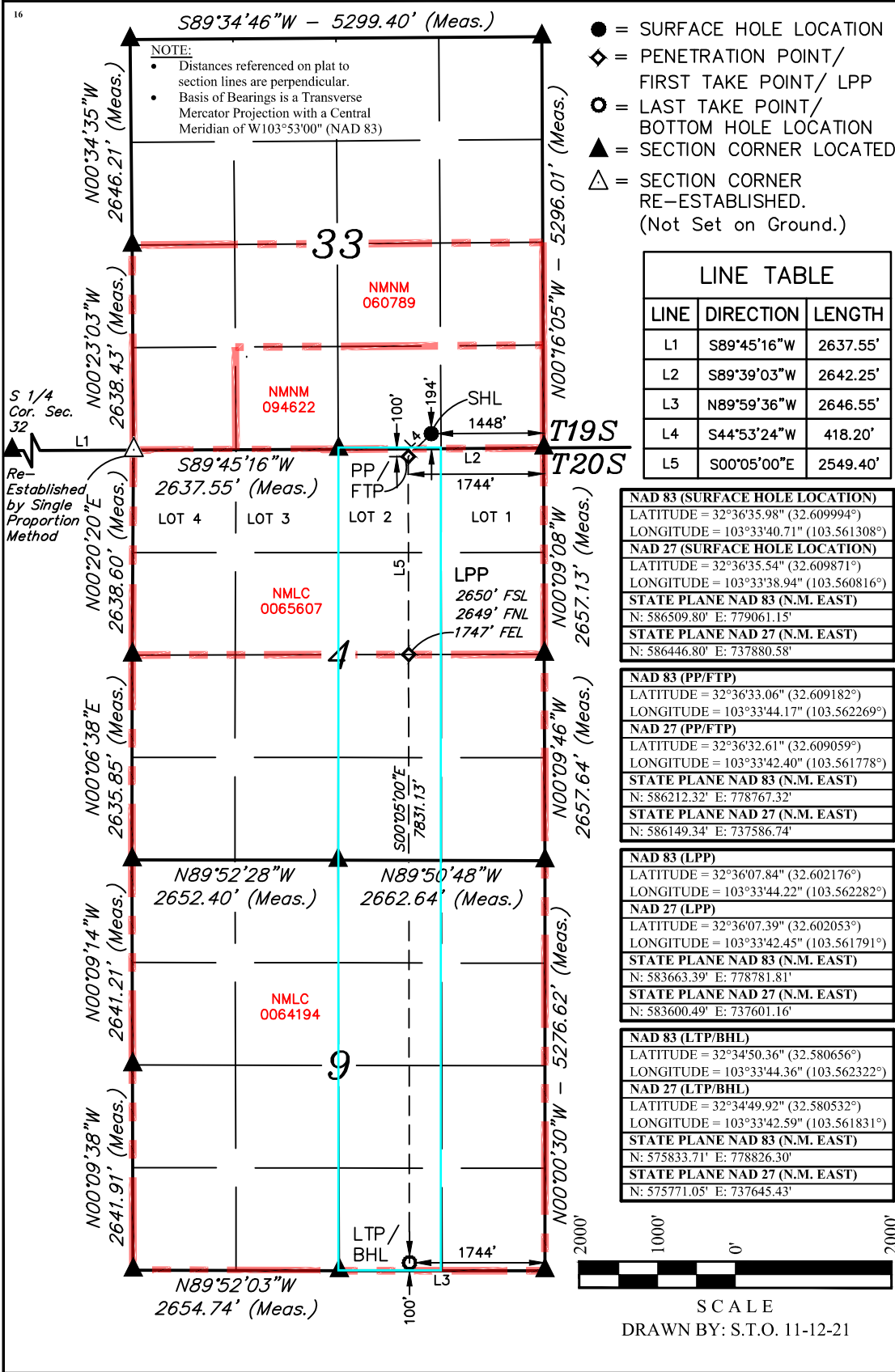
<sup>10</sup> Surface Location

|                    |               |                 |              |         |                      |                           |                       |                        |               |
|--------------------|---------------|-----------------|--------------|---------|----------------------|---------------------------|-----------------------|------------------------|---------------|
| UL or lot no.<br>O | Section<br>33 | Township<br>19S | Range<br>34E | Lot Idn | Feet from the<br>194 | North/South line<br>SOUTH | Feet from the<br>1448 | East/West line<br>EAST | County<br>LEA |
|--------------------|---------------|-----------------|--------------|---------|----------------------|---------------------------|-----------------------|------------------------|---------------|

<sup>11</sup> Bottom Hole Location If Different From Surface

|                                         |                               |                                  |                         |         |                      |                           |                       |                        |               |
|-----------------------------------------|-------------------------------|----------------------------------|-------------------------|---------|----------------------|---------------------------|-----------------------|------------------------|---------------|
| UL or lot no.<br>O                      | Section<br>9                  | Township<br>20S                  | Range<br>34E            | Lot Idn | Feet from the<br>100 | North/South line<br>SOUTH | Feet from the<br>1744 | East/West line<br>EAST | County<br>LEA |
| <sup>12</sup> Dedicated Acres<br>320.66 | <sup>13</sup> Joint or Infill | <sup>14</sup> Consolidation Code | <sup>15</sup> Order No. |         |                      |                           |                       |                        |               |

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



<sup>17</sup> OPERATOR  
CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature Brittany Gordon Date 7/28/2023

Printed Name Brittany Gordon

E-mail Address brittany.gordon@coterra.com

<sup>18</sup> SURVEYOR  
CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

November 01, 2021

Date of Survey

Signature and Seal of Professional Surveyor:

PAUL BUCHELE  
NEW MEXICO  
23782  
11-12-21  
PROFESSIONAL SURVEYOR

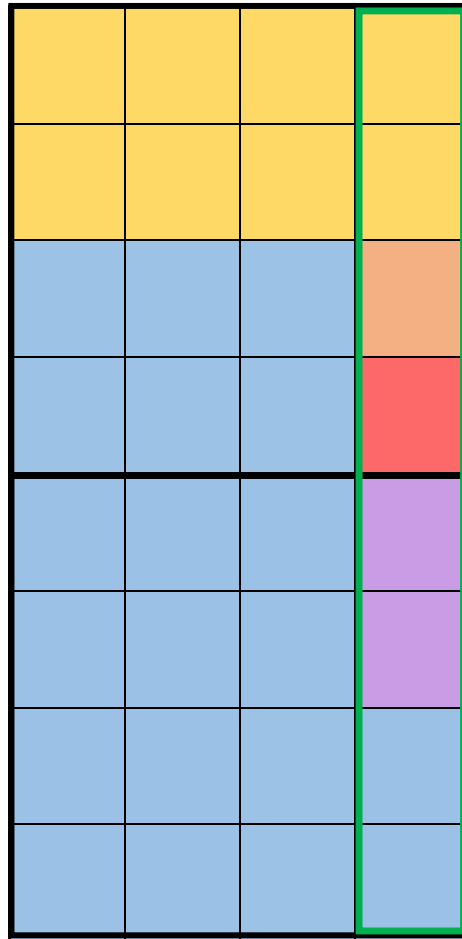
Certificate Number:

Exhibit "A-2"

E/2E/2 of Section 4 and the E/2E/2 of Section 9, Township 20 South, Range 34 East of Lea County, NM (PERMIAN/DELAWARE BASIN) – Bone Spring formation

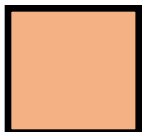
Section 4

Section 9



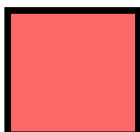
Tract 1:

USA NMLC-0064194  
(40.00 acres)



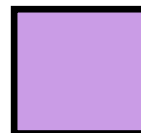
Tract 2:

USA NMLC-0064194  
(40.00 acres)



Tract 3:

USA NMLC-0064194  
(80.00 acres)



Tract 4:

USA NMLC-0064194  
(80.00 acres)



Tract 5:

USA NMLC-0065607  
(80.89 acres)



EXHIBIT  
A-2.1

**Loosey Goosey 4-9 Fed Com 204H****SHL: Sec. 33-19S-34E; 194' FSL and 1428' FEL****BHL: Sec. 9-20S-34E; 100' FNL and 330' FEL****Loosey Goosey 4-9 Fed Com 304H****SHL: Sec. 33-19S-34E; 194' FSL and 1408' FEL****BHL: Sec. 9-20S-34E; 100' FNL and 330' FEL****Exhibit "A-2"****OWNERSHIP BREAKDOWN – Bone Spring formation****E/2E/2 of Section 4 and the E/2E/2 of Section 9 of Section 9, Township 20 South, Range 34  
East of Lea County, NM****Loosey Goosey 4-9 Fed Com 204H and 304H****TRACT 1 OWNERSHIP (NE/4SE/4 of Section 4-T20S-R34E, being 40.00 acres)****Lease: USA NMLC-0064194**

| <b>Owner</b>                                                                | <b>Net Acres</b> | <b>Unit WI</b> | <b>Status</b> |
|-----------------------------------------------------------------------------|------------------|----------------|---------------|
| Moore and Shelton Co., LTD<br>P.O. Box 3070<br>Galveston, TX 77552          | 0.8308           | 0.02076924     | Committed     |
| HOG Partnership, LP<br>5950 Cedar Springs Rd., Ste. 242<br>Dallas, TX 75235 | 1.3427           | 0.03356644     | Uncommitted   |
| Challenger Crude, Ltd.<br>3525 Andrews Hwy.<br>Midland, TX 79703            | 1.1673           | 0.02918246     | Committed     |
| Permian Resources LLC/Read and Stevens<br>300 N. Marienfeld St., Ste. 1000  | 12.1016          | 0.30253929     | Uncommitted   |



Midland, TX 79701

|                   |        |            |           |
|-------------------|--------|------------|-----------|
| Javelina Partners | 2.3719 | 0.05929631 | Committed |
|-------------------|--------|------------|-----------|

616 Texas St.

Fort Worth, TX 76102

|                      |        |            |           |
|----------------------|--------|------------|-----------|
| Zorro Partners, Ltd. | 1.2904 | 0.03225960 | Committed |
|----------------------|--------|------------|-----------|

616 Texas St.

Fort Worth, TX 76102

|                               |         |            |           |
|-------------------------------|---------|------------|-----------|
| Magnum Hunter Production Inc. | 11.2378 | 0.28094405 | Committed |
|-------------------------------|---------|------------|-----------|

6001 Deauville Blvd., Ste. 300N

Midland, TX 79706

|                                         |        |            |           |
|-----------------------------------------|--------|------------|-----------|
| Frost Bank, Trustee of the Josephine T. | 0.2346 | 0.00586541 | Committed |
|-----------------------------------------|--------|------------|-----------|

Hudson Trust f/b/o J. Terrell Ard

P.O. Box 1600

San Antonio, TX 78296

|              |        |            |             |
|--------------|--------|------------|-------------|
| Ard Oil, LTD | 0.7038 | 0.01759615 | Uncommitted |
|--------------|--------|------------|-------------|

222 West Forth St., Ph5

Fort Worth, TX 76102

|                       |        |            |             |
|-----------------------|--------|------------|-------------|
| Chase Oil Corporation | 0.7203 | 0.01800821 | Uncommitted |
|-----------------------|--------|------------|-------------|

11344 Lovington Hwy.

Artesia, NM 88210

|                    |        |            |           |
|--------------------|--------|------------|-----------|
| Cimarex Energy Co. | 4.2538 | 0.10634446 | Committed |
|--------------------|--------|------------|-----------|

6001 Deauville Blvd., Ste. 300N

Midland, TX 79706

|                           |        |            |             |
|---------------------------|--------|------------|-------------|
| Avalon Energy Corporation | 0.2273 | 0.00568182 | Uncommitted |
| 310 W. Wall St., Ste. 305 |        |            |             |
| Midland, TX 79701         |        |            |             |

|                                        |        |            |             |
|----------------------------------------|--------|------------|-------------|
| Wilbanks Reserve Corporation           | 1.9446 | 0.04861609 | Uncommitted |
| 450 E. 17 <sup>th</sup> Ave., Ste. 220 |        |            |             |
| Denver, CO 80203                       |        |            |             |

|                             |        |            |             |
|-----------------------------|--------|------------|-------------|
| Marks Oil, Inc.             | 0.2377 | 0.00594271 | Uncommitted |
| 1775 Sherman St., Ste. 2990 |        |            |             |
| Denver, CO 80203            |        |            |             |

|                       |        |            |           |
|-----------------------|--------|------------|-----------|
| William A. Hudson, II | 0.1259 | 0.00314685 | Committed |
| 616 Texas St.         |        |            |           |
| Fort Worth, TX 76102  |        |            |           |

|                                 |        |            |             |
|---------------------------------|--------|------------|-------------|
| Union Hill Oil and Gas Co. Inc. | 1.2096 | 0.03024091 | Uncommitted |
| 7712 Glanshannon Cir.           |        |            |             |
| Dallas, TX 75225                |        |            |             |

|               |       |           |  |
|---------------|-------|-----------|--|
| TRACT 1 TOTAL | 40.00 | .12465331 |  |
|---------------|-------|-----------|--|

**TRACT 2 OWNERSHIP (SE/4 SE/4 of Section 4-T20S-R34E, being 40.00 acres)****Lease: USA NMLC-0064194**

| Owner                      | Net Acres | Unit WI    | Status    |
|----------------------------|-----------|------------|-----------|
| Moore and Shelton Co., LTD | 0.8308    | 0.02076924 | Committed |

P.O. Box 3070

Galveston, TX 77552

HOG Partnership, LP

1.3427

0.03356644

Uncommitted

5950 Cedar Springs Rd., Ste. 242

Dallas, TX 75235

Challenger Crude, Ltd.

1.1673

0.02918246

Committed

3525 Andrews Hwy.

Midland, TX 79703

Permian Resources LLC/Read and Stevens

12.1016

0.30253929

Uncommitted

300 N. Marienfeld St., Ste. 1000

Midland, TX 79701

Javelina Partners

2.3719

0.05929631

Committed

616 Texas St.

Fort Worth, TX 76102

Zorro Partners, Ltd.

1.2904

0.03225960

Committed

616 Texas St.

Fort Worth, TX 76102

Magnum Hunter Production Inc.

11.2378

0.28094405

Committed

6001 Deauville Blvd., Ste. 300N

Midland, TX 79706

Frost Bank, Trustee of the Josephine T.

0.2346

0.00586541

Committed

Hudson Trust f/b/o J. Terrell Ard

P.O. Box 1600

San Antonio, TX 78296

Ard Oil, LTD

0.7038

0.01759615

Uncommitted

222 West Forth St., Ph5

Fort Worth, TX 76102

Chase Oil Corporation

0.7203

0.01800821

Uncommitted

11344 Lovington Hwy.

Artesia, NM 88210

Cimarex Energy Co.

4.2538

0.10634446

Committed

6001 Deauville Blvd., Ste. 300N

Midland, TX 79706

Avalon Energy Corporation

0.2273

0.00568182

Uncommitted

310 W. Wall St., Ste. 305

Midland, TX 79701

Wilbanks Reserve Corporation

1.9446

0.04861609

Uncommitted

450 E. 17<sup>th</sup> Ave., Ste. 220

Denver, CO 80203

Marks Oil, Inc.

0.2377

0.00594271

Uncommitted

1775 Sherman St., Ste. 2990

Denver, CO 80203

William A. Hudson, II

0.1259

0.00314685

Committed

616 Texas St.

Fort Worth, TX 76102

|                                 |        |            |             |
|---------------------------------|--------|------------|-------------|
| Union Hill Oil and Gas Co. Inc. | 1.2096 | 0.03024091 | Uncommitted |
|---------------------------------|--------|------------|-------------|

7712 Glanshannon Cir.

Dallas, TX 75225

|               |       |           |  |
|---------------|-------|-----------|--|
| TRACT 2 TOTAL | 40.00 | .12465331 |  |
|---------------|-------|-----------|--|

**TRACT 3 OWNERSHIP (E/2NE/4 of Section 9-T20S-R34E, being 80.00 acres)**

**Lease: USA NMLC-0064194**

| Owner                                                                                           | Net Acres | Unit WI    | Status      |
|-------------------------------------------------------------------------------------------------|-----------|------------|-------------|
| Moore and Shelton Co., LTD<br>P.O. Box 3070<br>Galveston, TX 77552                              | 1.6615    | 0.02076924 | Committed   |
| HOG Partnership, LP<br>5950 Cedar Springs Rd., Ste. 242<br>Dallas, TX 75235                     | 2.6853    | 0.03356644 | Uncommitted |
| Challenger Crude, Ltd.<br>3525 Andrews Hwy.<br>Midland, TX 79703                                | 2.3346    | 0.02918246 | Committed   |
| Permian Resources LLC/Read and Stevens<br>300 N. Marienfeld St., Ste. 1000<br>Midland, TX 79701 | 24.2031   | 0.27617294 | Uncommitted |
| Javelina Partners<br>616 Texas St.                                                              | 4.7437    | 0.05929631 | Committed   |

Fort Worth, TX 76102

|                      |        |            |           |
|----------------------|--------|------------|-----------|
| Zorro Partners, Ltd. | 2.5808 | 0.03225960 | Committed |
|----------------------|--------|------------|-----------|

616 Texas St.

Fort Worth, TX 76102

|                               |         |            |           |
|-------------------------------|---------|------------|-----------|
| Magnum Hunter Production Inc. | 22.4755 | 0.28094405 | Committed |
|-------------------------------|---------|------------|-----------|

6001 Deauville Blvd., Ste. 300N

Midland, TX 79706

|                                         |        |            |           |
|-----------------------------------------|--------|------------|-----------|
| Frost Bank, Trustee of the Josephine T. | 0.4692 | 0.00586541 | Committed |
|-----------------------------------------|--------|------------|-----------|

Hudson Trust f/b/o J. Terrell Ard

P.O. Box 1600

San Antonio, TX 78296

|              |        |            |             |
|--------------|--------|------------|-------------|
| Ard Oil, LTD | 1.4077 | 0.01759615 | Uncommitted |
|--------------|--------|------------|-------------|

222 West Forth St., Ph5

Fort Worth, TX 76102

|                       |        |            |             |
|-----------------------|--------|------------|-------------|
| Chase Oil Corporation | 1.4407 | 0.01800821 | Uncommitted |
|-----------------------|--------|------------|-------------|

11344 Lovington Hwy.

Artesia, NM 88210

|                    |        |            |           |
|--------------------|--------|------------|-----------|
| Cimarex Energy Co. | 8.5076 | 0.10634446 | Committed |
|--------------------|--------|------------|-----------|

6001 Deauville Blvd., Ste. 300N

Midland, TX 79706

|                           |        |            |             |
|---------------------------|--------|------------|-------------|
| Avalon Energy Corporation | 0.4545 | 0.00568182 | Uncommitted |
|---------------------------|--------|------------|-------------|

310 W. Wall St., Ste. 305

Midland, TX 79701

|                                        |        |            |             |
|----------------------------------------|--------|------------|-------------|
| Wilbanks Reserve Corporation           | 3.8893 | 0.04861609 | Uncommitted |
| 450 E. 17 <sup>th</sup> Ave., Ste. 220 |        |            |             |
| Denver, CO 80203                       |        |            |             |

|                             |        |            |             |
|-----------------------------|--------|------------|-------------|
| Marks Oil, Inc.             | 0.4754 | 0.00594271 | Uncommitted |
| 1775 Sherman St., Ste. 2990 |        |            |             |
| Denver, CO 80203            |        |            |             |

|                       |        |            |           |
|-----------------------|--------|------------|-----------|
| William A. Hudson, II | 0.2517 | 0.00314685 | Committed |
| 616 Texas St.         |        |            |           |
| Fort Worth, TX 76102  |        |            |           |

|                                 |        |            |             |
|---------------------------------|--------|------------|-------------|
| Union Hill Oil and Gas Co. Inc. | 2.4193 | 0.03024091 | Uncommitted |
| 7712 Glanshannon Cir.           |        |            |             |
| Dallas, TX 75225                |        |            |             |

|               |       |           |  |
|---------------|-------|-----------|--|
| TRACT 3 TOTAL | 80.00 | .24930662 |  |
|---------------|-------|-----------|--|

**TRACT 4 OWNERSHIP (E/2 SE/4 of Section 9-T20S-R34E, being 80.00 acres)****Lease: USA NMLC-0064194**

| Owner                            | Net Acres | Unit WI    | Status      |
|----------------------------------|-----------|------------|-------------|
| Moore and Shelton Co., LTD       | 1.6615    | 0.02076924 | Committed   |
| P.O. Box 3070                    |           |            |             |
| Galveston, TX 77552              |           |            |             |
| HOG Partnership, LP              | 3.6923    | 0.04615385 | Uncommitted |
| 5950 Cedar Springs Rd., Ste. 242 |           |            |             |

Dallas, TX 75235

|                                        |         |            |             |
|----------------------------------------|---------|------------|-------------|
| Permian Resources LLC/Read and Stevens | 30.9320 | 0.38665000 | Uncommitted |
|----------------------------------------|---------|------------|-------------|

300 N. Marienfeld St., Ste. 1000  
Midland, TX 79701

|                   |        |            |           |
|-------------------|--------|------------|-----------|
| Javelina Partners | 3.9885 | 0.04985576 | Committed |
|-------------------|--------|------------|-----------|

616 Texas St.  
Fort Worth, TX 76102

|                      |        |            |           |
|----------------------|--------|------------|-----------|
| Zorro Partners, Ltd. | 2.5808 | 0.03225961 | Committed |
|----------------------|--------|------------|-----------|

616 Texas St.  
Fort Worth, TX 76102

|                               |         |            |           |
|-------------------------------|---------|------------|-----------|
| Magnum Hunter Production Inc. | 15.3846 | 0.19230768 | Committed |
|-------------------------------|---------|------------|-----------|

6001 Deauville Blvd., Ste. 300N  
Midland, TX 79706

|                                                                              |        |            |           |
|------------------------------------------------------------------------------|--------|------------|-----------|
| Frost Bank, Trustee of the Josephine T.<br>Hudson Trust f/b/o J. Terrell Ard | 0.4692 | 0.00586540 | Committed |
|------------------------------------------------------------------------------|--------|------------|-----------|

P.O. Box 1600  
San Antonio, TX 78296

|              |        |            |             |
|--------------|--------|------------|-------------|
| Ard Oil, LTD | 1.4077 | 0.01759615 | Uncommitted |
|--------------|--------|------------|-------------|

222 West Forth St., Ph5  
Fort Worth, TX 76102

|                    |         |            |           |
|--------------------|---------|------------|-----------|
| Cimarex Energy Co. | 17.8154 | 0.22269231 | Committed |
|--------------------|---------|------------|-----------|

6001 Deauville Blvd., Ste. 300N



Midland, TX 79706

|                           |        |            |             |
|---------------------------|--------|------------|-------------|
| Avalon Energy Corporation | 0.4545 | 0.00568182 | Uncommitted |
| 310 W. Wall St., Ste. 305 |        |            |             |
| Midland, TX 79701         |        |            |             |

|                                 |        |            |             |
|---------------------------------|--------|------------|-------------|
| Union Hill Oil and Gas Co. Inc. | 2.0680 | 0.02585000 | Uncommitted |
| 7712 Glanshannon Cir.           |        |            |             |
| Dallas, TX 75225                |        |            |             |

|               |       |           |  |
|---------------|-------|-----------|--|
| TRACT 4 TOTAL | 80.00 | .24930662 |  |
|---------------|-------|-----------|--|

**TRACT 5 OWNERSHIP (Lot 1 and the SE/4SE/4 of Section 4-T20S-R34E, being 80.89 acres)**

**Lease: USA NMLC-0065607**

| Owner                            | Net Acres | Unit WI    | Status      |
|----------------------------------|-----------|------------|-------------|
| Moore and Shelton Co., LTD       | 4.5501    | 0.05625000 | Committed   |
| P.O. Box 3070                    |           |            |             |
| Galveston, TX 77552              |           |            |             |
| HOG Partnership, LP              | 10.1113   | 0.12500000 | Uncommitted |
| 5950 Cedar Springs Rd., Ste. 242 |           |            |             |
| Dallas, TX 75235                 |           |            |             |
| Javelina Partners                | 23.4560   | 0.28997392 | Committed   |
| 616 Texas St.                    |           |            |             |
| Fort Worth, TX 76102             |           |            |             |
| Zorro Partners, Ltd.             | 15.1774   | 0.18763017 | Committed   |
| 616 Texas St.                    |           |            |             |

Fort Worth, TX 76102

|                                         |        |            |           |
|-----------------------------------------|--------|------------|-----------|
| Frost Bank, Trustee of the Josephine T. | 2.7595 | 0.03411465 | Committed |
|-----------------------------------------|--------|------------|-----------|

Hudson Trust f/b/o J. Terrell Ard

P.O. Box 1600

San Antonio, TX 78296

|              |        |            |             |
|--------------|--------|------------|-------------|
| Ard Oil, LTD | 8.2786 | 0.10234375 | Uncommitted |
|--------------|--------|------------|-------------|

222 West Forth St., Ph5

Fort Worth, TX 76102

|                    |         |            |           |
|--------------------|---------|------------|-----------|
| Cimarex Energy Co. | 16.5572 | 0.20468750 | Committed |
|--------------------|---------|------------|-----------|

6001 Deauville Blvd., Ste. 300N

Midland, TX 79706

|               |       |           |  |
|---------------|-------|-----------|--|
| TRACT 5 TOTAL | 80.00 | .25208015 |  |
|---------------|-------|-----------|--|

### **Complete List of Parties/Persons to be Pooled:**

#### **Working Interest Owners**

HOG Partnership, LP

Permian Resources LLC

Ard Oil, LTD

Chase Oil Corporation

Avalon Energy Corporation

Wilbanks Reserve Corporation

Marks Oil, Inc.

Union Hill Oil & Gas Co. Inc.

**UNIT RECAPITULATION:****E/2E/2 of Section 4 and the E/2E/2 of Section 9; all in T20S-R34E; 320.89 acres**

|                                                                                         |              |
|-----------------------------------------------------------------------------------------|--------------|
| Moore and Shelton Co., LTD                                                              | 2.97132% WI  |
| HOG Partnership, LP                                                                     | 5.97532% WI  |
| Challenger Crude, Ltd.                                                                  | 1.45508% WI  |
| Permian Resources LLC                                                                   | 24.72445% WI |
| Javelina Partners                                                                       | 11.50920% WI |
| Zorro Partners, Ltd.                                                                    | 7.14254% WI  |
| Magnum Hunter Production Inc.                                                           | 18.80260% WI |
| Frost Bank, Trustee of the Josephine T.<br>Hudson Testamentary Trust FBO J. Terrell Ard | 1.29865% WI  |
| Ard Oil, LTD                                                                            | 3.89594% WI  |
| Chase Oil Corporation                                                                   | 0.89791% WI  |
| Cimarex Energy Co.                                                                      | 16.01411% WI |

|                           |             |
|---------------------------|-------------|
| Avalon Energy Corporation | 0.28330% WI |
|---------------------------|-------------|

|                              |             |
|------------------------------|-------------|
| Wilbanks Reserve Corporation | 2.42406% WI |
|------------------------------|-------------|

|                 |             |
|-----------------|-------------|
| Marks Oil, Inc. | 0.29631% WI |
|-----------------|-------------|

|                       |             |
|-----------------------|-------------|
| William A. Hudson, II | 0.15691% WI |
|-----------------------|-------------|

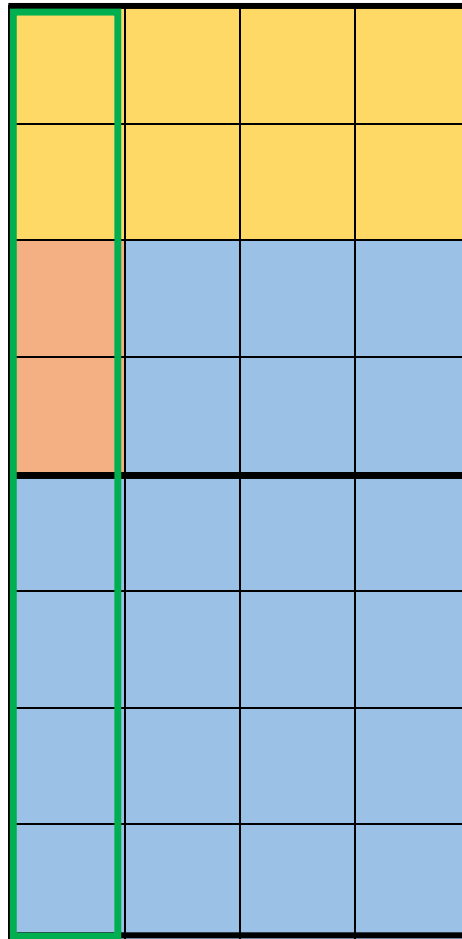
|                                 |             |
|---------------------------------|-------------|
| Union Hill Oil and Gas Co. Inc. | 2.15231% WI |
|---------------------------------|-------------|

## Exhibit "A-2"

W/2W/2 of Section 4 and the W/2W/2 of Section 9, Township 20 South, Range 34 East of Lea County, NM (PERMIAN/DELAWARE BASIN) – Bone Spring formation

Section 4

Section 9



Tract 1:

USA NMLC-0064194  
(80.00 acres)



Tract 2:

USA NMLC-0064194  
(160.00 acres)



Tract 3:

USA NMLC-0065607  
(80.21 acres)



EXHIBIT  
A-2.2

**Loosey Goosey 4-9 Fed Com 301H****SHL: Sec. 33-19S-34E; 1189' FSL and 1464' FWL****BHL: Sec. 9-20S-34E; 100' FNL and 706' FWL****Exhibit "A-2"****OWNERSHIP BREAKDOWN – Bone Spring formation****W/2W/2 of Section 4 and the W/2W/2 of Section 9, Township 20 South, Range 34 East of Lea County, NM****Loosey Goosey 4-9 Fed Com 301H****TRACT 1 OWNERSHIP (W/2SW/4 of Section 4-T20S-R34E, being 80.00 acres)****Lease: USA NMLC-0064194**

| <b>Owner</b>                                                                                    | <b>Net Acres</b> | <b>Unit WI</b> | <b>Status</b> |
|-------------------------------------------------------------------------------------------------|------------------|----------------|---------------|
| Moore and Shelton Co., LTD<br>P.O. Box 3070<br>Galveston, TX 77552                              | 1.6615           | 0.02076924     | Committed     |
| HOG Partnership, LP<br>5950 Cedar Springs Rd., Ste. 242<br>Dallas, TX 75235                     | 2.6853           | 0.03356644     | Uncommitted   |
| Challenger Crude, Ltd.<br>3525 Andrews Hwy.<br>Midland, TX 79703                                | 2.3346           | 0.02918246     | Committed     |
| Permian Resources LLC/Read and Stevens<br>300 N. Marienfeld St., Ste. 1000<br>Midland, TX 79701 | 24.2031          | 0.30253929     | Uncommitted   |
| Javelina Partners<br>616 Texas St.                                                              | 4.7437           | 0.05929631     | Committed     |

Fort Worth, TX 76102

|                      |        |            |           |
|----------------------|--------|------------|-----------|
| Zorro Partners, Ltd. | 2.5808 | 0.03222596 | Committed |
|----------------------|--------|------------|-----------|

616 Texas St.

Fort Worth, TX 76102

|                               |         |            |           |
|-------------------------------|---------|------------|-----------|
| Magnum Hunter Production Inc. | 22.4755 | 0.28094405 | Committed |
|-------------------------------|---------|------------|-----------|

6001 Deauville Blvd., Ste. 300N

Midland, TX 79706

|                                         |        |            |           |
|-----------------------------------------|--------|------------|-----------|
| Frost Bank, Trustee of the Josephine T. | 0.4692 | 0.00586541 | Committed |
|-----------------------------------------|--------|------------|-----------|

Hudson Trust f/b/o J. Terrell Ard

P.O. Box 1600

San Antonio, TX 78296

|              |        |            |             |
|--------------|--------|------------|-------------|
| Ard Oil, LTD | 1.4077 | 0.01759615 | Uncommitted |
|--------------|--------|------------|-------------|

222 West Forth St., Ph5

Fort Worth, TX 76102

|                       |        |            |             |
|-----------------------|--------|------------|-------------|
| Chase Oil Corporation | 1.4407 | 0.01800821 | Uncommitted |
|-----------------------|--------|------------|-------------|

11344 Lovington Hwy.

Artesia, NM 88210

|                    |        |            |           |
|--------------------|--------|------------|-----------|
| Cimarex Energy Co. | 8.5076 | 0.10634446 | Committed |
|--------------------|--------|------------|-----------|

6001 Deauville Blvd., Ste. 300N

Midland, TX 79706

|                           |        |            |             |
|---------------------------|--------|------------|-------------|
| Avalon Energy Corporation | 0.4545 | 0.00568182 | Uncommitted |
|---------------------------|--------|------------|-------------|

310 W. Wall St., Ste. 305

Midland, TX 79701

|                                        |        |            |             |
|----------------------------------------|--------|------------|-------------|
| Wilbanks Reserve Corporation           | 3.8893 | 0.04861609 | Uncommitted |
| 450 E. 17 <sup>th</sup> Ave., Ste. 220 |        |            |             |
| Denver, CO 80203                       |        |            |             |

|                             |        |            |             |
|-----------------------------|--------|------------|-------------|
| Marks Oil, Inc.             | 0.4754 | 0.00594271 | Uncommitted |
| 1775 Sherman St., Ste. 2990 |        |            |             |
| Denver, CO 80203            |        |            |             |

|                       |        |            |           |
|-----------------------|--------|------------|-----------|
| William A. Hudson, II | 0.2517 | 0.00314685 | Committed |
| 616 Texas St.         |        |            |           |
| Fort Worth, TX 76102  |        |            |           |

|                                 |        |            |             |
|---------------------------------|--------|------------|-------------|
| Union Hill Oil and Gas Co. Inc. | 2.4193 | 0.03024091 | Uncommitted |
| 7712 Glanshannon Cir.           |        |            |             |
| Dallas, TX 75225                |        |            |             |

|               |       |           |  |
|---------------|-------|-----------|--|
| TRACT 1 TOTAL | 80.00 | .24983605 |  |
|---------------|-------|-----------|--|

**TRACT 2 OWNERSHIP (W/2W/2 of Section 9-T20S-R34E, being 160.00 acres)****Lease: USA NMLC-0064194**

| Owner                            | Net Acres | Unit WI    | Status      |
|----------------------------------|-----------|------------|-------------|
| Moore and Shelton Co., LTD       | 3.3231    | 0.02076924 | Committed   |
| P.O. Box 3070                    |           |            |             |
| Galveston, TX 77552              |           |            |             |
| HOG Partnership, LP              | 5.3706    | 0.03356644 | Uncommitted |
| 5950 Cedar Springs Rd., Ste. 242 |           |            |             |



Dallas, TX 75235

|                        |        |            |           |
|------------------------|--------|------------|-----------|
| Challenger Crude, Ltd. | 4.6692 | 0.02918246 | Committed |
|------------------------|--------|------------|-----------|

3525 Andrews Hwy.

Midland, TX 79703

|                                        |         |            |             |
|----------------------------------------|---------|------------|-------------|
| Permian Resources LLC/Read and Stevens | 48.4063 | 0.30253929 | Uncommitted |
|----------------------------------------|---------|------------|-------------|

300 N. Marienfeld St., Ste. 1000

Midland, TX 79701

|                   |        |            |           |
|-------------------|--------|------------|-----------|
| Javelina Partners | 9.4874 | 0.05929631 | Committed |
|-------------------|--------|------------|-----------|

616 Texas St.

Fort Worth, TX 76102

|                      |        |            |           |
|----------------------|--------|------------|-----------|
| Zorro Partners, Ltd. | 5.1615 | 0.03225960 | Committed |
|----------------------|--------|------------|-----------|

616 Texas St.

Fort Worth, TX 76102

|                               |         |            |           |
|-------------------------------|---------|------------|-----------|
| Magnum Hunter Production Inc. | 44.9510 | 0.28094405 | Committed |
|-------------------------------|---------|------------|-----------|

6001 Deauville Blvd., Ste. 300N

Midland, TX 79706

|                                         |        |            |           |
|-----------------------------------------|--------|------------|-----------|
| Frost Bank, Trustee of the Josephine T. | 0.9385 | 0.00586541 | Committed |
|-----------------------------------------|--------|------------|-----------|

Hudson Trust f/b/o J. Terrell Ard

P.O. Box 1600

San Antonio, TX 78296

|              |        |            |             |
|--------------|--------|------------|-------------|
| Ard Oil, LTD | 2.8154 | 0.01759615 | Uncommitted |
|--------------|--------|------------|-------------|

222 West Forth St., Ph5

Fort Worth, TX 76102

|                       |        |            |             |
|-----------------------|--------|------------|-------------|
| Chase Oil Corporation | 2.8813 | 0.01800821 | Uncommitted |
| 11344 Lovington Hwy.  |        |            |             |
| Artesia, NM 88210     |        |            |             |

|                                 |         |            |           |
|---------------------------------|---------|------------|-----------|
| Cimarex Energy Co.              | 17.0151 | 0.10634446 | Committed |
| 6001 Deauville Blvd., Ste. 300N |         |            |           |
| Midland, TX 79706               |         |            |           |

|                           |        |            |             |
|---------------------------|--------|------------|-------------|
| Avalon Energy Corporation | 0.9091 | 0.00568182 | Uncommitted |
| 310 W. Wall St., Ste. 305 |        |            |             |
| Midland, TX 79701         |        |            |             |

|                                        |        |            |             |
|----------------------------------------|--------|------------|-------------|
| Wilbanks Reserve Corporation           | 7.7786 | 0.04861609 | Uncommitted |
| 450 E. 17 <sup>th</sup> Ave., Ste. 220 |        |            |             |
| Denver, CO 80203                       |        |            |             |

|                             |        |            |             |
|-----------------------------|--------|------------|-------------|
| Marks Oil, Inc.             | 0.9508 | 0.00594271 | Uncommitted |
| 1775 Sherman St., Ste. 2990 |        |            |             |
| Denver, CO 80203            |        |            |             |

|                       |        |            |           |
|-----------------------|--------|------------|-----------|
| William A. Hudson, II | 0.5035 | 0.00314685 | Committed |
| 616 Texas St.         |        |            |           |
| Fort Worth, TX 76102  |        |            |           |

|                                 |        |            |             |
|---------------------------------|--------|------------|-------------|
| Union Hill Oil and Gas Co. Inc. | 4.8385 | 0.03024091 | Uncommitted |
| 7712 Glanshannon Cir.           |        |            |             |
| Dallas, TX 75225                |        |            |             |

TRACT 2 TOTAL 160.00 .49967209

**TRACT 3 OWNERSHIP (Lot 4 and the SW/4NW/4 of Section 4-T20S-R34E, being 80.21 acres)**

**Lease: USA NMLC-0065607**

| Owner                                                                                                                  | Net Acres | Unit WI    | Status      |
|------------------------------------------------------------------------------------------------------------------------|-----------|------------|-------------|
| Moore and Shelton Co., LTD<br>P.O. Box 3070<br>Galveston, TX 77552                                                     | 4.5118    | 0.05625000 | Committed   |
| Cimarex Energy Co.<br>6001 Deauville Blvd., Ste. 300N<br>Midland, TX 79706                                             | 16.4180   | 0.20468750 | Committed   |
| Javelina Partners<br>616 Texas St.<br>Fort Worth, TX 76102                                                             | 23.2588   | 0.28997392 | Committed   |
| Zorro Partners, Ltd.<br>616 Texas St.<br>Fort Worth, TX 76102                                                          | 15.0498   | 0.18763017 | Committed   |
| Frost Bank, Trustee of the Josephine T.<br>Hudson Trust f/b/o J. Terrell Ard<br>P.O. Box 1600<br>San Antonio, TX 78296 | 2.7363    | 0.03411465 | Committed   |
| HOG Partnership, LP<br>5950 Cedar Springs Rd., Ste. 242                                                                | 10.0263   | 0.12500000 | Uncommitted |

Dallas, TX 75235

|              |        |            |             |
|--------------|--------|------------|-------------|
| Ard Oil, LTD | 8.2090 | 0.10234375 | Uncommitted |
|--------------|--------|------------|-------------|

222 West Forth St., Ph5

Fort Worth, TX 76102

|               |       |           |  |
|---------------|-------|-----------|--|
| TRACT 3 TOTAL | 80.21 | .25049186 |  |
|---------------|-------|-----------|--|

### **Complete List of Parties/Persons to be Pooled:**

#### **Working Interest Owners**

HOG Partnership, LP

Permian Resources LLC

Ard Oil, LTD

Chase Oil Corporation

Avalon Energy Corporation

Wilbanks Reserve Corporation

Marks Oil, Inc.

Union Hill Oil & Gas Co. Inc.

#### **UNIT RECAPITULATION:**

**W/2W/2 of Section 4 and the W/2W/2 of Section 9; all in T20S-R34E; 320.21 acres**

|                            |              |
|----------------------------|--------------|
| Moore and Shelton Co., LTD | 2.96569 % WI |
|----------------------------|--------------|

|                     |             |
|---------------------|-------------|
| HOG Partnership, LP | 5.64698% WI |
|---------------------|-------------|

|                        |             |
|------------------------|-------------|
| Challenger Crude, Ltd. | 2.18725% WI |
|------------------------|-------------|

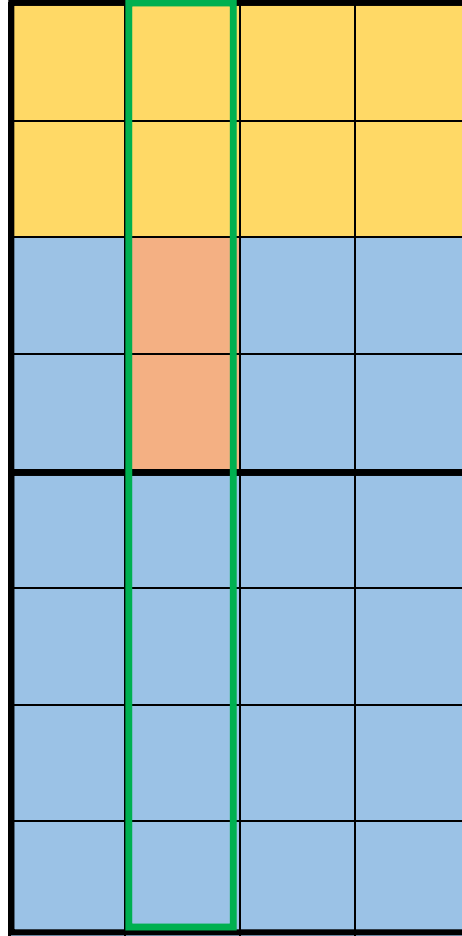
|                       |              |
|-----------------------|--------------|
| Permian Resources LLC | 22.67557% WI |
|-----------------------|--------------|

|                                                                                         |              |
|-----------------------------------------------------------------------------------------|--------------|
| Javelina Partners                                                                       | 11.70792% WI |
| Zorro Partners, Ltd.                                                                    | 7.11787% WI  |
| Magnum Hunter Production Inc.                                                           | 21.05699% WI |
| Frost Bank, Trustee of the Josephine T.<br>Hudson Testamentary Trust FBO J. Terrell Ard | 1.29416% WI  |
| Ard Oil, LTD                                                                            | 3.88247% WI  |
| Chase Oil Corporation                                                                   | 1.34973% WI  |
| Cimarex Energy Co.                                                                      | 13.09786% WI |
| Avalon Energy Corporation                                                               | 0.42586% WI  |
| Wilbanks Reserve Corporation                                                            | 3.64382% WI  |
| Marks Oil, Inc.                                                                         | 0.44541% WI  |
| William A. Hudson, II                                                                   | 0.23586% WI  |
| Union Hill Oil and Gas Co. Inc.                                                         | 2.26658% WI  |

**Exhibit "A-2"**

**E/2W/2 of Section 4 and the E/2W/2 of Section 9, Township 20 South, Range 34 East of Lea County, NM (PERMIAN/DELAWARE BASIN) – Bone Spring formation**

**Section 4**



**Section 9**

**Tract 1:**  
USA NMLC-0064194  
(80.00 acres)



**Tract 2:**  
USA NMLC-0064194  
(160.00 acres)



**Tract 3:**  
USA NMLC-0065607  
(80.44 acres)



**Loosey Goosey 4-9 Fed Com 302H****SHL: Sec. 33-19S-34E; 1189' FSL and 1484' FWL****BHL: Sec. 9-20S-34E; 2120' FWL and 100' FSL****Exhibit "A-2"****OWNERSHIP BREAKDOWN – Bone Spring formation****E/2W/2 of Section 4 and the E/2W/2 of Section 9, Township 20 South, Range 34 East of Lea County, NM****Loosey Goosey 4-9 Fed Com 302H****TRACT 1 OWNERSHIP (E/2SW/4 of Section 4-T20S-R34E, being 80.00 acres)****Lease: USA NMLC-0064194**

| <b>Owner</b>                                                                                    | <b>Net Acres</b> | <b>Unit WI</b> | <b>Status</b> |
|-------------------------------------------------------------------------------------------------|------------------|----------------|---------------|
| Moore and Shelton Co., LTD<br>P.O. Box 3070<br>Galveston, TX 77552                              | 1.6615           | 0.02076924     | Committed     |
| HOG Partnership, LP<br>5950 Cedar Springs Rd., Ste. 242<br>Dallas, TX 75235                     | 2.6853           | 0.03356644     | Uncommitted   |
| Challenger Crude, Ltd.<br>3525 Andrews Hwy.<br>Midland, TX 79703                                | 2.3346           | 0.02918246     | Committed     |
| Permian Resources LLC/Read and Stevens<br>300 N. Marienfeld St., Ste. 1000<br>Midland, TX 79701 | 24.2031          | 0.30253929     | Uncommitted   |
| Javelina Partners<br>616 Texas St.                                                              | 4.7437           | 0.05929631     | Committed     |

Fort Worth, TX 76102

|                      |        |            |           |
|----------------------|--------|------------|-----------|
| Zorro Partners, Ltd. | 2.5808 | 0.03222596 | Committed |
|----------------------|--------|------------|-----------|

616 Texas St.

Fort Worth, TX 76102

|                               |         |            |           |
|-------------------------------|---------|------------|-----------|
| Magnum Hunter Production Inc. | 22.4755 | 0.28094405 | Committed |
|-------------------------------|---------|------------|-----------|

6001 Deauville Blvd., Ste. 300N

Midland, TX 79706

|                                         |        |            |           |
|-----------------------------------------|--------|------------|-----------|
| Frost Bank, Trustee of the Josephine T. | 0.4692 | 0.00586541 | Committed |
|-----------------------------------------|--------|------------|-----------|

Hudson Trust f/b/o J. Terrell Ard

P.O. Box 1600

San Antonio, TX 78296

|              |        |            |             |
|--------------|--------|------------|-------------|
| Ard Oil, LTD | 1.4077 | 0.01759615 | Uncommitted |
|--------------|--------|------------|-------------|

222 West Forth St., Ph5

Fort Worth, TX 76102

|                       |        |            |             |
|-----------------------|--------|------------|-------------|
| Chase Oil Corporation | 1.4407 | 0.01800821 | Uncommitted |
|-----------------------|--------|------------|-------------|

11344 Lovington Hwy.

Artesia, NM 88210

|                    |        |            |           |
|--------------------|--------|------------|-----------|
| Cimarex Energy Co. | 8.5076 | 0.10634446 | Committed |
|--------------------|--------|------------|-----------|

6001 Deauville Blvd., Ste. 300N

Midland, TX 79706

|                           |        |            |             |
|---------------------------|--------|------------|-------------|
| Avalon Energy Corporation | 0.4545 | 0.00568182 | Uncommitted |
|---------------------------|--------|------------|-------------|

310 W. Wall St., Ste. 305



Midland, TX 79701

|                                        |        |            |             |
|----------------------------------------|--------|------------|-------------|
| Wilbanks Reserve Corporation           | 3.8893 | 0.04861609 | Uncommitted |
| 450 E. 17 <sup>th</sup> Ave., Ste. 220 |        |            |             |
| Denver, CO 80203                       |        |            |             |

|                             |        |            |             |
|-----------------------------|--------|------------|-------------|
| Marks Oil, Inc.             | 0.4754 | 0.00594271 | Uncommitted |
| 1775 Sherman St., Ste. 2990 |        |            |             |
| Denver, CO 80203            |        |            |             |

|                       |        |            |           |
|-----------------------|--------|------------|-----------|
| William A. Hudson, II | 0.2517 | 0.00314685 | Committed |
| 616 Texas St.         |        |            |           |
| Fort Worth, TX 76102  |        |            |           |

|                                 |        |            |             |
|---------------------------------|--------|------------|-------------|
| Union Hill Oil and Gas Co. Inc. | 2.4193 | 0.03024091 | Uncommitted |
| 7712 Glanshannon Cir.           |        |            |             |
| Dallas, TX 75225                |        |            |             |

|               |       |           |  |
|---------------|-------|-----------|--|
| TRACT 1 TOTAL | 80.00 | .24965672 |  |
|---------------|-------|-----------|--|

**TRACT 2 OWNERSHIP (E/2W/2 of Section 9-T20S-R34E, being 160.00 acres)****Lease: USA NMLC-0064194**

| Owner                            | Net Acres | Unit WI    | Status      |
|----------------------------------|-----------|------------|-------------|
| Moore and Shelton Co., LTD       | 3.3231    | 0.02076924 | Committed   |
| P.O. Box 3070                    |           |            |             |
| Galveston, TX 77552              |           |            |             |
| HOG Partnership, LP              | 5.3706    | 0.03356644 | Uncommitted |
| 5950 Cedar Springs Rd., Ste. 242 |           |            |             |

Dallas, TX 75235

|                        |        |            |           |
|------------------------|--------|------------|-----------|
| Challenger Crude, Ltd. | 4.6692 | 0.02918246 | Committed |
|------------------------|--------|------------|-----------|

3525 Andrews Hwy.

Midland, TX 79703

|                                        |         |            |             |
|----------------------------------------|---------|------------|-------------|
| Permian Resources LLC/Read and Stevens | 48.4063 | 0.30253929 | Uncommitted |
|----------------------------------------|---------|------------|-------------|

300 N. Marienfeld St., Ste. 1000

Midland, TX 79701

|                   |        |            |           |
|-------------------|--------|------------|-----------|
| Javelina Partners | 9.4874 | 0.05929631 | Committed |
|-------------------|--------|------------|-----------|

616 Texas St.

Fort Worth, TX 76102

|                      |        |            |           |
|----------------------|--------|------------|-----------|
| Zorro Partners, Ltd. | 5.1615 | 0.03225960 | Committed |
|----------------------|--------|------------|-----------|

616 Texas St.

Fort Worth, TX 76102

|                               |         |            |           |
|-------------------------------|---------|------------|-----------|
| Magnum Hunter Production Inc. | 44.9510 | 0.28094405 | Committed |
|-------------------------------|---------|------------|-----------|

6001 Deauville Blvd., Ste. 300N

Midland, TX 79706

|                                         |        |            |           |
|-----------------------------------------|--------|------------|-----------|
| Frost Bank, Trustee of the Josephine T. | 0.9385 | 0.00586541 | Committed |
|-----------------------------------------|--------|------------|-----------|

Hudson Trust f/b/o J. Terrell Ard

P.O. Box 1600

San Antonio, TX 78296

|              |        |            |             |
|--------------|--------|------------|-------------|
| Ard Oil, LTD | 2.8154 | 0.01759615 | Uncommitted |
|--------------|--------|------------|-------------|

222 West Forth St., Ph5

Fort Worth, TX 76102

|                       |        |            |             |
|-----------------------|--------|------------|-------------|
| Chase Oil Corporation | 2.8813 | 0.01800821 | Uncommitted |
| 11344 Lovington Hwy.  |        |            |             |
| Artesia, NM 88210     |        |            |             |

|                                 |         |            |           |
|---------------------------------|---------|------------|-----------|
| Cimarex Energy Co.              | 17.0151 | 0.10634446 | Committed |
| 6001 Deauville Blvd., Ste. 300N |         |            |           |
| Midland, TX 79706               |         |            |           |

|                           |        |            |             |
|---------------------------|--------|------------|-------------|
| Avalon Energy Corporation | 0.9091 | 0.00568182 | Uncommitted |
| 310 W. Wall St., Ste. 305 |        |            |             |
| Midland, TX 79701         |        |            |             |

|                                        |        |            |             |
|----------------------------------------|--------|------------|-------------|
| Wilbanks Reserve Corporation           | 7.7786 | 0.04861609 | Uncommitted |
| 450 E. 17 <sup>th</sup> Ave., Ste. 220 |        |            |             |
| Denver, CO 80203                       |        |            |             |

|                             |        |            |             |
|-----------------------------|--------|------------|-------------|
| Marks Oil, Inc.             | 0.9508 | 0.00594271 | Uncommitted |
| 1775 Sherman St., Ste. 2990 |        |            |             |
| Denver, CO 80203            |        |            |             |

|                       |        |            |           |
|-----------------------|--------|------------|-----------|
| William A. Hudson, II | 0.5035 | 0.00314685 | Committed |
| 616 Texas St.         |        |            |           |
| Fort Worth, TX 76102  |        |            |           |

|                                 |        |            |             |
|---------------------------------|--------|------------|-------------|
| Union Hill Oil and Gas Co. Inc. | 4.8385 | 0.03024091 | Uncommitted |
| 7712 Glanshannon Cir.           |        |            |             |
| Dallas, TX 75225                |        |            |             |

TRACT 2 TOTAL 160.00 .49931344

**TRACT 3 OWNERSHIP (Lot 3 and the SE/4NW/4 of Section 4-T20S-R34E, being 80.44 acres)**

**Lease: USA NMLC-0065607**

| Owner                                                                                                                  | Net Acres | Unit WI    | Status      |
|------------------------------------------------------------------------------------------------------------------------|-----------|------------|-------------|
| Moore and Shelton Co., LTD<br>P.O. Box 3070<br>Galveston, TX 77552                                                     | 4.5248    | 0.05625000 | Committed   |
| Cimarex Energy Co.<br>6001 Deauville Blvd., Ste. 300N<br>Midland, TX 79706                                             | 16.4651   | 0.20468750 | Committed   |
| Javelina Partners<br>616 Texas St.<br>Fort Worth, TX 76102                                                             | 23.3255   | 0.28997392 | Committed   |
| Zorro Partners, Ltd.<br>616 Texas St.<br>Fort Worth, TX 76102                                                          | 15.0930   | 0.18763017 | Committed   |
| Frost Bank, Trustee of the Josephine T.<br>Hudson Trust f/b/o J. Terrell Ard<br>P.O. Box 1600<br>San Antonio, TX 78296 | 2.7442    | 0.03411465 | Committed   |
| HOG Partnership, LP<br>5950 Cedar Springs Rd., Ste. 242                                                                | 10.0550   | 0.12500000 | Uncommitted |

Dallas, TX 75235

|              |        |            |             |
|--------------|--------|------------|-------------|
| Ard Oil, LTD | 8.2325 | 0.10234375 | Uncommitted |
|--------------|--------|------------|-------------|

222 West Forth St., Ph5

Fort Worth, TX 76102

|               |       |           |
|---------------|-------|-----------|
| TRACT 3 TOTAL | 80.44 | .25102983 |
|---------------|-------|-----------|

### **Complete List of Parties/Persons to be Pooled:**

#### **Working Interest Owners**

HOG Partnership, LP

Permian Resources LLC

Ard Oil, LTD

Chase Oil Corporation

Avalon Energy Corporation

Wilbanks Reserve Corporation

Marks Oil, Inc.

Union Hill Oil & Gas Co. Inc.

#### **UNIT RECAPITULATION:**

**E/2W/2 of Section 4 and the E/2W/2 of Section 9; all in T20S-R34E; 320.44 acres**

|                            |             |
|----------------------------|-------------|
| Moore and Shelton Co., LTD | 2.96760% WI |
|----------------------------|-------------|

|                     |             |
|---------------------|-------------|
| HOG Partnership, LP | 5.65190% WI |
|---------------------|-------------|

|                        |             |
|------------------------|-------------|
| Challenger Crude, Ltd. | 2.18568% WI |
|------------------------|-------------|

|                       |              |
|-----------------------|--------------|
| Permian Resources LLC | 22.65929% WI |
|-----------------------|--------------|

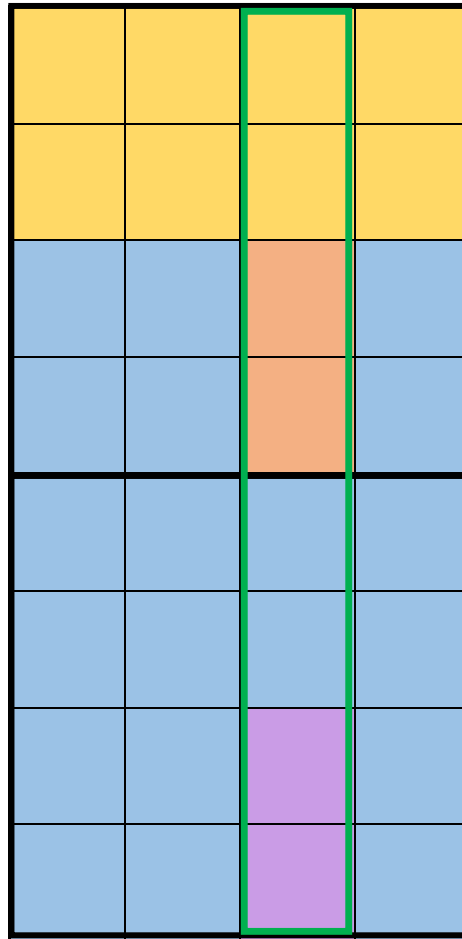
|                                                                                         |               |
|-----------------------------------------------------------------------------------------|---------------|
| Javelina Partners                                                                       | 11.72033% WI  |
| Zorro Partners, Ltd.                                                                    | 7.12623% WI   |
| Magnum Hunter Production Inc.                                                           | 21.04187% WI  |
| Frost Bank, Trustee of the Josephine T.<br>Hudson Testamentary Trust FBO J. Terrell Ard | 1.29568% WI   |
| Ard Oil, LTD                                                                            | 3.88703% WI   |
| Chase Oil Corporation                                                                   | 1.34876% WI   |
| Cimarex Energy Co.                                                                      | 13.103150% WI |
| Avalon Energy Corporation                                                               | 0.42555% WI   |
| Wilbanks Reserve Corporation                                                            | 3.6412% WI    |
| Marks Oil, Inc.                                                                         | 0.44509% WI   |
| William A. Hudson, II                                                                   | 0.23569% WI   |
| Union Hill Oil and Gas Co. Inc.                                                         | 2.26495% WI   |

## Exhibit "A-2"

W/2E/2 of Section 4 and the W/2E/2 of Section 9, Township 20 South, Range 34 East of Lea County, NM (PERMIAN/DELAWARE BASIN) – Bone Spring formation

Section 4

Section 9

**Tract 1:**

USA NMLC-0064194  
(80.00 acres)

**Tract 3:**

USA NMLC-0064194  
(80.00 acres)

**Tract 2:**

USA NMLC-0064194  
(80.00 acres)

**Tract 4:**

USA NMLC-0065607  
(80.66 acres)



**Loosey Goosey 4-9 Fed Com 303H****SHL: Sec. 33-20S-34E; 194' FSL and 1488' FWL****BHL: Sec. 9-20S-34E; 100' FSL and 1744' FEL****Exhibit "A-2"****OWNERSHIP BREAKDOWN – Bone Spring formation****W/2E/2 of Section 4 and the W/2E/2 of Section 9, Township 20 South, Range 34 East of Lea County, NM****Loosey Goosey 4-9 Fed Com 303H****TRACT 1 OWNERSHIP (W/2SE/4 of Section 4-T20S-R34E, being 80.00 acres)****Lease: USA NMLC-0064194**

| <b>Owner</b>                                                                                    | <b>Net Acres</b> | <b>Unit WI</b> | <b>Status</b> |
|-------------------------------------------------------------------------------------------------|------------------|----------------|---------------|
| Moore and Shelton Co., LTD<br>P.O. Box 3070<br>Galveston, TX 77552                              | 1.6615           | 0.02076924     | Committed     |
| HOG Partnership, LP<br>5950 Cedar Springs Rd., Ste. 242<br>Dallas, TX 75235                     | 2.6853           | 0.03356644     | Uncommitted   |
| Challenger Crude, Ltd.<br>3525 Andrews Hwy.<br>Midland, TX 79703                                | 2.3346           | 0.02918246     | Committed     |
| Permian Resources LLC/Read and Stevens<br>300 N. Marienfeld St., Ste. 1000<br>Midland, TX 79701 | 24.2031          | 0.30253929     | Uncommitted   |
| Javelina Partners                                                                               | 4.7437           | 0.05929631     | Committed     |



616 Texas St.

Fort Worth, TX 76102

Zorro Partners, Ltd.

2.5808

0.03222596

Committed

616 Texas St.

Fort Worth, TX 76102

Magnum Hunter Production Inc.

22.4755

0.28094405

Committed

6001 Deauville Blvd., Ste. 300N

Midland, TX 79706

Frost Bank, Trustee of the Josephine T.

0.4692

0.00586541

Committed

Hudson Trust f/b/o J. Terrell Ard

P.O. Box 1600

San Antonio, TX 78296

Ard Oil, LTD

1.4077

0.01759615

Uncommitted

222 West Forth St., Ph5

Fort Worth, TX 76102

Chase Oil Corporation

1.4407

0.01800821

Uncommitted

11344 Lovington Hwy.

Artesia, NM 88210

Cimarex Energy Co.

8.5076

0.10634446

Committed

6001 Deauville Blvd., Ste. 300N

Midland, TX 79706

Avalon Energy Corporation

0.4545

0.00568182

Uncommitted

310 W. Wall St., Ste. 305

Midland, TX 79701

Wilbanks Reserve Corporation

3.8893

0.04861609

Committed

450 E. 17<sup>th</sup> Ave., Ste. 220

Denver, CO 80203

Marks Oil, Inc.

0.4754

0.00594271

Uncommitted

1775 Sherman St., Ste. 2990

Denver, CO 80203

William A. Hudson, II

0.2517

0.00314685

Committed

616 Texas St.

Fort Worth, TX 76102

Union Hill Oil and Gas Co. Inc.

2.4193

0.03024091

Uncommitted

7712 Glanshannon Cir.

Dallas, TX 75225

TRACT 1 TOTAL

80.00

.24948544

**TRACT 2 OWNERSHIP (W/2NE/4 of Section 9-T20S-R34E, being 80.00 acres)**

**Lease: USA NMLC-0064194**

| Owner                      | Net Acres | Unit WI    | Status      |
|----------------------------|-----------|------------|-------------|
| Moore and Shelton Co., LTD | 1.6615    | 0.02076924 | Committed   |
| P.O. Box 3070              |           |            |             |
| Galveston, TX 77552        |           |            |             |
| HOG Partnership, LP        | 2.6853    | 0.03356644 | Uncommitted |

5950 Cedar Springs Rd., Ste. 242

Dallas, TX 75235

Challenger Crude, Ltd.

2.3346

0.02918246

Committed

3525 Andrews Hwy.

Midland, TX 79703

Permian Resources LLC/Read and Stevens

24.2031

0.30253929

Uncommitted

300 N. Marienfeld St., Ste. 1000

Midland, TX 79701

Javelina Partners

4.7437

0.05929631

Committed

616 Texas St.

Fort Worth, TX 76102

Zorro Partners, Ltd.

2.5808

0.03225960

Committed

616 Texas St.

Fort Worth, TX 76102

Magnum Hunter Production Inc.

22.4755

0.28094405

Committed

6001 Deauville Blvd., Ste. 300N

Midland, TX 79706

Frost Bank, Trustee of the Josephine T.

0.4692

0.00586541

Committed

Hudson Trust f/b/o J. Terrell Ard

P.O. Box 1600

San Antonio, TX 78296

Ard Oil, LTD

1.4077

0.01759615

Uncommitted

222 West Forth St., Ph5

Fort Worth, TX 76102

Chase Oil Corporation

1.4407

0.01800821

Uncommitted

11344 Lovington Hwy.

Artesia, NM 88210

Cimarex Energy Co.

8.5076

0.10634446

Committed

6001 Deauville Blvd., Ste. 300N

Midland, TX 79706

Avalon Energy Corporation

0.4545

0.00568182

Uncommitted

310 W. Wall St., Ste. 305

Midland, TX 79701

Wilbanks Reserve Corporation

3.8893

0.04861609

Uncommitted

450 E. 17<sup>th</sup> Ave., Ste. 220

Denver, CO 80203

Marks Oil, Inc.

0.4754

0.00594271

Uncommitted

1775 Sherman St., Ste. 2990

Denver, CO 80203

William A. Hudson, II

0.2517

0.00314685

Committed

616 Texas St.

Fort Worth, TX 76102

Union Hill Oil and Gas Co. Inc.

2.4193

0.03024091

Uncommitted

7712 Glanshannon Cir.

Dallas, TX 75225

|               |       |           |
|---------------|-------|-----------|
| TRACT 2 TOTAL | 80.00 | .24948544 |
|---------------|-------|-----------|

**TRACT 3 OWNERSHIP (W/2SE/4 of Section 9-T20S-R34E, being 80.00 acres)****Lease: USA NMLC-0064194**

| Owner                                                                                           | Net Acres | Unit WI    | Status      |
|-------------------------------------------------------------------------------------------------|-----------|------------|-------------|
| Moore and Shelton Co., LTD<br>P.O. Box 3070<br>Galveston, TX 77552                              | 1.6615    | 0.02076924 | Committed   |
| HOG Partnership, LP<br>5950 Cedar Springs Rd., Ste. 242<br>Dallas, TX 75235                     | 3.6923    | 0.04615385 | Uncommitted |
| Permian Resources LLC/Read and Stevens<br>300 N. Marienfeld St., Ste. 1000<br>Midland, TX 79701 | 30.9320   | 0.38665000 | Uncommitted |
| Javelina Partners<br>616 Texas St.<br>Fort Worth, TX 76102                                      | 3.9885    | 0.04985576 | Committed   |
| Zorro Partners, Ltd.<br>616 Texas St.<br>Fort Worth, TX 76102                                   | 2.5808    | 0.03225961 | Committed   |
| Magnum Hunter Production Inc.<br>6001 Deauville Blvd., Ste. 300N                                | 15.3846   | 0.19230768 | Committed   |

Midland, TX 79706

|                                         |        |            |           |
|-----------------------------------------|--------|------------|-----------|
| Frost Bank, Trustee of the Josephine T. | 0.4692 | 0.00586540 | Committed |
|-----------------------------------------|--------|------------|-----------|

Hudson Trust f/b/o J. Terrell Ard

P.O. Box 1600

San Antonio, TX 78296

|              |        |            |             |
|--------------|--------|------------|-------------|
| Ard Oil, LTD | 1.4077 | 0.01759615 | Uncommitted |
|--------------|--------|------------|-------------|

222 West Forth St., Ph5

Fort Worth, TX 76102

|                    |         |            |           |
|--------------------|---------|------------|-----------|
| Cimarex Energy Co. | 17.8154 | 0.22269231 | Committed |
|--------------------|---------|------------|-----------|

6001 Deauville Blvd., Ste. 300N

Midland, TX 79706

|                                 |        |            |             |
|---------------------------------|--------|------------|-------------|
| Union Hill Oil and Gas Co. Inc. | 2.0680 | 0.02585000 | Uncommitted |
|---------------------------------|--------|------------|-------------|

7712 Glanshannon Cir.

Dallas, TX 75225

|               |       |           |  |
|---------------|-------|-----------|--|
| TRACT 3 TOTAL | 80.00 | .24948544 |  |
|---------------|-------|-----------|--|

**TRACT 4 OWNERSHIP (Lot 2 and the SW/4NE/4 of Section 4-T20S-R34E, being 80.66 acres)**

**Lease: USA NMLC-0065607**

| Owner                      | Net Acres | Unit WI    | Status      |
|----------------------------|-----------|------------|-------------|
| Moore and Shelton Co., LTD | 4.5371    | 0.05625000 | Committed   |
| P.O. Box 3070              |           |            |             |
| Galveston, TX 77552        |           |            |             |
| HOG Partnership, LP        | 10.0825   | 0.12500000 | Uncommitted |

5950 Cedar Springs Rd., Ste. 242

Dallas, TX 75235

Javelina Partners

23.3893

0.28997392

Committed

616 Texas St.

Fort Worth, TX 76102

Zorro Partners, Ltd.

15.1342

0.18763017

Committed

616 Texas St.

Fort Worth, TX 76102

Frost Bank, Trustee of the Josephine T.

2.7517

0.03411465

Committed

Hudson Trust f/b/o J. Terrell Ard

P.O. Box 1600

San Antonio, TX 78296

Ard Oil, LTD

8.2550

0.10234375

Uncommitted

222 West Forth St., Ph5

Fort Worth, TX 76102

Cimarex Energy Co.

16.5101

0.20468750

Committed

6001 Deauville Blvd., Ste. 300N

Midland, TX 79706

TRACT 4 TOTAL

80.66

.25154369

**Complete List of Parties/Persons to be Pooled:****Working Interest Owners**

HOG Partnership, LP

Permian Resources LLC

Ard Oil, LTD

Chase Oil Corporation

Avalon Energy Corporation

Wilbanks Reserve Corporation

Marks Oil, Inc.

Union Hill Oil &amp; Gas Co. Inc.

**UNIT RECAPITULATION:****W/2E/2 of Section 4 and the W/2E/2 of Section 9; all in T20S-R34E; 320.66 acres**

|                               |              |
|-------------------------------|--------------|
| Moore and Shelton Co., LTD    | 2.96942% WI  |
| HOG Partnership, LP           | 5.97064% WI  |
| Challenger Crude, Ltd.        | 1.45612% WI  |
| Permian Resources LLC         | 24.74219% WI |
| Javelina Partners             | 11.49665% WI |
| Zorro Partners, Ltd.          | 7.13421% WI  |
| Magnum Hunter Production Inc. | 18.81609% WI |



|                                                                                         |              |
|-----------------------------------------------------------------------------------------|--------------|
| Frost Bank, Trustee of the Josephine T.<br>Hudson Testamentary Trust FBO J. Terrell Ard | 1.29713% WI  |
| Ard Oil, LTD                                                                            | 3.89139% WI  |
| Chase Oil Corporation                                                                   | 0.89856% WI  |
| Cimarex Energy Co.                                                                      | 16.01091% WI |
| Avalon Energy Corporation                                                               | 0.28351% WI  |
| Wilbanks Reserve Corporation                                                            | 2.4258% WI   |
| Marks Oil, Inc.                                                                         | 0.29652% WI  |
| William A. Hudson, II                                                                   | 0.15702% WI  |
| Union Hill Oil and Gas Co. Inc.                                                         | 2.15385% WI  |

Cimarex Energy Co.  
Permian Business Unit  
600 N. Marienfeld Street  
Suite 600  
Midland, Texas 79701  
MAIN 432.571.7800



August 25, 2022

Apache Corporation  
200 Post Oak Blvd., Ste. 100  
Houston, TX 77056

**Re: Proposal to Drill  
Loosey Goosey 4-9 Fed Com 101H-104H, 201H-204H & 301H-304H  
Sections 4 & 9, Township 20 South, Range 34 East  
Lea County, NM**

Dear Working Interest Owner,

Cimarex Energy Co. hereby proposes to drill the Loosey Goosey 4-9 Fed Com 101H-104H, 201H-204H & 301H-304H Wells at a legal location in Section 4, Township 20 South, Range 34 East, NMPM, Lea Co., NM.

**Loosey Goosey 4-9 Fed Com 101H** - The intended surface hole location for the well is 1360' FSL and 1640' FWL of Section 33, Township 19 South, Range 34 East, and the intended bottom hole location is 100' FSL and 706' FWL of Section 9, Township 20 South, Range 34 East. The well is proposed to be drilled vertically to a depth of approximately 9,530' to the Bone Spring formation and laterally within the formation to the referenced bottom hole location.

**Loosey Goosey 4-9 Fed Com 102H** - The intended surface hole location for the well is 1360' FSL and 1600' FWL of Section 33, Township 19 South, Range 34 East, and the intended bottom hole location is 100' FSL and 2120' FWL of Section 9, Township 20 South, Range 34 East. The well is proposed to be drilled vertically to a depth of approximately 9,530' to the Bone Spring formation and laterally within the formation to the referenced bottom hole location.

**Loosey Goosey 4-9 Fed Com 103H** - The intended surface hole location for the well is 340' FSL and 1640' FEL of Section 33, Township 19 South, Range 34 East, and the intended bottom hole location is 100' FSL and 1744' FEL of Section 9, Township 20 South, Range 34 East. The well is proposed to be drilled vertically to a depth of approximately 9,530' to the Bone Spring formation and laterally within the formation to the referenced bottom hole location.

**Loosey Goosey 4-9 Fed Com 104H** - The intended surface hole location for the well is 340' FSL and 1600' FEL of Section 33, Township 19 South, Range 34 East, and the intended bottom hole location is 100' FSL and 330' FEL of Section 9, Township 20 South, Range 34 East. The well is proposed to be drilled vertically to a depth of approximately 9,530' to the Bone Spring formation and laterally within the formation to the referenced bottom hole location.

EXHIBIT  
A-3

**Loosey Goosey 4-9 Fed Com 201H** - The intended surface hole location for the well is 1360' FSL and 1620' FWL of Section 33, Township 19 South, Range 34 East, and the intended bottom hole location is 100' FSL and 706' FWL of Section 9, Township 20 South, Range 34 East. The well is proposed to be drilled vertically to a depth of approximately 10,304' to the Bone Spring formation and laterally within the formation to the referenced bottom hole location.

**Loosey Goosey 4-9 Fed Com 202H** - The intended surface hole location for the well is 1360' FSL and 1580' FWL of Section 33, Township 19 South, Range 34 East, and the intended bottom hole location is 100' FSL and 2120' FWL of Section 9, Township 20 South, Range 34 East. The well is proposed to be drilled vertically to a depth of approximately 10,304' to the Bone Spring formation and laterally within the formation to the referenced bottom hole location.

**Loosey Goosey 4-9 Fed Com 203H** - The intended surface hole location for the well is 340' FSL and 1620' FEL of Section 33, Township 19 South, Range 34 East, and the intended bottom hole location is 100' FSL and 1744' FEL of Section 9, Township 20 South, Range 34 East. The well is proposed to be drilled vertically to a depth of approximately 10,300' to the Bone Spring formation and laterally within the formation to the referenced bottom hole location.

**Loosey Goosey 4-9 Fed Com 204H** - The intended surface hole location for the well is 280' FSL and 1520' FEL of Section 33, Township 19 South, Range 34 East, and the intended bottom hole location is 100' FSL and 330' FEL of Section 9, Township 20 South, Range 34 East. The well is proposed to be drilled vertically to a depth of approximately 10,300' to the Bone Spring formation and laterally within the formation to the referenced bottom hole location.

**Loosey Goosey 4-9 Fed Com 301H** - The intended surface hole location for the well is 1300' FSL and 1520' FWL of Section 33, Township 19 South, Range 34 East, and the intended bottom hole location is 100' FSL and 706' FWL of Section 9, Township 20 South, Range 34 East. The well is proposed to be drilled vertically to a depth of approximately 10,830' to the Bone Spring formation and laterally within the formation to the referenced bottom hole location.

**Loosey Goosey 4-9 Fed Com 302H** - The intended surface hole location for the well is 1300' FSL and 1500' FWL of Section 33, Township 19 South, Range 34 East, and the intended bottom hole location is 100' FSL and 2120' FWL of Section 9, Township 20 South, Range 34 East. The well is proposed to be drilled vertically to a depth of approximately 10,820' to the Bone Spring formation and laterally within the formation to the referenced bottom hole location.

**Loosey Goosey 4-9 Fed Com 303H** - The intended surface hole location for the well is 280' FSL and 1540' FEL of Section 33, Township 19 South, Range 34 East, and the intended bottom hole location is 100' FSL and 1744' FEL of Section 9, Township 20 South, Range 34 East. The well is proposed to be drilled vertically to a depth of approximately 10,810' to the Bone Spring formation and laterally within the formation to the referenced bottom hole location.

**Loosey Goosey 4-9 Fed Com 304H** - The intended surface hole location for the well is 280' FSL and 1500' FEL of Section 33, Township 19 South, Range 34 East, and the intended bottom hole location is 100' FSL and 330' FEL of Section 9, Township 20 South, Range 34 East. The well is proposed to be drilled vertically to a depth of approximately 10,800' to the Bone Spring formation and laterally within the formation to the referenced bottom hole location.

It should be understood that compliance with topography or cultural or environmental concerns, among others, might require modification of Cimarex's intended procedure. Cimarex will advise you of any such modifications.

Enclosed is (i) our detailed AFE reflecting estimated costs associated with this proposal, and; (ii) our proposed form of Operating Agreement to govern operations of the Loosey Goosey 4-9 Fed Com Wells. If you intend to participate, please approve and return one (1) original of the enclosed AFE, one (1) original of the signature page to the Operating Agreement, along with the contact information to receive your well data, to the undersigned within thirty (30) days of receipt of this proposal. If you elect to purchase your own well control insurance, you must provide a certificate of such insurance to Cimarex prior to commencement of drilling operations; otherwise, you will be covered by insurance procured by Cimarex and will be responsible for your share of the cost.

Cimarex will file for force pooling for the Loosey Goosey 4-9 Fed Com 101H-104H, 201H-204H & 301H-304H wells 30 days after the receipt of these proposals.

Please call the undersigned with any questions or comments.

Respectfully,

A handwritten signature in black ink, appearing to read 'John Coffman', with a stylized flourish at the end.

John Coffman  
432.571.7883  
John.Coffman@Coterra.com





Authorization For Expenditure - Loosey Goosey 4-9 Fed Com 204H

AFE # XXXXXXXX

Company Entity

Date Prepared  
8/17/2022

| Exploration Region | Well Name                      | Prospect               | Property Number | AFE      |
|--------------------|--------------------------------|------------------------|-----------------|----------|
| Permian Basin      | Loosey Goosey 4-9 Fed Com 204H | New Mexico Bone Spring | XXXXXX-XXX.01   | XXXXXXXX |

| County, State | Location                      | Estimated Spud | Estimated Completion |
|---------------|-------------------------------|----------------|----------------------|
| Lea, NM       | Section 4-9 T20S-R34E Lea, NM |                |                      |

| X New Supplement Revision | Formation | Well Type | Ttl Measured Depth | Ttl Vertical Depth |
|---------------------------|-----------|-----------|--------------------|--------------------|
|                           | 2nd Sand  | DEV       | 19800              | 10300              |

Purpose: Drill and complete well

Description:

Drilling: The intended surface hold location for the well is 280 FSL and 1520 FEL of Section 33, T19S-R34E, and the intended bottom hole location is 100 FSL and 330 FEL of Section 9, T20S-R34E. The well is proposed to be drilled vertically to the 2nd Sand formation and laterally in a southerly direction within the formation to the referenced bottom hole location. Total vertical depth of the well is proposed to be approximately 10300 feet.

| Intangible                   |  | Dry Hole           | After Casing Point | Completed Well Cost |
|------------------------------|--|--------------------|--------------------|---------------------|
| Drilling Costs               |  | \$2,475,500        |                    | \$2,475,500         |
| Completion Costs             |  |                    | \$4,314,672        | \$4,314,672         |
| <b>Total Intangible Cost</b> |  | <b>\$2,475,500</b> | <b>\$4,314,672</b> | <b>\$6,790,172</b>  |
| Tangible                     |  | Dry Hole           | After Casing Point | Completed Well Cost |
| Well Equipment               |  | \$393,000          | \$1,125,000        | \$1,518,000         |
| Lease Equipment              |  |                    | \$262,523          | \$262,523           |
| <b>Total Tangible Cost</b>   |  | <b>\$393,000</b>   | <b>\$1,387,523</b> | <b>\$1,780,523</b>  |
| <b>Total Well Cost</b>       |  | <b>\$2,868,500</b> | <b>\$5,702,195</b> | <b>\$8,570,695</b>  |

## Comments On Well Costs

1. All tubulars, well or lease equipment is priced by COPAS and CEPS guidelines using the Historic Price Multiplier.

## Well Control Insurance

Unless otherwise indicated below, you, as a non-operating working interest owner, agree to be covered by Operator's well control insurance procured by Operator so long as Operator conducts operations hereunder and to pay your prorated share of the premiums therefore. If you elect to purchase your own well control insurance, you must provide a certificate of such insurance acceptable to Operator, as to form and limits, at the time this AFE is returned, if available, but in no event later than commencement of drilling operations. You agree that failure to provide the certificate of insurance, as provided herein, will result in your being covered by insurance procured by Operator.

☐ I elect to purchase my own well control insurance policy.

## Marketing Election

Cimarex sells its gas under arm's-length contracts with third party purchasers. Such contracts may include fees. In addition, penalties may be incurred for insufficient volumes delivered over time. Should you choose to market your share of gas with Cimarex, you will be subject to all of the terms of such contracts. Upon written request to Cimarex's Marketing Department, we will share with you the terms and conditions pursuant to which gas will be sold. Failure to make an election below shall be deemed an election to market your gas with Cimarex under the terms and conditions set forth above.

☐ I elect to take my gas in kind.

☐ I elect to market my gas with Cimarex pursuant to the terms and conditions of its contract.

## Comments on AFE

The above costs are estimates only and anticipate trouble free operations without any foreseeable change in plans. The actual costs may exceed the estimated costs without affecting the authorization for expenditure herein granted. By approval of this AFE, the working interest owner agrees to pay its proportionate share of actual legal, curative, regulatory and well costs under term of the joint operating agreement, regulatory order or other applicable agreement covering this well.

## Nonoperator Approval

| Company | Approved By (Print Name) | Approved By (Signature) | Date |
|---------|--------------------------|-------------------------|------|
|         |                          |                         |      |

NOTICE TO NONOPERATOR: Costs shown on this form are estimates only. By executing this AFE, the consenting party agrees to pay its proportionate share of actual costs incurred. Overhead will be charged in accordance with the Joint Operating Agreement.

7/6/2022



Authorization For Expenditure - Loosey Goosey 4-9 Fed Com 204H

AFE # XXXXXXX

| Description                             | BCP - Drilling |                  | ACP - Drilling |                  | Comp/Stim |                  | Production Equip |                | Post Completion |                | Total            |
|-----------------------------------------|----------------|------------------|----------------|------------------|-----------|------------------|------------------|----------------|-----------------|----------------|------------------|
|                                         | Codes          | Amount           | Codes          | Amount           | Codes     | Amount           | Codes            | Amount         | Codes           | Amount         | Cost             |
| Roads & Location                        | DIDC.100       | 20,000           |                |                  | STIM.100  | 3,000            | CON.100          | 4,989          | PCOM.100        | 3,000          | 30,989           |
| Damages                                 | DIDC.105       | 16,500           |                |                  |           |                  | CON.105          | 0              |                 |                | 16,500           |
| Mud/Fluids Disposal                     | DIDC.255       | 200,000          |                |                  | STIM.255  | 51,000           |                  |                | PCOM.255        | 0              | 251,000          |
| Day Rate                                | DIDC.115       | 468,000          | DICC.120       | 96,000           |           |                  |                  |                |                 |                | 564,000          |
| Misc Preparation                        | DIDC.120       | 30,000           |                |                  |           |                  |                  |                |                 |                | 30,000           |
| Bits                                    | DIDC.125       | 97,000           | DICC.125       | 0                | STIM.125  | 0                |                  |                | PCOM.125        | 0              | 97,000           |
| Fuel                                    | DIDC.135       | 119,000          | DICC.130       | 0                |           |                  |                  |                | PCOM.130        | 0              | 119,000          |
| Water for Drilling Rig (Not Frac Water) | DIDC.140       | 5,000            | DICC.135       | 0                | STIM.135  | 20,000           |                  |                | PCOM.135        | 0              | 25,000           |
| Mud & Additives                         | DIDC.145       | 300,000          |                |                  |           |                  |                  |                |                 |                | 300,000          |
| SWD PIPED TO 3RD PARTY SWD WELL         |                |                  |                |                  |           |                  |                  |                | PCOM.257        | 109,193        | 109,193          |
| Surface Rentals                         | DIDC.150       | 97,000           | DICC.140       | 0                | STIM.140  | 137,000          | CON.140          | 3,118          | PCOM.140        | 60,000         | 297,118          |
| Downhole Rentals                        | DIDC.155       | 131,000          |                |                  | STIM.145  | 35,000           |                  |                | PCOM.145        | 0              | 166,000          |
| Flowback Labor                          |                |                  |                |                  | STIM.141  | 0                |                  |                | PCOM.141        | 30,000         | 30,000           |
| Automation Labor                        |                |                  |                |                  |           |                  | CON.150          | 26,689         | PCOM.150        | 5,000          | 31,689           |
| Mud Logging                             | DIDC.170       | 5,000            |                |                  |           |                  |                  |                |                 |                | 5,000            |
| IPC & EXTERNAL PAINTING                 |                |                  |                |                  |           |                  | CON.165          | 15,340         |                 |                | 15,340           |
| Cementing & Float Equipment             | DIDC.185       | 70,000           | DICC.155       | 140,000          |           |                  |                  |                |                 |                | 210,000          |
| Tubular Inspections                     | DIDC.190       | 38,000           | DICC.160       | 8,000            | STIM.160  | 4,000            |                  |                | PCOM.160        | 0              | 50,000           |
| Casing Crews                            | DIDC.195       | 15,000           | DICC.165       | 13,000           | STIM.165  | 0                |                  |                |                 |                | 28,000           |
| Mechanical Labor                        | DIDC.200       | 20,000           | DICC.170       | 3,000            | STIM.170  | 0                | CON.170          | 84,182         | PCOM.170        | 5,000          | 112,182          |
| Trucking/Transportation                 | DIDC.205       | 30,000           | DICC.175       | 8,000            | STIM.175  | 4,000            | CON.175          | 9,354          | PCOM.175        | 0              | 51,354           |
| Supervision                             | DIDC.210       | 81,000           | DICC.180       | 13,000           | STIM.180  | 47,000           | CON.180          | 13,469         | PCOM.180        | 0              | 154,469          |
| Trailer House/Camp/Catering             | DIDC.280       | 36,000           | DICC.255       | 5,000            | STIM.280  | 31,000           |                  |                |                 |                | 72,000           |
| Other Misc Expenses                     | DIDC.220       | 5,000            | DICC.190       | 0                | STIM.190  | 85,000           | CON.190          | 14,966         | PCOM.190        | 0              | 104,966          |
| Overhead                                | DIDC.225       | 5,000            | DICC.195       | 5,000            |           |                  |                  |                |                 |                | 10,000           |
| MOB/DEMOB                               | DIDC.240       | 115,000          |                |                  |           |                  |                  |                |                 |                | 115,000          |
| Directional Drilling Services           | DIDC.245       | 307,000          |                |                  |           |                  |                  |                |                 |                | 307,000          |
| Solids Control                          | DIDC.260       | 46,000           |                |                  |           |                  |                  |                |                 |                | 46,000           |
| Well Control Equip (Snubbing Services)  | DIDC.265       | 84,000           | DICC.240       | 0                | STIM.240  | 64,000           |                  |                | PCOM.240        | 0              | 148,000          |
| Completion Rig                          |                |                  |                |                  | STIM.115  | 21,000           |                  |                | PCOM.115        | 0              | 21,000           |
| Coil Tubing Services                    |                |                  |                |                  | STIM.260  | 0                |                  |                | PCOM.260        | 0              | 0                |
| Completion Logging/Perforating/Wireline |                |                  |                |                  | STIM.200  | 257,000          |                  |                | PCOM.200        | 0              | 257,000          |
| Composite Plugs                         |                |                  |                |                  | STIM.390  | 39,000           |                  |                | PCOM.390        | 0              | 39,000           |
| Stimulation                             |                |                  |                |                  | STIM.210  | 2,245,000        |                  |                | PCOM.210        | 0              | 2,245,000        |
| Stimulation Water/Water Transfer/Water  |                |                  |                |                  | STIM.395  | 191,000          |                  |                |                 |                | 191,000          |
| Cimarex Owned Frac/Rental Equipment     |                |                  |                |                  | STIM.305  | 60,000           |                  |                | PCOM.305        | 0              | 60,000           |
| Legal/Regulatory/Curative               | DIDC.300       | 10,000           |                |                  |           |                  | CON.300          | 0              |                 |                | 10,000           |
| Well Control Insurance                  | DIDC.285       | 7,000            |                |                  |           |                  |                  |                |                 |                | 7,000            |
| Major Construction Overhead             |                |                  |                |                  |           |                  | CON.305          | 15,465         |                 |                | 15,465           |
| FL/GL - ON PAD LABOR                    |                |                  |                |                  |           |                  | CON.495          | 85,305         |                 |                | 85,305           |
| FL/GL - Supervision                     |                |                  |                |                  |           |                  | CON.505          | 9,354          |                 |                | 9,354            |
| Survey                                  |                |                  |                |                  |           |                  | CON.515          | 748            |                 |                | 748              |
| Contingency                             | DIDC.435       | 118,000          | DICC.220       | 15,000           | STIM.220  | 165,000          | CON.220          | 42,153         | PCOM.220        | 0              | 340,153          |
| Contingency                             |                |                  |                |                  |           |                  | CON.221          | 12,347         |                 |                | 12,347           |
| <b>Total Intangible Cost</b>            |                | <b>2,475,500</b> |                | <b>306,000</b>   |           | <b>3,459,000</b> |                  | <b>337,479</b> |                 | <b>212,193</b> | <b>6,790,172</b> |
| Conductor Pipe                          | DWEB.130       | 0                |                |                  |           |                  |                  |                |                 |                | 0                |
| Water String                            | DWEB.135       | 104,000          |                |                  |           |                  |                  |                |                 |                | 104,000          |
| Surface Casing                          | DWEB.140       | 251,000          |                |                  |           |                  |                  |                |                 |                | 251,000          |
| Intermediate Casing 1                   | DWEB.145       | 0                |                |                  |           |                  |                  |                |                 |                | 0                |
| Production Casing or Liner              |                |                  | DWEA.100       | 792,000          |           |                  |                  |                |                 |                | 792,000          |
| Tubing                                  |                |                  |                |                  | STIMT.105 | 139,000          |                  |                | PCOMT.105       | 0              | 139,000          |
| Wellhead, Tree, Chokes                  | DWEB.115       | 38,000           | DWEA.120       | 18,000           | STIMT.120 | 38,000           |                  |                | PCOMT.120       | 10,000         | 104,000          |
| Liner Hanger, Isolation Packer          | DWEB.100       | 0                | DWEA.125       | 0                |           |                  |                  |                |                 |                | 0                |
| Packer, Nipples                         |                |                  |                |                  | STIMT.400 | 28,000           |                  |                | PCOMT.400       | 0              | 28,000           |
| SHORT ORDERS                            |                |                  |                |                  |           |                  | CONT.380         | 8,730          |                 |                | 8,730            |
| WALKOVERS                               |                |                  |                |                  |           |                  | CONT.390         | 2,494          |                 |                | 2,494            |
| Downhole Lift Equipment                 |                |                  |                |                  | STIMT.410 | 80,000           |                  |                | PCOMT.410       | 0              | 80,000           |
| Surface Equipment                       |                |                  |                |                  |           |                  |                  |                | PCOMT.420       | 15,000         | 15,000           |
| Well Automation Materials               |                |                  |                |                  |           |                  |                  |                | PCOMT.455       | 5,000          | 5,000            |
| N/C Lease Equipment                     |                |                  |                |                  |           |                  | CONT.400         | 103,263        |                 |                | 103,263          |
| Battery Equipment                       |                |                  |                |                  |           |                  | CONT.410         | 58,740         |                 |                | 58,740           |
| Secondary Containments                  |                |                  |                |                  |           |                  | CONT.415         | 4,989          |                 |                | 4,989            |
| Meters and Metering Equipment           |                |                  |                |                  |           |                  | CONT.445         | 12,471         |                 |                | 12,471           |
| Facility Line Pipe                      |                |                  |                |                  |           |                  | CONT.450         | 10,476         |                 |                | 10,476           |
| Lease Automation Materials              |                |                  |                |                  |           |                  | CONT.455         | 33,049         |                 |                | 33,049           |
| FL/GL - Materials                       |                |                  |                |                  |           |                  | CONT.550         | 10,227         |                 |                | 10,227           |
| FL/GL - Line Pipe                       |                |                  |                |                  |           |                  | CONT.555         | 18,084         |                 |                | 18,084           |
| <b>Total Tangible Cost</b>              |                | <b>393,000</b>   |                | <b>810,000</b>   |           | <b>285,000</b>   |                  | <b>262,523</b> |                 | <b>30,000</b>  | <b>1,780,523</b> |
| <b>Total Estimated Cost</b>             |                | <b>2,868,500</b> |                | <b>1,116,000</b> |           | <b>3,744,000</b> |                  | <b>600,002</b> |                 | <b>242,193</b> | <b>8,570,695</b> |





Authorization For Expenditure - Loosey Goosey 4-9 Fed Com 204H

AFE # XXXXXXXX

| Description                       | BCP - Drilling |          |                  | ACP - Drilling |           |                  | Comp/Stim |         |                  |
|-----------------------------------|----------------|----------|------------------|----------------|-----------|------------------|-----------|---------|------------------|
|                                   | Codes          |          | Amount           | Codes          |           | Amount           | Codes     |         | Amount           |
| Roads & Location                  | DIDC.100       |          | 20,000           |                |           |                  | STIM.100  | CON.100 | 3,000            |
| Damages                           | DIDC.105       |          | 16,500           |                |           |                  |           |         |                  |
| Mud/Fluids Disposal               | DIDC.255       |          | 200,000          |                |           |                  | STIM.255  |         | 51,000           |
| Day Rate                          | DIDC.115       | DICC.120 | 468,000          | DICC.120       |           | 96,000           |           |         |                  |
| Misc Preparation                  | DIDC.120       |          | 30,000           |                |           |                  |           |         |                  |
| Bits                              | DIDC.125       | DICC.125 | 97,000           | DICC.125       | STIM.125  | 0                | STIM.125  |         | 0                |
| Fuel                              | DIDC.135       | DICC.130 | 119,000          | DICC.130       |           | 0                |           |         |                  |
| Water for Drilling Rig (Not Frac) | DIDC.140       | DICC.135 | 5,000            | DICC.135       | STIM.135  | 0                | STIM.135  |         | 20,000           |
| Mud & Additives                   | DIDC.145       |          | 300,000          |                |           |                  |           |         |                  |
| SWD PIPED TO 3RD PARTY SWD        |                |          |                  |                |           |                  |           |         |                  |
| Surface Rentals                   | DIDC.150       | DICC.140 | 97,000           | DICC.140       | STIM.140  | 0                | STIM.140  | CON.140 | 137,000          |
| Downhole Rentals                  | DIDC.155       |          | 131,000          |                |           |                  | STIM.145  |         | 35,000           |
| Flowback Labor                    |                |          |                  |                |           |                  | STIM.141  |         | 0                |
| Automation Labor                  |                |          |                  |                |           |                  |           |         |                  |
| Mud Logging                       | DIDC.170       |          | 5,000            |                |           |                  |           |         |                  |
| IPC & EXTERNAL PAINTING           |                |          |                  |                |           |                  |           |         |                  |
| Cementing & Float Equipment       | DIDC.185       | DICC.155 | 70,000           | DICC.155       |           | 140,000          |           |         |                  |
| Tubular Inspections               | DIDC.190       | DICC.160 | 38,000           | DICC.160       | STIM.160  | 8,000            | STIM.160  |         | 4,000            |
| Casing Crews                      | DIDC.195       | DICC.165 | 15,000           | DICC.165       | STIM.165  | 13,000           | STIM.165  |         | 0                |
| Mechanical Labor                  | DIDC.200       | DICC.170 | 20,000           | DICC.170       | STIM.170  | 3,000            | STIM.170  | CON.170 | 0                |
| Trucking/Transportation           | DIDC.205       | DICC.175 | 30,000           | DICC.175       | STIM.175  | 8,000            | STIM.175  | CON.175 | 4,000            |
| Supervision                       | DIDC.210       | DICC.180 | 81,000           | DICC.180       | STIM.180  | 13,000           | STIM.180  | CON.180 | 47,000           |
| Trailer House/Camp/Catering       | DIDC.280       | DICC.255 | 36,000           | DICC.255       | STIM.280  | 5,000            | STIM.280  |         | 31,000           |
| Other Misc Expenses               | DIDC.220       | DICC.190 | 5,000            | DICC.190       | STIM.190  | 0                | STIM.190  | CON.190 | 85,000           |
| Overhead                          | DIDC.225       | DICC.195 | 5,000            | DICC.195       |           | 5,000            |           |         |                  |
| MOB/DEMOB                         | DIDC.240       |          | 115,000          |                |           |                  |           |         |                  |
| Directional Drilling Services     | DIDC.245       |          | 307,000          |                |           |                  |           |         |                  |
| Solids Control                    | DIDC.260       |          | 46,000           |                |           |                  |           |         |                  |
| Well Control Equip (Snubbing)     | DIDC.265       | DICC.240 | 84,000           | DICC.240       | STIM.240  | 0                | STIM.240  |         | 64,000           |
| Completion Rig                    |                |          |                  |                |           |                  | STIM.115  |         | 21,000           |
| Coil Tubing Services              |                |          |                  |                |           |                  | STIM.260  |         | 0                |
| Completion                        |                |          |                  |                |           |                  | STIM.200  |         | 257,000          |
| Composite Plugs                   |                |          |                  |                |           |                  | STIM.390  |         | 39,000           |
| Stimulation                       |                |          |                  |                |           |                  | STIM.210  |         | 2,245,000        |
| Stimulation Water/Water           |                |          |                  |                |           |                  | STIM.395  |         | 191,000          |
| Cimarex Owned Frac/Rental         |                |          |                  |                |           |                  | STIM.305  |         | 60,000           |
| Legal/Regulatory/Curative         | DIDC.300       |          | 10,000           |                |           |                  |           |         |                  |
| Well Control Insurance            | DIDC.285       |          | 7,000            |                |           |                  |           |         |                  |
| Major Construction Overhead       |                |          |                  |                |           |                  |           |         |                  |
| FL/GL - ON PAD LABOR              |                |          |                  |                |           |                  |           |         |                  |
| FL/GL - Supervision               |                |          |                  |                |           |                  |           |         |                  |
| Survey                            |                |          |                  |                |           |                  |           |         |                  |
| Contingency                       | DIDC.435       | DICC.220 | 118,000          | DICC.220       | STIM.220  | 15,000           | STIM.220  | CON.220 | 165,000          |
| Contingency                       |                |          |                  |                |           |                  |           |         |                  |
| <b>Total Intangible Cos</b>       |                |          | <b>2,475,500</b> |                |           | <b>306,000</b>   |           |         | <b>3,459,000</b> |
| Conductor Pipe                    | DWEB.130       |          | 0                |                |           |                  |           |         |                  |
| Water String                      | DWEB.135       |          | 104,000          |                |           |                  |           |         |                  |
| Surface Casing                    | DWEB.140       |          | 251,000          |                |           |                  |           |         |                  |
| Intermediate Casing 1             | DWEB.145       |          | 0                |                |           |                  |           |         |                  |
| Production Casing or Liner        |                |          |                  | DWEA.100       |           | 792,000          |           |         |                  |
| Tubing                            |                |          |                  |                |           |                  | STIMT.105 |         | 139,000          |
| Wellhead, Tree, Chokes            | DWEB.115       | DWEA.120 | 38,000           | DWEA.120       | STIMT.120 | 18,000           | STIMT.120 |         | 38,000           |
| Liner Hanger, Isolation Packer    | DWEB.100       | DWEA.125 | 0                | DWEA.125       |           | 0                |           |         |                  |
| Packer, Nipples                   |                |          |                  |                |           |                  | STIMT.400 |         | 28,000           |
| SHORT ORDERS                      |                |          |                  |                |           |                  |           |         |                  |
| WALKOVERS                         |                |          |                  |                |           |                  |           |         |                  |
| Downhole Lift Equipment           |                |          |                  |                |           |                  | STIMT.410 |         | 80,000           |
| Surface Equipment                 |                |          |                  |                |           |                  |           |         |                  |
| Well Automation Materials         |                |          |                  |                |           |                  |           |         |                  |
| N/C Lease Equipment               |                |          |                  |                |           |                  |           |         |                  |
| Battery Equipment                 |                |          |                  |                |           |                  |           |         |                  |
| Secondary Containments            |                |          |                  |                |           |                  |           |         |                  |
| Meters and Metering Equipment     |                |          |                  |                |           |                  |           |         |                  |
| Facility Line Pipe                |                |          |                  |                |           |                  |           |         |                  |
| Lease Automation Materials        |                |          |                  |                |           |                  |           |         |                  |
| FL/GL - Materials                 |                |          |                  |                |           |                  |           |         |                  |
| FL/GL - Line Pipe                 |                |          |                  |                |           |                  |           |         |                  |
| <b>Total Tangible Cost</b>        |                |          | <b>393,000</b>   |                |           | <b>810,000</b>   |           |         | <b>285,000</b>   |
| <b>Total Estimated Cost</b>       |                |          | <b>2,868,500</b> |                |           | <b>1,116,000</b> |           |         | <b>3,744,000</b> |



Authorization For Expenditure - Loosey Goosey 4-9 Fed Com 204H

AFE # XXXXXXX

| Description                             | Production Equip |  |         | Post Completion |                                           |         | Total     |
|-----------------------------------------|------------------|--|---------|-----------------|-------------------------------------------|---------|-----------|
|                                         | Codes            |  | Amount  | Codes           |                                           | Amount  | Cost      |
| Roads & Location                        | CON.100          |  | 4,989   | PCOM.100        | Repair any roads post D&C                 | 3,000   | 30,989    |
| Damages                                 | CON.105          |  | 0       |                 |                                           |         | 16,500    |
| Mud/Fluids Disposal                     |                  |  |         | PCOM.255        |                                           | 0       | 251,000   |
| Day Rate                                |                  |  |         |                 |                                           |         | 564,000   |
| Misc Preparation                        |                  |  |         |                 |                                           |         | 30,000    |
| Bits                                    |                  |  |         | PCOM.125        |                                           | 0       | 97,000    |
| Fuel                                    |                  |  |         | PCOM.130        |                                           | 0       | 119,000   |
| Water for Drilling Rig (Not Frac Water) |                  |  |         | PCOM.135        |                                           | 0       | 25,000    |
| Mud & Additives                         |                  |  |         |                 |                                           |         | 300,000   |
| SWD PIPED TO 3RD PARTY SWD WELL         |                  |  |         | PCOM.257        | Water for 60 days (270K barrels)          | 109,193 | 109,193   |
| Surface Rentals                         | CON.140          |  | 3,118   | PCOM.140        | Iron. XEC Own 5K. No 10K. \$1,100 per day | 60,000  | 297,118   |
| Downhole Rentals                        |                  |  |         | PCOM.145        |                                           | 0       | 166,000   |
| Flowback Labor                          |                  |  |         | PCOM.141        | 3 Flowback Hands (60 days) 25%            | 30,000  | 30,000    |
| Automation Labor                        | CON.150          |  | 26,689  | PCOM.150        |                                           | 5,000   | 31,689    |
| Mud Logging                             |                  |  |         |                 |                                           |         | 5,000     |
| IPC & EXTERNAL PAINTING                 | CON.165          |  | 15,340  |                 |                                           |         | 15,340    |
| Cementing & Float Equipment             |                  |  |         |                 |                                           |         | 210,000   |
| Tubular Inspections                     |                  |  |         | PCOM.160        |                                           | 0       | 50,000    |
| Casing Crews                            |                  |  |         |                 |                                           |         | 28,000    |
| Mechanical Labor                        | CON.170          |  | 84,182  | PCOM.170        | RU Flowback Iron & Automation             | 5,000   | 112,182   |
| Trucking/Transportation                 | CON.175          |  | 9,354   | PCOM.175        |                                           | 0       | 51,354    |
| Supervision                             | CON.180          |  | 13,469  | PCOM.180        |                                           | 0       | 154,469   |
| Trailer House/Camp/Catering             |                  |  |         |                 |                                           |         | 72,000    |
| Other Misc Expenses                     | CON.190          |  | 14,966  | PCOM.190        |                                           | 0       | 104,966   |
| Overhead                                |                  |  |         |                 |                                           |         | 10,000    |
| MOB/DEMOB                               |                  |  |         |                 |                                           |         | 115,000   |
| Directional Drilling Services           |                  |  |         |                 |                                           |         | 307,000   |
| Solids Control                          |                  |  |         |                 |                                           |         | 46,000    |
| Well Control Equip (Snubbing Services)  |                  |  |         | PCOM.240        |                                           | 0       | 148,000   |
| Completion Rig                          |                  |  |         | PCOM.115        |                                           | 0       | 21,000    |
| Coil Tubing Services                    |                  |  |         | PCOM.260        |                                           | 0       | 0         |
| Completion Logging/Perforating/Wireline |                  |  |         | PCOM.200        |                                           | 0       | 257,000   |
| Composite Plugs                         |                  |  |         | PCOM.390        |                                           | 0       | 39,000    |
| Stimulation                             |                  |  |         | PCOM.210        |                                           | 0       | 2,245,000 |
| Stimulation Water/Water Transfer/Water  |                  |  |         |                 |                                           |         | 191,000   |
| Cimarex Owned Frac/Rental Equipment     |                  |  |         | PCOM.305        |                                           | 0       | 60,000    |
| Legal/Regulatory/Curative               | CON.300          |  | 0       |                 |                                           |         | 10,000    |
| Well Control Insurance                  |                  |  |         |                 |                                           |         | 7,000     |
| Major Construction Overhead             | CON.305          |  | 15,465  |                 |                                           |         | 15,465    |
| FL/GL - ON PAD LABOR                    | CON.495          |  | 85,305  |                 |                                           |         | 85,305    |
| FL/GL - Supervision                     | CON.505          |  | 9,354   |                 |                                           |         | 9,354     |
| Survey                                  | CON.515          |  | 748     |                 |                                           |         | 748       |
| Contingency                             | CON.220          |  | 42,153  | PCOM.220        | 10% Contingency                           | 0       | 340,153   |
| Contingency                             | CON.221          |  | 12,347  |                 |                                           |         | 12,347    |
| Total Intangible Cost                   |                  |  | 337,479 |                 |                                           | 212,193 | 6,790,172 |
| Conductor Pipe                          |                  |  |         |                 |                                           |         | 0         |
| Water String                            |                  |  |         |                 |                                           |         | 104,000   |
| Surface Casing                          |                  |  |         |                 |                                           |         | 251,000   |
| Intermediate Casing 1                   |                  |  |         |                 |                                           |         | 0         |
| Production Casing or Liner              |                  |  |         |                 |                                           |         | 792,000   |
| Tubing                                  |                  |  |         | PCOMT.105       |                                           | 0       | 139,000   |
| Wellhead, Tree, Chokes                  |                  |  |         | PCOMT.120       | Replace worn chokes and valves during FB  | 10,000  | 104,000   |
| Liner Hanger, Isolation Packer          |                  |  |         |                 |                                           |         | 0         |
| Packer, Nipples                         |                  |  |         | PCOMT.400       |                                           | 0       | 28,000    |
| SHORT ORDERS                            | CON.380          |  | 8,730   |                 |                                           |         | 8,730     |
| WALKOVERS                               | CON.390          |  | 2,494   |                 |                                           |         | 2,494     |
| Downhole Lift Equipment                 |                  |  |         | PCOMT.410       |                                           | 0       | 80,000    |
| Surface Equipment                       |                  |  |         | PCOMT.420       | Replacing Chokes, Stuffing Boxes, and all | 15,000  | 15,000    |
| Well Automation Materials               |                  |  |         | PCOMT.455       | PTs, and replacing meters                 | 5,000   | 5,000     |
| N/C Lease Equipment                     | CON.400          |  | 103,263 |                 |                                           |         | 103,263   |
| Battery Equipment                       | CON.410          |  | 58,740  |                 |                                           |         | 58,740    |
| Secondary Containments                  | CON.415          |  | 4,989   |                 |                                           |         | 4,989     |
| Meters and Metering Equipment           | CON.445          |  | 12,471  |                 |                                           |         | 12,471    |
| Facility Line Pipe                      | CON.450          |  | 10,476  |                 |                                           |         | 10,476    |
| Lease Automation Materials              | CON.455          |  | 33,049  |                 |                                           |         | 33,049    |
| FL/GL - Materials                       | CON.550          |  | 10,227  |                 |                                           |         | 10,227    |
| FL/GL - Line Pipe                       | CON.555          |  | 18,084  |                 |                                           |         | 18,084    |
| Total Tangible Cost                     |                  |  | 262,523 |                 |                                           | 30,000  | 1,780,523 |
| Total Estimated Cost                    |                  |  | 600,002 |                 |                                           | 242,193 | 8,570,695 |





Authorization For Expenditure - Loosey Goosey 4-9 Fed Com 301H

AFE # XXXXXXXX

Company Entity

Date Prepared  
8/17/2022

| Exploration Region | Well Name                      | Prospect               | Property Number | AFE     |
|--------------------|--------------------------------|------------------------|-----------------|---------|
| Permian Basin      | Loosey Goosey 4-9 Fed Com 301H | New Mexico Bone Spring | XXXXXX-XXX.01   | XXXXXXX |

| County, State | Location                      | Estimated Spud | Estimated Completion |
|---------------|-------------------------------|----------------|----------------------|
| Lea, NM       | Section 4-9 T20S-R34E Lea, NM |                |                      |

| X New Supplement Revision | Formation | Well Type | Ttl Measured Depth | Ttl Vertical Depth |
|---------------------------|-----------|-----------|--------------------|--------------------|
|                           | 3rd Sand  | DEV       | 20330              | 10830              |

Purpose: Drill and complete well  
Description:

Drilling: The intended surface hold location for the well is 1300 FSL and 1520 FWL of Section 33, T19S-R34E, and the intended bottom hole location is 100 FSL and 706 FWL of Section 9, T20S-R34E. The well is proposed to be drilled vertically to the 3rd Sand formation and laterally in a southerly direction within the formation to the referenced bottom hole location. Total vertical depth of the well is proposed to be approximately 10830 feet.

| Intangible                   |  | Dry Hole           | After Casing Point | Completed Well Cost |
|------------------------------|--|--------------------|--------------------|---------------------|
| Drilling Costs               |  | \$2,475,500        |                    | \$2,475,500         |
| Completion Costs             |  |                    | \$4,624,922        | \$4,624,922         |
| <b>Total Intangible Cost</b> |  | <b>\$2,475,500</b> | <b>\$4,624,922</b> | <b>\$7,100,422</b>  |
| Tangible                     |  | Dry Hole           | After Casing Point | Completed Well Cost |
| Well Equipment               |  | \$393,000          | \$1,125,000        | \$1,518,000         |
| Lease Equipment              |  |                    | \$790,428          | \$790,428           |
| <b>Total Tangible Cost</b>   |  | <b>\$393,000</b>   | <b>\$1,915,428</b> | <b>\$2,308,428</b>  |
| <b>Total Well Cost</b>       |  | <b>\$2,868,500</b> | <b>\$6,540,350</b> | <b>\$9,408,850</b>  |

## Comments On Well Costs

1. All tubulars, well or lease equipment is priced by COPAS and CEPS guidelines using the Historic Price Multiplier.

## Well Control Insurance

Unless otherwise indicated below, you, as a non-operating working interest owner, agree to be covered by Operator's well control insurance procured by Operator so long as Operator conducts operations hereunder and to pay your prorated share of the premiums therefore. If you elect to purchase your own well control insurance, you must provide a certificate of such insurance acceptable to Operator, as to form and limits, at the time this AFE is returned, if available, but in no event later than commencement of drilling operations. You agree that failure to provide the certificate of insurance, as provided herein, will result in your being covered by insurance procured by Operator.

☐ I elect to purchase my own well control insurance policy.

## Marketing Election

Cimarex sells its gas under arm's-length contracts with third party purchasers. Such contracts may include fees. In addition, penalties may be incurred for insufficient volumes delivered over time. Should you choose to market your share of gas with Cimarex, you will be subject to all of the terms of such contracts. Upon written request to Cimarex's Marketing Department, we will share with you the terms and conditions pursuant to which gas will be sold. Failure to make an election below shall be deemed an election to market your gas with Cimarex under the terms and conditions set forth above.

☐ I elect to take my gas in kind.

☐ I elect to market my gas with Cimarex pursuant to the terms and conditions of its contract.

## Comments on AFE

The above costs are estimates only and anticipate trouble free operations without any foreseeable change in plans. The actual costs may exceed the estimated costs without affecting the authorization for expenditure herein granted. By approval of this AFE, the working interest owner agrees to pay its proportionate share of actual legal, curative, regulatory and well costs under term of the joint operating agreement, regulatory order or other applicable agreement covering this well.

## Nonoperator Approval

| Company | Approved By (Print Name) | Approved By (Signature) | Date |
|---------|--------------------------|-------------------------|------|
|         |                          |                         |      |

NOTICE TO NONOPERATOR: Costs shown on this form are estimates only. By executing this AFE, the consenting party agrees to pay its proportionate share of actual costs incurred. Overhead will be charged in accordance with the Joint Operating Agreement.

7/6/2022



Authorization For Expenditure - Loosey Goosey 4-9 Fed Com 301H

AFE # XXXXXXX

| Description                             | BCP - Drilling |                  | ACP - Drilling |                  | Comp/Stim |                  | Production Equip |                  | Post Completion |                | Total            |
|-----------------------------------------|----------------|------------------|----------------|------------------|-----------|------------------|------------------|------------------|-----------------|----------------|------------------|
|                                         | Codes          | Amount           | Codes          | Amount           | Codes     | Amount           | Codes            | Amount           | Codes           | Amount         | Cost             |
| Roads & Location                        | DIDC.100       | 20,000           |                |                  | STIM.100  | 3,000            | CON.100          | 48,637           | PCOM.100        | 3,000          | 74,637           |
| Damages                                 | DIDC.105       | 16,500           |                |                  |           |                  | CON.105          | 15,807           |                 |                | 32,307           |
| Mud/Fluids Disposal                     | DIDC.255       | 200,000          |                |                  | STIM.255  | 51,000           |                  |                  | PCOM.255        | 0              | 251,000          |
| Day Rate                                | DIDC.115       | 468,000          | DICC.120       | 96,000           |           |                  |                  |                  |                 |                | 564,000          |
| Misc Preparation                        | DIDC.120       | 30,000           |                |                  |           |                  |                  |                  |                 |                | 30,000           |
| Bits                                    | DIDC.125       | 97,000           | DICC.125       | 0                | STIM.125  | 0                |                  |                  | PCOM.125        | 0              | 97,000           |
| Fuel                                    | DIDC.135       | 119,000          | DICC.130       | 0                |           |                  |                  |                  | PCOM.130        | 0              | 119,000          |
| Water for Drilling Rig (Not Frac Water) | DIDC.140       | 5,000            | DICC.135       | 0                | STIM.135  | 20,000           |                  |                  | PCOM.135        | 0              | 25,000           |
| Mud & Additives                         | DIDC.145       | 300,000          |                |                  |           |                  |                  |                  |                 |                | 300,000          |
| SWD PIPED TO 3RD PARTY SWD WELL         |                |                  |                |                  |           |                  |                  |                  | PCOM.257        | 87,354         | 87,354           |
| Surface Rentals                         | DIDC.150       | 97,000           | DICC.140       | 0                | STIM.140  | 137,000          | CON.140          | 1,378            | PCOM.140        | 60,000         | 295,378          |
| Downhole Rentals                        | DIDC.155       | 131,000          |                |                  | STIM.145  | 35,000           |                  |                  | PCOM.145        | 0              | 166,000          |
| Flowback Labor                          |                |                  |                |                  | STIM.141  | 0                |                  |                  | PCOM.141        | 30,000         | 30,000           |
| Automation Labor                        |                |                  |                |                  |           |                  | CON.150          | 36,558           | PCOM.150        | 5,000          | 41,558           |
| Mud Logging                             | DIDC.170       | 5,000            |                |                  |           |                  |                  |                  |                 |                | 5,000            |
| IPC & EXTERNAL PAINTING                 |                |                  |                |                  |           |                  | CON.165          | 18,888           |                 |                | 18,888           |
| Cementing & Float Equipment             | DIDC.185       | 70,000           | DICC.155       | 140,000          |           |                  |                  |                  |                 |                | 210,000          |
| Tubular Inspections                     | DIDC.190       | 38,000           | DICC.160       | 8,000            | STIM.160  | 4,000            |                  |                  | PCOM.160        | 0              | 50,000           |
| Casing Crews                            | DIDC.195       | 15,000           | DICC.165       | 13,000           | STIM.165  | 0                |                  |                  |                 |                | 28,000           |
| Mechanical Labor                        | DIDC.200       | 20,000           | DICC.170       | 3,000            | STIM.170  | 0                | CON.170          | 139,588          | PCOM.170        | 5,000          | 167,588          |
| Trucking/Transportation                 | DIDC.205       | 30,000           | DICC.175       | 8,000            | STIM.175  | 4,000            | CON.175          | 17,833           | PCOM.175        | 0              | 59,833           |
| Supervision                             | DIDC.210       | 81,000           | DICC.180       | 13,000           | STIM.180  | 47,000           | CON.180          | 21,238           | PCOM.180        | 0              | 162,238          |
| Trailer House/Camp/Catering             | DIDC.280       | 36,000           | DICC.255       | 5,000            | STIM.280  | 31,000           |                  |                  |                 |                | 72,000           |
| Other Misc Expenses                     | DIDC.220       | 5,000            | DICC.190       | 0                | STIM.190  | 85,000           | CON.190          | 24,318           | PCOM.190        | 0              | 114,318          |
| Overhead                                | DIDC.225       | 5,000            | DICC.195       | 5,000            |           |                  |                  |                  |                 |                | 10,000           |
| MOB/DEMOB                               | DIDC.240       | 115,000          |                |                  |           |                  |                  |                  |                 |                | 115,000          |
| Directional Drilling Services           | DIDC.245       | 307,000          |                |                  |           |                  |                  |                  |                 |                | 307,000          |
| Solids Control                          | DIDC.260       | 46,000           |                |                  |           |                  |                  |                  |                 |                | 46,000           |
| Well Control Equip (Snubbing Services)  | DIDC.265       | 84,000           | DICC.240       | 0                | STIM.240  | 64,000           |                  |                  | PCOM.240        | 0              | 148,000          |
| Completion Rig                          |                |                  |                |                  | STIM.115  | 21,000           |                  |                  | PCOM.115        | 0              | 21,000           |
| Coil Tubing Services                    |                |                  |                |                  | STIM.260  | 0                |                  |                  | PCOM.260        | 0              | 0                |
| Completion Logging/Perforating/Wireline |                |                  |                |                  | STIM.200  | 257,000          |                  |                  | PCOM.200        | 0              | 257,000          |
| Composite Plugs                         |                |                  |                |                  | STIM.390  | 39,000           |                  |                  | PCOM.390        | 0              | 39,000           |
| Stimulation                             |                |                  |                |                  | STIM.210  | 2,245,000        |                  |                  | PCOM.210        | 0              | 2,245,000        |
| Stimulation Water/Water Transfer/Water  |                |                  |                |                  | STIM.395  | 191,000          |                  |                  |                 |                | 191,000          |
| Cimarex Owned Frac/Rental Equipment     |                |                  |                |                  | STIM.305  | 60,000           |                  |                  | PCOM.305        | 0              | 60,000           |
| Legal/Regulatory/Curative               | DIDC.300       | 10,000           |                |                  |           |                  | CON.300          | 0                |                 |                | 10,000           |
| Well Control Insurance                  | DIDC.285       | 7,000            |                |                  |           |                  |                  |                  |                 |                | 7,000            |
| Major Construction Overhead             |                |                  |                |                  |           |                  | CON.305          | 26,507           |                 |                | 26,507           |
| FL/GL - ON PAD LABOR                    |                |                  |                |                  |           |                  | CON.495          | 37,613           |                 |                | 37,613           |
| FL/GL - Labor                           |                |                  |                |                  |           |                  | CON.500          | 94,842           |                 |                | 94,842           |
| FL/GL - Supervision                     |                |                  |                |                  |           |                  | CON.505          | 14,429           |                 |                | 14,429           |
| Survey                                  |                |                  |                |                  |           |                  | CON.515          | 2,351            |                 |                | 2,351            |
| SWD/Other - Labor                       |                |                  |                |                  |           |                  | CON.600          | 0                |                 |                | 0                |
| SWD/Other - Supervision                 |                |                  |                |                  |           |                  | CON.605          | 0                |                 |                | 0                |
| Aid In Construct/3rd Party Connect      |                |                  |                |                  |           |                  | CON.701          | 40,531           |                 |                | 40,531           |
| Contingency                             | DIDC.435       | 118,000          | DICC.220       | 15,000           | STIM.220  | 165,000          | CON.220          | 105,542          | PCOM.220        | 0              | 403,542          |
| Contingency                             |                |                  |                |                  |           |                  | CON.221          | 23,508           |                 |                | 23,508           |
| <b>Total Intangible Cost</b>            |                | <b>2,475,500</b> |                | <b>306,000</b>   |           | <b>3,459,000</b> |                  | <b>669,568</b>   |                 | <b>190,354</b> | <b>7,100,422</b> |
| Conductor Pipe                          | DWEB.130       | 0                |                |                  |           |                  |                  |                  |                 |                | 0                |
| Water String                            | DWEB.135       | 104,000          |                |                  |           |                  |                  |                  |                 |                | 104,000          |
| Surface Casing                          | DWEB.140       | 251,000          |                |                  |           |                  |                  |                  |                 |                | 251,000          |
| Intermediate Casing 1                   | DWEB.145       | 0                |                |                  |           |                  |                  |                  |                 |                | 0                |
| Production Casing or Liner              |                |                  | DWEA.100       | 792,000          |           |                  |                  |                  |                 |                | 792,000          |
| Tubing                                  |                |                  |                |                  | STIMT.105 | 139,000          |                  |                  | PCOMT.105       | 0              | 139,000          |
| Wellhead, Tree, Chokes                  | DWEB.115       | 38,000           | DWEA.120       | 18,000           | STIMT.120 | 38,000           |                  |                  | PCOMT.120       | 10,000         | 104,000          |
| Liner Hanger, Isolation Packer          | DWEB.100       | 0                | DWEA.125       | 0                |           |                  |                  |                  |                 |                | 0                |
| Packer, Nipples                         |                |                  |                |                  | STIMT.400 | 28,000           |                  |                  | PCOMT.400       | 0              | 28,000           |
| SHORT ORDERS                            |                |                  |                |                  |           |                  | CONT.380         | 10,538           |                 |                | 10,538           |
| PUMPS                                   |                |                  |                |                  |           |                  | CONT.385         | 30,804           |                 |                | 30,804           |
| WALKOVERS                               |                |                  |                |                  |           |                  | CONT.390         | 4,053            |                 |                | 4,053            |
| Downhole Lift Equipment                 |                |                  |                |                  | STIMT.410 | 80,000           |                  |                  | PCOMT.410       | 0              | 80,000           |
| Surface Equipment                       |                |                  |                |                  |           |                  |                  |                  | PCOMT.420       | 15,000         | 15,000           |
| Well Automation Materials               |                |                  |                |                  |           |                  |                  |                  | PCOMT.455       | 5,000          | 5,000            |
| N/C Lease Equipment                     |                |                  |                |                  |           |                  | CONT.400         | 184,334          |                 |                | 184,334          |
| Tanks, Tanks Steps, Stairs              |                |                  |                |                  |           |                  | CONT.405         | 51,879           |                 |                | 51,879           |
| Battery Equipment                       |                |                  |                |                  |           |                  | CONT.410         | 214,003          |                 |                | 214,003          |
| Secondary Containments                  |                |                  |                |                  |           |                  | CONT.415         | 19,292           |                 |                | 19,292           |
| Overhead Power Distribution             |                |                  |                |                  |           |                  | CONT.420         | 64,038           |                 |                | 64,038           |
| Facility Electrical                     |                |                  |                |                  |           |                  | CONT.425         | 32,100           |                 |                | 32,100           |
| Telecommunication Equipment             |                |                  |                |                  |           |                  | CONT.426         | 486              |                 |                | 486              |
| Meters and Metering Equipment           |                |                  |                |                  |           |                  | CONT.445         | 45,232           |                 |                | 45,232           |
| Facility Line Pipe                      |                |                  |                |                  |           |                  | CONT.450         | 31,208           |                 |                | 31,208           |
| Lease Automation Materials              |                |                  |                |                  |           |                  | CONT.455         | 32,424           |                 |                | 32,424           |
| FL/GL - Materials                       |                |                  |                |                  |           |                  | CONT.550         | 21,400           |                 |                | 21,400           |
| FL/GL - Line Pipe                       |                |                  |                |                  |           |                  | CONT.555         | 48,637           |                 |                | 48,637           |
| SWD/Other - Materials                   |                |                  |                |                  |           |                  | CONT.650         | 0                |                 |                | 0                |
| SWD/Other - Line Pipe                   |                |                  |                |                  |           |                  | CONT.655         | 0                |                 |                | 0                |
| <b>Total Tangible Cost</b>              |                | <b>393,000</b>   |                | <b>810,000</b>   |           | <b>285,000</b>   |                  | <b>790,428</b>   |                 | <b>30,000</b>  | <b>2,308,428</b> |
| <b>Total Estimated Cost</b>             |                | <b>2,868,500</b> |                | <b>1,116,000</b> |           | <b>3,744,000</b> |                  | <b>1,459,996</b> |                 | <b>220,354</b> | <b>9,408,850</b> |

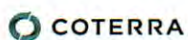




Authorization For Expenditure - Loosey Goosey 4-9 Fed Com 301H

AFE # XXXXXXX

| Description                        | BCP - Drilling |          |           | ACP - Drilling |           |           | Comp/Stim |         |           |
|------------------------------------|----------------|----------|-----------|----------------|-----------|-----------|-----------|---------|-----------|
|                                    | Codes          |          | Amount    | Codes          |           | Amount    | Codes     |         | Amount    |
| Roads & Location                   | DIDC.100       |          | 20,000    |                |           |           | STIM.100  | CON.100 | 3,000     |
| Damages                            | DIDC.105       |          | 16,500    |                |           |           |           |         |           |
| Mud/Fluids Disposal                | DIDC.255       |          | 200,000   |                |           |           | STIM.255  |         | 51,000    |
| Day Rate                           | DIDC.115       | DICC.120 | 468,000   | DICC.120       |           | 96,000    |           |         |           |
| Misc Preparation                   | DIDC.120       |          | 30,000    |                |           |           |           |         |           |
| Bits                               | DIDC.125       | DICC.125 | 97,000    | DICC.125       | STIM.125  | 0         | STIM.125  |         | 0         |
| Fuel                               | DIDC.135       | DICC.130 | 119,000   | DICC.130       |           | 0         |           |         |           |
| Water for Drilling Rig (Not Frac   | DIDC.140       | DICC.135 | 5,000     | DICC.135       | STIM.135  | 0         | STIM.135  |         | 20,000    |
| Mud & Additives                    | DIDC.145       |          | 300,000   |                |           |           |           |         |           |
| SWD PIPED TO 3RD PARTY SWD         |                |          |           |                |           |           |           |         |           |
| Surface Rentals                    | DIDC.150       | DICC.140 | 97,000    | DICC.140       | STIM.140  | 0         | STIM.140  | CON.140 | 137,000   |
| Downhole Rentals                   | DIDC.155       |          | 131,000   |                |           |           | STIM.145  |         | 35,000    |
| Flowback Labor                     |                |          |           |                |           |           | STIM.141  |         | 0         |
| Automation Labor                   |                |          |           |                |           |           |           |         |           |
| Mud Logging                        | DIDC.170       |          | 5,000     |                |           |           |           |         |           |
| IPC & EXTERNAL PAINTING            |                |          |           |                |           |           |           |         |           |
| Cementing & Float Equipment        | DIDC.185       | DICC.155 | 70,000    | DICC.155       |           | 140,000   |           |         |           |
| Tubular Inspections                | DIDC.190       | DICC.160 | 38,000    | DICC.160       | STIM.160  | 8,000     | STIM.160  |         | 4,000     |
| Casing Crews                       | DIDC.195       | DICC.165 | 15,000    | DICC.165       | STIM.165  | 13,000    | STIM.165  |         | 0         |
| Mechanical Labor                   | DIDC.200       | DICC.170 | 20,000    | DICC.170       | STIM.170  | 3,000     | STIM.170  | CON.170 | 0         |
| Trucking/Transportation            | DIDC.205       | DICC.175 | 30,000    | DICC.175       | STIM.175  | 8,000     | STIM.175  | CON.175 | 4,000     |
| Supervision                        | DIDC.210       | DICC.180 | 81,000    | DICC.180       | STIM.180  | 13,000    | STIM.180  | CON.180 | 47,000    |
| Trailer House/Camp/Catering        | DIDC.280       | DICC.255 | 36,000    | DICC.255       | STIM.280  | 5,000     | STIM.280  |         | 31,000    |
| Other Misc Expenses                | DIDC.220       | DICC.190 | 5,000     | DICC.190       | STIM.190  | 0         | STIM.190  | CON.190 | 85,000    |
| Overhead                           | DIDC.225       | DICC.195 | 5,000     | DICC.195       |           | 5,000     |           |         |           |
| MOB/DEMOB                          | DIDC.240       |          | 115,000   |                |           |           |           |         |           |
| Directional Drilling Services      | DIDC.245       |          | 307,000   |                |           |           |           |         |           |
| Solids Control                     | DIDC.260       |          | 46,000    |                |           |           |           |         |           |
| Well Control Equip (Snubbing       | DIDC.265       | DICC.240 | 84,000    | DICC.240       | STIM.240  | 0         | STIM.240  |         | 64,000    |
| Completion Rig                     |                |          |           |                |           |           | STIM.115  |         | 21,000    |
| Coil Tubing Services               |                |          |           |                |           |           | STIM.260  |         | 0         |
| Completion                         |                |          |           |                |           |           | STIM.200  |         | 257,000   |
| Composite Plugs                    |                |          |           |                |           |           | STIM.390  |         | 39,000    |
| Stimulation                        |                |          |           |                |           |           | STIM.210  |         | 2,245,000 |
| Stimulation Water/Water            |                |          |           |                |           |           | STIM.395  |         | 191,000   |
| Cimarex Owned Frac/Rental          |                |          |           |                |           |           | STIM.305  |         | 60,000    |
| Legal/Regulatory/Curative          | DIDC.300       |          | 10,000    |                |           |           |           |         |           |
| Well Control Insurance             | DIDC.285       |          | 7,000     |                |           |           |           |         |           |
| Major Construction Overhead        |                |          |           |                |           |           |           |         |           |
| FL/GL - ON PAD LABOR               |                |          |           |                |           |           |           |         |           |
| FL/GL - Labor                      |                |          |           |                |           |           |           |         |           |
| FL/GL - Supervision                |                |          |           |                |           |           |           |         |           |
| Survey                             |                |          |           |                |           |           |           |         |           |
| SWD/Other - Labor                  |                |          |           |                |           |           |           |         |           |
| SWD/Other - Supervision            |                |          |           |                |           |           |           |         |           |
| Aid In Construct/3rd Party Connect |                |          |           |                |           |           |           |         |           |
| Contingency                        | DIDC.435       | DICC.220 | 118,000   | DICC.220       | STIM.220  | 15,000    | STIM.220  | CON.220 | 165,000   |
| Contingency                        |                |          |           |                |           |           |           |         |           |
| Total Intangible Cos               |                |          | 2,475,500 |                |           | 306,000   |           |         | 3,459,000 |
| Conductor Pipe                     | DWEB.130       |          | 0         |                |           |           |           |         |           |
| Water String                       | DWEB.135       |          | 104,000   |                |           |           |           |         |           |
| Surface Casing                     | DWEB.140       |          | 251,000   |                |           |           |           |         |           |
| Intermediate Casing 1              | DWEB.145       |          | 0         |                |           |           |           |         |           |
| Production Casing or Liner         |                |          |           | DWEA.100       |           | 792,000   |           |         |           |
| Tubing                             |                |          |           |                |           |           | STIMT.105 |         | 139,000   |
| Wellhead, Tree, Chokes             | DWEB.115       | DWEA.120 | 38,000    | DWEA.120       | STIMT.120 | 18,000    | STIMT.120 |         | 38,000    |
| Liner Hanger, Isolation Packer     | DWEB.100       | DWEA.125 | 0         | DWEA.125       |           | 0         |           |         |           |
| Packer, Nipples                    |                |          |           |                |           |           | STIMT.400 |         | 28,000    |
| SHORT ORDERS                       |                |          |           |                |           |           |           |         |           |
| PUMPS                              |                |          |           |                |           |           |           |         |           |
| WALKOVERS                          |                |          |           |                |           |           |           |         |           |
| Downhole Lift Equipment            |                |          |           |                |           |           | STIMT.410 |         | 80,000    |
| Surface Equipment                  |                |          |           |                |           |           |           |         |           |
| Well Automation Materials          |                |          |           |                |           |           |           |         |           |
| N/C Lease Equipment                |                |          |           |                |           |           |           |         |           |
| Tanks, Tanks Steps, Stairs         |                |          |           |                |           |           |           |         |           |
| Battery Equipment                  |                |          |           |                |           |           |           |         |           |
| Secondary Containments             |                |          |           |                |           |           |           |         |           |
| Overhead Power Distribution        |                |          |           |                |           |           |           |         |           |
| Facility Electrical                |                |          |           |                |           |           |           |         |           |
| Telecommunication Equipment        |                |          |           |                |           |           |           |         |           |
| Meters and Metering Equipment      |                |          |           |                |           |           |           |         |           |
| Facility Line Pipe                 |                |          |           |                |           |           |           |         |           |
| Lease Automation Materials         |                |          |           |                |           |           |           |         |           |
| FL/GL - Materials                  |                |          |           |                |           |           |           |         |           |
| FL/GL - Materials                  |                |          |           |                |           |           |           |         |           |
| SWD/Other - Materials              |                |          |           |                |           |           |           |         |           |
| SWD/Other - Line Pipe              |                |          |           |                |           |           |           |         |           |
| Total Tangible Cost                |                |          | 393,000   |                |           | 810,000   |           |         | 285,000   |
| Total Estimated Cost               |                |          | 2,868,500 |                |           | 1,116,000 |           |         | 3,744,000 |



Authorization For Expenditure - Loosey Goosey 4-9 Fed Com 301H

AFE # XXXXXXX

| Description                             | Production Equip |           |           | Post Completion                           |         |           | Total |
|-----------------------------------------|------------------|-----------|-----------|-------------------------------------------|---------|-----------|-------|
|                                         | Codes            | Amount    | Codes     | Amount                                    | Cost    |           |       |
| Roads & Location                        | CON.100          | 48,637    | PCOM.100  | Repair any roads post D&C                 | 3,000   | 74,637    |       |
| Damages                                 | CON.105          | 15807     |           |                                           |         | 32,307    |       |
| Mud/Fluids Disposal                     |                  |           | PCOM.255  |                                           | 0       | 251,000   |       |
| Day Rate                                |                  |           |           |                                           |         | 564,000   |       |
| Misc Preparation                        |                  |           |           |                                           |         | 30,000    |       |
| Bits                                    |                  |           | PCOM.125  |                                           | 0       | 97,000    |       |
| Fuel                                    |                  |           | PCOM.130  |                                           | 0       | 119,000   |       |
| Water for Drilling Rig (Not Frac Water) |                  |           | PCOM.135  |                                           | 0       | 25,000    |       |
| Mud & Additives                         |                  |           |           |                                           |         | 300,000   |       |
| SWD PIPED TO 3RD PARTY SWD WELL         |                  |           | PCOM.257  | Water for 60 days (270K barrels)          | 87,354  | 87,354    |       |
| Surface Rentals                         | CON.140          | 1,378     | PCOM.140  | Iron. XEC Own 5K. No 10K. \$1,100 per day | 60,000  | 295,378   |       |
| Downhole Rentals                        |                  |           | PCOM.145  |                                           | 0       | 166,000   |       |
| Flowback Labor                          |                  |           | PCOM.141  | 3 Flowback Hands (60 days). 25%           | 30,000  | 30,000    |       |
| Automation Labor                        | CON.150          | 36,558    | PCOM.150  |                                           | 5,000   | 41,558    |       |
| Mud Logging                             |                  |           |           |                                           |         | 5,000     |       |
| IPC & EXTERNAL PAINTING                 | CON.165          | 18,888    |           |                                           |         | 18,888    |       |
| Cementing & Float Equipment             |                  |           |           |                                           |         | 210,000   |       |
| Tubular Inspections                     |                  |           | PCOM.160  |                                           | 0       | 50,000    |       |
| Casing Crews                            |                  |           |           |                                           |         | 28,000    |       |
| Mechanical Labor                        | CON.170          | 139,588   | PCOM.170  | RU Flowback Iron & Automation             | 5,000   | 167,588   |       |
| Trucking/Transportation                 | CON.175          | 17,833    | PCOM.175  |                                           | 0       | 59,833    |       |
| Supervision                             | CON.180          | 21,238    | PCOM.180  |                                           | 0       | 162,238   |       |
| Trailer House/Camp/Catering             |                  |           |           |                                           |         | 72,000    |       |
| Other Misc Expenses                     | CON.190          | 24,318    | PCOM.190  |                                           | 0       | 114,318   |       |
| Overhead                                |                  |           |           |                                           |         | 10,000    |       |
| MOB/DEMOB                               |                  |           |           |                                           |         | 115,000   |       |
| Directional Drilling Services           |                  |           |           |                                           |         | 307,000   |       |
| Solids Control                          |                  |           |           |                                           |         | 46,000    |       |
| Well Control Equip (Snubbing Services)  |                  |           | PCOM.240  |                                           | 0       | 148,000   |       |
| Completion Rig                          |                  |           | PCOM.115  |                                           | 0       | 21,000    |       |
| Coil Tubing Services                    |                  |           | PCOM.260  |                                           | 0       | 0         |       |
| Completion Logging/Perforating/Wireline |                  |           | PCOM.200  |                                           | 0       | 257,000   |       |
| Composite Plugs                         |                  |           | PCOM.390  |                                           | 0       | 39,000    |       |
| Stimulation                             |                  |           | PCOM.210  |                                           | 0       | 2,245,000 |       |
| Stimulation Water/Water Transfer/Water  |                  |           |           |                                           |         | 191,000   |       |
| Cimarex Owned Frac/Rental Equipment     |                  |           | PCOM.305  |                                           | 0       | 60,000    |       |
| Legal/Regulatory/Curative               | CON.300          | 0         |           |                                           |         | 10,000    |       |
| Well Control Insurance                  |                  |           |           |                                           |         | 7,000     |       |
| Major Construction Overhead             | CON.305          | 26,507    |           |                                           |         | 26,507    |       |
| FL/GL - ON PAD LABOR                    | CON.495          | 37,613    |           |                                           |         | 37,613    |       |
| FL/GL - Labor                           | CON.500          | 94,842    |           |                                           |         | 94,842    |       |
| FL/GL - Supervision                     | CON.505          | 14,429    |           |                                           |         | 14,429    |       |
| Survey                                  | CON.515          | 2351      |           |                                           |         | 2,351     |       |
| SWD/Other - Labor                       | CON.600          | 0         |           |                                           |         | 0         |       |
| SWD/Other - Supervision                 | CON.605          | 0         |           |                                           |         | 0         |       |
| Aid In Construct/3rd Party Connect      | CON.701          | 40,531    |           |                                           |         | 40,531    |       |
| Contingency                             | CON.220          | 105,542   |           |                                           |         | 403,542   |       |
| Contingency                             | CON.221          | 23,508    |           |                                           |         | 23,508    |       |
| Total Intangible Cost                   |                  | 669,568   |           |                                           | 190,354 | 7,100,422 |       |
| Conductor Pipe                          |                  |           |           |                                           |         | 0         |       |
| Water String                            |                  |           |           |                                           |         | 104,000   |       |
| Surface Casing                          |                  |           |           |                                           |         | 251,000   |       |
| Intermediate Casing 1                   |                  |           |           |                                           |         | 0         |       |
| Production Casing or Liner              |                  |           |           |                                           |         | 792,000   |       |
| Tubing                                  |                  |           | PCOMT.105 |                                           | 0       | 139,000   |       |
| Wellhead, Tree, Chokes                  |                  |           | PCOMT.120 | Replace worn chokes and valves during FB  | 10,000  | 104,000   |       |
| Liner Hanger, Isolation Packer          |                  |           |           |                                           |         | 0         |       |
| Packer, Nipples                         |                  |           | PCOMT.400 |                                           | 0       | 28,000    |       |
| SHORT ORDERS                            | CONT.380         | 10,538    |           |                                           |         | 10,538    |       |
| PUMPS                                   | CONT.385         | 30,804    |           |                                           |         | 30,804    |       |
| WALKOVERS                               | CONT.390         | 4,053     |           |                                           |         | 4,053     |       |
| Downhole Lift Equipment                 |                  |           | PCOMT.410 |                                           | 0       | 80,000    |       |
| Surface Equipment                       |                  |           | PCOMT.420 | Replacing Chokes, Stuffing Boxes, and all | 15,000  | 15,000    |       |
| Well Automation Materials               |                  |           | PCOMT.455 | PTs, and replacing meters                 | 5,000   | 5,000     |       |
| N/C Lease Equipment                     | CONT.400         | 184,334   |           |                                           |         | 184,334   |       |
| Tanks, Tanks Steps, Stairs              | CONT.405         | 51,879    |           |                                           |         | 51,879    |       |
| Battery Equipment                       | CONT.410         | 214,003   |           |                                           |         | 214,003   |       |
| Secondary Containments                  | CONT.415         | 19,292    |           |                                           |         | 19,292    |       |
| Overhead Power Distribution             | CONT.420         | 64,038    |           |                                           |         | 64,038    |       |
| Facility Electrical                     | CONT.425         | 32,100    |           |                                           |         | 32,100    |       |
| Telecommunication Equipment             | CONT.426         | 486       |           |                                           |         | 486       |       |
| Meters and Metering Equipment           | CONT.445         | 45,232    |           |                                           |         | 45,232    |       |
| Facility Line Pipe                      | CONT.450         | 31,208    |           |                                           |         | 31,208    |       |
| Lease Automation Materials              | CONT.455         | 32,424    |           |                                           |         | 32,424    |       |
| FL/GL - Materials                       | CONT.550         | 21,400    |           |                                           |         | 21,400    |       |
| FL/GL - Line Pipe                       | CONT.555         | 48,637    |           |                                           |         | 48,637    |       |
| SWD/Other - Materials                   | CONT.650         | 0         |           |                                           |         | 0         |       |
| SWD/Other - Line Pipe                   | CONT.655         | 0         |           |                                           |         | 0         |       |
| Total Tangible Cost                     |                  | 790,428   |           |                                           | 30,000  | 2,308,428 |       |
| Total Estimated Cost                    |                  | 1,459,996 |           |                                           | 220,354 | 9,408,850 |       |



Authorization For Expenditure - Loosey Goosey 4-9 Fed Com 302H

AFE # XXXXXXXX

Company Entity

Date Prepared  
8/17/2022

| Exploration Region | Well Name                      | Prospect               | Property Number | AFE      |
|--------------------|--------------------------------|------------------------|-----------------|----------|
| Permian Basin      | Loosey Goosey 4-9 Fed Com 302H | New Mexico Bone Spring | XXXXXX-XXX.01   | XXXXXXXX |

| County, State | Location                      | Estimated Spud | Estimated Completion |
|---------------|-------------------------------|----------------|----------------------|
| Lea, NM       | Section 4-9 T20S-R34E Lea, NM |                |                      |

| X New Supplement Revision | Formation | Well Type | Ttl Measured Depth | Ttl Vertical Depth |
|---------------------------|-----------|-----------|--------------------|--------------------|
|                           | 3rd Sand  | DEV       | 20320              | 10820              |

Purpose: Drill and complete well  
Description:

Drilling: The intended surface hold location for the well is 1300 FSL and 1500 FWL of Section 33, T19S-R34E, and the intended bottom hole location is 100 FSL and 2120 FWL of Section 9, T20S-R34E. The well is proposed to be drilled vertically to the 3rd Sand formation and laterally in a southerly direction within the formation to the referenced bottom hole location. Total vertical depth of the well is proposed to be approximately 10820 feet.

| Intangible                   |  | Dry Hole           | After Casing Point | Completed Well Cost |
|------------------------------|--|--------------------|--------------------|---------------------|
| Drilling Costs               |  | \$2,475,500        |                    | \$2,475,500         |
| Completion Costs             |  |                    | \$4,624,922        | \$4,624,922         |
| <b>Total Intangible Cost</b> |  | <b>\$2,475,500</b> | <b>\$4,624,922</b> | <b>\$7,100,422</b>  |
| Tangible                     |  | Dry Hole           | After Casing Point | Completed Well Cost |
| Well Equipment               |  | \$393,000          | \$1,125,000        | \$1,518,000         |
| Lease Equipment              |  |                    | \$790,428          | \$790,428           |
| <b>Total Tangible Cost</b>   |  | <b>\$393,000</b>   | <b>\$1,915,428</b> | <b>\$2,308,428</b>  |
| <b>Total Well Cost</b>       |  | <b>\$2,868,500</b> | <b>\$6,540,350</b> | <b>\$9,408,850</b>  |

## Comments On Well Costs

1. All tubulars, well or lease equipment is priced by COPAS and CEPS guidelines using the Historic Price Multiplier.

## Well Control Insurance

Unless otherwise indicated below, you, as a non-operating working interest owner, agree to be covered by Operator's well control insurance procured by Operator so long as Operator conducts operations hereunder and to pay your prorated share of the premiums therefore. If you elect to purchase your own well control insurance, you must provide a certificate of such insurance acceptable to Operator, as to form and limits, at the time this AFE is returned, if available, but in no event later than commencement of drilling operations. You agree that failure to provide the certificate of insurance, as provided herein, will result in your being covered by insurance procured by Operator.

☐ I elect to purchase my own well control insurance policy.

## Marketing Election

Cimarex sells its gas under arm's-length contracts with third party purchasers. Such contracts may include fees. In addition, penalties may be incurred for insufficient volumes delivered over time. Should you choose to market your share of gas with Cimarex, you will be subject to all of the terms of such contracts. Upon written request to Cimarex's Marketing Department, we will share with you the terms and conditions pursuant to which gas will be sold. Failure to make an election below shall be deemed an election to market your gas with Cimarex under the terms and conditions set forth above.

☐ I elect to take my gas in kind.

☐ I elect to market my gas with Cimarex pursuant to the terms and conditions of its contract.

## Comments on AFE

The above costs are estimates only and anticipate trouble free operations without any foreseeable change in plans. The actual costs may exceed the estimated costs without affecting the authorization for expenditure herein granted. By approval of this AFE, the working interest owner agrees to pay its proportionate share of actual legal, curative, regulatory and well costs under term of the joint operating agreement, regulatory order or other applicable agreement covering this well.

## Nonoperator Approval

| Company | Approved By (Print Name) | Approved By (Signature) | Date |
|---------|--------------------------|-------------------------|------|
|         |                          |                         |      |

NOTICE TO NONOPERATOR: Costs shown on this form are estimates only. By executing this AFE, the consenting party agrees to pay its proportionate share of actual costs incurred. Overhead will be charged in accordance with the Joint Operating Agreement.

7/6/2022





Authorization For Expenditure - Loosey Goosey 4-9 Fed Com 302H

AFE # XXXXXXX

| Description                             | BCP - Drilling |                  | ACP - Drilling |                  | Comp/Stim |                  | Production Equip |                  | Post Completion |                | Total            |
|-----------------------------------------|----------------|------------------|----------------|------------------|-----------|------------------|------------------|------------------|-----------------|----------------|------------------|
|                                         | Codes          | Amount           | Codes          | Amount           | Codes     | Amount           | Codes            | Amount           | Codes           | Amount         | Cost             |
| Roads & Location                        | DIDC.100       | 20,000           |                |                  | STIM.100  | 3,000            | CON.100          | 48,637           | PCOM.100        | 3,000          | 74,637           |
| Damages                                 | DIDC.105       | 16,500           |                |                  |           |                  | CON.105          | 15,807           |                 |                | 32,307           |
| Mud/Fluids Disposal                     | DIDC.255       | 200,000          |                |                  | STIM.255  | 51,000           |                  |                  | PCOM.255        | 0              | 251,000          |
| Day Rate                                | DIDC.115       | 468,000          | DICC.120       | 96,000           |           |                  |                  |                  |                 |                | 564,000          |
| Misc Preparation                        | DIDC.120       | 30,000           |                |                  |           |                  |                  |                  |                 |                | 30,000           |
| Bits                                    | DIDC.125       | 97,000           | DICC.125       | 0                | STIM.125  | 0                |                  |                  | PCOM.125        | 0              | 97,000           |
| Fuel                                    | DIDC.135       | 119,000          | DICC.130       | 0                |           |                  |                  |                  | PCOM.130        | 0              | 119,000          |
| Water for Drilling Rig (Not Frac Water) | DIDC.140       | 5,000            | DICC.135       | 0                | STIM.135  | 20,000           |                  |                  | PCOM.135        | 0              | 25,000           |
| Mud & Additives                         | DIDC.145       | 300,000          |                |                  |           |                  |                  |                  |                 |                | 300,000          |
| SWD PIPED TO 3RD PARTY SWD WELL         |                |                  |                |                  |           |                  |                  |                  | PCOM.257        | 87,354         | 87,354           |
| Surface Rentals                         | DIDC.150       | 97,000           | DICC.140       | 0                | STIM.140  | 137,000          | CON.140          | 1,378            | PCOM.140        | 60,000         | 295,378          |
| Downhole Rentals                        | DIDC.155       | 131,000          |                |                  | STIM.145  | 35,000           |                  |                  | PCOM.145        | 0              | 166,000          |
| Flowback Labor                          |                |                  |                |                  | STIM.141  | 0                |                  |                  | PCOM.141        | 30,000         | 30,000           |
| Automation Labor                        |                |                  |                |                  |           |                  | CON.150          | 36,558           | PCOM.150        | 5,000          | 41,558           |
| Mud Logging                             | DIDC.170       | 5,000            |                |                  |           |                  |                  |                  |                 |                | 5,000            |
| IPC & EXTERNAL PAINTING                 |                |                  |                |                  |           |                  | CON.165          | 18,888           |                 |                | 18,888           |
| Cementing & Float Equipment             | DIDC.185       | 70,000           | DICC.155       | 140,000          |           |                  |                  |                  |                 |                | 210,000          |
| Tubular Inspections                     | DIDC.190       | 38,000           | DICC.160       | 8,000            | STIM.160  | 4,000            |                  |                  | PCOM.160        | 0              | 50,000           |
| Casing Crews                            | DIDC.195       | 15,000           | DICC.165       | 13,000           | STIM.165  | 0                |                  |                  |                 |                | 28,000           |
| Mechanical Labor                        | DIDC.200       | 20,000           | DICC.170       | 3,000            | STIM.170  | 0                | CON.170          | 139,588          | PCOM.170        | 5,000          | 167,588          |
| Trucking/Transportation                 | DIDC.205       | 30,000           | DICC.175       | 8,000            | STIM.175  | 4,000            | CON.175          | 17,833           | PCOM.175        | 0              | 59,833           |
| Supervision                             | DIDC.210       | 81,000           | DICC.180       | 13,000           | STIM.180  | 47,000           | CON.180          | 21,238           | PCOM.180        | 0              | 162,238          |
| Trailer House/Camp/Catering             | DIDC.280       | 36,000           | DICC.255       | 5,000            | STIM.280  | 31,000           |                  |                  |                 |                | 72,000           |
| Other Misc Expenses                     | DIDC.220       | 5,000            | DICC.190       | 0                | STIM.190  | 85,000           | CON.190          | 24,318           | PCOM.190        | 0              | 114,318          |
| Overhead                                | DIDC.225       | 5,000            | DICC.195       | 5,000            |           |                  |                  |                  |                 |                | 10,000           |
| MOB/DEMOS                               | DIDC.240       | 115,000          |                |                  |           |                  |                  |                  |                 |                | 115,000          |
| Directional Drilling Services           | DIDC.245       | 307,000          |                |                  |           |                  |                  |                  |                 |                | 307,000          |
| Solids Control                          | DIDC.260       | 46,000           |                |                  |           |                  |                  |                  |                 |                | 46,000           |
| Well Control Equip (Snubbing Services)  | DIDC.265       | 84,000           | DICC.240       | 0                | STIM.240  | 64,000           |                  |                  | PCOM.240        | 0              | 148,000          |
| Completion Rig                          |                |                  |                |                  | STIM.115  | 21,000           |                  |                  | PCOM.115        | 0              | 21,000           |
| Coil Tubing Services                    |                |                  |                |                  | STIM.260  | 0                |                  |                  | PCOM.260        | 0              | 0                |
| Completion Logging/Perforating/Wireline |                |                  |                |                  | STIM.200  | 257,000          |                  |                  | PCOM.200        | 0              | 257,000          |
| Composite Plugs                         |                |                  |                |                  | STIM.390  | 39,000           |                  |                  | PCOM.390        | 0              | 39,000           |
| Stimulation                             |                |                  |                |                  | STIM.210  | 2,245,000        |                  |                  | PCOM.210        | 0              | 2,245,000        |
| Stimulation Water/Water Transfer/Water  |                |                  |                |                  | STIM.395  | 191,000          |                  |                  |                 |                | 191,000          |
| Cimarex Owned Frac/Rental Equipment     |                |                  |                |                  | STIM.305  | 60,000           |                  |                  | PCOM.305        | 0              | 60,000           |
| Legal/Regulatory/Curative               | DIDC.300       | 10,000           |                |                  |           |                  | CON.300          | 0                |                 |                | 10,000           |
| Well Control Insurance                  | DIDC.285       | 7,000            |                |                  |           |                  |                  |                  |                 |                | 7,000            |
| Major Construction Overhead             |                |                  |                |                  |           |                  | CON.305          | 26,507           |                 |                | 26,507           |
| FL/GL - ON PAD LABOR                    |                |                  |                |                  |           |                  | CON.495          | 37,613           |                 |                | 37,613           |
| FL/GL - Labor                           |                |                  |                |                  |           |                  | CON.500          | 94,842           |                 |                | 94,842           |
| FL/GL - Supervision                     |                |                  |                |                  |           |                  | CON.505          | 14,429           |                 |                | 14,429           |
| Survey                                  |                |                  |                |                  |           |                  | CON.515          | 2,351            |                 |                | 2,351            |
| SWD/Other - Labor                       |                |                  |                |                  |           |                  | CON.600          | 0                |                 |                | 0                |
| SWD/Other - Supervision                 |                |                  |                |                  |           |                  | CON.605          | 0                |                 |                | 0                |
| Aid In Construct/3rd Party Connect      |                |                  |                |                  |           |                  | CON.701          | 40,531           |                 |                | 40,531           |
| Contingency                             | DIDC.435       | 118,000          | DICC.220       | 15,000           | STIM.220  | 165,000          | CON.220          | 105,542          | PCOM.220        | 0              | 403,542          |
| Contingency                             |                |                  |                |                  |           |                  | CON.221          | 23,508           |                 |                | 23,508           |
| <b>Total Intangible Cost</b>            |                | <b>2,475,500</b> |                | <b>306,000</b>   |           | <b>3,459,000</b> |                  | <b>669,568</b>   |                 | <b>190,354</b> | <b>7,100,422</b> |
| Conductor Pipe                          | DWEB.130       | 0                |                |                  |           |                  |                  |                  |                 |                | 0                |
| Water String                            | DWEB.135       | 104,000          |                |                  |           |                  |                  |                  |                 |                | 104,000          |
| Surface Casing                          | DWEB.140       | 251,000          |                |                  |           |                  |                  |                  |                 |                | 251,000          |
| Intermediate Casing 1                   | DWEB.145       | 0                |                |                  |           |                  |                  |                  |                 |                | 0                |
| Production Casing or Liner              |                |                  | DWEA.100       | 792,000          |           |                  |                  |                  |                 |                | 792,000          |
| Tubing                                  |                |                  |                |                  | STIMT.105 | 139,000          |                  |                  | PCOMT.105       | 0              | 139,000          |
| Wellhead, Tree, Chokes                  | DWEB.115       | 38,000           | DWEA.120       | 18,000           | STIMT.120 | 38,000           |                  |                  | PCOMT.120       | 10,000         | 104,000          |
| Liner Hanger, Isolation Packer          | DWEB.100       | 0                | DWEA.125       | 0                |           |                  |                  |                  |                 |                | 0                |
| Packer, Nipples                         |                |                  |                |                  | STIMT.400 | 28,000           |                  |                  | PCOMT.400       | 0              | 28,000           |
| SHORT ORDERS                            |                |                  |                |                  |           |                  | CONT.380         | 10,538           |                 |                | 10,538           |
| PUMPS                                   |                |                  |                |                  |           |                  | CONT.385         | 30,804           |                 |                | 30,804           |
| WALKOVERS                               |                |                  |                |                  |           |                  | CONT.390         | 4,053            |                 |                | 4,053            |
| Downhole Lift Equipment                 |                |                  |                |                  | STIMT.410 | 80,000           |                  |                  | PCOMT.410       | 0              | 80,000           |
| Surface Equipment                       |                |                  |                |                  |           |                  |                  |                  | PCOMT.420       | 15,000         | 15,000           |
| Well Automation Materials               |                |                  |                |                  |           |                  |                  |                  | PCOMT.455       | 5,000          | 5,000            |
| N/C Lease Equipment                     |                |                  |                |                  |           |                  | CONT.400         | 184,334          |                 |                | 184,334          |
| Tanks, Tanks Steps, Stairs              |                |                  |                |                  |           |                  | CONT.405         | 51,879           |                 |                | 51,879           |
| Battery Equipment                       |                |                  |                |                  |           |                  | CONT.410         | 214,003          |                 |                | 214,003          |
| Secondary Containments                  |                |                  |                |                  |           |                  | CONT.415         | 19,292           |                 |                | 19,292           |
| Overhead Power Distribution             |                |                  |                |                  |           |                  | CONT.420         | 64,038           |                 |                | 64,038           |
| Facility Electrical                     |                |                  |                |                  |           |                  | CONT.425         | 32,100           |                 |                | 32,100           |
| Telecommunication Equipment             |                |                  |                |                  |           |                  | CONT.426         | 486              |                 |                | 486              |
| Meters and Metering Equipment           |                |                  |                |                  |           |                  | CONT.445         | 45,232           |                 |                | 45,232           |
| Facility Line Pipe                      |                |                  |                |                  |           |                  | CONT.450         | 31,208           |                 |                | 31,208           |
| Lease Automation Materials              |                |                  |                |                  |           |                  | CONT.455         | 32,424           |                 |                | 32,424           |
| FL/GL - Materials                       |                |                  |                |                  |           |                  | CONT.550         | 21,400           |                 |                | 21,400           |
| FL/GL - Line Pipe                       |                |                  |                |                  |           |                  | CONT.555         | 48,637           |                 |                | 48,637           |
| SWD/Other - Materials                   |                |                  |                |                  |           |                  | CONT.650         | 0                |                 |                | 0                |
| SWD/Other - Line Pipe                   |                |                  |                |                  |           |                  | CONT.655         | 0                |                 |                | 0                |
| <b>Total Tangible Cost</b>              |                | <b>393,000</b>   |                | <b>810,000</b>   |           | <b>285,000</b>   |                  | <b>790,428</b>   |                 | <b>30,000</b>  | <b>2,308,428</b> |
| <b>Total Estimated Cost</b>             |                | <b>2,868,500</b> |                | <b>1,116,000</b> |           | <b>3,744,000</b> |                  | <b>1,459,996</b> |                 | <b>220,354</b> | <b>9,408,850</b> |



Authorization For Expenditure - Loosey Goosey 4-9 Fed Com 302H

AFE # XXXXXXX

| Description                        | BCP - Drilling |          |           | ACP - Drilling |           |           | Comp/Stim |         |           |
|------------------------------------|----------------|----------|-----------|----------------|-----------|-----------|-----------|---------|-----------|
|                                    | Codes          |          | Amount    | Codes          |           | Amount    | Codes     |         | Amount    |
| Roads & Location                   | DIDC.100       |          | 20,000    |                |           |           | STIM.100  | CON.100 | 3,000     |
| Damages                            | DIDC.105       |          | 16,500    |                |           |           |           |         |           |
| Mud/Fluids Disposal                | DIDC.255       |          | 200,000   |                |           |           | STIM.255  |         | 51,000    |
| Day Rate                           | DIDC.115       | DICC.120 | 468,000   | DICC.120       |           | 96,000    |           |         |           |
| Misc Preparation                   | DIDC.120       |          | 30,000    |                |           |           |           |         |           |
| Bits                               | DIDC.125       | DICC.125 | 97,000    | DICC.125       | STIM.125  | 0         | STIM.125  |         | 0         |
| Fuel                               | DIDC.135       | DICC.130 | 119,000   | DICC.130       |           | 0         |           |         |           |
| Water for Drilling Rig (Not Frac   | DIDC.140       | DICC.135 | 5,000     | DICC.135       | STIM.135  | 0         | STIM.135  |         | 20,000    |
| Mud & Additives                    | DIDC.145       |          | 300,000   |                |           |           |           |         |           |
| SWD PIPED TO 3RD PARTY SWD         |                |          |           |                |           |           |           |         |           |
| Surface Rentals                    | DIDC.150       | DICC.140 | 97,000    | DICC.140       | STIM.140  | 0         | STIM.140  | CON.140 | 137,000   |
| Downhole Rentals                   | DIDC.155       |          | 131,000   |                |           |           | STIM.145  |         | 35,000    |
| Flowback Labor                     |                |          |           |                |           |           | STIM.141  |         | 0         |
| Automation Labor                   |                |          |           |                |           |           |           |         |           |
| Mud Logging                        | DIDC.170       |          | 5,000     |                |           |           |           |         |           |
| IPC & EXTERNAL PAINTING            |                |          |           |                |           |           |           |         |           |
| Cementing & Float Equipment        | DIDC.185       | DICC.155 | 70,000    | DICC.155       |           | 140,000   |           |         |           |
| Tubular Inspections                | DIDC.190       | DICC.160 | 38,000    | DICC.160       | STIM.160  | 8,000     | STIM.160  |         | 4,000     |
| Casing Crews                       | DIDC.195       | DICC.165 | 15,000    | DICC.165       | STIM.165  | 13,000    | STIM.165  |         | 0         |
| Mechanical Labor                   | DIDC.200       | DICC.170 | 20,000    | DICC.170       | STIM.170  | 3,000     | STIM.170  | CON.170 | 0         |
| Trucking/Transportation            | DIDC.205       | DICC.175 | 30,000    | DICC.175       | STIM.175  | 8,000     | STIM.175  | CON.175 | 4,000     |
| Supervision                        | DIDC.210       | DICC.180 | 81,000    | DICC.180       | STIM.180  | 13,000    | STIM.180  | CON.180 | 47,000    |
| Trailer House/Camp/Catering        | DIDC.280       | DICC.255 | 35,000    | DICC.255       | STIM.280  | 5,000     | STIM.280  |         | 31,000    |
| Other Misc Expenses                | DIDC.220       | DICC.190 | 5,000     | DICC.190       | STIM.190  | 0         | STIM.190  | CON.190 | 85,000    |
| Overhead                           | DIDC.225       | DICC.195 | 5,000     | DICC.195       |           | 5,000     |           |         |           |
| MOB/DEMOB                          | DIDC.240       |          | 115,000   |                |           |           |           |         |           |
| Directional Drilling Services      | DIDC.245       |          | 307,000   |                |           |           |           |         |           |
| Solids Control                     | DIDC.260       |          | 46,000    |                |           |           |           |         |           |
| Well Control Equip (Snubbing       | DIDC.265       | DICC.240 | 84,000    | DICC.240       | STIM.240  | 0         | STIM.240  |         | 64,000    |
| Completion Rig                     |                |          |           |                |           |           | STIM.115  |         | 21,000    |
| Coil Tubing Services               |                |          |           |                |           |           | STIM.260  |         | 0         |
| Completion                         |                |          |           |                |           |           | STIM.200  |         | 257,000   |
| Composite Plugs                    |                |          |           |                |           |           | STIM.390  |         | 39,000    |
| Stimulation                        |                |          |           |                |           |           | STIM.210  |         | 2,245,000 |
| Stimulation Water/Water            |                |          |           |                |           |           | STIM.395  |         | 191,000   |
| Cimarex Owned Frac/Rental          |                |          |           |                |           |           | STIM.305  |         | 60,000    |
| Legal/Regulatory/Curative          | DIDC.300       |          | 10,000    |                |           |           |           |         |           |
| Well Control Insurance             | DIDC.285       |          | 7,000     |                |           |           |           |         |           |
| Major Construction Overhead        |                |          |           |                |           |           |           |         |           |
| FL/GL - ON PAD LABOR               |                |          |           |                |           |           |           |         |           |
| FL/GL - Labor                      |                |          |           |                |           |           |           |         |           |
| FL/GL - Supervision                |                |          |           |                |           |           |           |         |           |
| Survey                             |                |          |           |                |           |           |           |         |           |
| SWD/Other - Labor                  |                |          |           |                |           |           |           |         |           |
| SWD/Other - Supervision            |                |          |           |                |           |           |           |         |           |
| Aid In Construct/3rd Party Connect |                |          |           |                |           |           |           |         |           |
| Contingency                        | DIDC.435       | DICC.220 | 118,000   | DICC.220       | STIM.220  | 15,000    | STIM.220  | CON.220 | 165,000   |
| Contingency                        |                |          |           |                |           |           |           |         |           |
| Total Intangible Cos               |                |          | 2,475,500 |                |           | 306,000   |           |         | 3,459,000 |
| Conductor Pipe                     | DWEB.130       |          | 0         |                |           |           |           |         |           |
| Water String                       | DWEB.135       |          | 104,000   |                |           |           |           |         |           |
| Surface Casing                     | DWEB.140       |          | 251,000   |                |           |           |           |         |           |
| Intermediate Casing 1              | DWEB.145       |          | 0         |                |           |           |           |         |           |
| Production Casing or Liner         |                |          |           | DWEA.100       |           | 792,000   |           |         |           |
| Tubing                             |                |          |           |                |           |           | STIMT.105 |         | 139,000   |
| Wellhead, Tree, Chokes             | DWEB.115       | DWEA.120 | 38,000    | DWEA.120       | STIMT.120 | 18,000    | STIMT.120 |         | 38,000    |
| Liner Hanger, Isolation Packer     | DWEB.100       | DWEA.125 | 0         | DWEA.125       |           | 0         |           |         |           |
| Packer, Nipples                    |                |          |           |                |           |           | STIMT.400 |         | 28,000    |
| SHORT ORDERS                       |                |          |           |                |           |           |           |         |           |
| PUMPS                              |                |          |           |                |           |           |           |         |           |
| WALKOVERS                          |                |          |           |                |           |           |           |         |           |
| Downhole Lift Equipment            |                |          |           |                |           |           | STIMT.410 |         | 80,000    |
| Surface Equipment                  |                |          |           |                |           |           |           |         |           |
| Well Automation Materials          |                |          |           |                |           |           |           |         |           |
| N/C Lease Equipment                |                |          |           |                |           |           |           |         |           |
| Tanks, Tanks Steps, Stairs         |                |          |           |                |           |           |           |         |           |
| Battery Equipment                  |                |          |           |                |           |           |           |         |           |
| Secondary Containments             |                |          |           |                |           |           |           |         |           |
| Overhead Power Distribution        |                |          |           |                |           |           |           |         |           |
| Facility Electrical                |                |          |           |                |           |           |           |         |           |
| Telecommunication Equipment        |                |          |           |                |           |           |           |         |           |
| Meters and Metering Equipment      |                |          |           |                |           |           |           |         |           |
| Facility Line Pipe                 |                |          |           |                |           |           |           |         |           |
| Lease Automation Materials         |                |          |           |                |           |           |           |         |           |
| FL/GL - Materials                  |                |          |           |                |           |           |           |         |           |
| FL/GL - Materials                  |                |          |           |                |           |           |           |         |           |
| SWD/Other - Materials              |                |          |           |                |           |           |           |         |           |
| SWD/Other - Line Pipe              |                |          |           |                |           |           |           |         |           |
| Total Tangible Cost                |                |          | 393,000   |                |           | 810,000   |           |         | 285,000   |
| Total Estimated Cost               |                |          | 2,868,500 |                |           | 1,116,000 |           |         | 3,744,000 |





Authorization For Expenditure - Loosey Goosey 4-9 Fed Com 302H

AFE # XXXXXXX

| Description                             | Production Equip |           |           | Post Completion                           |         |           | Total |
|-----------------------------------------|------------------|-----------|-----------|-------------------------------------------|---------|-----------|-------|
|                                         | Codes            | Amount    | Codes     | Amount                                    | Cost    |           |       |
| Roads & Location                        | CON.100          | 48,637    | PCOM.100  | Repair any roads post D&C                 | 3,000   | 74,637    |       |
| Damages                                 | CON.105          | 15807     |           |                                           |         | 32,307    |       |
| Mud/Fluids Disposal                     |                  |           | PCOM.255  |                                           | 0       | 251,000   |       |
| Day Rate                                |                  |           |           |                                           |         | 564,000   |       |
| Misc Preparation                        |                  |           |           |                                           |         | 30,000    |       |
| Bits                                    |                  |           | PCOM.125  |                                           | 0       | 97,000    |       |
| Fuel                                    |                  |           | PCOM.130  |                                           | 0       | 119,000   |       |
| Water for Drilling Rig (Not Frac Water) |                  |           | PCOM.135  |                                           | 0       | 25,000    |       |
| Mud & Additives                         |                  |           |           |                                           |         | 300,000   |       |
| SWD PIPED TO 3RD PARTY SWD WELL         |                  |           | PCOM.257  | Water for 60 days (270K barrels)          | 87,354  | 87,354    |       |
| Surface Rentals                         | CON.140          | 1,378     | PCOM.140  | Iron. XEC Own 5K. No 10K. \$1,100 per day | 60,000  | 295,378   |       |
| Downhole Rentals                        |                  |           | PCOM.145  |                                           | 0       | 166,000   |       |
| Flowback Labor                          |                  |           | PCOM.141  | 3 Flowback Hands (60 days). 25%           | 30,000  | 30,000    |       |
| Automation Labor                        | CON.150          | 36,558    | PCOM.150  |                                           | 5,000   | 41,558    |       |
| Mud Logging                             |                  |           |           |                                           |         | 5,000     |       |
| IPC & EXTERNAL PAINTING                 | CON.165          | 18,888    |           |                                           |         | 18,888    |       |
| Cementing & Float Equipment             |                  |           |           |                                           |         | 210,000   |       |
| Tubular Inspections                     |                  |           | PCOM.160  |                                           | 0       | 50,000    |       |
| Casing Crews                            |                  |           |           |                                           |         | 28,000    |       |
| Mechanical Labor                        | CON.170          | 139,588   | PCOM.170  | RU Flowback Iron & Automation             | 5,000   | 167,588   |       |
| Trucking/Transportation                 | CON.175          | 17,833    | PCOM.175  |                                           | 0       | 59,833    |       |
| Supervision                             | CON.180          | 21,238    | PCOM.180  |                                           | 0       | 162,238   |       |
| Trailer House/Camp/Catering             |                  |           |           |                                           |         | 72,000    |       |
| Other Misc Expenses                     | CON.190          | 24,318    | PCOM.190  |                                           | 0       | 114,318   |       |
| Overhead                                |                  |           |           |                                           |         | 10,000    |       |
| MOB/DEMOB                               |                  |           |           |                                           |         | 115,000   |       |
| Directional Drilling Services           |                  |           |           |                                           |         | 307,000   |       |
| Solids Control                          |                  |           |           |                                           |         | 46,000    |       |
| Well Control Equip (Snubbing Services)  |                  |           | PCOM.240  |                                           | 0       | 148,000   |       |
| Completion Rig                          |                  |           | PCOM.115  |                                           | 0       | 21,000    |       |
| Coil Tubing Services                    |                  |           | PCOM.260  |                                           | 0       | 0         |       |
| Completion Logging/Perforating/Wireline |                  |           | PCOM.200  |                                           | 0       | 257,000   |       |
| Composite Plugs                         |                  |           | PCOM.390  |                                           | 0       | 39,000    |       |
| Stimulation                             |                  |           | PCOM.210  |                                           | 0       | 2,245,000 |       |
| Stimulation Water/Water Transfer/Water  |                  |           |           |                                           |         | 191,000   |       |
| Cimarex Owned Frac/Rental Equipment     |                  |           | PCOM.305  |                                           | 0       | 60,000    |       |
| Legal/Regulatory/Curative               | CON.300          | 0         |           |                                           |         | 10,000    |       |
| Well Control Insurance                  |                  |           |           |                                           |         | 7,000     |       |
| Major Construction Overhead             | CON.305          | 26,507    |           |                                           |         | 26,507    |       |
| FL/GL - ON PAD LABOR                    | CON.495          | 37,613    |           |                                           |         | 37,613    |       |
| FL/GL - Labor                           | CON.500          | 94,842    |           |                                           |         | 94,842    |       |
| FL/GL - Supervision                     | CON.505          | 14,429    |           |                                           |         | 14,429    |       |
| Survey                                  | CON.515          | 2351      |           |                                           |         | 2,351     |       |
| SWD/Other - Labor                       | CON.600          | 0         |           |                                           |         | 0         |       |
| SWD/Other - Supervision                 | CON.605          | 0         |           |                                           |         | 0         |       |
| Aid In Construct/3rd Party Connect      | CON.701          | 40,531    |           |                                           |         | 40,531    |       |
| Contingency                             | CON.220          | 105,542   |           |                                           |         | 403,542   |       |
| Contingency                             | CON.221          | 23,508    |           |                                           |         | 23,508    |       |
| Total Intangible Cost                   |                  | 669,568   |           |                                           | 190,354 | 7,100,422 |       |
| Conductor Pipe                          |                  |           |           |                                           |         | 0         |       |
| Water String                            |                  |           |           |                                           |         | 104,000   |       |
| Surface Casing                          |                  |           |           |                                           |         | 251,000   |       |
| Intermediate Casing 1                   |                  |           |           |                                           |         | 0         |       |
| Production Casing or Liner              |                  |           |           |                                           |         | 792,000   |       |
| Tubing                                  |                  |           | PCOMT.105 |                                           | 0       | 139,000   |       |
| Wellhead, Tree, Chokes                  |                  |           | PCOMT.120 | Replace worn chokes and valves during FB  | 10,000  | 104,000   |       |
| Liner Hanger, Isolation Packer          |                  |           |           |                                           |         | 0         |       |
| Packer, Nipples                         |                  |           | PCOMT.400 |                                           | 0       | 28,000    |       |
| SHORT ORDERS                            | CON.380          | 10,538    |           |                                           |         | 10,538    |       |
| PUMPS                                   | CON.385          | 30,804    |           |                                           |         | 30,804    |       |
| WALKOVERS                               | CON.390          | 4,053     |           |                                           |         | 4,053     |       |
| Downhole Lift Equipment                 |                  |           | PCOMT.410 |                                           | 0       | 80,000    |       |
| Surface Equipment                       |                  |           | PCOMT.420 | Replacing Chokes, Stuffing Boxes, and all | 15,000  | 15,000    |       |
| Well Automation Materials               |                  |           | PCOMT.455 | PTs, and replacing meters                 | 5,000   | 5,000     |       |
| N/C Lease Equipment                     | CON.400          | 184,334   |           |                                           |         | 184,334   |       |
| Tanks, Tanks Steps, Stairs              | CON.405          | 51,879    |           |                                           |         | 51,879    |       |
| Battery Equipment                       | CON.410          | 214,003   |           |                                           |         | 214,003   |       |
| Secondary Containments                  | CON.415          | 19,292    |           |                                           |         | 19,292    |       |
| Overhead Power Distribution             | CON.420          | 64,038    |           |                                           |         | 64,038    |       |
| Facility Electrical                     | CON.425          | 32,100    |           |                                           |         | 32,100    |       |
| Telecommunication Equipment             | CON.426          | 486       |           |                                           |         | 486       |       |
| Meters and Metering Equipment           | CON.445          | 45,232    |           |                                           |         | 45,232    |       |
| Facility Line Pipe                      | CON.450          | 31,208    |           |                                           |         | 31,208    |       |
| Lease Automation Materials              | CON.455          | 32,424    |           |                                           |         | 32,424    |       |
| FL/GL - Materials                       | CON.550          | 21,400    |           |                                           |         | 21,400    |       |
| FL/GL - Line Pipe                       | CON.555          | 48,637    |           |                                           |         | 48,637    |       |
| SWD/Other - Materials                   | CON.650          | 0         |           |                                           |         | 0         |       |
| SWD/Other - Line Pipe                   | CON.655          | 0         |           |                                           |         | 0         |       |
| Total Tangible Cost                     |                  | 790,428   |           |                                           | 30,000  | 2,308,428 |       |
| Total Estimated Cost                    |                  | 1,459,996 |           |                                           | 220,354 | 9,408,850 |       |





Authorization For Expenditure - Loosey Goosey 4-9 Fed Com 303H

AFE # XXXXXXXX

Company Entity

Date Prepared  
8/17/2022

| Exploration Region | Well Name                      | Prospect               | Property Number | AFE     |
|--------------------|--------------------------------|------------------------|-----------------|---------|
| Permian Basin      | Loosey Goosey 4-9 Fed Com 303H | New Mexico Bone Spring | XXXXXX-XXX.01   | XXXXXXX |

| County, State | Location                      | Estimated Spud | Estimated Completion |
|---------------|-------------------------------|----------------|----------------------|
| Lea, NM       | Section 4-9 T20S-R34E Lea, NM |                |                      |

| X New Supplement Revision | Formation | Well Type | Ttl Measured Depth | Ttl Vertical Depth |
|---------------------------|-----------|-----------|--------------------|--------------------|
|                           | 3rd Sand  | DEV       | 20310              | 10810              |

Purpose: Drill and complete well  
Description:

Drilling: The intended surface hold location for the well is 280 FSL and 1540 FEL of Section 33, T19S-R34E, and the intended bottom hole location is 100 FSL and 1744 FEL of Section 9, T20S-R34E. The well is proposed to be drilled vertically to the 3rd Sand formation and laterally in a southerly direction within the formation to the referenced bottom hole location. Total vertical depth of the well is proposed to be approximately 10810 feet.

| Intangible                   |  | Dry Hole           | After Casing Point | Completed Well Cost |
|------------------------------|--|--------------------|--------------------|---------------------|
| Drilling Costs               |  | \$2,475,500        |                    | \$2,475,500         |
| Completion Costs             |  |                    | \$4,595,289        | \$4,595,289         |
| <b>Total Intangible Cost</b> |  | <b>\$2,475,500</b> | <b>\$4,595,289</b> | <b>\$7,070,789</b>  |
| Tangible                     |  | Dry Hole           | After Casing Point | Completed Well Cost |
| Well Equipment               |  | \$393,000          | \$1,125,000        | \$1,518,000         |
| Lease Equipment              |  |                    | \$840,065          | \$840,065           |
| <b>Total Tangible Cost</b>   |  | <b>\$393,000</b>   | <b>\$1,965,065</b> | <b>\$2,358,065</b>  |
| <b>Total Well Cost</b>       |  | <b>\$2,868,500</b> | <b>\$6,560,354</b> | <b>\$9,428,854</b>  |

## Comments On Well Costs

1. All tubulars, well or lease equipment is priced by COPAS and CEPS guidelines using the Historic Price Multiplier.

## Well Control Insurance

Unless otherwise indicated below, you, as a non-operating working interest owner, agree to be covered by Operator's well control insurance procured by Operator so long as Operator conducts operations hereunder and to pay your prorated share of the premiums therefore. If you elect to purchase your own well control insurance, you must provide a certificate of such insurance acceptable to Operator, as to form and limits, at the time this AFE is returned, if available, but in no event later than commencement of drilling operations. You agree that failure to provide the certificate of insurance, as provided herein, will result in your being covered by insurance procured by Operator.

☐ I elect to purchase my own well control insurance policy.

## Marketing Election

Cimarex sells its gas under arm's-length contracts with third party purchasers. Such contracts may include fees. In addition, penalties may be incurred for insufficient volumes delivered over time. Should you choose to market your share of gas with Cimarex, you will be subject to all of the terms of such contracts. Upon written request to Cimarex's Marketing Department, we will share with you the terms and conditions pursuant to which gas will be sold. Failure to make an election below shall be deemed an election to market your gas with Cimarex under the terms and conditions set forth above.

☐ I elect to take my gas in kind.

☐ I elect to market my gas with Cimarex pursuant to the terms and conditions of its contract.

## Comments on AFE

The above costs are estimates only and anticipate trouble free operations without any foreseeable change in plans. The actual costs may exceed the estimated costs without affecting the authorization for expenditure herein granted. By approval of this AFE, the working interest owner agrees to pay its proportionate share of actual legal, curative, regulatory and well costs under term of the joint operating agreement, regulatory order or other applicable agreement covering this well.

## Nonoperator Approval

| Company | Approved By (Print Name) | Approved By (Signature) | Date |
|---------|--------------------------|-------------------------|------|
|         |                          |                         |      |

NOTICE TO NONOPERATOR: Costs shown on this form are estimates only. By executing this AFE, the consenting party agrees to pay its proportionate share of actual costs incurred. Overhead will be charged in accordance with the Joint Operating Agreement.

7/6/2022



Authorization For Expenditure - Loosey Goosey 4-9 Fed Com 303H

AFE # XXXXXXX

| Description                             | BCP - Drilling |                  | ACP - Drilling |                  | Comp/Stim |                  | Production Equip |                  | Post Completion |                | Total            |
|-----------------------------------------|----------------|------------------|----------------|------------------|-----------|------------------|------------------|------------------|-----------------|----------------|------------------|
|                                         | Codes          | Amount           | Codes          | Amount           | Codes     | Amount           | Codes            | Amount           | Codes           | Amount         | Cost             |
| Roads & Location                        | DIDC.100       | 20,000           |                |                  | STIM.100  | 3,000            | CON.100          | 44,205           | PCOM.100        | 3,000          | 70,205           |
| Damages                                 | DIDC.105       | 16,500           |                |                  |           |                  | CON.105          | 3,215            |                 |                | 19,715           |
| Mud/Fluids Disposal                     | DIDC.255       | 200,000          |                |                  | STIM.255  | 51,000           |                  |                  | PCOM.255        | 0              | 251,000          |
| Day Rate                                | DIDC.115       | 468,000          | DICC.120       | 96,000           |           |                  |                  |                  |                 |                | 564,000          |
| Misc Preparation                        | DIDC.120       | 30,000           |                |                  |           |                  |                  |                  |                 |                | 30,000           |
| Bits                                    | DIDC.125       | 97,000           | DICC.125       | 0                | STIM.125  | 0                |                  |                  | PCOM.125        | 0              | 97,000           |
| Fuel                                    | DIDC.135       | 119,000          | DICC.130       | 0                |           |                  |                  |                  | PCOM.130        | 0              | 119,000          |
| Water for Drilling Rig (Not Frac Water) | DIDC.140       | 5,000            | DICC.135       | 0                | STIM.135  | 20,000           |                  |                  | PCOM.135        | 0              | 25,000           |
| Mud & Additives                         | DIDC.145       | 300,000          |                |                  |           |                  |                  |                  |                 |                | 300,000          |
| SWD PIPED TO 3RD PARTY SWD WELL         |                |                  |                |                  |           |                  |                  |                  | PCOM.257        | 87,354         | 87,354           |
| Surface Rentals                         | DIDC.150       | 97,000           | DICC.140       | 0                | STIM.140  | 137,000          | CON.140          | 6,912            | PCOM.140        | 60,000         | 300,912          |
| Downhole Rentals                        | DIDC.155       | 131,000          |                |                  | STIM.145  | 35,000           |                  |                  | PCOM.145        | 0              | 166,000          |
| Flowback Labor                          |                |                  |                |                  | STIM.141  | 0                |                  |                  | PCOM.141        | 30,000         | 30,000           |
| Automation Labor                        |                |                  |                |                  |           |                  | CON.150          | 45,010           | PCOM.150        | 5,000          | 50,010           |
| Mud Logging                             | DIDC.170       | 5,000            |                |                  |           |                  |                  |                  |                 |                | 5,000            |
| IPC & EXTERNAL PAINTING                 |                |                  |                |                  |           |                  | CON.165          | 5,144            |                 |                | 5,144            |
| Cementing & Float Equipment             | DIDC.185       | 70,000           | DICC.155       | 140,000          |           |                  |                  |                  |                 |                | 210,000          |
| Tubular Inspections                     | DIDC.190       | 38,000           | DICC.160       | 8,000            | STIM.160  | 4,000            |                  |                  | PCOM.160        | 0              | 50,000           |
| Casing Crews                            | DIDC.195       | 15,000           | DICC.165       | 13,000           | STIM.165  | 0                |                  |                  |                 |                | 28,000           |
| Mechanical Labor                        | DIDC.200       | 20,000           | DICC.170       | 3,000            | STIM.170  | 0                | CON.170          | 185,663          | PCOM.170        | 5,000          | 213,663          |
| Trucking/Transportation                 | DIDC.205       | 30,000           | DICC.175       | 8,000            | STIM.175  | 4,000            | CON.175          | 16,075           | PCOM.175        | 0              | 58,075           |
| Supervision                             | DIDC.210       | 81,000           | DICC.180       | 13,000           | STIM.180  | 47,000           | CON.180          | 11,574           | PCOM.180        | 0              | 152,574          |
| Trailer House/Camp/Catering             | DIDC.280       | 36,000           | DICC.255       | 5,000            | STIM.280  | 31,000           |                  |                  |                 |                | 72,000           |
| Other Misc Expenses                     | DIDC.220       | 5,000            | DICC.190       | 0                | STIM.190  | 85,000           | CON.190          | 19,290           | PCOM.190        | 0              | 109,290          |
| Overhead                                | DIDC.225       | 5,000            | DICC.195       | 5,000            |           |                  |                  |                  |                 |                | 10,000           |
| MOB/DEMOB                               | DIDC.240       | 115,000          |                |                  |           |                  |                  |                  |                 |                | 115,000          |
| Directional Drilling Services           | DIDC.245       | 307,000          |                |                  |           |                  |                  |                  |                 |                | 307,000          |
| Solids Control                          | DIDC.260       | 46,000           |                |                  |           |                  |                  |                  |                 |                | 46,000           |
| Well Control Equip (Snubbing Services)  | DIDC.265       | 84,000           | DICC.240       | 0                | STIM.240  | 64,000           |                  |                  | PCOM.240        | 0              | 148,000          |
| Completion Rig                          |                |                  |                |                  | STIM.115  | 21,000           |                  |                  | PCOM.115        | 0              | 21,000           |
| Coil Tubing Services                    |                |                  |                |                  | STIM.260  | 0                |                  |                  | PCOM.260        | 0              | 0                |
| Completion Logging/Perforating/Wireline |                |                  |                |                  | STIM.200  | 257,000          |                  |                  | PCOM.200        | 0              | 257,000          |
| Composite Plugs                         |                |                  |                |                  | STIM.390  | 39,000           |                  |                  | PCOM.390        | 0              | 39,000           |
| Stimulation                             |                |                  |                |                  | STIM.210  | 2,245,000        |                  |                  | PCOM.210        | 0              | 2,245,000        |
| Stimulation Water/Water Transfer/Water  |                |                  |                |                  | STIM.395  | 191,000          |                  |                  |                 |                | 191,000          |
| Cimarex Owned Frac/Rental Equipment     |                |                  |                |                  | STIM.305  | 60,000           |                  |                  | PCOM.305        | 0              | 60,000           |
| Legal/Regulatory/Curative               | DIDC.300       | 10,000           |                |                  |           |                  | CON.300          | 0                |                 |                | 10,000           |
| Well Control Insurance                  | DIDC.285       | 7,000            |                |                  |           |                  |                  |                  |                 |                | 7,000            |
| Major Construction Overhead             |                |                  |                |                  |           |                  | CON.305          | 0                |                 |                | 0                |
| FL/GL - ON PAD LABOR                    |                |                  |                |                  |           |                  | CON.495          | 33,114           |                 |                | 33,114           |
| FL/GL - Labor                           |                |                  |                |                  |           |                  | CON.500          | 113,970          |                 |                | 113,970          |
| FL/GL - Supervision                     |                |                  |                |                  |           |                  | CON.505          | 12,056           |                 |                | 12,056           |
| Survey                                  |                |                  |                |                  |           |                  | CON.515          | 6,590            |                 |                | 6,590            |
| SWD/Other - Labor                       |                |                  |                |                  |           |                  | CON.600          | 0                |                 |                | 0                |
| SWD/Other - Supervision                 |                |                  |                |                  |           |                  | CON.605          | 0                |                 |                | 0                |
| Aid In Construct/3rd Party Connect      |                |                  |                |                  |           |                  | CON.701          | 0                |                 |                | 0                |
| Contingency                             | DIDC.435       | 118,000          | DICC.220       | 15,000           | STIM.220  | 165,000          | CON.220          | 106,737          | PCOM.220        | 0              | 404,737          |
| Contingency                             |                |                  |                |                  |           |                  | CON.221          | 30,381           |                 |                | 30,381           |
| <b>Total Intangible Cost</b>            |                | 2,475,500        |                | 306,000          |           | 3,459,000        |                  | 639,935          |                 | 190,354        | 7,070,789        |
| Conductor Pipe                          | DWEB.130       | 0                |                |                  |           |                  |                  |                  |                 |                | 0                |
| Water String                            | DWEB.135       | 104,000          |                |                  |           |                  |                  |                  |                 |                | 104,000          |
| Surface Casing                          | DWEB.140       | 251,000          |                |                  |           |                  |                  |                  |                 |                | 251,000          |
| Intermediate Casing 1                   | DWEB.145       | 0                |                |                  |           |                  |                  |                  |                 |                | 0                |
| Production Casing or Liner              |                |                  | DWEA.100       | 792,000          |           |                  |                  |                  |                 |                | 792,000          |
| Tubing                                  |                |                  |                |                  | STIMT.105 | 139,000          |                  |                  | PCOMT.105       | 0              | 139,000          |
| Wellhead, Tree, Chokes                  | DWEB.115       | 38,000           | DWEA.120       | 18,000           | STIMT.120 | 38,000           |                  |                  | PCOMT.120       | 10,000         | 104,000          |
| Liner Hanger, Isolation Packer          | DWEB.100       | 0                | DWEA.125       | 0                |           |                  |                  |                  |                 |                | 0                |
| Packer, Nipples                         |                |                  |                |                  | STIMT.400 | 28,000           |                  |                  | PCOMT.400       | 0              | 28,000           |
| SHORT ORDERS                            |                |                  |                |                  |           |                  | CON.380          | 11,253           |                 |                | 11,253           |
| PUMPS                                   |                |                  |                |                  |           |                  | CON.385          | 26,362           |                 |                | 26,362           |
| WALKOVERS                               |                |                  |                |                  |           |                  | CON.390          | 6,430            |                 |                | 6,430            |
| Downhole Lift Equipment                 |                |                  |                |                  | STIMT.410 | 80,000           |                  |                  | PCOMT.410       | 0              | 80,000           |
| Surface Equipment                       |                |                  |                |                  |           |                  |                  |                  | PCOMT.420       | 15,000         | 15,000           |
| Well Automation Materials               |                |                  |                |                  |           |                  |                  |                  | PCOMT.455       | 5,000          | 5,000            |
| N/C Lease Equipment                     |                |                  |                |                  |           |                  | CON.400          | 279,861          |                 |                | 279,861          |
| Tanks, Tanks Steps, Stairs              |                |                  |                |                  |           |                  | CON.405          | 0                |                 |                | 0                |
| Battery Equipment                       |                |                  |                |                  |           |                  | CON.410          | 229,386          |                 |                | 229,386          |
| Secondary Containments                  |                |                  |                |                  |           |                  | CON.415          | 12,859           |                 |                | 12,859           |
| Overhead Power Distribution             |                |                  |                |                  |           |                  | CON.420          | 10,288           |                 |                | 10,288           |
| Facility Electrical                     |                |                  |                |                  |           |                  | CON.425          | 48,224           |                 |                | 48,224           |
| Telecommunication Equipment             |                |                  |                |                  |           |                  | CON.426          | 0                |                 |                | 0                |
| Meters and Metering Equipment           |                |                  |                |                  |           |                  | CON.445          | 42,758           |                 |                | 42,758           |
| Facility Line Pipe                      |                |                  |                |                  |           |                  | CON.450          | 28,935           |                 |                | 28,935           |
| Lease Automation Materials              |                |                  |                |                  |           |                  | CON.455          | 36,972           |                 |                | 36,972           |
| FL/GL - Materials                       |                |                  |                |                  |           |                  | CON.550          | 26,684           |                 |                | 26,684           |
| FL/GL - Line Pipe                       |                |                  |                |                  |           |                  | CON.555          | 80,052           |                 |                | 80,052           |
| SWD/Other - Materials                   |                |                  |                |                  |           |                  | CON.650          | 0                |                 |                | 0                |
| SWD/Other - Line Pipe                   |                |                  |                |                  |           |                  | CON.655          | 0                |                 |                | 0                |
| <b>Total Tangible Cost</b>              |                | 393,000          |                | 810,000          |           | 285,000          |                  | 840,065          |                 | 30,000         | 2,358,065        |
| <b>Total Estimated Cost</b>             |                | <b>2,868,500</b> |                | <b>1,116,000</b> |           | <b>3,744,000</b> |                  | <b>1,480,000</b> |                 | <b>220,354</b> | <b>9,428,854</b> |





Authorization For Expenditure - Looosey Goosey 4-9 Fed Com 303H

AFE # XXXXXXX

| Description                        | BCP - Drilling |          |                  | ACP - Drilling |           |                  | Comp/Stim |         |                  |
|------------------------------------|----------------|----------|------------------|----------------|-----------|------------------|-----------|---------|------------------|
|                                    | Codes          |          | Amount           | Codes          |           | Amount           | Codes     |         | Amount           |
| Roads & Location                   | DIDC.100       |          | 20,000           |                |           |                  | STIM.100  | CON.100 | 3,000            |
| Damages                            | DIDC.105       |          | 16,500           |                |           |                  |           |         |                  |
| Mud/Fluids Disposal                | DIDC.255       |          | 200,000          |                |           |                  | STIM.255  |         | 51,000           |
| Day Rate                           | DIDC.115       | DICC.120 | 468,000          | DICC.120       |           | 96,000           |           |         |                  |
| Misc Preparation                   | DIDC.120       |          | 30,000           |                |           |                  |           |         |                  |
| Bits                               | DIDC.125       | DICC.125 | 97,000           | DICC.125       | STIM.125  | 0                | STIM.125  |         | 0                |
| Fuel                               | DIDC.135       | DICC.130 | 119,000          | DICC.130       |           | 0                |           |         |                  |
| Water for Drilling Rig (Not Frac)  | DIDC.140       | DICC.135 | 5,000            | DICC.135       | STIM.135  | 0                | STIM.135  |         | 20,000           |
| Mud & Additives                    | DIDC.145       |          | 300,000          |                |           |                  |           |         |                  |
| SWD PIPED TO 3RD PARTY SWD         |                |          |                  |                |           |                  |           |         |                  |
| Surface Rentals                    | DIDC.150       | DICC.140 | 97,000           | DICC.140       | STIM.140  | 0                | STIM.140  | CON.140 | 137,000          |
| Downhole Rentals                   | DIDC.155       |          | 131,000          |                |           |                  | STIM.145  |         | 35,000           |
| Flowback Labor                     |                |          |                  |                |           |                  | STIM.141  |         | 0                |
| Automation Labor                   |                |          |                  |                |           |                  |           |         |                  |
| Mud Logging                        | DIDC.170       |          | 5,000            |                |           |                  |           |         |                  |
| IPC & EXTERNAL PAINTING            |                |          |                  |                |           |                  |           |         |                  |
| Cementing & Float Equipment        | DIDC.185       | DICC.155 | 70,000           | DICC.155       |           | 140,000          |           |         |                  |
| Tubular Inspections                | DIDC.190       | DICC.160 | 38,000           | DICC.160       | STIM.160  | 8,000            | STIM.160  |         | 4,000            |
| Casing Crews                       | DIDC.195       | DICC.165 | 15,000           | DICC.165       | STIM.165  | 13,000           | STIM.165  |         | 0                |
| Mechanical Labor                   | DIDC.200       | DICC.170 | 20,000           | DICC.170       | STIM.170  | 3,000            | STIM.170  | CON.170 | 0                |
| Trucking/Transportation            | DIDC.205       | DICC.175 | 30,000           | DICC.175       | STIM.175  | 8,000            | STIM.175  | CON.175 | 4,000            |
| Supervision                        | DIDC.210       | DICC.180 | 81,000           | DICC.180       | STIM.180  | 13,000           | STIM.180  | CON.180 | 47,000           |
| Trailer House/Camp/Catering        | DIDC.280       | DICC.255 | 36,000           | DICC.255       | STIM.280  | 5,000            | STIM.280  |         | 31,000           |
| Other Misc Expenses                | DIDC.220       | DICC.190 | 5,000            | DICC.190       | STIM.190  | 0                | STIM.190  | CON.190 | 85,000           |
| Overhead                           | DIDC.225       | DICC.195 | 5,000            | DICC.195       |           | 5,000            |           |         |                  |
| MOB/DEMOB                          | DIDC.240       |          | 115,000          |                |           |                  |           |         |                  |
| Directional Drilling Services      | DIDC.245       |          | 307,000          |                |           |                  |           |         |                  |
| Solids Control                     | DIDC.260       |          | 46,000           |                |           |                  |           |         |                  |
| Well Control Equip (Snubbing)      | DIDC.265       | DICC.240 | 84,000           | DICC.240       | STIM.240  | 0                | STIM.240  |         | 64,000           |
| Completion Rig                     |                |          |                  |                |           |                  | STIM.115  |         | 21,000           |
| Coil Tubing Services               |                |          |                  |                |           |                  | STIM.260  |         | 0                |
| Completion                         |                |          |                  |                |           |                  | STIM.200  |         | 257,000          |
| Composite Plugs                    |                |          |                  |                |           |                  | STIM.390  |         | 39,000           |
| Stimulation                        |                |          |                  |                |           |                  | STIM.210  |         | 2,245,000        |
| Stimulation Water/Water            |                |          |                  |                |           |                  | STIM.395  |         | 191,000          |
| Cimarex Owned Frac/Rental          |                |          |                  |                |           |                  | STIM.305  |         | 60,000           |
| Legal/Regulatory/Curative          | DIDC.300       |          | 10,000           |                |           |                  |           |         |                  |
| Well Control Insurance             | DIDC.285       |          | 7,000            |                |           |                  |           |         |                  |
| Major Construction Overhead        |                |          |                  |                |           |                  |           |         |                  |
| FL/GL - ON PAD LABOR               |                |          |                  |                |           |                  |           |         |                  |
| FL/GL - Labor                      |                |          |                  |                |           |                  |           |         |                  |
| FL/GL - Supervision                |                |          |                  |                |           |                  |           |         |                  |
| Survey                             |                |          |                  |                |           |                  |           |         |                  |
| SWD/Other - Labor                  |                |          |                  |                |           |                  |           |         |                  |
| SWD/Other - Supervision            |                |          |                  |                |           |                  |           |         |                  |
| Aid In Construct/3rd Party Connect |                |          |                  |                |           |                  |           |         |                  |
| Contingency                        | DIDC.435       | DICC.220 | 118,000          | DICC.220       | STIM.220  | 15,000           | STIM.220  | CON.220 | 165,000          |
| Contingency                        |                |          |                  |                |           |                  |           |         |                  |
| <b>Total Intangible Cos</b>        |                |          | <b>2,475,500</b> |                |           | <b>306,000</b>   |           |         | <b>3,459,000</b> |
| Conductor Pipe                     | DWEB.130       |          | 0                |                |           |                  |           |         |                  |
| Water String                       | DWEB.135       |          | 104,000          |                |           |                  |           |         |                  |
| Surface Casing                     | DWEB.140       |          | 251,000          |                |           |                  |           |         |                  |
| Intermediate Casing 1              | DWEB.145       |          | 0                |                |           |                  |           |         |                  |
| Production Casing or Liner         |                |          |                  | DWEA.100       |           | 792,000          |           |         |                  |
| Tubing                             |                |          |                  |                |           |                  | STIMT.105 |         | 139,000          |
| Wellhead, Tree, Chokes             | DWEB.115       | DWEA.120 | 38,000           | DWEA.120       | STIMT.120 | 18,000           | STIMT.120 |         | 38,000           |
| Liner Hanger, Isolation Packer     | DWEB.100       | DWEA.125 | 0                | DWEA.125       |           | 0                |           |         |                  |
| Packer, Nipples                    |                |          |                  |                |           |                  | STIMT.400 |         | 28,000           |
| SHORT ORDERS                       |                |          |                  |                |           |                  |           |         |                  |
| PUMPS                              |                |          |                  |                |           |                  |           |         |                  |
| WALKOVERS                          |                |          |                  |                |           |                  |           |         |                  |
| Downhole Lift Equipment            |                |          |                  |                |           |                  | STIMT.410 |         | 80,000           |
| Surface Equipment                  |                |          |                  |                |           |                  |           |         |                  |
| Well Automation Materials          |                |          |                  |                |           |                  |           |         |                  |
| N/C Lease Equipment                |                |          |                  |                |           |                  |           |         |                  |
| Tanks, Tanks Steps, Stairs         |                |          |                  |                |           |                  |           |         |                  |
| Battery Equipment                  |                |          |                  |                |           |                  |           |         |                  |
| Secondary Containments             |                |          |                  |                |           |                  |           |         |                  |
| Overhead Power Distribution        |                |          |                  |                |           |                  |           |         |                  |
| Facility Electrical                |                |          |                  |                |           |                  |           |         |                  |
| Telecommunication Equipment        |                |          |                  |                |           |                  |           |         |                  |
| Meters and Metering Equipment      |                |          |                  |                |           |                  |           |         |                  |
| Facility Line Pipe                 |                |          |                  |                |           |                  |           |         |                  |
| Lease Automation Materials         |                |          |                  |                |           |                  |           |         |                  |
| FL/GL - Materials                  |                |          |                  |                |           |                  |           |         |                  |
| FL/GL - Materials                  |                |          |                  |                |           |                  |           |         |                  |
| SWD/Other - Materials              |                |          |                  |                |           |                  |           |         |                  |
| SWD/Other - Line Pipe              |                |          |                  |                |           |                  |           |         |                  |
| <b>Total Tangible Cost</b>         |                |          | <b>393,000</b>   |                |           | <b>810,000</b>   |           |         | <b>285,000</b>   |
| <b>Total Estimated Cost</b>        |                |          | <b>2,868,500</b> |                |           | <b>1,116,000</b> |           |         | <b>3,744,000</b> |



Authorization For Expenditure - Loosey Goosey 4-9 Fed Com 303H

AFE # XXXXXXX

| Description                             | Production Equip |                  | Post Completion |                                           | Total          |                  |
|-----------------------------------------|------------------|------------------|-----------------|-------------------------------------------|----------------|------------------|
|                                         | Codes            | Amount           | Codes           | Amount                                    | Cost           |                  |
| Roads & Location                        | CON.100          | 44,205           | PCOM.100        | Repair any roads post D&C                 | 3,000          | 70,205           |
| Damages                                 | CON.105          | 3215             |                 |                                           |                | 19,715           |
| Mud/Fluids Disposal                     |                  |                  | PCOM.255        |                                           | 0              | 251,000          |
| Day Rate                                |                  |                  |                 |                                           |                | 564,000          |
| Misc Preparation                        |                  |                  |                 |                                           |                | 30,000           |
| Bits                                    |                  |                  | PCOM.125        |                                           | 0              | 97,000           |
| Fuel                                    |                  |                  | PCOM.130        |                                           | 0              | 119,000          |
| Water for Drilling Rig (Not Frac Water) |                  |                  | PCOM.135        |                                           | 0              | 25,000           |
| Mud & Additives                         |                  |                  |                 |                                           |                | 300,000          |
| SWD PIPED TO 3RD PARTY SWD WELL         |                  |                  | PCOM.257        | Water for 60 days (270K barrels)          | 87,354         | 87,354           |
| Surface Rentals                         | CON.140          | 6,912            | PCOM.140        | Iron. XEC Own 5K. No 10K. \$1,100 per day | 60,000         | 300,912          |
| Downhole Rentals                        |                  |                  | PCOM.145        |                                           | 0              | 166,000          |
| Flowback Labor                          |                  |                  | PCOM.141        | 3 Flowback Hands (60 days). 25%           | 30,000         | 30,000           |
| Automation Labor                        | CON.150          | 45,010           | PCOM.150        |                                           | 5,000          | 50,010           |
| Mud Logging                             |                  |                  |                 |                                           |                | 5,000            |
| IPC & EXTERNAL PAINTING                 | CON.165          | 5,144            |                 |                                           |                | 5,144            |
| Cementing & Float Equipment             |                  |                  |                 |                                           |                | 210,000          |
| Tubular Inspections                     |                  |                  | PCOM.160        |                                           | 0              | 50,000           |
| Casing Crews                            |                  |                  |                 |                                           |                | 28,000           |
| Mechanical Labor                        | CON.170          | 185,663          | PCOM.170        | RU Flowback Iron & Automation             | 5,000          | 213,663          |
| Trucking/Transportation                 | CON.175          | 16,075           | PCOM.175        |                                           | 0              | 58,075           |
| Supervision                             | CON.180          | 11,574           | PCOM.180        |                                           | 0              | 152,574          |
| Trailer House/Camp/Catering             |                  |                  |                 |                                           |                | 72,000           |
| Other Misc Expenses                     | CON.190          | 19,290           | PCOM.190        |                                           | 0              | 109,290          |
| Overhead                                |                  |                  |                 |                                           |                | 10,000           |
| MOB/DEMOB                               |                  |                  |                 |                                           |                | 115,000          |
| Directional Drilling Services           |                  |                  |                 |                                           |                | 307,000          |
| Solids Control                          |                  |                  |                 |                                           |                | 46,000           |
| Well Control Equip (Snubbing Services)  |                  |                  | PCOM.240        |                                           | 0              | 148,000          |
| Completion Rig                          |                  |                  | PCOM.115        |                                           | 0              | 21,000           |
| Coil Tubing Services                    |                  |                  | PCOM.260        |                                           | 0              | 0                |
| Completion Logging/Perforating/Wireline |                  |                  | PCOM.200        |                                           | 0              | 257,000          |
| Composite Plugs                         |                  |                  | PCOM.390        |                                           | 0              | 39,000           |
| Stimulation                             |                  |                  | PCOM.210        |                                           | 0              | 2,245,000        |
| Stimulation Water/Water Transfer/Water  |                  |                  |                 |                                           |                | 191,000          |
| Cimarex Owned Frac/Rental Equipment     |                  |                  | PCOM.305        |                                           | 0              | 60,000           |
| Legal/Regulatory/Curative               | CON.300          | 0                |                 |                                           |                | 10,000           |
| Well Control Insurance                  |                  |                  |                 |                                           |                | 7,000            |
| Major Construction Overhead             | CON.305          | 0                |                 |                                           |                | 0                |
| FL/GL - ON PAD LABOR                    | CON.495          | 33,114           |                 |                                           |                | 33,114           |
| FL/GL - Labor                           | CON.500          | 113,970          |                 |                                           |                | 113,970          |
| FL/GL - Supervision                     | CON.505          | 12,056           |                 |                                           |                | 12,056           |
| Survey                                  | CON.515          | 6,590            |                 |                                           |                | 6,590            |
| SWD/Other - Labor                       | CON.600          | 0                |                 |                                           |                | 0                |
| SWD/Other - Supervision                 | CON.605          | 0                |                 |                                           |                | 0                |
| Aid In Construct/3rd Party Connect      | CON.701          | 0                |                 |                                           |                | 0                |
| Contingency                             | CON.220          | 106,737          |                 |                                           |                | 404,737          |
| Contingency                             | CON.221          | 30,381           |                 |                                           |                | 30,381           |
| <b>Total Intangible Cost</b>            |                  | 639,935          |                 |                                           | 190,354        | 7,070,789        |
| Conductor Pipe                          |                  |                  |                 |                                           |                | 0                |
| Water String                            |                  |                  |                 |                                           |                | 104,000          |
| Surface Casing                          |                  |                  |                 |                                           |                | 251,000          |
| Intermediate Casing 1                   |                  |                  |                 |                                           |                | 0                |
| Production Casing or Liner              |                  |                  |                 |                                           |                | 792,000          |
| Tubing                                  |                  |                  | PCOMT.105       |                                           | 0              | 139,000          |
| Wellhead, Tree, Chokes                  |                  |                  | PCOMT.120       | Replace worn chokes and valves during FB  | 10,000         | 104,000          |
| Liner Hanger, Isolation Packer          |                  |                  |                 |                                           |                | 0                |
| Packer, Nipples                         |                  |                  | PCOMT.400       |                                           | 0              | 28,000           |
| SHORT ORDERS                            | CON.380          | 11,253           |                 |                                           |                | 11,253           |
| PUMPS                                   | CON.385          | 26,362           |                 |                                           |                | 26,362           |
| WALKOVERS                               | CON.390          | 6,430            |                 |                                           |                | 6,430            |
| Downhole Lift Equipment                 |                  |                  | PCOMT.410       |                                           | 0              | 80,000           |
| Surface Equipment                       |                  |                  | PCOMT.420       | Replacing Chokes, Stuffing Boxes, and all | 15,000         | 15,000           |
| Well Automation Materials               |                  |                  | PCOMT.455       | PTs, and replacing meters                 | 5,000          | 5,000            |
| N/C Lease Equipment                     | CON.400          | 279,861          |                 |                                           |                | 279,861          |
| Tanks, Tanks Steps, Stairs              | CON.405          | 0                |                 |                                           |                | 0                |
| Battery Equipment                       | CON.410          | 229,386          |                 |                                           |                | 229,386          |
| Secondary Containments                  | CON.415          | 12,859           |                 |                                           |                | 12,859           |
| Overhead Power Distribution             | CON.420          | 10,288           |                 |                                           |                | 10,288           |
| Facility Electrical                     | CON.425          | 48,224           |                 |                                           |                | 48,224           |
| Telecommunication Equipment             | CON.426          | 0                |                 |                                           |                | 0                |
| Meters and Metering Equipment           | CON.445          | 42,758           |                 |                                           |                | 42,758           |
| Facility Line Pipe                      | CON.450          | 28,935           |                 |                                           |                | 28,935           |
| Lease Automation Materials              | CON.455          | 36,972           |                 |                                           |                | 36,972           |
| FL/GL - Materials                       | CON.550          | 26,684           |                 |                                           |                | 26,684           |
| FL/GL - Line Pipe                       | CON.555          | 80,052           |                 |                                           |                | 80,052           |
| SWD/Other - Materials                   | CON.650          | 0                |                 |                                           |                | 0                |
| SWD/Other - Line Pipe                   | CON.655          | 0                |                 |                                           |                | 0                |
| <b>Total Tangible Cost</b>              |                  | 840,065          |                 |                                           | 30,000         | 2,358,065        |
| <b>Total Estimated Cost</b>             |                  | <b>1,480,000</b> |                 |                                           | <b>220,354</b> | <b>9,428,854</b> |



Authorization For Expenditure - Loosey Goosey 4-9 Fed Com 304H

AFE # XXXXXXXX

Company Entity

Date Prepared  
8/17/2022

| Exploration Region | Well Name                      | Prospect               | Property Number | AFE     |
|--------------------|--------------------------------|------------------------|-----------------|---------|
| Permian Basin      | Loosey Goosey 4-9 Fed Com 304H | New Mexico Bone Spring | XXXXXX-XXX.01   | XXXXXXX |

| County, State | Location                      | Estimated Spud | Estimated Completion |
|---------------|-------------------------------|----------------|----------------------|
| Lea, NM       | Section 4-9 T20S-R34E Lea, NM |                |                      |

| X New Supplement Revision | Formation | Well Type | Ttl Measured Depth | Ttl Vertical Depth |
|---------------------------|-----------|-----------|--------------------|--------------------|
|                           | 3rd Sand  | DEV       | 20300              | 10800              |

Purpose: Drill and complete well

Description:

Drilling: The intended surface hold location for the well is 280 FSL and 1500 FEL of Section 33, T19S-R34E, and the intended bottom hole location is 100 FSL and 330 FEL of Section 9, T20S-R34E. The well is proposed to be drilled vertically to the 3rd Sand formation and laterally in a southerly direction within the formation to the referenced bottom hole location. Total vertical depth of the well is proposed to be approximately 10800 feet.

| Intangible                   |  | Dry Hole           | After Casing Point | Completed Well Cost |
|------------------------------|--|--------------------|--------------------|---------------------|
| Drilling Costs               |  | \$2,475,500        |                    | \$2,475,500         |
| Completion Costs             |  |                    | \$4,595,289        | \$4,595,289         |
| <b>Total Intangible Cost</b> |  | <b>\$2,475,500</b> | <b>\$4,595,289</b> | <b>\$7,070,789</b>  |
| Tangible                     |  | Dry Hole           | After Casing Point | Completed Well Cost |
| Well Equipment               |  | \$393,000          | \$1,125,000        | \$1,518,000         |
| Lease Equipment              |  |                    | \$840,065          | \$840,065           |
| <b>Total Tangible Cost</b>   |  | <b>\$393,000</b>   | <b>\$1,965,065</b> | <b>\$2,358,065</b>  |
| <b>Total Well Cost</b>       |  | <b>\$2,868,500</b> | <b>\$6,560,354</b> | <b>\$9,428,854</b>  |

## Comments On Well Costs

1. All tubulars, well or lease equipment is priced by COPAS and CEPS guidelines using the Historic Price Multiplier.

## Well Control Insurance

Unless otherwise indicated below, you, as a non-operating working interest owner, agree to be covered by Operator's well control insurance procured by Operator so long as Operator conducts operations hereunder and to pay your prorated share of the premiums therefore. If you elect to purchase your own well control insurance, you must provide a certificate of such insurance acceptable to Operator, as to form and limits, at the time this AFE is returned, if available, but in no event later than commencement of drilling operations. You agree that failure to provide the certificate of insurance, as provided herein, will result in your being covered by insurance procured by Operator.

☐ I elect to purchase my own well control insurance policy.

## Marketing Election

Cimarex sells its gas under arm's-length contracts with third party purchasers. Such contracts may include fees. In addition, penalties may be incurred for insufficient volumes delivered over time. Should you choose to market your share of gas with Cimarex, you will be subject to all of the terms of such contracts. Upon written request to Cimarex's Marketing Department, we will share with you the terms and conditions pursuant to which gas will be sold. Failure to make an election below shall be deemed an election to market your gas with Cimarex under the terms and conditions set forth above.

☐ I elect to take my gas in kind.

☐ I elect to market my gas with Cimarex pursuant to the terms and conditions of its contract.

## Comments on AFE

The above costs are estimates only and anticipate trouble free operations without any foreseeable change in plans. The actual costs may exceed the estimated costs without affecting the authorization for expenditure herein granted. By approval of this AFE, the working interest owner agrees to pay its proportionate share of actual legal, curative, regulatory and well costs under term of the joint operating agreement, regulatory order or other applicable agreement covering this well.

## Nonoperator Approval

| Company | Approved By (Print Name) | Approved By (Signature) | Date |
|---------|--------------------------|-------------------------|------|
|         |                          |                         |      |

NOTICE TO NONOPERATOR: Costs shown on this form are estimates only. By executing this AFE, the consenting party agrees to pay its proportionate share of actual costs incurred. Overhead will be charged in accordance with the Joint Operating Agreement.

7/6/2022





Authorization For Expenditure - Loosey Goosey 4-9 Fed Com 304H

AFE # XXXXXXX

| Description                             | BCP - Drilling |                  | ACP - Drilling |                  | Comp/Stim |                  | Production Equip |                  | Post Completion |                | Total            |
|-----------------------------------------|----------------|------------------|----------------|------------------|-----------|------------------|------------------|------------------|-----------------|----------------|------------------|
|                                         | Codes          | Amount           | Codes          | Amount           | Codes     | Amount           | Codes            | Amount           | Codes           | Amount         | Cost             |
| Roads & Location                        | DIDC.100       | 20,000           |                |                  | STIM.100  | 3,000            | CON.100          | 44,205           | PCOM.100        | 3,000          | 70,205           |
| Damages                                 | DIDC.105       | 16,500           |                |                  |           |                  | CON.105          | 3215             |                 |                | 19,715           |
| Mud/Fluids Disposal                     | DIDC.255       | 200,000          |                |                  | STIM.255  | 51,000           |                  |                  | PCOM.255        | 0              | 251,000          |
| Day Rate                                | DIDC.115       | 468,000          | DICC.120       | 96,000           |           |                  |                  |                  |                 |                | 564,000          |
| Misc Preparation                        | DIDC.120       | 30,000           |                |                  |           |                  |                  |                  |                 |                | 30,000           |
| Bits                                    | DIDC.125       | 97,000           | DICC.125       | 0                | STIM.125  | 0                |                  |                  | PCOM.125        | 0              | 97,000           |
| Fuel                                    | DIDC.135       | 119,000          | DICC.130       | 0                |           |                  |                  |                  | PCOM.130        | 0              | 119,000          |
| Water for Drilling Rig (Not Frac Water) | DIDC.140       | 5,000            | DICC.135       | 0                | STIM.135  | 20,000           |                  |                  | PCOM.135        | 0              | 25,000           |
| Mud & Additives                         | DIDC.145       | 300,000          |                |                  |           |                  |                  |                  |                 |                | 300,000          |
| SWD PIPED TO 3RD PARTY SWD WELL         |                |                  |                |                  |           |                  |                  |                  | PCOM.257        | 87,354         | 87,354           |
| Surface Rentals                         | DIDC.150       | 97,000           | DICC.140       | 0                | STIM.140  | 137,000          | CON.140          | 6,912            | PCOM.140        | 60,000         | 300,912          |
| Downhole Rentals                        | DIDC.155       | 131,000          |                |                  | STIM.145  | 35,000           |                  |                  | PCOM.145        | 0              | 166,000          |
| Flowback Labor                          |                |                  |                |                  | STIM.141  | 0                |                  |                  | PCOM.141        | 30,000         | 30,000           |
| Automation Labor                        |                |                  |                |                  |           |                  | CON.150          | 45,010           | PCOM.150        | 5,000          | 50,010           |
| Mud Logging                             | DIDC.170       | 5,000            |                |                  |           |                  |                  |                  |                 |                | 5,000            |
| IPC & EXTERNAL PAINTING                 |                |                  |                |                  |           |                  | CON.165          | 5,144            |                 |                | 5,144            |
| Cementing & Float Equipment             | DIDC.185       | 70,000           | DICC.155       | 140,000          |           |                  |                  |                  |                 |                | 210,000          |
| Tubular Inspections                     | DIDC.190       | 38,000           | DICC.160       | 8,000            | STIM.160  | 4,000            |                  |                  | PCOM.160        | 0              | 50,000           |
| Casing Crews                            | DIDC.195       | 15,000           | DICC.165       | 13,000           | STIM.165  | 0                |                  |                  |                 |                | 28,000           |
| Mechanical Labor                        | DIDC.200       | 20,000           | DICC.170       | 3,000            | STIM.170  | 0                | CON.170          | 185,663          | PCOM.170        | 5,000          | 213,663          |
| Trucking/Transportation                 | DIDC.205       | 30,000           | DICC.175       | 8,000            | STIM.175  | 4,000            | CON.175          | 16,075           | PCOM.175        | 0              | 58,075           |
| Supervision                             | DIDC.210       | 81,000           | DICC.180       | 13,000           | STIM.180  | 47,000           | CON.180          | 11,574           | PCOM.180        | 0              | 152,574          |
| Trailer House/Camp/Catering             | DIDC.280       | 36,000           | DICC.255       | 5,000            | STIM.280  | 31,000           |                  |                  |                 |                | 72,000           |
| Other Misc Expenses                     | DIDC.220       | 5,000            | DICC.190       | 0                | STIM.190  | 85,000           | CON.190          | 19,290           | PCOM.190        | 0              | 109,290          |
| Overhead                                | DIDC.225       | 5,000            | DICC.195       | 5,000            |           |                  |                  |                  |                 |                | 10,000           |
| MOB/DEMOB                               | DIDC.240       | 115,000          |                |                  |           |                  |                  |                  |                 |                | 115,000          |
| Directional Drilling Services           | DIDC.245       | 307,000          |                |                  |           |                  |                  |                  |                 |                | 307,000          |
| Solids Control                          | DIDC.260       | 46,000           |                |                  |           |                  |                  |                  |                 |                | 46,000           |
| Well Control Equip (Snubbing Services)  | DIDC.265       | 84,000           | DICC.240       | 0                | STIM.240  | 64,000           |                  |                  | PCOM.240        | 0              | 148,000          |
| Completion Rig                          |                |                  |                |                  | STIM.115  | 21,000           |                  |                  | PCOM.115        | 0              | 21,000           |
| Coil Tubing Services                    |                |                  |                |                  | STIM.260  | 0                |                  |                  | PCOM.260        | 0              | 0                |
| Completion Logging/Perforating/Wireline |                |                  |                |                  | STIM.200  | 257,000          |                  |                  | PCOM.200        | 0              | 257,000          |
| Composite Plugs                         |                |                  |                |                  | STIM.390  | 39,000           |                  |                  | PCOM.390        | 0              | 39,000           |
| Stimulation                             |                |                  |                |                  | STIM.210  | 2,245,000        |                  |                  | PCOM.210        | 0              | 2,245,000        |
| Stimulation Water/Water Transfer/Water  |                |                  |                |                  | STIM.395  | 191,000          |                  |                  |                 |                | 191,000          |
| Cimarex Owned Frac/Rental Equipment     |                |                  |                |                  | STIM.305  | 60,000           |                  |                  | PCOM.305        | 0              | 60,000           |
| Legal/Regulatory/Curative               | DIDC.300       | 10,000           |                |                  |           |                  | CON.300          | 0                |                 |                | 10,000           |
| Well Control Insurance                  | DIDC.285       | 7,000            |                |                  |           |                  |                  |                  |                 |                | 7,000            |
| Major Construction Overhead             |                |                  |                |                  |           |                  | CON.305          | 0                |                 |                | 0                |
| FL/GL - ON PAD LABOR                    |                |                  |                |                  |           |                  | CON.495          | 33,114           |                 |                | 33,114           |
| FL/GL - Labor                           |                |                  |                |                  |           |                  | CON.500          | 113,970          |                 |                | 113,970          |
| FL/GL - Supervision                     |                |                  |                |                  |           |                  | CON.505          | 12,056           |                 |                | 12,056           |
| Survey                                  |                |                  |                |                  |           |                  | CON.515          | 6,590            |                 |                | 6,590            |
| SWD/Other - Labor                       |                |                  |                |                  |           |                  | CON.600          | 0                |                 |                | 0                |
| SWD/Other - Supervision                 |                |                  |                |                  |           |                  | CON.605          | 0                |                 |                | 0                |
| Aid In Construct/3rd Party Connect      |                |                  |                |                  |           |                  | CON.701          | 0                |                 |                | 0                |
| Contingency                             | DIDC.435       | 118,000          | DICC.220       | 15,000           | STIM.220  | 165,000          | CON.220          | 106,737          | PCOM.220        | 0              | 404,737          |
| Contingency                             |                |                  |                |                  |           |                  | CON.221          | 30,381           |                 |                | 30,381           |
| <b>Total Intangible Cost</b>            |                | <b>2,475,500</b> |                | <b>306,000</b>   |           | <b>3,459,000</b> |                  | <b>639,935</b>   |                 | <b>190,354</b> | <b>7,070,789</b> |
| Conductor Pipe                          | DWEB.130       | 0                |                |                  |           |                  |                  |                  |                 |                | 0                |
| Water String                            | DWEB.135       | 104,000          |                |                  |           |                  |                  |                  |                 |                | 104,000          |
| Surface Casing                          | DWEB.140       | 251,000          |                |                  |           |                  |                  |                  |                 |                | 251,000          |
| Intermediate Casing 1                   | DWEB.145       | 0                |                |                  |           |                  |                  |                  |                 |                | 0                |
| Production Casing or Liner              |                |                  | DWEA.100       | 792,000          |           |                  |                  |                  |                 |                | 792,000          |
| Tubing                                  |                |                  |                |                  | STIMT.105 | 139,000          |                  |                  | PCOMT.105       | 0              | 139,000          |
| Wellhead, Tree, Chokes                  | DWEB.115       | 38,000           | DWEA.120       | 18,000           | STIMT.120 | 38,000           |                  |                  | PCOMT.120       | 10,000         | 104,000          |
| Liner Hanger, Isolation Packer          | DWEB.100       | 0                | DWEA.125       | 0                |           |                  |                  |                  |                 |                | 0                |
| Packer, Nipples                         |                |                  |                |                  | STIMT.400 | 28,000           |                  |                  | PCOMT.400       | 0              | 28,000           |
| SHORT ORDERS                            |                |                  |                |                  |           |                  | CONT.380         | 11,253           |                 |                | 11,253           |
| PUMPS                                   |                |                  |                |                  |           |                  | CONT.385         | 26,362           |                 |                | 26,362           |
| WALKOVERS                               |                |                  |                |                  |           |                  | CONT.390         | 6,430            |                 |                | 6,430            |
| Downhole Lift Equipment                 |                |                  |                |                  | STIMT.410 | 80,000           |                  |                  | PCOMT.410       | 0              | 80,000           |
| Surface Equipment                       |                |                  |                |                  |           |                  |                  |                  | PCOMT.420       | 15,000         | 15,000           |
| Well Automation Materials               |                |                  |                |                  |           |                  |                  |                  | PCOMT.455       | 5,000          | 5,000            |
| N/C Lease Equipment                     |                |                  |                |                  |           |                  | CONT.400         | 279,861          |                 |                | 279,861          |
| Tanks, Tanks Steps, Stairs              |                |                  |                |                  |           |                  | CONT.405         | 0                |                 |                | 0                |
| Battery Equipment                       |                |                  |                |                  |           |                  | CONT.410         | 229,386          |                 |                | 229,386          |
| Secondary Containments                  |                |                  |                |                  |           |                  | CONT.415         | 12,859           |                 |                | 12,859           |
| Overhead Power Distribution             |                |                  |                |                  |           |                  | CONT.420         | 10,288           |                 |                | 10,288           |
| Facility Electrical                     |                |                  |                |                  |           |                  | CONT.425         | 48,224           |                 |                | 48,224           |
| Telecommunication Equipment             |                |                  |                |                  |           |                  | CONT.426         | 0                |                 |                | 0                |
| Meters and Metering Equipment           |                |                  |                |                  |           |                  | CONT.445         | 42,758           |                 |                | 42,758           |
| Facility Line Pipe                      |                |                  |                |                  |           |                  | CONT.450         | 28,935           |                 |                | 28,935           |
| Lease Automation Materials              |                |                  |                |                  |           |                  | CONT.455         | 36,972           |                 |                | 36,972           |
| FL/GL - Materials                       |                |                  |                |                  |           |                  | CONT.550         | 26,684           |                 |                | 26,684           |
| FL/GL - Line Pipe                       |                |                  |                |                  |           |                  | CONT.555         | 80,052           |                 |                | 80,052           |
| SWD/Other - Materials                   |                |                  |                |                  |           |                  | CONT.650         | 0                |                 |                | 0                |
| SWD/Other - Line Pipe                   |                |                  |                |                  |           |                  | CONT.655         | 0                |                 |                | 0                |
| <b>Total Tangible Cost</b>              |                | <b>393,000</b>   |                | <b>810,000</b>   |           | <b>285,000</b>   |                  | <b>840,065</b>   |                 | <b>30,000</b>  | <b>2,358,065</b> |
| <b>Total Estimated Cost</b>             |                | <b>2,868,500</b> |                | <b>1,116,000</b> |           | <b>3,744,000</b> |                  | <b>1,480,000</b> |                 | <b>220,354</b> | <b>9,428,854</b> |

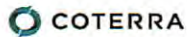


Authorization For Expenditure - Loosey Goosey 4-9 Fed Com 304H

AFE # XXXXXXX

| Description                        | BCP - Drilling |          |           | ACP - Drilling |           |           | Comp/Stim |         |           |
|------------------------------------|----------------|----------|-----------|----------------|-----------|-----------|-----------|---------|-----------|
|                                    | Codes          |          | Amount    | Codes          |           | Amount    | Codes     |         | Amount    |
| Roads & Location                   | DIDC.100       |          | 20,000    |                |           |           | STIM.100  | CON.100 | 3,000     |
| Damages                            | DIDC.105       |          | 16,500    |                |           |           |           |         |           |
| Mud/Fluids Disposal                | DIDC.255       |          | 200,000   |                |           |           | STIM.255  |         | 51,000    |
| Day Rate                           | DIDC.115       | DICC.120 | 468,000   | DICC.120       |           | 96,000    |           |         |           |
| Misc Preparation                   | DIDC.120       |          | 30,000    |                |           |           |           |         |           |
| Bits                               | DIDC.125       | DICC.125 | 97,000    | DICC.125       | STIM.125  | 0         | STIM.125  |         | 0         |
| Fuel                               | DIDC.135       | DICC.130 | 119,000   | DICC.130       |           | 0         |           |         |           |
| Water for Drilling Rig (Not Frac   | DIDC.140       | DICC.135 | 5,000     | DICC.135       | STIM.135  | 0         | STIM.135  |         | 20,000    |
| Mud & Additives                    | DIDC.145       |          | 300,000   |                |           |           |           |         |           |
| SWD PIPED TO 3RD PARTY SWD         |                |          |           |                |           |           |           |         |           |
| Surface Rentals                    | DIDC.150       | DICC.140 | 97,000    | DICC.140       | STIM.140  | 0         | STIM.140  | CON.140 | 137,000   |
| Downhole Rentals                   | DIDC.155       |          | 131,000   |                |           |           | STIM.145  |         | 35,000    |
| Flowback Labor                     |                |          |           |                |           |           | STIM.141  |         | 0         |
| Automation Labor                   |                |          |           |                |           |           |           |         |           |
| Mud Logging                        | DIDC.170       |          | 5,000     |                |           |           |           |         |           |
| IPC & EXTERNAL PAINTING            |                |          |           |                |           |           |           |         |           |
| Cementing & Float Equipment        | DIDC.185       | DICC.155 | 70,000    | DICC.155       |           | 140,000   |           |         |           |
| Tubular Inspections                | DIDC.190       | DICC.160 | 38,000    | DICC.160       | STIM.160  | 8,000     | STIM.160  |         | 4,000     |
| Casing Crews                       | DIDC.195       | DICC.165 | 15,000    | DICC.165       | STIM.165  | 13,000    | STIM.165  |         | 0         |
| Mechanical Labor                   | DIDC.200       | DICC.170 | 20,000    | DICC.170       | STIM.170  | 3,000     | STIM.170  | CON.170 | 0         |
| Trucking/Transportation            | DIDC.205       | DICC.175 | 30,000    | DICC.175       | STIM.175  | 8,000     | STIM.175  | CON.175 | 4,000     |
| Supervision                        | DIDC.210       | DICC.180 | 81,000    | DICC.180       | STIM.180  | 13,000    | STIM.180  | CON.180 | 47,000    |
| Trailer House/Camp/Catering        | DIDC.280       | DICC.255 | 36,000    | DICC.255       | STIM.280  | 5,000     | STIM.280  |         | 31,000    |
| Other Misc Expenses                | DIDC.220       | DICC.190 | 5,000     | DICC.190       | STIM.190  | 0         | STIM.190  | CON.190 | 85,000    |
| Overhead                           | DIDC.225       | DICC.195 | 5,000     | DICC.195       |           | 5,000     |           |         |           |
| MOB/DEMOB                          | DIDC.240       |          | 115,000   |                |           |           |           |         |           |
| Directional Drilling Services      | DIDC.245       |          | 307,000   |                |           |           |           |         |           |
| Solids Control                     | DIDC.260       |          | 46,000    |                |           |           |           |         |           |
| Well Control Equip (Snubbing       | DIDC.265       | DICC.240 | 84,000    | DICC.240       | STIM.240  | 0         | STIM.240  |         | 64,000    |
| Completion Rig                     |                |          |           |                |           |           | STIM.115  |         | 21,000    |
| Coil Tubing Services               |                |          |           |                |           |           | STIM.260  |         | 0         |
| Completion                         |                |          |           |                |           |           | STIM.200  |         | 257,000   |
| Composite Plugs                    |                |          |           |                |           |           | STIM.390  |         | 39,000    |
| Stimulation                        |                |          |           |                |           |           | STIM.210  |         | 2,245,000 |
| Stimulation Water/Water            |                |          |           |                |           |           | STIM.395  |         | 191,000   |
| Cimarex Owned Frac/Rental          |                |          |           |                |           |           | STIM.305  |         | 60,000    |
| Legal/Regulatory/Curative          | DIDC.300       |          | 10,000    |                |           |           |           |         |           |
| Well Control Insurance             | DIDC.285       |          | 7,000     |                |           |           |           |         |           |
| Major Construction Overhead        |                |          |           |                |           |           |           |         |           |
| FL/GL - ON PAD LABOR               |                |          |           |                |           |           |           |         |           |
| FL/GL - Labor                      |                |          |           |                |           |           |           |         |           |
| FL/GL - Supervision                |                |          |           |                |           |           |           |         |           |
| Survey                             |                |          |           |                |           |           |           |         |           |
| SWD/Other - Labor                  |                |          |           |                |           |           |           |         |           |
| SWD/Other - Supervision            |                |          |           |                |           |           |           |         |           |
| Aid In Construct/3rd Party Connect |                |          |           |                |           |           |           |         |           |
| Contingency                        | DIDC.435       | DICC.220 | 118,000   | DICC.220       | STIM.220  | 15,000    | STIM.220  | CON.220 | 165,000   |
| Contingency                        |                |          |           |                |           |           |           |         |           |
| Total Intangible Cos               |                |          | 2,475,500 |                |           | 306,000   |           |         | 3,459,000 |
| Conductor Pipe                     | DWEB.130       |          | 0         |                |           |           |           |         |           |
| Water String                       | DWEB.135       |          | 104,000   |                |           |           |           |         |           |
| Surface Casing                     | DWEB.140       |          | 251,000   |                |           |           |           |         |           |
| Intermediate Casing 1              | DWEB.145       |          | 0         |                |           |           |           |         |           |
| Production Casing or Liner         |                |          |           | DWEA.100       |           | 792,000   |           |         |           |
| Tubing                             |                |          |           |                |           |           | STIMT.105 |         | 139,000   |
| Wellhead, Tree, Chokes             | DWEB.115       | DWEA.120 | 38,000    | DWEA.120       | STIMT.120 | 18,000    | STIMT.120 |         | 38,000    |
| Liner Hanger, Isolation Packer     | DWEB.100       | DWEA.125 | 0         | DWEA.125       |           | 0         |           |         |           |
| Packer, Nipples                    |                |          |           |                |           |           | STIMT.400 |         | 28,000    |
| SHORT ORDERS                       |                |          |           |                |           |           |           |         |           |
| PUMPS                              |                |          |           |                |           |           |           |         |           |
| WALKOVERS                          |                |          |           |                |           |           |           |         |           |
| Downhole Lift Equipment            |                |          |           |                |           |           | STIMT.410 |         | 80,000    |
| Surface Equipment                  |                |          |           |                |           |           |           |         |           |
| Well Automation Materials          |                |          |           |                |           |           |           |         |           |
| N/C Lease Equipment                |                |          |           |                |           |           |           |         |           |
| Tanks, Tanks Steps, Stairs         |                |          |           |                |           |           |           |         |           |
| Battery Equipment                  |                |          |           |                |           |           |           |         |           |
| Secondary Containments             |                |          |           |                |           |           |           |         |           |
| Overhead Power Distribution        |                |          |           |                |           |           |           |         |           |
| Facility Electrical                |                |          |           |                |           |           |           |         |           |
| Telecommunication Equipment        |                |          |           |                |           |           |           |         |           |
| Meters and Metering Equipment      |                |          |           |                |           |           |           |         |           |
| Facility Line Pipe                 |                |          |           |                |           |           |           |         |           |
| Lease Automation Materials         |                |          |           |                |           |           |           |         |           |
| FL/GL - Materials                  |                |          |           |                |           |           |           |         |           |
| FL/GL - Materials                  |                |          |           |                |           |           |           |         |           |
| SWD/Other - Materials              |                |          |           |                |           |           |           |         |           |
| SWD/Other - Line Pipe              |                |          |           |                |           |           |           |         |           |
| Total Tangible Cost                |                |          | 393,000   |                |           | 810,000   |           |         | 285,000   |
| Total Estimated Cost               |                |          | 2,868,500 |                |           | 1,116,000 |           |         | 3,744,000 |





Authorization For Expenditure - Loosey Goosey 4-9 Fed Com 304H

AFE # XXXXXXX

| Description                             | Production Equip |           |           | Post Completion                           |         |           | Total |
|-----------------------------------------|------------------|-----------|-----------|-------------------------------------------|---------|-----------|-------|
|                                         | Codes            | Amount    | Codes     | Amount                                    | Cost    |           |       |
| Roads & Location                        | CON.100          | 44,205    | PCOM.100  | Repair any roads post D&C                 | 3,000   | 70,205    |       |
| Damages                                 | CON.105          | 3215      |           |                                           |         | 19,715    |       |
| Mud/Fluids Disposal                     |                  |           | PCOM.255  |                                           | 0       | 251,000   |       |
| Day Rate                                |                  |           |           |                                           |         | 564,000   |       |
| Misc Preparation                        |                  |           |           |                                           |         | 30,000    |       |
| Bits                                    |                  |           | PCOM.125  |                                           | 0       | 97,000    |       |
| Fuel                                    |                  |           | PCOM.130  |                                           | 0       | 119,000   |       |
| Water for Drilling Rig (Not Frac Water) |                  |           | PCOM.135  |                                           | 0       | 25,000    |       |
| Mud & Additives                         |                  |           |           |                                           |         | 300,000   |       |
| SWD PIPED TO 3RD PARTY SWD WELL         |                  |           | PCOM.257  | Water for 60 days (270K barrels)          | 87,354  | 87,354    |       |
| Surface Rentals                         | CON.140          | 6,912     | PCOM.140  | Iron. XEC Own 5K. No 10K. \$1,100 per day | 60,000  | 300,912   |       |
| Downhole Rentals                        |                  |           | PCOM.145  |                                           | 0       | 166,000   |       |
| Flowback Labor                          |                  |           | PCOM.141  | 3 Flowback Hands (60 days). 25%           | 30,000  | 30,000    |       |
| Automation Labor                        | CON.150          | 45,010    | PCOM.150  |                                           | 5,000   | 50,010    |       |
| Mud Logging                             |                  |           |           |                                           |         | 5,000     |       |
| IPC & EXTERNAL PAINTING                 | CON.165          | 5,144     |           |                                           |         | 5,144     |       |
| Cementing & Float Equipment             |                  |           |           |                                           |         | 210,000   |       |
| Tubular Inspections                     |                  |           | PCOM.160  |                                           | 0       | 50,000    |       |
| Casing Crews                            |                  |           |           |                                           |         | 28,000    |       |
| Mechanical Labor                        | CON.170          | 185,663   | PCOM.170  | RU Flowback Iron & Automation             | 5,000   | 213,663   |       |
| Trucking/Transportation                 | CON.175          | 16,075    | PCOM.175  |                                           | 0       | 58,075    |       |
| Supervision                             | CON.180          | 11,574    | PCOM.180  |                                           | 0       | 152,574   |       |
| Trailer House/Camp/Catering             |                  |           |           |                                           |         | 72,000    |       |
| Other Misc Expenses                     | CON.190          | 19,290    | PCOM.190  |                                           | 0       | 109,290   |       |
| Overhead                                |                  |           |           |                                           |         | 10,000    |       |
| MOB/DEMOB                               |                  |           |           |                                           |         | 115,000   |       |
| Directional Drilling Services           |                  |           |           |                                           |         | 307,000   |       |
| Solids Control                          |                  |           |           |                                           |         | 46,000    |       |
| Well Control Equip (Snubbing Services)  |                  |           | PCOM.240  |                                           | 0       | 148,000   |       |
| Completion Rig                          |                  |           | PCOM.115  |                                           | 0       | 21,000    |       |
| Coil Tubing Services                    |                  |           | PCOM.260  |                                           | 0       | 0         |       |
| Completion Logging/Perforating/Wireline |                  |           | PCOM.200  |                                           | 0       | 257,000   |       |
| Composite Plugs                         |                  |           | PCOM.390  |                                           | 0       | 39,000    |       |
| Stimulation                             |                  |           | PCOM.210  |                                           | 0       | 2,245,000 |       |
| Stimulation Water/Water Transfer/Water  |                  |           |           |                                           |         | 191,000   |       |
| Cimarex Owned Frac/Rental Equipment     |                  |           | PCOM.305  |                                           | 0       | 60,000    |       |
| Legal/Regulatory/Curative               | CON.300          | 0         |           |                                           |         | 10,000    |       |
| Well Control Insurance                  |                  |           |           |                                           |         | 7,000     |       |
| Major Construction Overhead             | CON.305          | 0         |           |                                           |         | 0         |       |
| FL/GL - ON PAD LABOR                    | CON.495          | 33,114    |           |                                           |         | 33,114    |       |
| FL/GL - Labor                           | CON.500          | 113,970   |           |                                           |         | 113,970   |       |
| FL/GL - Supervision                     | CON.505          | 12,056    |           |                                           |         | 12,056    |       |
| Survey                                  | CON.515          | 6,590     |           |                                           |         | 6,590     |       |
| SWD/Other - Labor                       | CON.600          | 0         |           |                                           |         | 0         |       |
| SWD/Other - Supervision                 | CON.605          | 0         |           |                                           |         | 0         |       |
| Aid In Construct/3rd Party Connect      | CON.701          | 0         |           |                                           |         | 0         |       |
| Contingency                             | CON.220          | 106,737   |           |                                           |         | 404,737   |       |
| Contingency                             | CON.221          | 30,381    |           |                                           |         | 30,381    |       |
| Total Intangible Cost                   |                  | 639,935   |           |                                           | 190,354 | 7,070,789 |       |
| Conductor Pipe                          |                  |           |           |                                           |         | 0         |       |
| Water String                            |                  |           |           |                                           |         | 104,000   |       |
| Surface Casing                          |                  |           |           |                                           |         | 251,000   |       |
| Intermediate Casing 1                   |                  |           |           |                                           |         | 0         |       |
| Production Casing or Liner              |                  |           |           |                                           |         | 792,000   |       |
| Tubing                                  |                  |           | PCOMT.105 |                                           | 0       | 139,000   |       |
| Wellhead, Tree, Chokes                  |                  |           | PCOMT.120 | Replace worn chokes and valves during FB  | 10,000  | 104,000   |       |
| Liner Hanger, Isolation Packer          |                  |           |           |                                           |         | 0         |       |
| Packer, Nipples                         |                  |           | PCOMT.400 |                                           | 0       | 28,000    |       |
| SHORT ORDERS                            | CONT.380         | 11,253    |           |                                           |         | 11,253    |       |
| PUMPS                                   | CONT.385         | 26,362    |           |                                           |         | 26,362    |       |
| WALKOVERS                               | CONT.390         | 6,430     |           |                                           |         | 6,430     |       |
| Downhole Lift Equipment                 |                  |           | PCOMT.410 |                                           | 0       | 80,000    |       |
| Surface Equipment                       |                  |           | PCOMT.420 | Replacing Chokes, Stuffing Boxes, and all | 15,000  | 15,000    |       |
| Well Automation Materials               |                  |           | PCOMT.455 | PTs. and replacing meters                 | 5,000   | 5,000     |       |
| N/C Lease Equipment                     | CONT.400         | 279,861   |           |                                           |         | 279,861   |       |
| Tanks, Tanks Steps, Stairs              | CONT.405         | 0         |           |                                           |         | 0         |       |
| Battery Equipment                       | CONT.410         | 229,386   |           |                                           |         | 229,386   |       |
| Secondary Containments                  | CONT.415         | 12,859    |           |                                           |         | 12,859    |       |
| Overhead Power Distribution             | CONT.420         | 10,288    |           |                                           |         | 10,288    |       |
| Facility Electrical                     | CONT.425         | 48,224    |           |                                           |         | 48,224    |       |
| Telecommunication Equipment             | CONT.426         | 0         |           |                                           |         | 0         |       |
| Meters and Metering Equipment           | CONT.445         | 42,758    |           |                                           |         | 42,758    |       |
| Facility Line Pipe                      | CONT.450         | 28,935    |           |                                           |         | 28,935    |       |
| Lease Automation Materials              | CONT.455         | 36,972    |           |                                           |         | 36,972    |       |
| FL/GL - Materials                       | CONT.550         | 26,684    |           |                                           |         | 26,684    |       |
| FL/GL - Line Pipe                       | CONT.555         | 80,052    |           |                                           |         | 80,052    |       |
| SWD/Other - Materials                   | CONT.650         | 0         |           |                                           |         | 0         |       |
| SWD/Other - Line Pipe                   | CONT.655         | 0         |           |                                           |         | 0         |       |
| Total Tangible Cost                     |                  | 840,065   |           |                                           | 30,000  | 2,358,065 |       |
| Total Estimated Cost                    |                  | 1,480,000 |           |                                           | 220,354 | 9,428,854 |       |



A.A.P.L. FORM 610 - 1989

MODEL FORM OPERATING AGREEMENT

OPERATING AGREEMENT

DATED

August 15, 2022, year

OPERATOR Cimarex Energy Co.

CONTRACT AREA All Section 4 and Section 9, Township 20 South, Range 34 East

COUNTY OR PARISH OF Lea, STATE OF New Mexico

LOOSEY GOOSEY 4-9 FED COM WELLS

COPYRIGHT 1989 – ALL RIGHTS RESERVED  
AMERICAN ASSOCIATION OF PETROLEUM  
LANDMEN, 4100 FOSSIL CREEK BLVD.  
FORT WORTH, TEXAS, 76137, APPROVED FORM.

A.A.P.L. NO. 610 – 1989

- human resources
- management
- supervision not directly charged under Section II.2 (*Labor*)
- legal services not directly chargeable under Section II.9 (*Legal Expense*)
- taxation, other than those costs identified as directly chargeable under Section II.10 (*Taxes and Permits*)
- preparation and monitoring of permits and certifications; preparing regulatory reports; appearances before or meetings with governmental agencies or other authorities having jurisdiction over the Joint Property, other than On-site inspections; reviewing, interpreting, or submitting comments on or lobbying with respect to Laws or proposed Laws.

Overhead charges shall include the salaries or wages plus applicable payroll burdens, benefits, and Personal Expenses of personnel performing overhead functions, as well as office and other related expenses of overhead functions.

1. OVERHEAD—DRILLING AND PRODUCING OPERATIONS

As compensation for costs incurred but not chargeable under Section II (*Direct Charges*) and not covered by other provisions of this Section III, the Operator shall charge on either:

- ☒ (Alternative 1) Fixed Rate Basis, Section III.1.B.
- ☐ (Alternative 2) Percentage Basis, Section III.1.C.

A. TECHNICAL SERVICES

- (i) Except as otherwise provided in Section II.13 (*Ecological Environmental, and Safety*) and Section III.2 (*Overhead – Major Construction and Catastrophe*), or by approval of the Parties pursuant to Section I.6.A (*General Matters*), the salaries, wages, related payroll burdens and benefits, and Personal Expenses for **On-site** Technical Services, including third party Technical Services:

☒ (Alternative 1 – Direct) shall be charged direct to the Joint Account.

☐ (Alternative 2 – Overhead) shall be covered by the overhead rates.
- (ii) Except as otherwise provided in Section II.13 (*Ecological, Environmental, and Safety*) and Section III.2 (*Overhead – Major Construction and Catastrophe*), or by approval of the Parties pursuant to Section I.6.A (*General Matters*), the salaries, wages, related payroll burdens and benefits, and Personal Expenses for **Off-site** Technical Services, including third party Technical Services:

☐ (Alternative 1 – All Overhead) shall be covered by the overhead rates.

☒ (Alternative 2 – All Direct) shall be charged direct to the Joint Account.

☐ (Alternative 3 – Drilling Direct) shall be charged direct to the Joint Account, only to the extent such Technical Services are directly attributable to drilling, redrilling, deepening, or sidetracking operations, through completion, temporary abandonment, or abandonment if a dry hole. Off-site Technical Services for all other operations, including workover, recompletion, abandonment of producing wells, and the construction or expansion of fixed assets not covered by Section III.2 (*Overhead - Major Construction and Catastrophe*) shall be covered by the overhead rates.

Notwithstanding anything to the contrary in this Section III, Technical Services provided by Operator’s Affiliates are subject to limitations set forth in Section II.7 (*Affiliates*). Charges for Technical personnel performing non-technical work shall not be governed by this Section III.1.A, but instead governed by other provisions of this Accounting Procedure relating to the type of work being performed.

B. OVERHEAD—FIXED RATE BASIS

- (1) The Operator shall charge the Joint Account at the following rates per well per month:

Drilling Well Rate per month \$ 8,000.00 (prorated for less than a full month)

Producing Well Rate per month \$ 800.00
- (2) Application of Overhead—Drilling Well Rate shall be as follows:

(a) Charges for onshore drilling wells shall begin on the spud date and terminate on the date the drilling and/or completion equipment used on the well is released, whichever occurs later. Charges for offshore and inland waters drilling wells shall begin on the date the drilling or completion equipment arrives on location and terminate on the date the drilling or completion equipment moves off location, or is released, whichever occurs first. No charge shall be made during suspension of drilling and/or completion operations for fifteen (15) or more consecutive calendar days.

## **Chronology of Contacts with Non-Joined Working Interest Owners**

Sent all Working Interest Owners Well Proposals with a copy of the proposed Operating Agreement. Followed up with emails and phone calls.

### **Read and Stevens-**

10/2021 – Reached out to Harrison Read, Vice President of Land and Business Development for Read and Stevens to have an in-person meeting over the development of the area.

1/24/22 – Reached out to Harrison with no response.

2/18/22-3/31/22 – Received response from Harrison with a few dates, none of which were viable and attempted to reschedule. Meeting never took place.

8/25/22- Elections were sent to Read and Stevens for both developments.

**Permian Resources-** We were notified Permian Resources had acquired Read and Stevens Inc. and were open to talks.

March 1-7, 2023 – Met with Travis Macha and Skyler Fast from Permian Resources to exchange information on potential trade tracts.

March 15, 2023 – Sent email about separate contested hearing to “trade out of each others way”. PR was still evaluating the trade.

April 27, 2023- Sent a follow up Email to Travis Macha, Skyler Fast, Mark Hajdik on trade tracts.

April 28, 2023- Emails exchanged to have a follow up in-person meeting of the minds.

May 18, 2023- Meeting with Bob Heller, Travis Macha and Patrick Godwin from Permian Resources and Dylan Park from Coterra to discuss other potential trade tracts.

May 25, 2023- Call with Travis Macha to discuss next steps on potential trade.

June 1 2023- Emails/discussions with Travis Macha on a potential 3 company trade.

June 6, 2023- Follow up to 3 company trade.

June 20, 2023- Followed up on 3 company trade, decision made to move forward with hearing

### **HOG Partnership**

9/7/22 – Email Discussion about proposals received

9/8/22 – Email discussion about proposals received

### **Challenger Crude (Henry Resources)**

9/27/22 – Discussed election timing and general development plan after receipt of proposals with Kymberly Holman

EXHIBIT  
**A-4**

3/23/23 – Discussed ownership figures for both developments

4/3/23 – Confirmed that we received executed Operating Agreements from Challenger and elections back

6/16/23- Discussed supplemental Wolfcamp notice that was sent

7/10/23 – Phone call with Kymberly to update her on hearing moving forward.

**Randall Hudson, Edward Hudson, Javelina Partners, Zorro Partners, William Hudson II (Hudson Group)**

2/9/22 – Email discussion to communicate plans to develop both developments in which the Hudson group owns

6/2/22– Updated the Hudson Group of our AFE's and full development of the leasehold

8/25/22 – Let the groups know that proposals were heading their way

10/26/22 – Confirmed each entities interest via email to confirm with what ownership they were showing

2/7/23 – Discussed with Randall and Edward about potential trades that may come of the Permian Resources acquisition and next steps for pooling

3/7/23 – Provided Randall and Edward with timing of development in order for them to secure a term assignment from Lindy's Living Trust

3/22/23 – Sent OA's for their files and confirmed they were executed

6/26/23 – Met with Randall and Edward with Lea Team to discuss fine details of plans and landing zones etc.

**Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard**

2/10/23- Spoke to Brad Ince about a potential Term Assignment and terms for the trust

2/14/23- Sent an email to Brad Ince at Frost bank to confirm best time to negotiate and hash out terms of the contract

4/17/23 – Sent an email with the Term assignment form for redline and review

5/18/23 – Email exchange to discuss best time for a call

5/20/23 – Call with Brad to confirm details of the Term assignment

6/9/23 – Sent changes to form along with Net acre figures to calculate bonus payment

6/27/23 – Forwarded Staci's information for geologic questions concerning the development

7/10-12/23- Provided Debbie Dorsett with AFE's and other information to get the Term assignment routed.

**Ard Oil LTD.**

10/19/22- Received email from Reid Marley to discuss Loosey Goosey and Mighty Pheasant proposals and discussed with development plan and path Coterra would be making forward

2/27/23- Phone call with Reid to discuss term assignment offer and provided Operating agreements via email

7/10/23 – Discussed development timing with Reid

7/11/23 – Reid emailed that he would like to not be considered committed

**Chase Oil Corporation**

9/12/22 – Received email from Morgan Buckles confirming receipt of the proposals.

9/12/22 – Phone call with Morgan Buckles to discuss proposals and plan of development

6/7/23 – Received email from Morgan Buckles stating that they would like to sign AFE's and move forward with the operator the OCD decides post hearing.

**Wilbanks Reserve Corporation/Marks Oil**

9/1/22 – Phone call with Hannah Frederick confirming receipt of the proposals and request to confirm interest in the contract area

9/6/22- Received email from Hannah Frederick following up on working interest figures and sent ownership at the time

9/27/22 – Email correspondence to set up a phone call to discuss moving forward with title run

11/3/22 – Discussion of timing for force pooling filing and next steps

1/30/23 – Discussed Permian Resources development and proposals in the area

2/22/23 – Reached out to determine if Wilbanks Reserve had signed OA's. Hannah mentioned she would bring this up to upper management and get a decision since there was traction on development

7/10/23 – Confirmed DOTO figures with Hannah

7/11/23 – Wilbanks Reserve would like to wait until the Commission has made a decision on operator

**Union Hill Oil and Gas**

3/1/23- Spoke with Robert Buchholz about proposals he received

3/1/23 – Sent Robert the corresponding Operating agreements for both developments and provided ownership

**Highland Texas Energy Company and Richardson Oil Company**

10/11/22- Received elections back from Gary Richardson for the development

3/9/23 – Followed up with Gary to confirm they would like to participate under the OA

3/21/23 – Discussed force pooling matters via email

Moore & Shelton Co. LLP  
P.O. Box 3070  
Galveston, Texas 77552

July 10, 2023

New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505

**Re: Application of Cimarex Energy Co. for Horizontal Spacing Unit and Compulsory Pooling in Case Nos. 23448 23449 23450 23451 23452 23453 23454 23455 23594 23595 23596 23597 23598 23599 23600 23601**

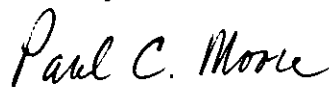
To Whom it May Concern:

Moore & Shelton Co. LLP of Galveston, Texas is a working interest owner in Eddy and Lea Counties and has interests in all of sections 4, 5, 8 & 9 of T20S-R34E, Lea County. Moore & Shelton owns interests in over 40 wells in Eddy and Lea Counties.

We have been extremely pleased with Cimarex representing our interests and believe Cimarex has the most and best experience to efficiently develop these properties.

Moore & Shelton Co. LLP therefore supports Cimarex' application and requests that the Division rule in their favor.

Sincerely,



Paul Moore  
Moore & Shelton Co. LLP  
General Partner

EXHIBIT  
A-5



**JAVELINA PARTNERS & ZORRO PARTNERS LTD**

616 TEXAS STREET  
FORT WORTH, TX 76102  
(817) 336-7109

July 7, 2023

New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505

**Re: Applications of Cimarex Energy Co. for Horizontal Spacing Unit and  
Compulsory Pooling  
Case Nos.**

**23448 23449 23450 23451 23452 23453 23454 23455 23594 23595 23596 23597  
23598 23599 23600 23601**

Ladies and Gentlemen,

Javelina Partners and Zorro Partners LTD are working interest owners in the referenced Applications and Case Nos, which collectively cover all of sections 4, 5, 8 & 9 of T20S – R34E, Lea County ('the Acreage').

There are competing Applications for the Bone Spring and Wolfcamp formations in the referenced Applications and Case Nos.

Javelina Partners and Zorro Partners LTD own interests in approximately 105,000 gross leasehold acres in Eddy & Lea Counties. Over the last 3.5 years, Javelina Partners and Zorro Partners LTD have participated in the drilling of over 130 horizontal Bone Spring and Wolfcamp wells, with seven different operators, in Eddy & Lea Counties.

Cimarex Energy Co. is the Operator of a JOA which covers 75% of the Acreage, and includes the Bone Spring and Wolfcamp formations.

**JAVELINA PARTNERS & ZORRO PARTNERS LTD**

616 TEXAS STREET  
FORT WORTH, TX 76102  
(817) 336-7109

It is our opinion that Cimarex Energy Co. has accurately analyzed the nature of the geology between the 3<sup>rd</sup> Bone Spring and Upper Wolfcamp and offers a superior plan that develops the total reservoir tank, which includes both the 3<sup>rd</sup> Bone Spring Sand and the Upper Wolfcamp Sands without having to drill additional costly and unnecessary wells, thus, representing the best use of both drilling capital and surface acres in comparison with competing applications.

Javelina Partners and Zorro Partners LTD therefore support Cimarex Energy Co.'s Applications covering the referenced Horizontal Spacing Units and Case Nos in both the Bone Spring and Wolfcamp formations, and respectfully request that the Division rule accordingly.

Sincerely,



Edward Randall Hudson IV  
Javelina Partners  
Land Manager



William A. Hudson II  
Zorro Partners LTD  
Managing Partner

**Re: Applications of Cimarex Energy Co. for Horizontal Spacing Unit and  
Compulsory Pooling  
Case Nos.**

**23448 23449 23450 23451 23452 23453 23454 23455 23594 23595 23596 23597  
23598 23599 23600 23601**

Permian Resources Operating, LLC

300 N. Marienfeld St., Ste. 1000 Midland, TX 79701

Phone (432) 695-4222 • Fax (432) 695-4063

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

|                  |                                                                                                                                    |                  |                   |
|------------------|------------------------------------------------------------------------------------------------------------------------------------|------------------|-------------------|
| DATE:            | 2.17.2023                                                                                                                          | AFE NO.:         | 1                 |
| WELL NAME:       | Bane 4-9 Federal Com 111H                                                                                                          | FIELD:           | Teas; Bone Spring |
| LOCATION:        | Section 4, T20S-R34E                                                                                                               | MD/TVD:          | 19,915' / 9,630'  |
| COUNTY/STATE:    | Lea County, New Mexico                                                                                                             | LATERAL LENGTH:  | 10,000'           |
| Permian WI:      |                                                                                                                                    | DRILLING DAYS:   | 19.6              |
| GEOLOGIC TARGET: | FBSG                                                                                                                               | COMPLETION DAYS: | 18.6              |
| REMARKS:         | Drill a horizontal FBSG well and complete with 44 stages. AFE includes drilling, completions, flowback and Initial AL install cost |                  |                   |

| INTANGIBLE COSTS                    | DRILLING COSTS | COMPLETION COSTS | PRODUCTION COSTS | TOTAL COSTS |
|-------------------------------------|----------------|------------------|------------------|-------------|
| 1 Land / Legal / Regulatory         | \$ 52,768      | -                | 37,500           | \$ 90,268   |
| 2 Location, Surveys & Damages       | 257,363        | 16,141           | 2,500            | 276,003     |
| 4 Freight / Transportation          | 42,549         | 39,110           | 25,000           | 106,660     |
| 5 Rental - Surface Equipment        | 111,070        | 192,448          | 105,000          | 408,518     |
| 6 Rental - Downhole Equipment       | 183,520        | 53,429           | -                | 236,949     |
| 7 Rental - Living Quarters          | 42,956         | 48,671           | -                | 91,627      |
| 10 Directional Drilling, Surveys    | 383,743        | -                | -                | 383,743     |
| 11 Drilling                         | 673,443        | -                | -                | 673,443     |
| 12 Drill Bits                       | 89,495         | -                | -                | 89,495      |
| 13 Fuel & Power                     | 168,789        | 647,751          | -                | 816,540     |
| 14 Cementing & Float Equip          | 217,354        | -                | -                | 217,354     |
| 15 Completion Unit, Swab, CTU       | -              | -                | 15,000           | 15,000      |
| 16 Perforating, Wireline, Slickline | -              | 351,218          | -                | 351,218     |
| 17 High Pressure Pump Truck         | -              | 110,130          | -                | 110,130     |
| 18 Completion Unit, Swab, CTU       | -              | 130,865          | -                | 130,865     |
| 20 Mud Circulation System           | 93,991         | -                | -                | 93,991      |
| 21 Mud Logging                      | 15,660         | -                | -                | 15,660      |
| 22 Logging / Formation Evaluation   | 6,495          | 7,450            | -                | 13,944      |
| 23 Mud & Chemicals                  | 323,254        | 391,463          | 10,000           | 724,717     |
| 24 Water                            | 38,825         | 591,078          | 225,000          | 854,903     |
| 25 Stimulation                      | -              | 727,236          | -                | 727,236     |
| 26 Stimulation Flowback & Disp      | -              | 108,640          | 150,000          | 258,640     |
| 28 Mud / Wastewater Disposal        | 172,514        | 54,630           | -                | 227,144     |
| 30 Rig Supervision / Engineering    | 108,273        | 119,194          | 21,667           | 249,134     |
| 32 Drig & Completion Overhead       | 9,312          | -                | -                | 9,312       |
| 35 Labor                            | 137,006        | 62,080           | 101,667          | 300,753     |
| 54 Proppant                         | -              | 1,121,387        | -                | 1,121,387   |
| 95 Insurance                        | 13,096         | -                | -                | 13,096      |
| 97 Contingency                      | -              | 21,817           | 3,833            | 25,650      |
| 99 Plugging & Abandonment           | -              | -                | -                | -           |
| TOTAL INTANGIBLES >                 | 3,141,476      | 4,794,736        | 697,167          | 8,633,379   |

| TANGIBLE COSTS                      | DRILLING COSTS | COMPLETION COSTS | PRODUCTION COSTS | TOTAL COSTS |
|-------------------------------------|----------------|------------------|------------------|-------------|
| 60 Surface Casing                   | \$ 109,201     | -                | -                | \$ 109,201  |
| 61 Intermediate Casing              | 307,574        | -                | -                | 307,574     |
| 62 Drilling Liner                   | -              | -                | -                | -           |
| 63 Production Casing                | 613,783        | -                | -                | 613,783     |
| 64 Production Liner                 | -              | -                | -                | -           |
| 65 Tubing                           | -              | -                | 140,000          | 140,000     |
| 66 Wellhead                         | 57,908         | -                | 40,000           | 97,908      |
| 67 Packers, Liner Hangers           | 13,161         | -                | 20,000           | 33,161      |
| 68 Tanks                            | -              | -                | 45,833           | 45,833      |
| 69 Production Vessels               | -              | -                | 126,667          | 126,667     |
| 70 Flow Lines                       | -              | -                | 66,667           | 66,667      |
| 71 Rod string                       | -              | -                | -                | -           |
| 72 Artificial Lift Equipment        | -              | -                | 90,000           | 90,000      |
| 73 Compressor                       | -              | -                | 5,833            | 5,833       |
| 74 Installation Costs               | -              | -                | -                | -           |
| 75 Surface Pumps                    | -              | -                | 61,667           | 61,667      |
| 76 Downhole Pumps                   | -              | -                | -                | -           |
| 77 Measurement & Meter Installation | -              | -                | 116,667          | 116,667     |
| 78 Gas Conditioning / Dehydration   | -              | -                | -                | -           |
| 79 Interconnecting Facility Piping  | -              | -                | 20,000           | 20,000      |
| 80 Gathering / Bulk Lines           | -              | -                | -                | -           |
| 81 Valves, Dumps, Controllers       | -              | -                | 108,333          | 108,333     |
| 82 Tank / Facility Containment      | -              | -                | 43,333           | 43,333      |
| 83 Flare Stack                      | -              | -                | 16,667           | 16,667      |
| 84 Electrical / Grounding           | -              | -                | 50,000           | 50,000      |
| 85 Communications / SCADA           | -              | -                | 36,667           | 36,667      |
| 86 Instrumentation / Safety         | -              | -                | 853              | 853         |
| TOTAL TANGIBLES >                   | 1,101,627      | 0                | 989,187          | 2,090,814   |
| TOTAL COSTS >                       | 4,243,103      | 4,794,736        | 1,686,354        | 10,724,193  |

PREPARED BY Permian Resources Operating, LLC:

|                       |    |
|-----------------------|----|
| Drilling Engineer:    | PS |
| Completions Engineer: | ML |
| Production Engineer:  | DC |

Permian Resources Operating, LLC APPROVAL:

|                   |                  |                 |
|-------------------|------------------|-----------------|
| Co-CEO            | Co-CEO           | VP - Operations |
| WH                | JW               | CRM             |
| VP - Land & Legal | VP - Geosciences |                 |
| BC                | SO               |                 |

NON OPERATING PARTNER APPROVAL:

|               |                       |                   |
|---------------|-----------------------|-------------------|
| Company Name: | Working Interest (%): | Tax ID:           |
| Signed by:    | Date:                 |                   |
| Title:        | Approval:             | Yes No (mark one) |

The costs on this AFE are estimates only and may not be construed as ceilings on any specific item or the total cost of the project. Taking installation approved under the AFE may be delayed up to a year after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of actual costs incurred, including local creative regulatory, break-down and well costs, under the terms of the available total operating agreement, regulatory order or other agreement covering this well. Participants shall be covered by and billed proportionately for Operator's well

EXHIBIT  
A-6

Permian Resources Operating, LLC

300 N. Marienfeld St., Ste. 1000 Midland, TX 79701

Phone (432) 695-4222 • Fax (432) 695-4063

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

|                  |                                                                                                                                    |                  |                   |
|------------------|------------------------------------------------------------------------------------------------------------------------------------|------------------|-------------------|
| DATE:            | 2.17.2023                                                                                                                          | AFE NO.:         | 1                 |
| WELL NAME:       | Bane 4-9 Federal Com 112H                                                                                                          | FIELD:           | Teas; Bone Spring |
| LOCATION:        | Section 4, T20S-R34E                                                                                                               | MD/TVD:          | 19,895' / 9,610'  |
| COUNTY/STATE:    | Lea County, New Mexico                                                                                                             | LATERAL LENGTH:  | 10,000'           |
| Permian WI:      |                                                                                                                                    | DRILLING DAYS:   | 19.6              |
| GEOLOGIC TARGET: | FBSG                                                                                                                               | COMPLETION DAYS: | 18.6              |
| REMARKS:         | Drill a horizontal FBSG well and complete with 44 stages. AFE includes drilling, completions, flowback and Initial AL install cost |                  |                   |

| INTANGIBLE COSTS                    | DRILLING COSTS | COMPLETION COSTS | PRODUCTION COSTS | TOTAL COSTS |
|-------------------------------------|----------------|------------------|------------------|-------------|
| 1 Land / Legal / Regulatory         | \$ 52,768      | -                | 37,500           | \$ 90,268   |
| 2 Location, Surveys & Damages       | 257,363        | 16,141           | 2,500            | 276,003     |
| 4 Freight / Transportation          | 42,549         | 39,110           | 25,000           | 106,660     |
| 5 Rental - Surface Equipment        | 111,070        | 192,448          | 105,000          | 408,518     |
| 6 Rental - Downhole Equipment       | 183,520        | 53,429           | -                | 236,949     |
| 7 Rental - Living Quarters          | 42,956         | 48,671           | -                | 91,627      |
| 10 Directional Drilling, Surveys    | 383,743        | -                | -                | 383,743     |
| 11 Drilling                         | 673,443        | -                | -                | 673,443     |
| 12 Drill Bits                       | 89,495         | -                | -                | 89,495      |
| 13 Fuel & Power                     | 168,789        | 647,751          | -                | 816,540     |
| 14 Cementing & Float Equip          | 217,354        | -                | -                | 217,354     |
| 15 Completion Unit, Swab, CTU       | -              | -                | 15,000           | 15,000      |
| 16 Perforating, Wireline, Slickline | -              | 351,218          | -                | 351,218     |
| 17 High Pressure Pump Truck         | -              | 110,130          | -                | 110,130     |
| 18 Completion Unit, Swab, CTU       | -              | 130,865          | -                | 130,865     |
| 20 Mud Circulation System           | 93,991         | -                | -                | 93,991      |
| 21 Mud Logging                      | 15,660         | -                | -                | 15,660      |
| 22 Logging / Formation Evaluation   | 6,495          | 7,450            | -                | 13,944      |
| 23 Mud & Chemicals                  | 323,254        | 391,463          | 10,000           | 724,717     |
| 24 Water                            | 38,825         | 591,078          | 225,000          | 854,903     |
| 25 Stimulation                      | -              | 727,236          | -                | 727,236     |
| 26 Stimulation Flowback & Disp      | -              | 108,640          | 150,000          | 258,640     |
| 28 Mud / Wastewater Disposal        | 172,514        | 54,630           | -                | 227,144     |
| 30 Rig Supervision / Engineering    | 108,273        | 119,194          | 21,667           | 249,134     |
| 32 Drig & Completion Overhead       | 9,312          | -                | -                | 9,312       |
| 35 Labor                            | 137,006        | 62,080           | 101,667          | 300,753     |
| 54 Proppant                         | -              | 1,121,387        | -                | 1,121,387   |
| 95 Insurance                        | 13,096         | -                | -                | 13,096      |
| 97 Contingency                      | -              | 21,817           | 3,833            | 25,650      |
| 99 Plugging & Abandonment           | -              | -                | -                | -           |
| TOTAL INTANGIBLES >                 | 3,141,476      | 4,794,736        | 697,167          | 8,633,379   |

| TANGIBLE COSTS                      | DRILLING COSTS | COMPLETION COSTS | PRODUCTION COSTS | TOTAL COSTS |
|-------------------------------------|----------------|------------------|------------------|-------------|
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| 61 Intermediate Casing              | 307,574        | -                | -                | 307,574     |
| 62 Drilling Liner                   | -              | -                | -                | -           |
| 63 Production Casing                | 613,783        | -                | -                | 613,783     |
| 64 Production Liner                 | -              | -                | -                | -           |
| 65 Tubing                           | -              | -                | 140,000          | 140,000     |
| 66 Wellhead                         | 57,908         | -                | 40,000           | 97,908      |
| 67 Packers, Liner Hangers           | 13,161         | -                | 20,000           | 33,161      |
| 68 Tanks                            | -              | -                | 45,833           | 45,833      |
| 69 Production Vessels               | -              | -                | 126,667          | 126,667     |
| 70 Flow Lines                       | -              | -                | 66,667           | 66,667      |
| 71 Rod string                       | -              | -                | -                | -           |
| 72 Artificial Lift Equipment        | -              | -                | 90,000           | 90,000      |
| 73 Compressor                       | -              | -                | 5,833            | 5,833       |
| 74 Installation Costs               | -              | -                | -                | -           |
| 75 Surface Pumps                    | -              | -                | 61,667           | 61,667      |
| 76 Downhole Pumps                   | -              | -                | -                | -           |
| 77 Measurement & Meter Installation | -              | -                | 116,667          | 116,667     |
| 78 Gas Conditioning / Dehydration   | -              | -                | -                | -           |
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| 80 Gathering / Bulk Lines           | -              | -                | -                | -           |
| 81 Valves, Dumps, Controllers       | -              | -                | 108,333          | 108,333     |
| 82 Tank / Facility Containment      | -              | -                | 43,333           | 43,333      |
| 83 Flare Stack                      | -              | -                | 16,667           | 16,667      |
| 84 Electrical / Grounding           | -              | -                | 50,000           | 50,000      |
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| 86 Instrumentation / Safety         | -              | -                | 853              | 853         |
| TOTAL TANGIBLES >                   | 1,101,627      | 0                | 989,187          | 2,090,814   |
| TOTAL COSTS >                       | 4,243,103      | 4,794,736        | 1,686,354        | 10,724,193  |

PREPARED BY Permian Resources Operating, LLC:

|                       |    |
|-----------------------|----|
| Drilling Engineer:    | PS |
| Completions Engineer: | ML |
| Production Engineer:  | DC |

Permian Resources Operating, LLC APPROVAL:

|                   |                  |                 |
|-------------------|------------------|-----------------|
| Co-CEO            | Co-CEO           | VP - Operations |
| WH                | JW               | CRM             |
| VP - Land & Legal | VP - Geosciences |                 |
| BG                | SO               |                 |

NON OPERATING PARTNER APPROVAL:

|               |                       |                   |
|---------------|-----------------------|-------------------|
| Company Name: | Working Interest (%): | Tax ID:           |
| Signed by:    | Date:                 |                   |
| Title:        | Approval:             | Yes No (mark one) |

The costs on this AFE are estimates only and may not be construed as ceilings on any specific item or the total cost of the project. Tubing installation approved under the AFE may be delayed up to a year after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of actual costs incurred, including local, creation, regulatory, leasehold and well costs under the terms of the applicable joint operating agreement, regulatory order or other agreement covering this well. Participants shall be covered by and billed proportionately for Operator's well

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ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

|                  |                                                                                                                                    |                  |                   |
|------------------|------------------------------------------------------------------------------------------------------------------------------------|------------------|-------------------|
| DATE:            | 2.17.2023                                                                                                                          | AFE NO.:         | 1                 |
| WELL NAME:       | Bane 4-9 Federal Com 113H                                                                                                          | FIELD:           | Teas; Bone Spring |
| LOCATION:        | Section 4, T20S-R34E                                                                                                               | MD/TVD:          | 19,895' / 9,610'  |
| COUNTY/STATE:    | Lea County, New Mexico                                                                                                             | LATERAL LENGTH:  | 10,000'           |
| Permian WI:      |                                                                                                                                    | DRILLING DAYS:   | 19.6              |
| GEOLOGIC TARGET: | FBSG                                                                                                                               | COMPLETION DAYS: | 18.6              |
| REMARKS:         | Drill a horizontal FBSG well and complete with 44 stages. AFE includes drilling, completions, flowback and Initial AL install cost |                  |                   |

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| 73 Compressor                       | -              | -                | 5,833            | 5,833       |
| 74 Installation Costs               | -              | -                | -                | -           |
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PREPARED BY Permian Resources Operating, LLC:

|                       |    |
|-----------------------|----|
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| Completions Engineer: | ML |
| Production Engineer:  | DC |

Permian Resources Operating, LLC APPROVAL:

|                   |    |                  |    |                 |     |
|-------------------|----|------------------|----|-----------------|-----|
| Co-CEO            | WH | Co-CEO           | JW | VP - Operations | CRM |
| VP - Land & Legal | BC | VP - Geosciences | SO |                 |     |

NON OPERATING PARTNER APPROVAL:

|               |                       |                                                                     |
|---------------|-----------------------|---------------------------------------------------------------------|
| Company Name: | Working Interest (%): | Tax ID:                                                             |
| Signed by:    | Date:                 |                                                                     |
| Title:        | Approval:             | <input type="checkbox"/> Yes <input type="checkbox"/> No (mark one) |

The costs on this AFE are estimates only and may not be construed as ceilings on any specific item or the total cost of the project. Taking installation approved under the AFE may be delayed up to a year after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of actual costs incurred including local, reactive, regulatory, breakdown and well costs under the terms of the creditable joint venture agreement, regulatory order or other agreement covering this well. Participants shall be covered by and held not responsible for Operator's well



Permian Resources Operating, LLC

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ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

|                  |                                                                                                                                    |                  |                   |
|------------------|------------------------------------------------------------------------------------------------------------------------------------|------------------|-------------------|
| DATE:            | 2.17.2023                                                                                                                          | AFE NO.:         | 1                 |
| WELL NAME:       | Bane 4-9 Federal Com 114H                                                                                                          | FIELD:           | Teas; Bone Spring |
| LOCATION:        | Section 4, T20S-R34E                                                                                                               | MD/TVD:          | 19,875' / 9,590'  |
| COUNTY/STATE:    | Lea County, New Mexico                                                                                                             | LATERAL LENGTH:  | 10,000'           |
| Permian WI:      |                                                                                                                                    | DRILLING DAYS:   | 19.6              |
| GEOLOGIC TARGET: | FBSG                                                                                                                               | COMPLETION DAYS: | 18.6              |
| REMARKS:         | Drill a horizontal FBSG well and complete with 44 stages. AFE includes drilling, completions, flowback and Initial AL install cost |                  |                   |

| INTANGIBLE COSTS                    | DRILLING COSTS | COMPLETION COSTS | PRODUCTION COSTS | TOTAL COSTS |
|-------------------------------------|----------------|------------------|------------------|-------------|
| 1 Land / Legal / Regulatory         | \$ 52,768      | -                | 37,500           | \$ 90,268   |
| 2 Location, Surveys & Damages       | 257,363        | 16,141           | 2,500            | 276,003     |
| 4 Freight / Transportation          | 42,549         | 39,110           | 25,000           | 106,660     |
| 5 Rental - Surface Equipment        | 111,070        | 192,448          | 105,000          | 408,518     |
| 6 Rental - Downhole Equipment       | 183,520        | 53,429           | -                | 236,949     |
| 7 Rental - Living Quarters          | 42,956         | 48,671           | -                | 91,627      |
| 10 Directional Drilling, Surveys    | 383,743        | -                | -                | 383,743     |
| 11 Drilling                         | 673,443        | -                | -                | 673,443     |
| 12 Drill Bits                       | 89,495         | -                | -                | 89,495      |
| 13 Fuel & Power                     | 168,789        | 647,751          | -                | 816,540     |
| 14 Cementing & Float Equip          | 217,354        | -                | -                | 217,354     |
| 15 Completion Unit, Swab, CTU       | -              | -                | 15,000           | 15,000      |
| 16 Perforating, Wireline, Slickline | -              | 351,218          | -                | 351,218     |
| 17 High Pressure Pump Truck         | -              | 110,130          | -                | 110,130     |
| 18 Completion Unit, Swab, CTU       | -              | 130,865          | -                | 130,865     |
| 20 Mud Circulation System           | 93,991         | -                | -                | 93,991      |
| 21 Mud Logging                      | 15,660         | -                | -                | 15,660      |
| 22 Logging / Formation Evaluation   | 6,495          | 7,450            | -                | 13,944      |
| 23 Mud & Chemicals                  | 323,254        | 391,463          | 10,000           | 724,717     |
| 24 Water                            | 38,825         | 591,078          | 225,000          | 854,903     |
| 25 Stimulation                      | -              | 727,236          | -                | 727,236     |
| 26 Stimulation Flowback & Disp      | -              | 108,640          | 150,000          | 258,640     |
| 28 Mud / Wastewater Disposal        | 172,514        | 54,630           | -                | 227,144     |
| 30 Rig Supervision / Engineering    | 108,273        | 119,194          | 21,667           | 249,134     |
| 32 Drig & Completion Overhead       | 9,312          | -                | -                | 9,312       |
| 35 Labor                            | 137,006        | 62,080           | 101,667          | 300,753     |
| 54 Proppant                         | -              | 1,121,387        | -                | 1,121,387   |
| 95 Insurance                        | 13,096         | -                | -                | 13,096      |
| 97 Contingency                      | -              | 21,817           | 3,833            | 25,650      |
| 99 Plugging & Abandonment           | -              | -                | -                | -           |
| TOTAL INTANGIBLES >                 | 3,141,476      | 4,794,736        | 697,167          | 8,633,379   |

| TANGIBLE COSTS                      | DRILLING COSTS | COMPLETION COSTS | PRODUCTION COSTS | TOTAL COSTS |
|-------------------------------------|----------------|------------------|------------------|-------------|
| 60 Surface Casing                   | \$ 109,201     | -                | -                | \$ 109,201  |
| 61 Intermediate Casing              | 307,574        | -                | -                | 307,574     |
| 62 Drilling Liner                   | -              | -                | -                | -           |
| 63 Production Casing                | 613,783        | -                | -                | 613,783     |
| 64 Production Liner                 | -              | -                | -                | -           |
| 65 Tubing                           | -              | -                | 140,000          | 140,000     |
| 66 Wellhead                         | 57,908         | -                | 40,000           | 97,908      |
| 67 Packers, Liner Hangers           | 13,161         | -                | 20,000           | 33,161      |
| 68 Tanks                            | -              | -                | 45,833           | 45,833      |
| 69 Production Vessels               | -              | -                | 126,667          | 126,667     |
| 70 Flow Lines                       | -              | -                | 66,667           | 66,667      |
| 71 Rod string                       | -              | -                | -                | -           |
| 72 Artificial Lift Equipment        | -              | -                | 90,000           | 90,000      |
| 73 Compressor                       | -              | -                | 5,833            | 5,833       |
| 74 Installation Costs               | -              | -                | -                | -           |
| 75 Surface Pumps                    | -              | -                | 61,667           | 61,667      |
| 76 Downhole Pumps                   | -              | -                | -                | -           |
| 77 Measurement & Meter Installation | -              | -                | 116,667          | 116,667     |
| 78 Gas Conditioning / Dehydration   | -              | -                | -                | -           |
| 79 Interconnecting Facility Piping  | -              | -                | 20,000           | 20,000      |
| 80 Gathering / Bulk Lines           | -              | -                | -                | -           |
| 81 Valves, Dumps, Controllers       | -              | -                | 108,333          | 108,333     |
| 82 Tank / Facility Containment      | -              | -                | 43,333           | 43,333      |
| 83 Flare Stack                      | -              | -                | 16,667           | 16,667      |
| 84 Electrical / Grounding           | -              | -                | 50,000           | 50,000      |
| 85 Communications / SCADA           | -              | -                | 36,667           | 36,667      |
| 86 Instrumentation / Safety         | -              | -                | 853              | 853         |
| TOTAL TANGIBLES >                   | 1,101,627      | 0                | 989,187          | 2,090,814   |
| TOTAL COSTS >                       | 4,243,103      | 4,794,736        | 1,686,354        | 10,724,193  |

PREPARED BY Permian Resources Operating, LLC:

|                       |    |
|-----------------------|----|
| Drilling Engineer:    | PS |
| Completions Engineer: | ML |
| Production Engineer:  | DC |

Permian Resources Operating, LLC APPROVAL:

|                   |    |                  |    |                 |     |
|-------------------|----|------------------|----|-----------------|-----|
| Co-CEO            | WH | Co-CEO           | JW | VP - Operations | CRM |
| VP - Land & Legal | BC | VP - Geosciences | SO |                 |     |

NON OPERATING PARTNER APPROVAL:

|               |  |                       |                                                                     |         |  |
|---------------|--|-----------------------|---------------------------------------------------------------------|---------|--|
| Company Name: |  | Working Interest (%): |                                                                     | Tax ID: |  |
| Signed by:    |  | Date:                 |                                                                     |         |  |
| Title:        |  | Approval:             | <input type="checkbox"/> Yes <input type="checkbox"/> No (mark one) |         |  |

The costs on this AFE are estimates only and may not be construed as ceilings on any specific item or the total cost of the project. Taking installation approval under the AFE may be delayed up to a year after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of actual costs incurred, including local, routine, regulatory, breaklease and well costs under the terms of the creditable joint operating agreement, regulatory order or other agreement covering this well. Participants shall be covered by and billed proportionately for Operator's well

Permian Resources Operating, LLC

300 N. Marienfeld St., Ste. 1000 Midland, TX 79701  
Phone (432) 695-4222 • Fax (432) 695-4063

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

|                  |                                                                                                                                    |                  |                   |
|------------------|------------------------------------------------------------------------------------------------------------------------------------|------------------|-------------------|
| DATE:            | 2.17.2023                                                                                                                          | AFE NO.:         | 1                 |
| WELL NAME:       | Bane 4-9 Federal Com 121H                                                                                                          | FIELD:           | Teas; Bone Spring |
| LOCATION:        | Section 4, T20S-R34E                                                                                                               | MD/TVD:          | 20,605' / 10,320' |
| COUNTY/STATE:    | Lea County, New Mexico                                                                                                             | LATERAL LENGTH:  | 10,000'           |
| Permian WI:      |                                                                                                                                    | DRILLING DAYS:   | 19.6              |
| GEOLOGIC TARGET: | SBSG                                                                                                                               | COMPLETION DAYS: | 18.6              |
| REMARKS:         | Drill a horizontal SBSG well and complete with 44 stages. AFE includes drilling, completions, flowback and Initial AL install cost |                  |                   |

| INTANGIBLE COSTS                    | DRILLING COSTS | COMPLETION COSTS | PRODUCTION COSTS | TOTAL COSTS |
|-------------------------------------|----------------|------------------|------------------|-------------|
| 1 Land / Legal / Regulatory         | \$ 54,351      | -                | 37,500           | \$ 91,851   |
| 2 Location, Surveys & Damages       | 265,083        | 16,625           | 2,500            | 284,208     |
| 4 Freight / Transportation          | 43,826         | 40,284           | 25,000           | 109,110     |
| 5 Rental - Surface Equipment        | 114,402        | 198,221          | 105,000          | 417,624     |
| 6 Rental - Downhole Equipment       | 189,026        | 55,031           | -                | 244,057     |
| 7 Rental - Living Quarters          | 44,244         | 50,131           | -                | 94,375      |
| 10 Directional Drilling, Surveys    | 395,255        | -                | -                | 395,255     |
| 11 Drilling                         | 693,647        | -                | -                | 693,647     |
| 12 Drill Bits                       | 92,179         | -                | -                | 92,179      |
| 13 Fuel & Power                     | 173,853        | 667,183          | -                | 841,036     |
| 14 Cementing & Float Equip          | 223,875        | -                | -                | 223,875     |
| 15 Completion Unit, Swab, CTU       | -              | -                | 15,000           | 15,000      |
| 16 Perforating, Wireline, Slickline | -              | 361,754          | -                | 361,754     |
| 17 High Pressure Pump Truck         | -              | 113,434          | -                | 113,434     |
| 18 Completion Unit, Swab, CTU       | -              | 134,791          | -                | 134,791     |
| 20 Mud Circulation System           | 96,811         | -                | -                | 96,811      |
| 21 Mud Logging                      | 16,130         | -                | -                | 16,130      |
| 22 Logging / Formation Evaluation   | 6,690          | 7,673            | -                | 14,363      |
| 23 Mud & Chemicals                  | 332,951        | 403,207          | 10,000           | 746,158     |
| 24 Water                            | 39,990         | 608,810          | 250,000          | 898,800     |
| 25 Stimulation                      | -              | 749,053          | -                | 749,053     |
| 26 Stimulation Flowback & Disp      | -              | 111,899          | 150,000          | 261,899     |
| 28 Mud / Wastewater Disposal        | 177,689        | 56,269           | -                | 233,959     |
| 30 Rig Supervision / Engineering    | 111,522        | 122,769          | 21,667           | 255,958     |
| 32 Drilg & Completion Overhead      | 9,591          | -                | -                | 9,591       |
| 35 Labor                            | 141,116        | 63,942           | 101,667          | 306,725     |
| 54 Proppant                         | -              | 1,155,029        | -                | 1,155,029   |
| 95 Insurance                        | 13,489         | -                | -                | 13,489      |
| 97 Contingency                      | -              | 22,472           | 3,833            | 26,305      |
| 99 Plugging & Abandonment           | -              | -                | -                | -           |
| TOTAL INTANGIBLES >                 | 3,235,720      | 4,938,578        | 722,167          | 8,896,465   |

| TANGIBLE COSTS                      | DRILLING COSTS | COMPLETION COSTS | PRODUCTION COSTS | TOTAL COSTS |
|-------------------------------------|----------------|------------------|------------------|-------------|
| 60 Surface Casing                   | \$ 112,477     | -                | -                | \$ 112,477  |
| 61 Intermediate Casing              | 316,801        | -                | -                | 316,801     |
| 62 Drilling Liner                   | -              | -                | -                | -           |
| 63 Production Casing                | 632,196        | -                | -                | 632,196     |
| 64 Production Liner                 | -              | -                | -                | -           |
| 65 Tubing                           | -              | -                | 140,000          | 140,000     |
| 66 Wellhead                         | 59,645         | -                | 40,000           | 99,645      |
| 67 Packers, Liner Hangers           | 13,556         | -                | 20,000           | 33,556      |
| 68 Tanks                            | -              | -                | -                | -           |
| 69 Production Vessels               | -              | -                | 45,833           | 45,833      |
| 70 Flow Lines                       | -              | -                | 126,667          | 126,667     |
| 71 Rod string                       | -              | -                | 66,667           | 66,667      |
| 72 Artificial Lift Equipment        | -              | -                | 90,000           | 90,000      |
| 73 Compressor                       | -              | -                | 5,833            | 5,833       |
| 74 Installation Costs               | -              | -                | -                | -           |
| 75 Surface Pumps                    | -              | -                | 61,667           | 61,667      |
| 76 Downhole Pumps                   | -              | -                | -                | -           |
| 77 Measurement & Meter Installation | -              | -                | 116,667          | 116,667     |
| 78 Gas Conditioning / Dehydration   | -              | -                | -                | -           |
| 79 Interconnecting Facility Piping  | -              | -                | 20,000           | 20,000      |
| 80 Gathering / Bulk Lines           | -              | -                | -                | -           |
| 81 Valves, Dumps, Controllers       | -              | -                | 108,333          | 108,333     |
| 82 Tank / Facility Containment      | -              | -                | 43,333           | 43,333      |
| 83 Flare Stack                      | -              | -                | 16,667           | 16,667      |
| 84 Electrical / Grounding           | -              | -                | 50,000           | 50,000      |
| 85 Communications / SCADA           | -              | -                | 36,667           | 36,667      |
| 86 Instrumentation / Safety         | -              | -                | 833              | 833         |
| TOTAL TANGIBLES >                   | 1,134,676      | 0                | 989,167          | 2,123,843   |
| TOTAL COSTS >                       | 4,370,396      | 4,938,578        | 1,711,334        | 11,020,308  |

PREPARED BY Permian Resources Operating, LLC:

|                       |    |
|-----------------------|----|
| Drilling Engineer:    | PS |
| Completions Engineer: | ML |
| Production Engineer:  | DC |

Permian Resources Operating, LLC APPROVAL:

|                   |    |                  |    |                 |     |
|-------------------|----|------------------|----|-----------------|-----|
| Co-CEO            | WH | Co-CEO           | JW | VP - Operations | CRM |
| VP - Land & Legal | BC | VP - Geosciences | SO |                 |     |

NON OPERATING PARTNER APPROVAL:

|               |                                                                               |         |
|---------------|-------------------------------------------------------------------------------|---------|
| Company Name: | Working Interest (%):                                                         | Tax ID: |
| Signed by:    | Date:                                                                         |         |
| Title:        | Approval: <input type="checkbox"/> Yes <input type="checkbox"/> No (mark one) |         |

The costs on this AFE are estimates only and may not be construed as ceilings on any specific item or the total cost of the project. Taking installation approved under the AFE may be delayed up to a year after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of actual costs incurred including local creative regulatory breakdown and well costs under the terms of the applicable joint venture agreement, regulatory review or other agreement covering this well. Participants shall be reviewed by and billed proportionately for the well.



Permian Resources Operating, LLC

300 N. Marienfeld St., Ste. 1000 Midland, TX 79701

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ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

|                  |                                                                                                                                    |                  |                   |
|------------------|------------------------------------------------------------------------------------------------------------------------------------|------------------|-------------------|
| DATE:            | 2.17.2023                                                                                                                          | AFE NO.:         | 1                 |
| WELL NAME:       | Bane 4-9 Federal Com 122H                                                                                                          | FIELD:           | Teas; Bone Spring |
| LOCATION:        | Section 4, T20S-R34E                                                                                                               | MD/TVD:          | 20,290' / 10,005' |
| COUNTY/STATE:    | Lea County, New Mexico                                                                                                             | LATERAL LENGTH:  | 10,000'           |
| Permian WI:      |                                                                                                                                    | DRILLING DAYS:   | 19.6              |
| GEOLOGIC TARGET: | SBSG                                                                                                                               | COMPLETION DAYS: | 18.6              |
| REMARKS:         | Drill a horizontal SBSG well and complete with 44 stages. AFE includes drilling, completions, flowback and Initial AL install cost |                  |                   |

| INTANGIBLE COSTS                    | DRILLING COSTS | COMPLETION COSTS | PRODUCTION COSTS | TOTAL COSTS |
|-------------------------------------|----------------|------------------|------------------|-------------|
| 1 Land / Legal / Regulatory         | \$ 54,351      | -                | 37,500           | \$ 91,851   |
| 2 Location, Surveys & Damages       | 265,083        | 16,625           | 2,500            | 284,208     |
| 4 Freight / Transportation          | 43,826         | 40,284           | 25,000           | 109,110     |
| 5 Rental - Surface Equipment        | 114,402        | 198,221          | 105,000          | 417,624     |
| 6 Rental - Downhole Equipment       | 189,026        | 55,031           | -                | 244,057     |
| 7 Rental - Living Quarters          | 44,244         | 50,131           | -                | 94,375      |
| 10 Directional Drilling, Surveys    | 395,255        | -                | -                | 395,255     |
| 11 Drilling                         | 693,647        | -                | -                | 693,647     |
| 12 Drill Bits                       | 92,179         | -                | -                | 92,179      |
| 13 Fuel & Power                     | 173,853        | 667,183          | -                | 841,036     |
| 14 Cementing & Float Equip          | 223,875        | -                | -                | 223,875     |
| 15 Completion Unit, Swab, CTU       | -              | -                | 15,000           | 15,000      |
| 16 Perforating, Wireline, Slickline | -              | 361,754          | -                | 361,754     |
| 17 High Pressure Pump Truck         | -              | 113,434          | -                | 113,434     |
| 18 Completion Unit, Swab, CTU       | -              | 134,791          | -                | 134,791     |
| 20 Mud Circulation System           | 96,811         | -                | -                | 96,811      |
| 21 Mud Logging                      | 16,130         | -                | -                | 16,130      |
| 22 Logging / Formation Evaluation   | 6,690          | 7,673            | -                | 14,363      |
| 23 Mud & Chemicals                  | 332,951        | 403,207          | 10,000           | 746,158     |
| 24 Water                            | 39,990         | 608,810          | 250,000          | 898,800     |
| 25 Stimulation                      | -              | 749,053          | -                | 749,053     |
| 26 Stimulation Flowback & Disp      | -              | 111,899          | 150,000          | 261,899     |
| 28 Mud / Wastewater Disposal        | 177,689        | 56,269           | -                | 233,959     |
| 30 Rig Supervision / Engineering    | 111,522        | 122,769          | 21,667           | 255,958     |
| 32 Drlg & Completion Overhead       | 9,591          | -                | -                | 9,591       |
| 35 Labor                            | 141,116        | 63,942           | 101,667          | 306,725     |
| 54 Proppant                         | -              | 1,155,029        | -                | 1,155,029   |
| 95 Insurance                        | 13,489         | -                | -                | 13,489      |
| 97 Contingency                      | -              | 22,472           | 3,833            | 26,305      |
| 99 Plugging & Abandonment           | -              | -                | -                | -           |
| TOTAL INTANGIBLES >                 | 3,235,720      | 4,938,578        | 722,167          | 8,896,465   |

| TANGIBLE COSTS                      | DRILLING COSTS | COMPLETION COSTS | PRODUCTION COSTS | TOTAL COSTS |
|-------------------------------------|----------------|------------------|------------------|-------------|
| 60 Surface Casing                   | \$ 112,477     | -                | -                | \$ 112,477  |
| 61 Intermediate Casing              | 316,801        | -                | -                | 316,801     |
| 62 Drilling Liner                   | -              | -                | -                | -           |
| 63 Production Casing                | 632,196        | -                | -                | 632,196     |
| 64 Production Liner                 | -              | -                | -                | -           |
| 65 Tubing                           | -              | -                | 140,000          | 140,000     |
| 66 Wellhead                         | 59,645         | -                | 40,000           | 99,645      |
| 67 Packers, Liner Hangers           | 13,556         | -                | 20,000           | 33,556      |
| 68 Tanks                            | -              | -                | -                | -           |
| 69 Production Vessels               | -              | -                | 45,833           | 45,833      |
| 70 Flow Lines                       | -              | -                | 126,667          | 126,667     |
| 71 Rod string                       | -              | -                | 66,667           | 66,667      |
| 72 Artificial Lift Equipment        | -              | -                | 90,000           | 90,000      |
| 73 Compressor                       | -              | -                | 5,833            | 5,833       |
| 74 Installation Costs               | -              | -                | -                | -           |
| 75 Surface Pumps                    | -              | -                | 61,667           | 61,667      |
| 76 Downhole Pumps                   | -              | -                | -                | -           |
| 77 Measurement & Meter Installation | -              | -                | 116,667          | 116,667     |
| 78 Gas Conditioning / Dehydration   | -              | -                | -                | -           |
| 79 Interconnecting Facility Piping  | -              | -                | 20,000           | 20,000      |
| 80 Gathering / Bulk Lines           | -              | -                | -                | -           |
| 81 Valves, Dumps, Controllers       | -              | -                | 108,333          | 108,333     |
| 82 Tank / Facility Containment      | -              | -                | 43,333           | 43,333      |
| 83 Flare Stack                      | -              | -                | 16,667           | 16,667      |
| 84 Electrical / Grounding           | -              | -                | 50,000           | 50,000      |
| 85 Communications / SCADA           | -              | -                | 36,667           | 36,667      |
| 86 Instrumentation / Safety         | -              | -                | 833              | 833         |
| TOTAL TANGIBLES >                   | 1,134,676      | 0                | 989,167          | 2,123,843   |
| TOTAL COSTS >                       | 4,370,396      | 4,938,578        | 1,711,334        | 11,020,308  |

PREPARED BY Permian Resources Operating, LLC:

|                       |    |
|-----------------------|----|
| Drilling Engineer:    | PS |
| Completions Engineer: | ML |
| Production Engineer:  | DC |

Permian Resources Operating, LLC APPROVAL:

|                   |    |                  |    |                 |     |
|-------------------|----|------------------|----|-----------------|-----|
| Co-CEO            | WH | Co-CEO           | JW | VP - Operations | CRM |
| VP - Land & Legal | BC | VP - Geosciences | SO |                 |     |

NON OPERATING PARTNER APPROVAL:

|               |                                                                               |         |
|---------------|-------------------------------------------------------------------------------|---------|
| Company Name: | Working Interest (%):                                                         | Tax ID: |
| Signed by:    | Date:                                                                         |         |
| Title:        | Approval: <input type="checkbox"/> Yes <input type="checkbox"/> No (mark one) |         |

The costs on this AFE are estimates only and may not be construed as ceilings on any specific item or the total cost of the project. Taking installation approved under the AFE may be delayed up to a year after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of actual costs incurred (including local creative regulatory brokerage and well costs) under the terms of the applicable joint operating agreement regulatory order or other agreement covering this well. Participants shall be covered by and held nonrecourse for Operator's well

Permian Resources Operating, LLC

300 N. Marienfeld St., Ste. 1000 Midland, TX 79701

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ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

|                  |                                                                                                                                    |                  |                   |
|------------------|------------------------------------------------------------------------------------------------------------------------------------|------------------|-------------------|
| DATE:            | 2.17.2023                                                                                                                          | AFE NO.:         | 1                 |
| WELL NAME:       | Bane 4-9 Federal Com 123H                                                                                                          | FIELD:           | Teas; Bone Spring |
| LOCATION:        | Section 4, T20S-R34E                                                                                                               | MD/TVD:          | 20,610' / 10,325' |
| COUNTY/STATE:    | Lea County, New Mexico                                                                                                             | LATERAL LENGTH:  | 10,000'           |
| Permian WI:      |                                                                                                                                    | DRILLING DAYS:   | 19.6              |
| GEOLOGIC TARGET: | SBSG                                                                                                                               | COMPLETION DAYS: | 18.6              |
| REMARKS:         | Drill a horizontal SBSG well and complete with 44 stages. AFE includes drilling, completions, flowback and Initial AL install cost |                  |                   |

| INTANGIBLE COSTS                    | DRILLING COSTS | COMPLETION COSTS | PRODUCTION COSTS | TOTAL COSTS |
|-------------------------------------|----------------|------------------|------------------|-------------|
| 1 Land / Legal / Regulatory         | \$ 54,351      | -                | 37,500           | \$ 91,851   |
| 2 Location, Surveys & Damages       | 265,083        | 16,625           | 2,500            | 284,208     |
| 4 Freight / Transportation          | 43,826         | 40,284           | 25,000           | 109,110     |
| 5 Rental - Surface Equipment        | 114,402        | 198,221          | 105,000          | 417,624     |
| 6 Rental - Downhole Equipment       | 189,026        | 55,031           | -                | 244,057     |
| 7 Rental - Living Quarters          | 44,244         | 50,131           | -                | 94,375      |
| 10 Directional Drilling, Surveys    | 395,255        | -                | -                | 395,255     |
| 11 Drilling                         | 693,647        | -                | -                | 693,647     |
| 12 Drill Bits                       | 92,179         | -                | -                | 92,179      |
| 13 Fuel & Power                     | 173,853        | 667,183          | -                | 841,036     |
| 14 Cementing & Float Equip          | 223,875        | -                | -                | 223,875     |
| 15 Completion Unit, Swab, CTU       | -              | -                | 15,000           | 15,000      |
| 16 Perforating, Wireline, Slickline | -              | 361,754          | -                | 361,754     |
| 17 High Pressure Pump Truck         | -              | 113,434          | -                | 113,434     |
| 18 Completion Unit, Swab, CTU       | -              | 134,791          | -                | 134,791     |
| 20 Mud Circulation System           | 96,811         | -                | -                | 96,811      |
| 21 Mud Logging                      | 16,130         | -                | -                | 16,130      |
| 22 Logging / Formation Evaluation   | 6,690          | 7,673            | -                | 14,363      |
| 23 Mud & Chemicals                  | 332,951        | 403,207          | 10,000           | 746,158     |
| 24 Water                            | 39,990         | 608,810          | 250,000          | 898,800     |
| 25 Stimulation                      | -              | 749,053          | -                | 749,053     |
| 26 Stimulation Flowback & Disp      | -              | 111,899          | 150,000          | 261,899     |
| 28 Mud / Wastewater Disposal        | 177,689        | 56,269           | -                | 233,959     |
| 30 Rig Supervision / Engineering    | 111,522        | 122,769          | 21,667           | 255,958     |
| 32 Drig & Completion Overhead       | 9,591          | -                | -                | 9,591       |
| 35 Labor                            | 141,116        | 63,942           | 101,667          | 306,725     |
| 54 Proppant                         | -              | 1,155,029        | -                | 1,155,029   |
| 95 Insurance                        | 13,489         | -                | -                | 13,489      |
| 97 Contingency                      | -              | 22,472           | 3,833            | 26,305      |
| 99 Plugging & Abandonment           | -              | -                | -                | -           |
| TOTAL INTANGIBLES >                 | 3,235,720      | 4,938,578        | 722,167          | 8,896,465   |

| TANGIBLE COSTS                      | DRILLING COSTS | COMPLETION COSTS | PRODUCTION COSTS | TOTAL COSTS |
|-------------------------------------|----------------|------------------|------------------|-------------|
| 60 Surface Casing                   | \$ 112,477     | -                | -                | \$ 112,477  |
| 61 Intermediate Casing              | 316,801        | -                | -                | 316,801     |
| 62 Drilling Liner                   | -              | -                | -                | -           |
| 63 Production Casing                | 632,196        | -                | -                | 632,196     |
| 64 Production Liner                 | -              | -                | -                | -           |
| 65 Tubing                           | -              | -                | 140,000          | 140,000     |
| 66 Wellhead                         | 59,645         | -                | 40,000           | 99,645      |
| 67 Packers, Liner Hangers           | 13,556         | -                | 20,000           | 33,556      |
| 68 Tanks                            | -              | -                | -                | -           |
| 69 Production Vessels               | -              | -                | 45,833           | 45,833      |
| 70 Flow Lines                       | -              | -                | 126,667          | 126,667     |
| 71 Rod string                       | -              | -                | 66,667           | 66,667      |
| 72 Artificial Lift Equipment        | -              | -                | 90,000           | 90,000      |
| 73 Compressor                       | -              | -                | 5,833            | 5,833       |
| 74 Installation Costs               | -              | -                | -                | -           |
| 75 Surface Pumps                    | -              | -                | 61,667           | 61,667      |
| 76 Downhole Pumps                   | -              | -                | -                | -           |
| 77 Measurement & Meter Installation | -              | -                | 116,667          | 116,667     |
| 78 Gas Conditioning / Dehydration   | -              | -                | -                | -           |
| 79 Interconnecting Facility Piping  | -              | -                | 20,000           | 20,000      |
| 80 Gathering / Bulk Lines           | -              | -                | -                | -           |
| 81 Valves, Dumps, Controllers       | -              | -                | 108,333          | 108,333     |
| 82 Tank / Facility Containment      | -              | -                | 43,333           | 43,333      |
| 83 Flare Stack                      | -              | -                | 16,667           | 16,667      |
| 84 Electrical / Grounding           | -              | -                | 50,000           | 50,000      |
| 85 Communications / SCADA           | -              | -                | 36,667           | 36,667      |
| 86 Instrumentation / Safety         | -              | -                | 833              | 833         |
| TOTAL TANGIBLES >                   | 1,134,676      | 0                | 989,167          | 2,123,843   |
| TOTAL COSTS >                       | 4,370,396      | 4,938,578        | 1,711,334        | 11,020,308  |

PREPARED BY Permian Resources Operating, LLC:

|                       |    |
|-----------------------|----|
| Drilling Engineer:    | PS |
| Completions Engineer: | ML |
| Production Engineer:  | DC |

Permian Resources Operating, LLC APPROVAL:

|                   |    |                  |    |                 |     |
|-------------------|----|------------------|----|-----------------|-----|
| Co-CEO            | WH | Co-CEO           | JW | VP - Operations | CRM |
| VP - Land & Legal | BG | VP - Geosciences | SO |                 |     |

NON OPERATING PARTNER APPROVAL:

|               |  |                       |                                                                     |         |  |
|---------------|--|-----------------------|---------------------------------------------------------------------|---------|--|
| Company Name: |  | Working Interest (%): |                                                                     | Tax ID: |  |
| Signed by:    |  | Date:                 |                                                                     |         |  |
| Title:        |  | Approval:             | <input type="checkbox"/> Yes <input type="checkbox"/> No (mark one) |         |  |

The costs on this AFE are estimates only and may not be construed as ceilings on any specific item or the total cost of the project. Taking installation approved under the AFE may be delayed up to a year after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of actual costs incurred (including local, creative, regulatory, brokerage and well costs) under the terms of the creditable joint operating agreement, regulatory order or other agreement executed this well. Participants shall be recovered by and billed proportionately for Operator's well

Permian Resources Operating, LLC

300 N. Marienfeld St., Ste. 1000 Midland, TX 79701

Phone (432) 695-4222 • Fax (432) 695-4063

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

|                  |                                                                                                                                    |                  |                   |
|------------------|------------------------------------------------------------------------------------------------------------------------------------|------------------|-------------------|
| DATE:            | 2.17.2023                                                                                                                          | AFE NO.:         | 1                 |
| WELL NAME:       | Bane 4-9 Federal Com 124H                                                                                                          | FIELD:           | Teas; Bone Spring |
| LOCATION:        | Section 4, T20S-R34E                                                                                                               | MD/TVD:          | 20,290' / 10,005' |
| COUNTY/STATE:    | Lea County, New Mexico                                                                                                             | LATERAL LENGTH:  | 10,000'           |
| Permian WI:      |                                                                                                                                    | DRILLING DAYS:   | 19.6              |
| GEOLOGIC TARGET: | SBSG                                                                                                                               | COMPLETION DAYS: | 18.6              |
| REMARKS:         | Drill a horizontal SBSG well and complete with 44 stages. AFE includes drilling, completions, flowback and Initial AL install cost |                  |                   |

| INTANGIBLE COSTS                    | DRILLING COSTS | COMPLETION COSTS | PRODUCTION COSTS | TOTAL COSTS |
|-------------------------------------|----------------|------------------|------------------|-------------|
| 1 Land / Legal / Regulatory         | \$ 54,351      | -                | 37,500           | \$ 91,851   |
| 2 Location, Surveys & Damages       | 265,083        | 16,625           | 2,500            | 284,208     |
| 4 Freight / Transportation          | 43,826         | 40,284           | 25,000           | 109,110     |
| 5 Rental - Surface Equipment        | 114,402        | 198,221          | 105,000          | 417,624     |
| 6 Rental - Downhole Equipment       | 189,026        | 55,031           | -                | 244,057     |
| 7 Rental - Living Quarters          | 44,244         | 50,131           | -                | 94,375      |
| 10 Directional Drilling, Surveys    | 395,255        | -                | -                | 395,255     |
| 11 Drilling                         | 693,647        | -                | -                | 693,647     |
| 12 Drill Bits                       | 92,179         | -                | -                | 92,179      |
| 13 Fuel & Power                     | 173,853        | 667,183          | -                | 841,036     |
| 14 Cementing & Float Equip          | 223,875        | -                | -                | 223,875     |
| 15 Completion Unit, Swab, CTU       | -              | -                | 15,000           | 15,000      |
| 16 Perforating, Wireline, Slickline | -              | 361,754          | -                | 361,754     |
| 17 High Pressure Pump Truck         | -              | 113,434          | -                | 113,434     |
| 18 Completion Unit, Swab, CTU       | -              | 134,791          | -                | 134,791     |
| 20 Mud Circulation System           | 96,811         | -                | -                | 96,811      |
| 21 Mud Logging                      | 16,130         | -                | -                | 16,130      |
| 22 Logging / Formation Evaluation   | 6,690          | 7,673            | -                | 14,363      |
| 23 Mud & Chemicals                  | 332,951        | 403,207          | 10,000           | 746,158     |
| 24 Water                            | 39,990         | 608,810          | 250,000          | 898,800     |
| 25 Stimulation                      | -              | 749,053          | -                | 749,053     |
| 26 Stimulation Flowback & Disp      | -              | 111,899          | 150,000          | 261,899     |
| 28 Mud / Wastewater Disposal        | 177,689        | 56,269           | -                | 233,959     |
| 30 Rig Supervision / Engineering    | 111,522        | 122,769          | 21,667           | 255,958     |
| 32 Drlg & Completion Overhead       | 9,591          | -                | -                | 9,591       |
| 35 Labor                            | 141,116        | 63,942           | 101,667          | 306,725     |
| 54 Proppant                         | -              | 1,155,029        | -                | 1,155,029   |
| 95 Insurance                        | 13,489         | -                | -                | 13,489      |
| 97 Contingency                      | -              | 22,472           | 3,833            | 26,305      |
| 99 Plugging & Abandonment           | -              | -                | -                | -           |
| TOTAL INTANGIBLES >                 | 3,235,720      | 4,938,578        | 722,167          | 8,896,465   |

| TANGIBLE COSTS                      | DRILLING COSTS | COMPLETION COSTS | PRODUCTION COSTS | TOTAL COSTS |
|-------------------------------------|----------------|------------------|------------------|-------------|
| 60 Surface Casing                   | \$ 112,477     | -                | -                | \$ 112,477  |
| 61 Intermediate Casing              | 316,801        | -                | -                | 316,801     |
| 62 Drilling Liner                   | -              | -                | -                | -           |
| 63 Production Casing                | 632,196        | -                | -                | 632,196     |
| 64 Production Liner                 | -              | -                | -                | -           |
| 65 Tubing                           | -              | -                | 140,000          | 140,000     |
| 66 Wellhead                         | 59,645         | -                | 40,000           | 99,645      |
| 67 Packers, Liner Hangers           | 13,556         | -                | 20,000           | 33,556      |
| 68 Tanks                            | -              | -                | -                | -           |
| 69 Production Vessels               | -              | -                | 45,833           | 45,833      |
| 70 Flow Lines                       | -              | -                | 126,667          | 126,667     |
| 71 Rod string                       | -              | -                | 66,667           | 66,667      |
| 72 Artificial Lift Equipment        | -              | -                | 90,000           | 90,000      |
| 73 Compressor                       | -              | -                | 5,833            | 5,833       |
| 74 Installation Costs               | -              | -                | -                | -           |
| 75 Surface Pumps                    | -              | -                | 61,667           | 61,667      |
| 76 Downhole Pumps                   | -              | -                | -                | -           |
| 77 Measurement & Meter Installation | -              | -                | 116,667          | 116,667     |
| 78 Gas Conditioning / Dehydration   | -              | -                | -                | -           |
| 79 Interconnecting Facility Piping  | -              | -                | 20,000           | 20,000      |
| 80 Gathering / Bulk Lines           | -              | -                | -                | -           |
| 81 Valves, Dumps, Controllers       | -              | -                | 108,333          | 108,333     |
| 82 Tank / Facility Containment      | -              | -                | 43,333           | 43,333      |
| 83 Flare Stack                      | -              | -                | 16,667           | 16,667      |
| 84 Electrical / Grounding           | -              | -                | 50,000           | 50,000      |
| 85 Communications / SCADA           | -              | -                | 36,667           | 36,667      |
| 86 Instrumentation / Safety         | -              | -                | 833              | 833         |
| TOTAL TANGIBLES >                   | 1,134,676      | 0                | 989,167          | 2,123,843   |
| TOTAL COSTS >                       | 4,370,396      | 4,938,578        | 1,711,334        | 11,020,308  |

PREPARED BY Permian Resources Operating, LLC:

|                       |    |
|-----------------------|----|
| Drilling Engineer:    | PS |
| Completions Engineer: | ML |
| Production Engineer:  | DC |

Permian Resources Operating, LLC APPROVAL:

|                   |    |                  |    |                 |     |
|-------------------|----|------------------|----|-----------------|-----|
| Co-CEO            | WH | Co-CEO           | JW | VP - Operations | CRM |
| VP - Land & Legal | BG | VP - Geosciences | SO |                 |     |

NON OPERATING PARTNER APPROVAL:

|               |  |                       |                                                                     |         |  |
|---------------|--|-----------------------|---------------------------------------------------------------------|---------|--|
| Company Name: |  | Working Interest (%): |                                                                     | Tax ID: |  |
| Signed by:    |  | Date:                 |                                                                     |         |  |
| Title:        |  | Approval:             | <input type="checkbox"/> Yes <input type="checkbox"/> No (mark one) |         |  |

The costs on this AFE are estimates only and may not be construed as ceilings on any specific item or the total cost of the project. Taking installation approved under the AFE may be delayed up to a year after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of actual costs incurred, including local, creative, regulatory, backspace and well costs under the terms of the available joint venture agreement, regulatory order or other agreement covering this well. Participants shall be covered by and billed proportionately for Operator's well

Permian Resources Operating, LLC

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Phone (432) 695-4222 • Fax (432) 695-4063

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

|                  |                                                                                                                                    |                  |                   |
|------------------|------------------------------------------------------------------------------------------------------------------------------------|------------------|-------------------|
| DATE:            | 2.17.2023                                                                                                                          | AFE NO.:         | 1                 |
| WELL NAME:       | Bane 4-9 Federal Com 125H                                                                                                          | FIELD:           | Teas; Bone Spring |
| LOCATION:        | Section 4, T20S-R34E                                                                                                               | MD/TVD:          | 20,615' / 10,330' |
| COUNTY/STATE:    | Lea County, New Mexico                                                                                                             | LATERAL LENGTH:  | 10,000'           |
| Permian WI:      |                                                                                                                                    | DRILLING DAYS:   | 19.6              |
| GEOLOGIC TARGET: | SBSG                                                                                                                               | COMPLETION DAYS: | 18.6              |
| REMARKS:         | Drill a horizontal SBSG well and complete with 44 stages. AFE includes drilling, completions, flowback and Initial AL install cost |                  |                   |

| INTANGIBLE COSTS                    | DRILLING COSTS | COMPLETION COSTS | PRODUCTION COSTS | TOTAL COSTS |
|-------------------------------------|----------------|------------------|------------------|-------------|
| 1 Land / Legal / Regulatory         | \$ 54,351      | -                | 37,500           | \$ 91,851   |
| 2 Location, Surveys & Damages       | 265,083        | 16,625           | 2,500            | 284,208     |
| 4 Freight / Transportation          | 43,826         | 40,284           | 25,000           | 109,110     |
| 5 Rental - Surface Equipment        | 114,402        | 198,221          | 105,000          | 417,624     |
| 6 Rental - Downhole Equipment       | 189,026        | 55,031           | -                | 244,057     |
| 7 Rental - Living Quarters          | 44,244         | 50,131           | -                | 94,375      |
| 10 Directional Drilling, Surveys    | 395,255        | -                | -                | 395,255     |
| 11 Drilling                         | 693,647        | -                | -                | 693,647     |
| 12 Drill Bits                       | 92,179         | -                | -                | 92,179      |
| 13 Fuel & Power                     | 173,853        | 667,183          | -                | 841,036     |
| 14 Cementing & Float Equip          | 223,875        | -                | -                | 223,875     |
| 15 Completion Unit, Swab, CTU       | -              | -                | 15,000           | 15,000      |
| 16 Perforating, Wireline, Slickline | -              | 361,754          | -                | 361,754     |
| 17 High Pressure Pump Truck         | -              | 113,434          | -                | 113,434     |
| 18 Completion Unit, Swab, CTU       | -              | 134,791          | -                | 134,791     |
| 20 Mud Circulation System           | 96,811         | -                | -                | 96,811      |
| 21 Mud Logging                      | 16,130         | -                | -                | 16,130      |
| 22 Logging / Formation Evaluation   | 6,690          | 7,673            | -                | 14,363      |
| 23 Mud & Chemicals                  | 332,951        | 403,207          | 10,000           | 746,158     |
| 24 Water                            | 39,990         | 608,810          | 250,000          | 898,800     |
| 25 Stimulation                      | -              | 749,053          | -                | 749,053     |
| 26 Stimulation Flowback & Disp      | -              | 111,899          | 150,000          | 261,899     |
| 28 Mud / Wastewater Disposal        | 177,689        | 56,269           | -                | 233,959     |
| 30 Rig Supervision / Engineering    | 111,522        | 122,769          | 21,667           | 255,958     |
| 32 Drig & Completion Overhead       | 9,591          | -                | -                | 9,591       |
| 35 Labor                            | 141,116        | 63,942           | 101,667          | 306,725     |
| 54 Proppant                         | -              | 1,155,029        | -                | 1,155,029   |
| 95 Insurance                        | 13,489         | -                | -                | 13,489      |
| 97 Contingency                      | -              | 22,472           | 3,833            | 26,305      |
| 99 Plugging & Abandonment           | -              | -                | -                | -           |
| TOTAL INTANGIBLES >                 | 3,235,720      | 4,938,578        | 722,167          | 8,896,465   |

| TANGIBLE COSTS                      | DRILLING COSTS | COMPLETION COSTS | PRODUCTION COSTS | TOTAL COSTS |
|-------------------------------------|----------------|------------------|------------------|-------------|
| 60 Surface Casing                   | \$ 112,477     | -                | -                | \$ 112,477  |
| 61 Intermediate Casing              | 316,801        | -                | -                | 316,801     |
| 62 Drilling Liner                   | -              | -                | -                | -           |
| 63 Production Casing                | 632,196        | -                | -                | 632,196     |
| 64 Production Liner                 | -              | -                | -                | -           |
| 65 Tubing                           | -              | -                | 140,000          | 140,000     |
| 66 Wellhead                         | 59,645         | -                | 40,000           | 99,645      |
| 67 Packers, Liner Hangers           | 13,556         | -                | 20,000           | 33,556      |
| 68 Tanks                            | -              | -                | -                | -           |
| 69 Production Vessels               | -              | -                | 45,833           | 45,833      |
| 70 Flow Lines                       | -              | -                | 126,667          | 126,667     |
| 71 Rod string                       | -              | -                | 66,667           | 66,667      |
| 72 Artificial Lift Equipment        | -              | -                | 90,000           | 90,000      |
| 73 Compressor                       | -              | -                | 5,833            | 5,833       |
| 74 Installation Costs               | -              | -                | -                | -           |
| 75 Surface Pumps                    | -              | -                | 61,667           | 61,667      |
| 76 Downhole Pumps                   | -              | -                | -                | -           |
| 77 Measurement & Meter Installation | -              | -                | 116,667          | 116,667     |
| 78 Gas Conditioning / Dehydration   | -              | -                | -                | -           |
| 79 Interconnecting Facility Piping  | -              | -                | 20,000           | 20,000      |
| 80 Gathering / Bulk Lines           | -              | -                | -                | -           |
| 81 Valves, Dumps, Controllers       | -              | -                | 108,333          | 108,333     |
| 82 Tank / Facility Containment      | -              | -                | 43,333           | 43,333      |
| 83 Flare Stack                      | -              | -                | 16,667           | 16,667      |
| 84 Electrical / Grounding           | -              | -                | 50,000           | 50,000      |
| 85 Communications / SCADA           | -              | -                | 36,667           | 36,667      |
| 86 Instrumentation / Safety         | -              | -                | 833              | 833         |
| TOTAL TANGIBLES >                   | 1,134,676      | 0                | 989,167          | 2,123,843   |
| TOTAL COSTS >                       | 4,370,396      | 4,938,578        | 1,711,334        | 11,020,308  |

PREPARED BY Permian Resources Operating, LLC:

|                       |    |
|-----------------------|----|
| Drilling Engineer:    | PS |
| Completions Engineer: | ML |
| Production Engineer:  | DC |

Permian Resources Operating, LLC APPROVAL:

|                   |                  |                 |
|-------------------|------------------|-----------------|
| Co-CEO            | Co-CEO           | VP - Operations |
| WH                | JW               | CRM             |
| VP - Land & Legal | VP - Geosciences |                 |
| BC                | SO               |                 |

NON OPERATING PARTNER APPROVAL:

|               |                       |                   |
|---------------|-----------------------|-------------------|
| Company Name: | Working Interest (%): | Tax ID:           |
| Signed by:    | Date:                 |                   |
| Title:        | Approval:             | Yes No (mark one) |

The costs on this AFE are estimates only and may not be construed as ceilings on any specific item or the total cost of the project. Taking installation approved under the AFE may be delayed up to a year after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of actual costs incurred including local regulatory requirements, breakdown and well costs under the terms of the applicable least favorable agreement regulatory order or other approved revenue this well. Participants shall be covered by and billed ratably for Operator's well

Permian Resources Operating, LLC

300 N. Marienfeld St., Ste. 1000 Midland, TX 79701

Phone (432) 695-4222 • Fax (432) 695-4063

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

|                  |                                                                                                                                    |                  |                   |
|------------------|------------------------------------------------------------------------------------------------------------------------------------|------------------|-------------------|
| DATE:            | 2.17.2023                                                                                                                          | AFE NO.:         | 1                 |
| WELL NAME:       | Bane 4-9 Federal Com 126H                                                                                                          | FIELD:           | Teas; Bone Spring |
| LOCATION:        | Section 4, T20S-R34E                                                                                                               | MD/TVD:          | 20,290' / 10,005' |
| COUNTY/STATE:    | Lea County, New Mexico                                                                                                             | LATERAL LENGTH:  | 10,000'           |
| Permian WI:      |                                                                                                                                    | DRILLING DAYS:   | 19.6              |
| GEOLOGIC TARGET: | SBSG                                                                                                                               | COMPLETION DAYS: | 18.6              |
| REMARKS:         | Drill a horizontal SBSG well and complete with 44 stages. AFE includes drilling, completions, flowback and Initial AL install cost |                  |                   |

| INTANGIBLE COSTS                    | DRILLING COSTS | COMPLETION COSTS | PRODUCTION COSTS | TOTAL COSTS |
|-------------------------------------|----------------|------------------|------------------|-------------|
| 1 Land / Legal / Regulatory         | \$ 54,351      | -                | 37,500           | \$ 91,851   |
| 2 Location, Surveys & Damages       | 265,083        | 16,625           | 2,500            | 284,208     |
| 4 Freight / Transportation          | 43,826         | 40,284           | 25,000           | 109,110     |
| 5 Rental - Surface Equipment        | 114,402        | 198,221          | 105,000          | 417,624     |
| 6 Rental - Downhole Equipment       | 189,026        | 55,031           | -                | 244,057     |
| 7 Rental - Living Quarters          | 44,244         | 50,131           | -                | 94,375      |
| 10 Directional Drilling, Surveys    | 395,255        | -                | -                | 395,255     |
| 11 Drilling                         | 693,647        | -                | -                | 693,647     |
| 12 Drill Bits                       | 92,179         | -                | -                | 92,179      |
| 13 Fuel & Power                     | 173,853        | 667,183          | -                | 841,036     |
| 14 Cementing & Float Equip          | 223,875        | -                | -                | 223,875     |
| 15 Completion Unit, Swab, CTU       | -              | -                | 15,000           | 15,000      |
| 16 Perforating, Wireline, Slickline | -              | 361,754          | -                | 361,754     |
| 17 High Pressure Pump Truck         | -              | 113,434          | -                | 113,434     |
| 18 Completion Unit, Swab, CTU       | -              | 134,791          | -                | 134,791     |
| 20 Mud Circulation System           | 96,811         | -                | -                | 96,811      |
| 21 Mud Logging                      | 16,130         | -                | -                | 16,130      |
| 22 Logging / Formation Evaluation   | 6,690          | 7,673            | -                | 14,363      |
| 23 Mud & Chemicals                  | 332,951        | 403,207          | 10,000           | 746,158     |
| 24 Water                            | 39,990         | 608,810          | 250,000          | 898,800     |
| 25 Stimulation                      | -              | 749,053          | -                | 749,053     |
| 26 Stimulation Flowback & Disp      | -              | 111,899          | 150,000          | 261,899     |
| 28 Mud / Wastewater Disposal        | 177,689        | 56,269           | -                | 233,959     |
| 30 Rig Supervision / Engineering    | 111,522        | 122,769          | 21,667           | 255,958     |
| 32 Drilg & Completion Overhead      | 9,591          | -                | -                | 9,591       |
| 35 Labor                            | 141,116        | 63,942           | 101,667          | 306,725     |
| 54 Proppant                         | -              | 1,155,029        | -                | 1,155,029   |
| 95 Insurance                        | 13,489         | -                | -                | 13,489      |
| 97 Contingency                      | -              | 22,472           | 3,833            | 26,305      |
| 99 Plugging & Abandonment           | -              | -                | -                | -           |
| TOTAL INTANGIBLES >                 | 3,235,720      | 4,938,578        | 722,167          | 8,896,465   |

| TANGIBLE COSTS                      | DRILLING COSTS | COMPLETION COSTS | PRODUCTION COSTS | TOTAL COSTS |
|-------------------------------------|----------------|------------------|------------------|-------------|
| 60 Surface Casing                   | \$ 112,477     | -                | -                | \$ 112,477  |
| 61 Intermediate Casing              | 316,801        | -                | -                | 316,801     |
| 62 Drilling Liner                   | -              | -                | -                | -           |
| 63 Production Casing                | 632,196        | -                | -                | 632,196     |
| 64 Production Liner                 | -              | -                | -                | -           |
| 65 Tubing                           | -              | -                | 140,000          | 140,000     |
| 66 Wellhead                         | 59,645         | -                | 40,000           | 99,645      |
| 67 Packers, Liner Hangers           | 13,556         | -                | 20,000           | 33,556      |
| 68 Tanks                            | -              | -                | -                | -           |
| 69 Production Vessels               | -              | -                | 45,833           | 45,833      |
| 70 Flow Lines                       | -              | -                | 126,667          | 126,667     |
| 71 Rod string                       | -              | -                | 66,667           | 66,667      |
| 72 Artificial Lift Equipment        | -              | -                | 90,000           | 90,000      |
| 73 Compressor                       | -              | -                | 5,833            | 5,833       |
| 74 Installation Costs               | -              | -                | -                | -           |
| 75 Surface Pumps                    | -              | -                | 61,667           | 61,667      |
| 76 Downhole Pumps                   | -              | -                | -                | -           |
| 77 Measurement & Meter Installation | -              | -                | 116,667          | 116,667     |
| 78 Gas Conditioning / Dehydration   | -              | -                | -                | -           |
| 79 Interconnecting Facility Piping  | -              | -                | 20,000           | 20,000      |
| 80 Gathering / Bulk Lines           | -              | -                | -                | -           |
| 81 Valves, Dumps, Controllers       | -              | -                | 108,333          | 108,333     |
| 82 Tank / Facility Containment      | -              | -                | 43,333           | 43,333      |
| 83 Flare Stack                      | -              | -                | 16,667           | 16,667      |
| 84 Electrical / Grounding           | -              | -                | 50,000           | 50,000      |
| 85 Communications / SCADA           | -              | -                | 36,667           | 36,667      |
| 86 Instrumentation / Safety         | -              | -                | 833              | 833         |
| TOTAL TANGIBLES >                   | 1,134,676      | 0                | 989,167          | 2,123,843   |
| TOTAL COSTS >                       | 4,370,396      | 4,938,578        | 1,711,334        | 11,020,308  |

PREPARED BY Permian Resources Operating, LLC:

|                       |    |
|-----------------------|----|
| Drilling Engineer:    | PS |
| Completions Engineer: | ML |
| Production Engineer:  | DC |

Permian Resources Operating, LLC APPROVAL:

|                   |    |                  |    |                 |     |
|-------------------|----|------------------|----|-----------------|-----|
| Co-CEO            | WH | Co-CEO           | JW | VP - Operations | CRM |
| VP - Land & Legal | BC | VP - Geosciences | SO |                 |     |

NON OPERATING PARTNER APPROVAL:

|               |                                                                               |         |
|---------------|-------------------------------------------------------------------------------|---------|
| Company Name: | Working Interest (%):                                                         | Tax ID: |
| Signed by:    | Date:                                                                         |         |
| Title:        | Approval: <input type="checkbox"/> Yes <input type="checkbox"/> No (mark one) |         |

The costs on this AFE are estimates only and may not be construed as ceilings on any specific item or the total cost of the project. Tubing installation approved under the AFE may be delayed up to a year after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of actual costs incurred, including local, creative regulatory, brokerage and well costs under the terms of the applicable joint operating agreement, regulatory order or other agreement covering this well. Participant shall be covered by and billed proportionately for Operator's well



Permian Resources Operating, LLC

300 N. Marienfeld St., Ste. 1000 Midland, TX 79701

Phone (432) 695-4222 • Fax (432) 695-4063

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

|                  |                                                                                                                                    |                  |                   |
|------------------|------------------------------------------------------------------------------------------------------------------------------------|------------------|-------------------|
| DATE:            | 2.17.2023                                                                                                                          | AFE NO.:         | 1                 |
| WELL NAME:       | Bane 4-9 Federal Com 127H                                                                                                          | FIELD:           | Teas; Bone Spring |
| LOCATION:        | Section 4, T20S-R34E                                                                                                               | MD/TVD:          | 20,615' / 10,330' |
| COUNTY/STATE:    | Lea County, New Mexico                                                                                                             | LATERAL LENGTH:  | 10,000'           |
| Permian WI:      |                                                                                                                                    | DRILLING DAYS:   | 19.6              |
| GEOLOGIC TARGET: | SBSG                                                                                                                               | COMPLETION DAYS: | 18.6              |
| REMARKS:         | Drill a horizontal SBSG well and complete with 44 stages. AFE includes drilling, completions, flowback and Initial AL install cost |                  |                   |

| INTANGIBLE COSTS                    | DRILLING COSTS | COMPLETION COSTS | PRODUCTION COSTS | TOTAL COSTS |
|-------------------------------------|----------------|------------------|------------------|-------------|
| 1 Land / Legal / Regulatory         | \$ 54,351      | -                | 37,500           | \$ 91,851   |
| 2 Location, Surveys & Damages       | 265,083        | 16,625           | 2,500            | 284,208     |
| 4 Freight / Transportation          | 43,826         | 40,284           | 25,000           | 109,110     |
| 5 Rental - Surface Equipment        | 114,402        | 198,221          | 105,000          | 417,624     |
| 6 Rental - Downhole Equipment       | 189,026        | 55,031           | -                | 244,057     |
| 7 Rental - Living Quarters          | 44,244         | 50,131           | -                | 94,375      |
| 10 Directional Drilling, Surveys    | 395,255        | -                | -                | 395,255     |
| 11 Drilling                         | 693,647        | -                | -                | 693,647     |
| 12 Drill Bits                       | 92,179         | -                | -                | 92,179      |
| 13 Fuel & Power                     | 173,853        | 667,183          | -                | 841,036     |
| 14 Cementing & Float Equip          | 223,875        | -                | -                | 223,875     |
| 15 Completion Unit, Swab, CTU       | -              | -                | 15,000           | 15,000      |
| 16 Perforating, Wireline, Slickline | -              | 361,754          | -                | 361,754     |
| 17 High Pressure Pump Truck         | -              | 113,434          | -                | 113,434     |
| 18 Completion Unit, Swab, CTU       | -              | 134,791          | -                | 134,791     |
| 20 Mud Circulation System           | 96,811         | -                | -                | 96,811      |
| 21 Mud Logging                      | 16,130         | -                | -                | 16,130      |
| 22 Logging / Formation Evaluation   | 6,690          | 7,673            | -                | 14,363      |
| 23 Mud & Chemicals                  | 332,951        | 403,207          | 10,000           | 746,158     |
| 24 Water                            | 39,990         | 608,810          | 250,000          | 898,800     |
| 25 Stimulation                      | -              | 749,053          | -                | 749,053     |
| 26 Stimulation Flowback & Disp      | -              | 111,899          | 150,000          | 261,899     |
| 28 Mud / Wastewater Disposal        | 177,689        | 56,269           | -                | 233,959     |
| 30 Rig Supervision / Engineering    | 111,522        | 122,769          | 21,667           | 255,958     |
| 32 Drig & Completion Overhead       | 9,591          | -                | -                | 9,591       |
| 35 Labor                            | 141,116        | 63,942           | 101,667          | 306,725     |
| 54 Proppant                         | -              | 1,155,029        | -                | 1,155,029   |
| 95 Insurance                        | 13,489         | -                | -                | 13,489      |
| 97 Contingency                      | -              | 22,472           | 3,833            | 26,305      |
| 99 Plugging & Abandonment           | -              | -                | -                | -           |
| TOTAL INTANGIBLES >                 | 3,235,720      | 4,938,578        | 722,167          | 8,896,465   |

| TANGIBLE COSTS                      | DRILLING COSTS | COMPLETION COSTS | PRODUCTION COSTS | TOTAL COSTS |
|-------------------------------------|----------------|------------------|------------------|-------------|
| 60 Surface Casing                   | \$ 112,477     | -                | -                | \$ 112,477  |
| 61 Intermediate Casing              | 316,801        | -                | -                | 316,801     |
| 62 Drilling Liner                   | -              | -                | -                | -           |
| 63 Production Casing                | 632,196        | -                | -                | 632,196     |
| 64 Production Liner                 | -              | -                | -                | -           |
| 65 Tubing                           | -              | -                | 140,000          | 140,000     |
| 66 Wellhead                         | 59,645         | -                | 40,000           | 99,645      |
| 67 Packers, Liner Hangers           | 13,556         | -                | 20,000           | 33,556      |
| 68 Tanks                            | -              | -                | -                | -           |
| 69 Production Vessels               | -              | -                | 45,833           | 45,833      |
| 70 Flow Lines                       | -              | -                | 126,667          | 126,667     |
| 71 Rod string                       | -              | -                | 66,667           | 66,667      |
| 72 Artificial Lift Equipment        | -              | -                | 90,000           | 90,000      |
| 73 Compressor                       | -              | -                | 5,833            | 5,833       |
| 74 Installation Costs               | -              | -                | -                | -           |
| 75 Surface Pumps                    | -              | -                | 61,667           | 61,667      |
| 76 Downhole Pumps                   | -              | -                | -                | -           |
| 77 Measurement & Meter Installation | -              | -                | 116,667          | 116,667     |
| 78 Gas Conditioning / Dehydration   | -              | -                | -                | -           |
| 79 Interconnecting Facility Piping  | -              | -                | 20,000           | 20,000      |
| 80 Gathering / Bulk Lines           | -              | -                | -                | -           |
| 81 Valves, Dumps, Controllers       | -              | -                | 108,333          | 108,333     |
| 82 Tank / Facility Containment      | -              | -                | 43,333           | 43,333      |
| 83 Flare Stack                      | -              | -                | 16,667           | 16,667      |
| 84 Electrical / Grounding           | -              | -                | 50,000           | 50,000      |
| 85 Communications / SCADA           | -              | -                | 36,667           | 36,667      |
| 86 Instrumentation / Safety         | -              | -                | 833              | 833         |
| TOTAL TANGIBLES >                   | 1,134,676      | 0                | 989,167          | 2,123,843   |
| TOTAL COSTS >                       | 4,370,396      | 4,938,578        | 1,711,334        | 11,020,308  |

PREPARED BY Permian Resources Operating, LLC:

|                       |    |
|-----------------------|----|
| Drilling Engineer:    | PS |
| Completions Engineer: | ML |
| Production Engineer:  | DC |

Permian Resources Operating, LLC APPROVAL:

|                   |    |                  |    |                 |     |
|-------------------|----|------------------|----|-----------------|-----|
| Co-CEO            | WH | Co-CEO           | jw | VP - Operations | CRM |
| VP - Land & Legal | BC | VP - Geosciences | SO |                 |     |

NON OPERATING PARTNER APPROVAL:

|               |  |                       |                                                                     |         |  |
|---------------|--|-----------------------|---------------------------------------------------------------------|---------|--|
| Company Name: |  | Working Interest (%): |                                                                     | Tax ID: |  |
| Signed by:    |  | Date:                 |                                                                     |         |  |
| Title:        |  | Approval:             | <input type="checkbox"/> Yes <input type="checkbox"/> No (mark one) |         |  |

The costs on this AFE are estimates only and may not be construed as ceilings on any specific item or the total cost of the project. Taking installation approval under the AFE may be delayed up to a year after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of actual costs incurred, including local, creative, regulatory, brokerage and well costs under the terms of the creditable joint venture agreement, regulatory order or other agreement covering this well. Participants shall be covered by and billed proportionately for Operator's well

Permian Resources Operating, LLC

300 N. Marienfeld St., Ste. 1000 Midland, TX 79701

Phone (432) 695-4222 • Fax (432) 695-4063

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

|                  |                                                                                                                                    |                  |                   |
|------------------|------------------------------------------------------------------------------------------------------------------------------------|------------------|-------------------|
| DATE:            | 2.17.2023                                                                                                                          | AFE NO.:         | 1                 |
| WELL NAME:       | Bane 4-9 Federal Com 128H                                                                                                          | FIELD:           | Teas; Bone Spring |
| LOCATION:        | Section 4, T20S-R34E                                                                                                               | MD/TVD:          | 20,290' / 10,005' |
| COUNTY/STATE:    | Lea County, New Mexico                                                                                                             | LATERAL LENGTH:  | 10,000'           |
| Permian WI:      |                                                                                                                                    | DRILLING DAYS:   | 19.6              |
| GEOLOGIC TARGET: | SBSG                                                                                                                               | COMPLETION DAYS: | 18.6              |
| REMARKS:         | Drill a horizontal SBSG well and complete with 44 stages. AFE includes drilling, completions, flowback and Initial AL install cost |                  |                   |

| INTANGIBLE COSTS                    | DRILLING COSTS | COMPLETION COSTS | PRODUCTION COSTS | TOTAL COSTS |
|-------------------------------------|----------------|------------------|------------------|-------------|
| 1 Land / Legal / Regulatory         | \$ 54,351      | -                | 37,500           | \$ 91,851   |
| 2 Location, Surveys & Damages       | 265,083        | 16,625           | 2,500            | 284,208     |
| 4 Freight / Transportation          | 43,826         | 40,284           | 25,000           | 109,110     |
| 5 Rental - Surface Equipment        | 114,402        | 198,221          | 105,000          | 417,624     |
| 6 Rental - Downhole Equipment       | 189,026        | 55,031           | -                | 244,057     |
| 7 Rental - Living Quarters          | 44,244         | 50,131           | -                | 94,375      |
| 10 Directional Drilling, Surveys    | 395,255        | -                | -                | 395,255     |
| 11 Drilling                         | 693,647        | -                | -                | 693,647     |
| 12 Drill Bits                       | 92,179         | -                | -                | 92,179      |
| 13 Fuel & Power                     | 173,853        | 667,183          | -                | 841,036     |
| 14 Cementing & Float Equip          | 223,875        | -                | -                | 223,875     |
| 15 Completion Unit, Swab, CTU       | -              | -                | 15,000           | 15,000      |
| 16 Perforating, Wireline, Slickline | -              | 361,754          | -                | 361,754     |
| 17 High Pressure Pump Truck         | -              | 113,434          | -                | 113,434     |
| 18 Completion Unit, Swab, CTU       | -              | 134,791          | -                | 134,791     |
| 20 Mud Circulation System           | 96,811         | -                | -                | 96,811      |
| 21 Mud Logging                      | 16,130         | -                | -                | 16,130      |
| 22 Logging / Formation Evaluation   | 6,690          | 7,673            | -                | 14,363      |
| 23 Mud & Chemicals                  | 332,951        | 403,207          | 10,000           | 746,158     |
| 24 Water                            | 39,990         | 608,810          | 250,000          | 898,800     |
| 25 Stimulation                      | -              | 749,053          | -                | 749,053     |
| 26 Stimulation Flowback & Disp      | -              | 111,899          | 150,000          | 261,899     |
| 28 Mud / Wastewater Disposal        | 177,689        | 56,269           | -                | 233,959     |
| 30 Rig Supervision / Engineering    | 111,522        | 122,769          | 21,667           | 255,958     |
| 32 Drig & Completion Overhead       | 9,591          | -                | -                | 9,591       |
| 35 Labor                            | 141,116        | 63,942           | 101,667          | 306,725     |
| 54 Proppant                         | -              | 1,155,029        | -                | 1,155,029   |
| 95 Insurance                        | 13,489         | -                | -                | 13,489      |
| 97 Contingency                      | -              | 22,472           | 3,833            | 26,305      |
| 99 Plugging & Abandonment           | -              | -                | -                | -           |
| TOTAL INTANGIBLES >                 | 3,235,720      | 4,938,578        | 722,167          | 8,896,465   |

| TANGIBLE COSTS                      | DRILLING COSTS | COMPLETION COSTS | PRODUCTION COSTS | TOTAL COSTS |
|-------------------------------------|----------------|------------------|------------------|-------------|
| 60 Surface Casing                   | \$ 112,477     | -                | -                | \$ 112,477  |
| 61 Intermediate Casing              | 316,801        | -                | -                | 316,801     |
| 62 Drilling Liner                   | -              | -                | -                | -           |
| 63 Production Casing                | 632,196        | -                | -                | 632,196     |
| 64 Production Liner                 | -              | -                | -                | -           |
| 65 Tubing                           | -              | -                | 140,000          | 140,000     |
| 66 Wellhead                         | 59,645         | -                | 40,000           | 99,645      |
| 67 Packers, Liner Hangers           | 13,556         | -                | 20,000           | 33,556      |
| 68 Tanks                            | -              | -                | -                | -           |
| 69 Production Vessels               | -              | -                | 45,833           | 45,833      |
| 70 Flow Lines                       | -              | -                | 126,667          | 126,667     |
| 71 Rod string                       | -              | -                | 66,667           | 66,667      |
| 72 Artificial Lift Equipment        | -              | -                | 90,000           | 90,000      |
| 73 Compressor                       | -              | -                | 5,833            | 5,833       |
| 74 Installation Costs               | -              | -                | -                | -           |
| 75 Surface Pumps                    | -              | -                | 61,667           | 61,667      |
| 76 Downhole Pumps                   | -              | -                | -                | -           |
| 77 Measurement & Meter Installation | -              | -                | 116,667          | 116,667     |
| 78 Gas Conditioning / Dehydration   | -              | -                | -                | -           |
| 79 Interconnecting Facility Piping  | -              | -                | 20,000           | 20,000      |
| 80 Gathering / Bulk Lines           | -              | -                | -                | -           |
| 81 Valves, Dumps, Controllers       | -              | -                | 108,333          | 108,333     |
| 82 Tank / Facility Containment      | -              | -                | 43,333           | 43,333      |
| 83 Flare Stack                      | -              | -                | 16,667           | 16,667      |
| 84 Electrical / Grounding           | -              | -                | 50,000           | 50,000      |
| 85 Communications / SCADA           | -              | -                | 36,667           | 36,667      |
| 86 Instrumentation / Safety         | -              | -                | 833              | 833         |
| TOTAL TANGIBLES >                   | 1,134,676      | 0                | 989,167          | 2,123,843   |
| TOTAL COSTS >                       | 4,370,396      | 4,938,578        | 1,711,334        | 11,020,308  |

PREPARED BY Permian Resources Operating, LLC:

|                       |    |
|-----------------------|----|
| Drilling Engineer:    | PS |
| Completions Engineer: | ML |
| Production Engineer:  | DC |

Permian Resources Operating, LLC APPROVAL:

|                   |    |                  |    |                 |     |
|-------------------|----|------------------|----|-----------------|-----|
| Co-CEO            | WH | Co-CEO           | JW | VP - Operations | CRM |
| VP - Land & Legal | BG | VP - Geosciences | SO |                 |     |

NON OPERATING PARTNER APPROVAL:

|               |  |                       |                                                          |            |  |
|---------------|--|-----------------------|----------------------------------------------------------|------------|--|
| Company Name: |  | Working Interest (%): |                                                          | Tax ID:    |  |
| Signed by:    |  | Date:                 |                                                          |            |  |
| Title:        |  | Approval:             | <input type="checkbox"/> Yes <input type="checkbox"/> No | (mark one) |  |

The costs on this AFE are estimates only and may not be construed as ceilings on any specific item or the total cost of the project. Taking installation approval under the AFE may be delayed up to a year after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of actual costs incurred including local, state, regulatory, brokerage and well costs under the terms of the creditable joint operation agreement, regulatory order or other agreement covering this well. Participants shall be recovered by and billed proportionately for Operator's well



Permian Resources Operating, LLC

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Phone (432) 695-4222 • Fax (432) 695-4063

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

|                  |                                                                                                                                    |                  |                   |
|------------------|------------------------------------------------------------------------------------------------------------------------------------|------------------|-------------------|
| DATE:            | 2.17.2023                                                                                                                          | AFE NO.:         | 1                 |
| WELL NAME:       | Bane 4-9 Federal Com 131H                                                                                                          | FIELD:           | Teas; Bone Spring |
| LOCATION:        | Section 4, T20S-R34E                                                                                                               | MD/TVD:          | 21,110' / 10,825' |
| COUNTY/STATE:    | Lea County, New Mexico                                                                                                             | LATERAL LENGTH:  | 10,000'           |
| Permian WI:      |                                                                                                                                    | DRILLING DAYS:   | 19.6              |
| GEOLOGIC TARGET: | TBSG                                                                                                                               | COMPLETION DAYS: | 18.6              |
| REMARKS:         | Drill a horizontal TBSG well and complete with 44 stages. AFE includes drilling, completions, flowback and Initial AL install cost |                  |                   |

| INTANGIBLE COSTS                    | DRILLING COSTS | COMPLETION COSTS | PRODUCTION COSTS | TOTAL COSTS |
|-------------------------------------|----------------|------------------|------------------|-------------|
| 1 Land / Legal / Regulatory         | \$ 57,069      | -                | 37,500           | \$ 94,569   |
| 2 Location, Surveys & Damages       | 278,338        | 17,456           | 2,500            | 298,294     |
| 4 Freight / Transportation          | 46,017         | 42,298           | 25,000           | 113,315     |
| 5 Rental - Surface Equipment        | 120,122        | 208,133          | 105,000          | 433,255     |
| 6 Rental - Downhole Equipment       | 198,477        | 57,783           | -                | 256,260     |
| 7 Rental - Living Quarters          | 46,457         | 52,637           | -                | 99,094      |
| 10 Directional Drilling, Surveys    | 415,018        | -                | -                | 415,018     |
| 11 Drilling                         | 728,329        | -                | -                | 728,329     |
| 12 Drill Bits                       | 96,788         | -                | -                | 96,788      |
| 13 Fuel & Power                     | 182,546        | 700,542          | -                | 883,088     |
| 14 Cementing & Float Equip          | 235,069        | -                | -                | 235,069     |
| 15 Completion Unit, Swab, CTU       | -              | -                | 15,000           | 15,000      |
| 16 Perforating, Wireline, Slickline | -              | 379,842          | -                | 379,842     |
| 17 High Pressure Pump Truck         | -              | 119,106          | -                | 119,106     |
| 18 Completion Unit, Swab, CTU       | -              | 141,530          | -                | 141,530     |
| 20 Mud Circulation System           | 101,651        | -                | -                | 101,651     |
| 21 Mud Logging                      | 16,936         | -                | -                | 16,936      |
| 22 Logging / Formation Evaluation   | 7,024          | 8,057            | -                | 15,081      |
| 23 Mud & Chemicals                  | 349,599        | 423,367          | 10,000           | 782,966     |
| 24 Water                            | 41,989         | 639,251          | 300,000          | 981,240     |
| 25 Stimulation                      | -              | 786,506          | -                | 786,506     |
| 26 Stimulation Flowback & Disp      | -              | 117,494          | 150,000          | 267,494     |
| 28 Mud / Wastewater Disposal        | 186,574        | 59,083           | -                | 245,657     |
| 30 Rig Supervision / Engineering    | 117,098        | 128,908          | 21,667           | 267,673     |
| 32 Drig & Completion Overhead       | 10,071         | -                | -                | 10,071      |
| 35 Labor                            | 148,172        | 67,140           | 101,667          | 316,978     |
| 54 Proppant                         | -              | 1,212,780        | -                | 1,212,780   |
| 95 Insurance                        | 14,164         | -                | -                | 14,164      |
| 97 Contingency                      | -              | 23,595           | 3,833            | 27,428      |
| 99 Plugging & Abandonment           | -              | -                | -                | -           |
| TOTAL INTANGIBLES >                 | 3,397,506      | 5,185,507        | 772,167          | 9,355,180   |

| TANGIBLE COSTS                      | DRILLING COSTS | COMPLETION COSTS | PRODUCTION COSTS | TOTAL COSTS |
|-------------------------------------|----------------|------------------|------------------|-------------|
| 60 Surface Casing                   | \$ 118,101     | -                | -                | \$ 118,101  |
| 61 Intermediate Casing              | 332,642        | -                | -                | 332,642     |
| 62 Drilling Liner                   | -              | -                | -                | -           |
| 63 Production Casing                | 663,806        | -                | -                | 663,806     |
| 64 Production Liner                 | -              | -                | -                | -           |
| 65 Tubing                           | -              | -                | 140,000          | 140,000     |
| 66 Wellhead                         | 62,628         | -                | 40,000           | 102,628     |
| 67 Packers, Liner Hangers           | 14,234         | -                | 20,000           | 34,234      |
| 68 Tanks                            | -              | -                | 45,833           | 45,833      |
| 69 Production Vessels               | -              | -                | 126,667          | 126,667     |
| 70 Flow Lines                       | -              | -                | 66,667           | 66,667      |
| 71 Rod string                       | -              | -                | -                | -           |
| 72 Artificial Lift Equipment        | -              | -                | 90,000           | 90,000      |
| 73 Compressor                       | -              | -                | 5,833            | 5,833       |
| 74 Installation Costs               | -              | -                | -                | -           |
| 75 Surface Pumps                    | -              | -                | 61,667           | 61,667      |
| 76 Downhole Pumps                   | -              | -                | -                | -           |
| 77 Measurement & Meter Installation | -              | -                | 116,667          | 116,667     |
| 78 Gas Conditioning / Dehydration   | -              | -                | -                | -           |
| 79 Interconnecting Facility Piping  | -              | -                | 20,000           | 20,000      |
| 80 Gathering / Bulk Lines           | -              | -                | -                | -           |
| 81 Valves, Dumps, Controllers       | -              | -                | 108,333          | 108,333     |
| 82 Tank / Facility Containment      | -              | -                | 43,333           | 43,333      |
| 83 Flare Stack                      | -              | -                | 16,667           | 16,667      |
| 84 Electrical / Grounding           | -              | -                | 50,000           | 50,000      |
| 85 Communications / SCADA           | -              | -                | 36,667           | 36,667      |
| 86 Instrumentation / Safety         | -              | -                | 833              | 833         |
| TOTAL TANGIBLES >                   | 1,191,410      | 0                | 989,167          | 2,180,577   |
| TOTAL COSTS >                       | 4,588,916      | 5,185,507        | 1,761,334        | 11,535,757  |

PREPARED BY Permian Resources Operating, LLC:

|                       |    |
|-----------------------|----|
| Drilling Engineer:    | PS |
| Completions Engineer: | ML |
| Production Engineer:  | DC |

Permian Resources Operating, LLC APPROVAL:

|                   |    |                  |    |                 |     |
|-------------------|----|------------------|----|-----------------|-----|
| Co-CEO            | WH | Co-CEO           | JW | VP - Operations | CRM |
| VP - Land & Legal | BC | VP - Geosciences | SO |                 |     |

NON OPERATING PARTNER APPROVAL:

|               |                       |                   |
|---------------|-----------------------|-------------------|
| Company Name: | Working Interest (%): | Tax ID:           |
| Signed by:    | Date:                 |                   |
| Title:        | Approval:             | Yes No (mark one) |

The costs on this AFE are estimates only and may not be considered as ceilings on any specific item or the total cost of the project. Taking installation approved under the AFE may be delayed up to a year after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of actual costs incurred, including local, state, regulatory, backflow and well costs under the terms of the creditable joint venture agreement, regulatory order or other agreement covering this well. Participants shall be covered by and billed ratably by the Operator's well

Permian Resources Operating, LLC

300 N. Marienfeld St., Ste. 1000 Midland, TX 79701

Phone (432) 695-4222 • Fax (432) 695-4063

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

|                  |                                                                                                                                    |                  |                   |
|------------------|------------------------------------------------------------------------------------------------------------------------------------|------------------|-------------------|
| DATE:            | 2.17.2023                                                                                                                          | AFE NO.:         | 1                 |
| WELL NAME:       | Bane 4-9 Federal Com 132H                                                                                                          | FIELD:           | Teas; Bone Spring |
| LOCATION:        | Section 4, T20S-R34E                                                                                                               | MD/TVD:          | 21,110' / 10,825' |
| COUNTY/STATE:    | Lea County, New Mexico                                                                                                             | LATERAL LENGTH:  | 10,000'           |
| Permian WI:      |                                                                                                                                    | DRILLING DAYS:   | 19.6              |
| GEOLOGIC TARGET: | TBSG                                                                                                                               | COMPLETION DAYS: | 18.6              |
| REMARKS:         | Drill a horizontal TBSG well and complete with 44 stages. AFE includes drilling, completions, flowback and Initial AL install cost |                  |                   |

| INTANGIBLE COSTS                    | DRILLING COSTS | COMPLETION COSTS | PRODUCTION COSTS | TOTAL COSTS |
|-------------------------------------|----------------|------------------|------------------|-------------|
| 1 Land / Legal / Regulatory         | \$ 57,069      | -                | 37,500           | \$ 94,569   |
| 2 Location, Surveys & Damages       | 278,338        | 17,456           | 2,500            | 298,294     |
| 4 Freight / Transportation          | 46,017         | 42,298           | 25,000           | 113,315     |
| 5 Rental - Surface Equipment        | 120,122        | 208,133          | 105,000          | 433,255     |
| 6 Rental - Downhole Equipment       | 198,477        | 57,783           | -                | 256,260     |
| 7 Rental - Living Quarters          | 46,457         | 52,637           | -                | 99,094      |
| 10 Directional Drilling, Surveys    | 415,018        | -                | -                | 415,018     |
| 11 Drilling                         | 728,329        | -                | -                | 728,329     |
| 12 Drill Bits                       | 96,788         | -                | -                | 96,788      |
| 13 Fuel & Power                     | 182,546        | 700,542          | -                | 883,088     |
| 14 Cementing & Float Equip          | 235,069        | -                | -                | 235,069     |
| 15 Completion Unit, Swab, CTU       | -              | -                | 15,000           | 15,000      |
| 16 Perforating, Wireline, Slickline | -              | 379,842          | -                | 379,842     |
| 17 High Pressure Pump Truck         | -              | 119,106          | -                | 119,106     |
| 18 Completion Unit, Swab, CTU       | -              | 141,530          | -                | 141,530     |
| 20 Mud Circulation System           | 101,651        | -                | -                | 101,651     |
| 21 Mud Logging                      | 16,936         | -                | -                | 16,936      |
| 22 Logging / Formation Evaluation   | 7,024          | 8,057            | -                | 15,081      |
| 23 Mud & Chemicals                  | 349,599        | 423,367          | 10,000           | 782,966     |
| 24 Water                            | 41,989         | 639,251          | 300,000          | 981,240     |
| 25 Stimulation                      | -              | 786,506          | -                | 786,506     |
| 26 Stimulation Flowback & Disp      | -              | 117,494          | 150,000          | 267,494     |
| 28 Mud / Wastewater Disposal        | 186,574        | 59,083           | -                | 245,657     |
| 30 Rig Supervision / Engineering    | 117,098        | 128,908          | 21,667           | 267,673     |
| 32 Drig & Completion Overhead       | 10,071         | -                | -                | 10,071      |
| 35 Labor                            | 148,172        | 67,140           | 101,667          | 316,978     |
| 54 Proppant                         | -              | 1,212,780        | -                | 1,212,780   |
| 95 Insurance                        | 14,164         | -                | -                | 14,164      |
| 97 Contingency                      | -              | 23,595           | 3,833            | 27,428      |
| 99 Plugging & Abandonment           | -              | -                | -                | -           |
| TOTAL INTANGIBLES >                 | 3,397,506      | 5,185,507        | 772,167          | 9,355,180   |

| TANGIBLE COSTS                      | DRILLING COSTS | COMPLETION COSTS | PRODUCTION COSTS | TOTAL COSTS |
|-------------------------------------|----------------|------------------|------------------|-------------|
| 60 Surface Casing                   | \$ 118,101     | -                | -                | \$ 118,101  |
| 61 Intermediate Casing              | 332,642        | -                | -                | 332,642     |
| 62 Drilling Liner                   | -              | -                | -                | -           |
| 63 Production Casing                | 663,806        | -                | -                | 663,806     |
| 64 Production Liner                 | -              | -                | -                | -           |
| 65 Tubing                           | -              | -                | 140,000          | 140,000     |
| 66 Wellhead                         | 62,628         | -                | 40,000           | 102,628     |
| 67 Packers, Liner Hangers           | 14,234         | -                | 20,000           | 34,234      |
| 68 Tanks                            | -              | -                | 45,833           | 45,833      |
| 69 Production Vessels               | -              | -                | 126,667          | 126,667     |
| 70 Flow Lines                       | -              | -                | 66,667           | 66,667      |
| 71 Rod string                       | -              | -                | -                | -           |
| 72 Artificial Lift Equipment        | -              | -                | 90,000           | 90,000      |
| 73 Compressor                       | -              | -                | 5,833            | 5,833       |
| 74 Installation Costs               | -              | -                | -                | -           |
| 75 Surface Pumps                    | -              | -                | 61,667           | 61,667      |
| 76 Downhole Pumps                   | -              | -                | -                | -           |
| 77 Measurement & Meter Installation | -              | -                | 116,667          | 116,667     |
| 78 Gas Conditioning / Dehydration   | -              | -                | -                | -           |
| 79 Interconnecting Facility Piping  | -              | -                | 20,000           | 20,000      |
| 80 Gathering / Bulk Lines           | -              | -                | -                | -           |
| 81 Valves, Dumps, Controllers       | -              | -                | 108,333          | 108,333     |
| 82 Tank / Facility Containment      | -              | -                | 43,333           | 43,333      |
| 83 Flare Stack                      | -              | -                | 16,667           | 16,667      |
| 84 Electrical / Grounding           | -              | -                | 50,000           | 50,000      |
| 85 Communications / SCADA           | -              | -                | 36,667           | 36,667      |
| 86 Instrumentation / Safety         | -              | -                | 833              | 833         |
| TOTAL TANGIBLES >                   | 1,191,410      | 0                | 989,167          | 2,180,577   |
| TOTAL COSTS >                       | 4,588,916      | 5,185,507        | 1,761,334        | 11,535,757  |

PREPARED BY Permian Resources Operating, LLC:

|                       |    |
|-----------------------|----|
| Drilling Engineer:    | PS |
| Completions Engineer: | ML |
| Production Engineer:  | DC |

Permian Resources Operating, LLC APPROVAL:

|                   |    |                  |    |                 |     |
|-------------------|----|------------------|----|-----------------|-----|
| Co-CEO            | WH | Co-CEO           | JW | VP - Operations | CRM |
| VP - Land & Legal | BC | VP - Geosciences | SO |                 |     |

NON OPERATING PARTNER APPROVAL:

|               |                       |                   |
|---------------|-----------------------|-------------------|
| Company Name: | Working Interest (%): | Tax ID:           |
| Signed by:    | Date:                 |                   |
| Title:        | Approval:             | Yes No (mark one) |

The costs on this AFE are estimates only and may not be considered as ceilings on any specific item or the total cost of the project. Taking installation approved under the AFE may be delayed up to a year after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of actual costs incurred, including local creative regulatory breakdown and well costs under the terms of the applicable joint venture agreement, regulatory order or other agreement governing this well. Participants shall be covered by and billed proportionately for Operator's well

Permian Resources Operating, LLC

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ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

|                  |                                                                                                                                    |                  |                   |
|------------------|------------------------------------------------------------------------------------------------------------------------------------|------------------|-------------------|
| DATE:            | 2.17.2023                                                                                                                          | AFE NO.:         | 1                 |
| WELL NAME:       | Bane 4-9 Federal Com 133H                                                                                                          | FIELD:           | Teas; Bone Spring |
| LOCATION:        | Section 4, T20S-R34E                                                                                                               | MD/TVD:          | 21,110' / 10,825' |
| COUNTY/STATE:    | Lea County, New Mexico                                                                                                             | LATERAL LENGTH:  | 10,000'           |
| Permian WI:      |                                                                                                                                    | DRILLING DAYS:   | 19.6              |
| GEOLOGIC TARGET: | TBSC                                                                                                                               | COMPLETION DAYS: | 18.6              |
| REMARKS:         | Drill a horizontal TBSC well and complete with 44 stages. AFE includes drilling, completions, flowback and Initial AL install cost |                  |                   |

| INTANGIBLE COSTS                    | DRILLING COSTS | COMPLETION COSTS | PRODUCTION COSTS | TOTAL COSTS |
|-------------------------------------|----------------|------------------|------------------|-------------|
| 1 Land / Legal / Regulatory         | \$ 57,069      | -                | 37,500           | \$ 94,569   |
| 2 Location, Surveys & Damages       | 278,338        | 17,456           | 2,500            | 298,294     |
| 4 Freight / Transportation          | 46,017         | 42,298           | 25,000           | 113,315     |
| 5 Rental - Surface Equipment        | 120,122        | 208,133          | 105,000          | 433,255     |
| 6 Rental - Downhole Equipment       | 198,477        | 57,783           | -                | 256,260     |
| 7 Rental - Living Quarters          | 46,457         | 52,637           | -                | 99,094      |
| 10 Directional Drilling, Surveys    | 415,018        | -                | -                | 415,018     |
| 11 Drilling                         | 728,329        | -                | -                | 728,329     |
| 12 Drill Bits                       | 96,788         | -                | -                | 96,788      |
| 13 Fuel & Power                     | 182,546        | 700,542          | -                | 883,088     |
| 14 Cementing & Float Equip          | 235,069        | -                | -                | 235,069     |
| 15 Completion Unit, Swab, CTU       | -              | -                | 15,000           | 15,000      |
| 16 Perforating, Wireline, Slickline | -              | 379,842          | -                | 379,842     |
| 17 High Pressure Pump Truck         | -              | 119,106          | -                | 119,106     |
| 18 Completion Unit, Swab, CTU       | -              | 141,530          | -                | 141,530     |
| 20 Mud Circulation System           | 101,651        | -                | -                | 101,651     |
| 21 Mud Logging                      | 16,936         | -                | -                | 16,936      |
| 22 Logging / Formation Evaluation   | 7,024          | 8,057            | -                | 15,081      |
| 23 Mud & Chemicals                  | 349,599        | 423,367          | 10,000           | 782,966     |
| 24 Water                            | 41,989         | 639,251          | 300,000          | 981,240     |
| 25 Stimulation                      | -              | 786,506          | -                | 786,506     |
| 26 Stimulation Flowback & Disp      | -              | 117,494          | 150,000          | 267,494     |
| 28 Mud / Wastewater Disposal        | 186,574        | 59,083           | -                | 245,657     |
| 30 Rig Supervision / Engineering    | 117,098        | 128,908          | 21,667           | 267,673     |
| 32 Drlg & Completion Overhead       | 10,071         | -                | -                | 10,071      |
| 35 Labor                            | 148,172        | 67,140           | 101,667          | 316,978     |
| 54 Proppant                         | -              | 1,212,780        | -                | 1,212,780   |
| 95 Insurance                        | 14,164         | -                | -                | 14,164      |
| 97 Contingency                      | -              | 23,595           | 3,833            | 27,428      |
| 99 Plugging & Abandonment           | -              | -                | -                | -           |
| TOTAL INTANGIBLES >                 | 3,397,506      | 5,185,507        | 772,167          | 9,355,180   |

| TANGIBLE COSTS                      | DRILLING COSTS | COMPLETION COSTS | PRODUCTION COSTS | TOTAL COSTS |
|-------------------------------------|----------------|------------------|------------------|-------------|
| 60 Surface Casing                   | \$ 118,101     | -                | -                | \$ 118,101  |
| 61 Intermediate Casing              | 332,642        | -                | -                | 332,642     |
| 62 Drilling Liner                   | -              | -                | -                | -           |
| 63 Production Casing                | 663,806        | -                | -                | 663,806     |
| 64 Production Liner                 | -              | -                | -                | -           |
| 65 Tubing                           | -              | -                | 140,000          | 140,000     |
| 66 Wellhead                         | 62,628         | -                | 40,000           | 102,628     |
| 67 Packers, Liner Hangers           | 14,234         | -                | 20,000           | 34,234      |
| 68 Tanks                            | -              | -                | 45,833           | 45,833      |
| 69 Production Vessels               | -              | -                | 126,667          | 126,667     |
| 70 Flow Lines                       | -              | -                | 66,667           | 66,667      |
| 71 Rod string                       | -              | -                | -                | -           |
| 72 Artificial Lift Equipment        | -              | -                | 90,000           | 90,000      |
| 73 Compressor                       | -              | -                | 5,833            | 5,833       |
| 74 Installation Costs               | -              | -                | -                | -           |
| 75 Surface Pumps                    | -              | -                | 61,667           | 61,667      |
| 76 Downhole Pumps                   | -              | -                | -                | -           |
| 77 Measurement & Meter Installation | -              | -                | 116,667          | 116,667     |
| 78 Gas Conditioning / Dehydration   | -              | -                | -                | -           |
| 79 Interconnecting Facility Piping  | -              | -                | 20,000           | 20,000      |
| 80 Gathering / Bulk Lines           | -              | -                | -                | -           |
| 81 Valves, Dumps, Controllers       | -              | -                | 108,333          | 108,333     |
| 82 Tank / Facility Containment      | -              | -                | 43,333           | 43,333      |
| 83 Flare Stack                      | -              | -                | 16,667           | 16,667      |
| 84 Electrical / Grounding           | -              | -                | 50,000           | 50,000      |
| 85 Communications / SCADA           | -              | -                | 36,667           | 36,667      |
| 86 Instrumentation / Safety         | -              | -                | 833              | 833         |
| TOTAL TANGIBLES >                   | 1,191,410      | 0                | 989,167          | 2,180,577   |
| TOTAL COSTS >                       | 4,588,916      | 5,185,507        | 1,761,334        | 11,535,757  |

PREPARED BY Permian Resources Operating, LLC:

|                       |    |
|-----------------------|----|
| Drilling Engineer:    | PS |
| Completions Engineer: | ML |
| Production Engineer:  | DC |

Permian Resources Operating, LLC APPROVAL:

|                   |    |                  |    |                 |     |
|-------------------|----|------------------|----|-----------------|-----|
| Co-CEO            | WH | Co-CEO           | JW | VP - Operations | CRM |
| VP - Land & Legal | BC | VP - Geosciences | SO |                 |     |

NON OPERATING PARTNER APPROVAL:

|               |                                                                               |         |
|---------------|-------------------------------------------------------------------------------|---------|
| Company Name: | Working Interest (%):                                                         | Tax ID: |
| Signed by:    | Date:                                                                         |         |
| Title:        | Approval: <input type="checkbox"/> Yes <input type="checkbox"/> No (mark one) |         |

The costs on this AFE are estimates only and may not be considered as ceilings on any specific item or the total cost of the project. Taking installation approved under the AFE may be delayed up to a year after the well has been completed. In executing this AFE, the Participant agrees to pay its nonreimbursable share of actual costs incurred, including local, state, regulatory, brokerage and well costs under the terms of the applicable joint venture agreement, regulatory order or other agreement governing this well. Participants shall be covered by and billed nonreimbursably for Operator's well

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ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

|                  |                                                                                                                                    |                  |                   |
|------------------|------------------------------------------------------------------------------------------------------------------------------------|------------------|-------------------|
| DATE:            | 2.17.2023                                                                                                                          | AFE NO.:         | 1                 |
| WELL NAME:       | Bane 4-9 Federal Com 134H                                                                                                          | FIELD:           | Teas; Bone Spring |
| LOCATION:        | Section 4, T20S-R34E                                                                                                               | MD/TVD:          | 21,110' / 10,825' |
| COUNTY/STATE:    | Lea County, New Mexico                                                                                                             | LATERAL LENGTH:  | 10,000'           |
| Permian WI:      |                                                                                                                                    | DRILLING DAYS:   | 19.6              |
| GEOLOGIC TARGET: | TBSC                                                                                                                               | COMPLETION DAYS: | 18.6              |
| REMARKS:         | Drill a horizontal TBSC well and complete with 44 stages. AFE includes drilling, completions, flowback and Initial AL install cost |                  |                   |

| INTANGIBLE COSTS                    | DRILLING COSTS | COMPLETION COSTS | PRODUCTION COSTS | TOTAL COSTS |
|-------------------------------------|----------------|------------------|------------------|-------------|
| 1 Land / Legal / Regulatory         | \$ 57,069      | -                | 37,500           | \$ 94,569   |
| 2 Location, Surveys & Damages       | 278,338        | 17,456           | 2,500            | 298,294     |
| 4 Freight / Transportation          | 46,017         | 42,298           | 25,000           | 113,315     |
| 5 Rental - Surface Equipment        | 120,122        | 208,133          | 105,000          | 433,255     |
| 6 Rental - Downhole Equipment       | 198,477        | 57,783           | -                | 256,260     |
| 7 Rental - Living Quarters          | 46,457         | 52,637           | -                | 99,094      |
| 10 Directional Drilling, Surveys    | 415,018        | -                | -                | 415,018     |
| 11 Drilling                         | 728,329        | -                | -                | 728,329     |
| 12 Drill Bits                       | 96,788         | -                | -                | 96,788      |
| 13 Fuel & Power                     | 182,546        | 700,542          | -                | 883,088     |
| 14 Cementing & Float Equip          | 235,069        | -                | -                | 235,069     |
| 15 Completion Unit, Swab, CTU       | -              | -                | 15,000           | 15,000      |
| 16 Perforating, Wireline, Slickline | -              | 379,842          | -                | 379,842     |
| 17 High Pressure Pump Truck         | -              | 119,106          | -                | 119,106     |
| 18 Completion Unit, Swab, CTU       | -              | 141,530          | -                | 141,530     |
| 20 Mud Circulation System           | 101,651        | -                | -                | 101,651     |
| 21 Mud Logging                      | 16,936         | -                | -                | 16,936      |
| 22 Logging / Formation Evaluation   | 7,024          | 8,057            | -                | 15,081      |
| 23 Mud & Chemicals                  | 349,599        | 423,367          | 10,000           | 782,966     |
| 24 Water                            | 41,989         | 639,251          | 300,000          | 981,240     |
| 25 Stimulation                      | -              | 786,506          | -                | 786,506     |
| 26 Stimulation Flowback & Disp      | -              | 117,494          | 150,000          | 267,494     |
| 28 Mud / Wastewater Disposal        | 186,574        | 59,083           | -                | 245,657     |
| 30 Rig Supervision / Engineering    | 117,098        | 128,908          | 21,667           | 267,673     |
| 32 Drlg & Completion Overhead       | 10,071         | -                | -                | 10,071      |
| 35 Labor                            | 148,172        | 67,140           | 101,667          | 316,978     |
| 54 Proppant                         | -              | 1,212,780        | -                | 1,212,780   |
| 95 Insurance                        | 14,164         | -                | -                | 14,164      |
| 97 Contingency                      | -              | 23,595           | 3,833            | 27,428      |
| 99 Plugging & Abandonment           | -              | -                | -                | -           |
| TOTAL INTANGIBLES >                 | 3,397,506      | 5,185,507        | 772,167          | 9,355,180   |

| TANGIBLE COSTS                      | DRILLING COSTS | COMPLETION COSTS | PRODUCTION COSTS | TOTAL COSTS |
|-------------------------------------|----------------|------------------|------------------|-------------|
| 60 Surface Casing                   | \$ 118,101     | -                | -                | \$ 118,101  |
| 61 Intermediate Casing              | 332,642        | -                | -                | 332,642     |
| 62 Drilling Liner                   | -              | -                | -                | -           |
| 63 Production Casing                | 663,806        | -                | -                | 663,806     |
| 64 Production Liner                 | -              | -                | -                | -           |
| 65 Tubing                           | -              | -                | 140,000          | 140,000     |
| 66 Wellhead                         | 62,628         | -                | 40,000           | 102,628     |
| 67 Packers, Liner Hangers           | 14,234         | -                | 20,000           | 34,234      |
| 68 Tanks                            | -              | -                | 45,833           | 45,833      |
| 69 Production Vessels               | -              | -                | 126,667          | 126,667     |
| 70 Flow Lines                       | -              | -                | 66,667           | 66,667      |
| 71 Rod string                       | -              | -                | -                | -           |
| 72 Artificial Lift Equipment        | -              | -                | 90,000           | 90,000      |
| 73 Compressor                       | -              | -                | 5,833            | 5,833       |
| 74 Installation Costs               | -              | -                | -                | -           |
| 75 Surface Pumps                    | -              | -                | 61,667           | 61,667      |
| 76 Downhole Pumps                   | -              | -                | -                | -           |
| 77 Measurement & Meter Installation | -              | -                | 116,667          | 116,667     |
| 78 Gas Conditioning / Dehydration   | -              | -                | -                | -           |
| 79 Interconnecting Facility Piping  | -              | -                | 20,000           | 20,000      |
| 80 Gathering / Bulk Lines           | -              | -                | -                | -           |
| 81 Valves, Dumps, Controllers       | -              | -                | 108,333          | 108,333     |
| 82 Tank / Facility Containment      | -              | -                | 43,333           | 43,333      |
| 83 Flare Stack                      | -              | -                | 16,667           | 16,667      |
| 84 Electrical / Grounding           | -              | -                | 50,000           | 50,000      |
| 85 Communications / SCADA           | -              | -                | 36,667           | 36,667      |
| 86 Instrumentation / Safety         | -              | -                | 833              | 833         |
| TOTAL TANGIBLES >                   | 1,191,410      | 0                | 989,167          | 2,180,577   |
| TOTAL COSTS >                       | 4,588,916      | 5,185,507        | 1,761,334        | 11,535,757  |

PREPARED BY Permian Resources Operating, LLC:

|                       |    |
|-----------------------|----|
| Drilling Engineer:    | PS |
| Completions Engineer: | ML |
| Production Engineer:  | DC |

Permian Resources Operating, LLC APPROVAL:

|                   |    |                  |    |                 |     |
|-------------------|----|------------------|----|-----------------|-----|
| Co-CEO            | WH | Co-CEO           | JW | VP - Operations | CRM |
| VP - Land & Legal | BC | VP - Geosciences | SO |                 |     |

NON OPERATING PARTNER APPROVAL:

|               |                                                                               |         |
|---------------|-------------------------------------------------------------------------------|---------|
| Company Name: | Working Interest (%):                                                         | Tax ID: |
| Signed by:    | Date:                                                                         |         |
| Title:        | Approval: <input type="checkbox"/> Yes <input type="checkbox"/> No (mark one) |         |

The costs on this AFE are estimates only and may not be construed as ceilings on any specific item or the total cost of the project. Tubing installation approved under the AFE may be delayed up to a year after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of actual costs incurred, including local, creative, regulatory, bookwork and well costs under the terms of the applicable joint operating agreement, regulatory order or other agreement covering this well. Participants shall be covered by and held noncontributorily for Operator's well

Permian Resources Operating, LLC

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ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

|                  |                                                                                                                                    |                  |                   |
|------------------|------------------------------------------------------------------------------------------------------------------------------------|------------------|-------------------|
| DATE:            | 2.17.2023                                                                                                                          | AFE NO.:         | 1                 |
| WELL NAME:       | Bane 4-9 Federal Com 171H                                                                                                          | FIELD:           | Teas; Bone Spring |
| LOCATION:        | Section 4, T20S-R34E                                                                                                               | MD/TVD:          | 20,700' / 10,415' |
| COUNTY/STATE:    | Lea County, New Mexico                                                                                                             | LATERAL LENGTH:  | 10,000'           |
| Permian WI:      |                                                                                                                                    | DRILLING DAYS:   | 19.6              |
| GEOLOGIC TARGET: | TBSG                                                                                                                               | COMPLETION DAYS: | 18.6              |
| REMARKS:         | Drill a horizontal TBSG well and complete with 44 stages. AFE includes drilling, completions, flowback and Initial AL install cost |                  |                   |

| INTANGIBLE COSTS                    | DRILLING COSTS | COMPLETION COSTS | PRODUCTION COSTS | TOTAL COSTS |
|-------------------------------------|----------------|------------------|------------------|-------------|
| 1 Land / Legal / Regulatory         | \$ 55,739      | -                | 37,500           | \$ 93,239   |
| 2 Location, Surveys & Damages       | 271,852        | 17,050           | 2,500            | 291,402     |
| 4 Freight / Transportation          | 44,945         | 41,312           | 25,000           | 111,257     |
| 5 Rental - Surface Equipment        | 117,323        | 203,283          | 105,000          | 425,606     |
| 6 Rental - Downhole Equipment       | 193,853        | 56,437           | -                | 250,289     |
| 7 Rental - Living Quarters          | 45,374         | 51,411           | -                | 96,785      |
| 10 Directional Drilling, Surveys    | 405,348        | -                | -                | 405,348     |
| 11 Drilling                         | 711,359        | -                | -                | 711,359     |
| 12 Drill Bits                       | 94,533         | -                | -                | 94,533      |
| 13 Fuel & Power                     | 178,292        | 684,220          | -                | 862,512     |
| 14 Cementing & Float Equip          | 229,592        | -                | -                | 229,592     |
| 15 Completion Unit, Swab, CTU       | -              | -                | 15,000           | 15,000      |
| 16 Perforating, Wireline, Slickline | -              | 370,992          | -                | 370,992     |
| 17 High Pressure Pump Truck         | -              | 116,330          | -                | 116,330     |
| 18 Completion Unit, Swab, CTU       | -              | 138,232          | -                | 138,232     |
| 20 Mud Circulation System           | 99,283         | -                | -                | 99,283      |
| 21 Mud Logging                      | 16,542         | -                | -                | 16,542      |
| 22 Logging / Formation Evaluation   | 6,860          | 7,869            | -                | 14,729      |
| 23 Mud & Chemicals                  | 341,453        | 413,503          | 10,000           | 764,956     |
| 24 Water                            | 41,011         | 624,356          | 300,000          | 965,367     |
| 25 Stimulation                      | -              | 768,180          | -                | 768,180     |
| 26 Stimulation Flowback & Disp      | -              | 114,757          | 150,000          | 264,757     |
| 28 Mud / Wastewater Disposal        | 182,227        | 57,706           | -                | 239,933     |
| 30 Rig Supervision / Engineering    | 114,369        | 125,904          | 21,667           | 261,941     |
| 32 Drilg & Completion Overhead      | 9,836          | -                | -                | 9,836       |
| 35 Labor                            | 144,719        | 65,575           | 101,667          | 311,961     |
| 54 Proppant                         | -              | 1,184,522        | -                | 1,184,522   |
| 95 Insurance                        | 13,834         | -                | -                | 13,834      |
| 97 Contingency                      | -              | 23,045           | 3,833            | 26,878      |
| 99 Plugging & Abandonment           | -              | -                | -                | -           |
| TOTAL INTANGIBLES >                 | 3,318,344      | 5,064,685        | 772,167          | 9,155,196   |

| TANGIBLE COSTS                      | DRILLING COSTS | COMPLETION COSTS | PRODUCTION COSTS | TOTAL COSTS |
|-------------------------------------|----------------|------------------|------------------|-------------|
| 60 Surface Casing                   | \$ 115,349     | -                | -                | \$ 115,349  |
| 61 Intermediate Casing              | 324,891        | -                | -                | 324,891     |
| 62 Drilling Liner                   | -              | -                | -                | -           |
| 63 Production Casing                | 648,340        | -                | -                | 648,340     |
| 64 Production Liner                 | -              | -                | -                | -           |
| 65 Tubing                           | -              | -                | 140,000          | 140,000     |
| 66 Wellhead                         | 61,169         | -                | 40,000           | 101,169     |
| 67 Packers, Liner Hangers           | 13,902         | -                | 20,000           | 33,902      |
| 68 Tanks                            | -              | -                | 45,833           | 45,833      |
| 69 Production Vessels               | -              | -                | 126,667          | 126,667     |
| 70 Flow Lines                       | -              | -                | 66,667           | 66,667      |
| 71 Rod string                       | -              | -                | -                | -           |
| 72 Artificial Lift Equipment        | -              | -                | 90,000           | 90,000      |
| 73 Compressor                       | -              | -                | 5,833            | 5,833       |
| 74 Installation Costs               | -              | -                | -                | -           |
| 75 Surface Pumps                    | -              | -                | 61,667           | 61,667      |
| 76 Downhole Pumps                   | -              | -                | -                | -           |
| 77 Measurement & Meter Installation | -              | -                | 116,667          | 116,667     |
| 78 Gas Conditioning / Dehydration   | -              | -                | -                | -           |
| 79 Interconnecting Facility Piping  | -              | -                | 20,000           | 20,000      |
| 80 Gathering / Bulk Lines           | -              | -                | -                | -           |
| 81 Valves, Dumps, Controllers       | -              | -                | 108,333          | 108,333     |
| 82 Tank / Facility Containment      | -              | -                | 43,333           | 43,333      |
| 83 Flare Stack                      | -              | -                | 16,667           | 16,667      |
| 84 Electrical / Grounding           | -              | -                | 50,000           | 50,000      |
| 85 Communications / SCADA           | -              | -                | 36,667           | 36,667      |
| 86 Instrumentation / Safety         | -              | -                | 833              | 833         |
| TOTAL TANGIBLES >                   | 1,163,650      | 0                | 989,167          | 2,152,817   |
| TOTAL COSTS >                       | 4,481,994      | 5,064,685        | 1,761,334        | 11,308,013  |

PREPARED BY Permian Resources Operating, LLC:

|                       |    |
|-----------------------|----|
| Drilling Engineer:    | PS |
| Completions Engineer: | ML |
| Production Engineer:  | DC |

Permian Resources Operating, LLC APPROVAL:

|                   |    |                  |    |                 |     |
|-------------------|----|------------------|----|-----------------|-----|
| Co-CEO            | WH | Co-CEO           | JW | VP - Operations | CRM |
| VP - Land & Legal | BC | VP - Geosciences | SO |                 |     |

NON OPERATING PARTNER APPROVAL:

|               |  |                       |                                                                     |         |  |
|---------------|--|-----------------------|---------------------------------------------------------------------|---------|--|
| Company Name: |  | Working Interest (%): |                                                                     | Tax ID: |  |
| Signed by:    |  | Date:                 |                                                                     |         |  |
| Title:        |  | Approval:             | <input type="checkbox"/> Yes <input type="checkbox"/> No (mark one) |         |  |

The costs on this AFE are estimates only and may not be considered as ceilings on any specific item or the total cost of the project. Taking installation approved under the AFE may be delayed up to a year after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of actual costs incurred, including local, reactive, regulatory, back-sore and well costs under the terms of the available total revenue agreement, regulatory order or other agreement covering this well. Participant shall be covered by and billed ratably for the Operator's well.



Permian Resources Operating, LLC

300 N. Marienfeld St., Ste. 1000 Midland, TX 79701

Phone (432) 695-4222 • Fax (432) 695-4063

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

|                  |                                                                                                                                    |                  |                   |
|------------------|------------------------------------------------------------------------------------------------------------------------------------|------------------|-------------------|
| DATE:            | 2.17.2023                                                                                                                          | AFE NO.:         | 1                 |
| WELL NAME:       | Bane 4-9 Federal Com 172H                                                                                                          | FIELD:           | Teas; Bone Spring |
| LOCATION:        | Section 4, T20S-R34E                                                                                                               | MD/TVD:          | 20,700' / 10,415' |
| COUNTY/STATE:    | Lea County, New Mexico                                                                                                             | LATERAL LENGTH:  | 10,000'           |
| Permian WI:      |                                                                                                                                    | DRILLING DAYS:   | 19.6              |
| GEOLOGIC TARGET: | TBSG                                                                                                                               | COMPLETION DAYS: | 18.6              |
| REMARKS:         | Drill a horizontal TBSG well and complete with 44 stages. AFE includes drilling, completions, flowback and Initial AL install cost |                  |                   |

| INTANGIBLE COSTS                    | DRILLING COSTS | COMPLETION COSTS | PRODUCTION COSTS | TOTAL COSTS |
|-------------------------------------|----------------|------------------|------------------|-------------|
| 1 Land / Legal / Regulatory         | \$ 55,739      | -                | 37,500           | \$ 93,239   |
| 2 Location, Surveys & Damages       | 271,852        | 17,050           | 2,500            | 291,402     |
| 4 Freight / Transportation          | 44,945         | 41,312           | 25,000           | 111,257     |
| 5 Rental - Surface Equipment        | 117,323        | 203,283          | 105,000          | 425,606     |
| 6 Rental - Downhole Equipment       | 193,853        | 56,437           | -                | 250,289     |
| 7 Rental - Living Quarters          | 45,374         | 51,411           | -                | 96,785      |
| 10 Directional Drilling, Surveys    | 405,348        | -                | -                | 405,348     |
| 11 Drilling                         | 711,359        | -                | -                | 711,359     |
| 12 Drill Bits                       | 94,533         | -                | -                | 94,533      |
| 13 Fuel & Power                     | 178,292        | 684,220          | -                | 862,512     |
| 14 Cementing & Float Equip          | 229,592        | -                | -                | 229,592     |
| 15 Completion Unit, Swab, CTU       | -              | -                | 15,000           | 15,000      |
| 16 Perforating, Wireline, Slickline | -              | 370,992          | -                | 370,992     |
| 17 High Pressure Pump Truck         | -              | 116,330          | -                | 116,330     |
| 18 Completion Unit, Swab, CTU       | -              | 138,232          | -                | 138,232     |
| 20 Mud Circulation System           | 99,283         | -                | -                | 99,283      |
| 21 Mud Logging                      | 16,542         | -                | -                | 16,542      |
| 22 Logging / Formation Evaluation   | 6,860          | 7,869            | -                | 14,729      |
| 23 Mud & Chemicals                  | 341,453        | 413,503          | 10,000           | 764,956     |
| 24 Water                            | 41,011         | 624,356          | 300,000          | 965,367     |
| 25 Stimulation                      | -              | 768,180          | -                | 768,180     |
| 26 Stimulation Flowback & Disp      | -              | 114,757          | 150,000          | 264,757     |
| 28 Mud / Wastewater Disposal        | 182,227        | 57,706           | -                | 239,933     |
| 30 Rig Supervision / Engineering    | 114,369        | 125,904          | 21,667           | 261,941     |
| 32 Drilg & Completion Overhead      | 9,836          | -                | -                | 9,836       |
| 35 Labor                            | 144,719        | 65,575           | 101,667          | 311,961     |
| 54 Proppant                         | -              | 1,184,522        | -                | 1,184,522   |
| 95 Insurance                        | 13,834         | -                | -                | 13,834      |
| 97 Contingency                      | -              | 23,045           | 3,833            | 26,878      |
| 99 Plugging & Abandonment           | -              | -                | -                | -           |
| TOTAL INTANGIBLES >                 | 3,318,344      | 5,064,685        | 772,167          | 9,155,196   |

| TANGIBLE COSTS                      | DRILLING COSTS | COMPLETION COSTS | PRODUCTION COSTS | TOTAL COSTS |
|-------------------------------------|----------------|------------------|------------------|-------------|
| 60 Surface Casing                   | \$ 115,349     | -                | -                | \$ 115,349  |
| 61 Intermediate Casing              | 324,891        | -                | -                | 324,891     |
| 62 Drilling Liner                   | -              | -                | -                | -           |
| 63 Production Casing                | 648,340        | -                | -                | 648,340     |
| 64 Production Liner                 | -              | -                | -                | -           |
| 65 Tubing                           | -              | -                | 140,000          | 140,000     |
| 66 Wellhead                         | 61,169         | -                | 40,000           | 101,169     |
| 67 Packers, Liner Hangers           | 13,902         | -                | 20,000           | 33,902      |
| 68 Tanks                            | -              | -                | 45,833           | 45,833      |
| 69 Production Vessels               | -              | -                | 126,667          | 126,667     |
| 70 Flow Lines                       | -              | -                | 66,667           | 66,667      |
| 71 Rod string                       | -              | -                | -                | -           |
| 72 Artificial Lift Equipment        | -              | -                | 90,000           | 90,000      |
| 73 Compressor                       | -              | -                | 5,833            | 5,833       |
| 74 Installation Costs               | -              | -                | -                | -           |
| 75 Surface Pumps                    | -              | -                | 61,667           | 61,667      |
| 76 Downhole Pumps                   | -              | -                | -                | -           |
| 77 Measurement & Meter Installation | -              | -                | 116,667          | 116,667     |
| 78 Gas Conditioning / Dehydration   | -              | -                | -                | -           |
| 79 Interconnecting Facility Piping  | -              | -                | 20,000           | 20,000      |
| 80 Gathering / Bulk Lines           | -              | -                | -                | -           |
| 81 Valves, Dumps, Controllers       | -              | -                | 108,333          | 108,333     |
| 82 Tank / Facility Containment      | -              | -                | 43,333           | 43,333      |
| 83 Flare Stack                      | -              | -                | 16,667           | 16,667      |
| 84 Electrical / Grounding           | -              | -                | 50,000           | 50,000      |
| 85 Communications / SCADA           | -              | -                | 36,667           | 36,667      |
| 86 Instrumentation / Safety         | -              | -                | 833              | 833         |
| TOTAL TANGIBLES >                   | 1,163,650      | 0                | 989,167          | 2,152,817   |
| TOTAL COSTS >                       | 4,481,994      | 5,064,685        | 1,761,334        | 11,308,013  |

PREPARED BY Permian Resources Operating, LLC:

|                       |    |
|-----------------------|----|
| Drilling Engineer:    | PS |
| Completions Engineer: | ML |
| Production Engineer:  | DC |

Permian Resources Operating, LLC APPROVAL:

|                   |    |                  |    |                 |     |
|-------------------|----|------------------|----|-----------------|-----|
| Co-CEO            | WH | Co-CEO           | JW | VP - Operations | CRM |
| VP - Land & Legal | BC | VP - Geosciences | SO |                 |     |

NON OPERATING PARTNER APPROVAL:

|               |  |                       |                                                                     |         |  |
|---------------|--|-----------------------|---------------------------------------------------------------------|---------|--|
| Company Name: |  | Working Interest (%): |                                                                     | Tax ID: |  |
| Signed by:    |  | Date:                 |                                                                     |         |  |
| Title:        |  | Approval:             | <input type="checkbox"/> Yes <input type="checkbox"/> No (mark one) |         |  |

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ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

|                  |                                                                                                                                    |                  |                   |
|------------------|------------------------------------------------------------------------------------------------------------------------------------|------------------|-------------------|
| DATE:            | 2.17.2023                                                                                                                          | AFE NO.:         | 1                 |
| WELL NAME:       | Bane 4-9 Federal Com 173H                                                                                                          | FIELD:           | Teas; Bone Spring |
| LOCATION:        | Section 4, T20S-R34E                                                                                                               | MD/TVD:          | 20,700' / 10,415' |
| COUNTY/STATE:    | Lea County, New Mexico                                                                                                             | LATERAL LENGTH:  | 10,000'           |
| Permian WI:      |                                                                                                                                    | DRILLING DAYS:   | 19.6              |
| GEOLOGIC TARGET: | TBSG                                                                                                                               | COMPLETION DAYS: | 18.6              |
| REMARKS:         | Drill a horizontal TBSG well and complete with 44 stages. AFE includes drilling, completions, flowback and Initial AL install cost |                  |                   |

| INTANGIBLE COSTS                    | DRILLING COSTS | COMPLETION COSTS | PRODUCTION COSTS | TOTAL COSTS |
|-------------------------------------|----------------|------------------|------------------|-------------|
| 1 Land/ Legal/ Regulatory           | \$ 55,739      | -                | 37,500           | \$ 93,239   |
| 2 Location, Surveys & Damages       | 271,852        | 17,050           | 2,500            | 291,402     |
| 4 Freight / Transportation          | 44,945         | 41,312           | 25,000           | 111,257     |
| 5 Rental - Surface Equipment        | 117,323        | 203,283          | 105,000          | 425,606     |
| 6 Rental - Downhole Equipment       | 193,853        | 56,437           | -                | 250,289     |
| 7 Rental - Living Quarters          | 45,374         | 51,411           | -                | 96,785      |
| 10 Directional Drilling, Surveys    | 405,348        | -                | -                | 405,348     |
| 11 Drilling                         | 711,359        | -                | -                | 711,359     |
| 12 Drill Bits                       | 94,533         | -                | -                | 94,533      |
| 13 Fuel & Power                     | 178,292        | 684,220          | -                | 862,512     |
| 14 Cementing & Float Equip          | 229,592        | -                | -                | 229,592     |
| 15 Completion Unit, Swab, CTU       | -              | -                | 15,000           | 15,000      |
| 16 Perforating, Wireline, Slickline | -              | 370,992          | -                | 370,992     |
| 17 High Pressure Pump Truck         | -              | 116,330          | -                | 116,330     |
| 18 Completion Unit, Swab, CTU       | -              | 138,232          | -                | 138,232     |
| 20 Mud Circulation System           | 99,283         | -                | -                | 99,283      |
| 21 Mud Logging                      | 16,542         | -                | -                | 16,542      |
| 22 Logging/ Formation Evaluation    | 6,860          | 7,869            | -                | 14,729      |
| 23 Mud & Chemicals                  | 341,453        | 413,503          | 10,000           | 764,956     |
| 24 Water                            | 41,011         | 624,356          | 300,000          | 965,367     |
| 25 Stimulation                      | -              | 768,180          | -                | 768,180     |
| 26 Stimulation Flowback & Disp      | -              | 114,757          | 150,000          | 264,757     |
| 28 Mud / Wastewater Disposal        | 182,227        | 57,706           | -                | 239,933     |
| 30 Rig Supervision/ Engineering     | 114,369        | 125,904          | 21,667           | 261,941     |
| 32 Drig & Completion Overhead       | 9,836          | -                | -                | 9,836       |
| 35 Labor                            | 144,719        | 65,575           | 101,667          | 311,961     |
| 54 Proppant                         | -              | 1,184,522        | -                | 1,184,522   |
| 95 Insurance                        | 13,834         | -                | -                | 13,834      |
| 97 Contingency                      | -              | 23,045           | 3,833            | 26,878      |
| 99 Plugging & Abandonment           | -              | -                | -                | -           |
| TOTAL INTANGIBLES >                 | 3,318,344      | 5,064,685        | 772,167          | 9,155,196   |

| TANGIBLE COSTS                      | DRILLING COSTS | COMPLETION COSTS | PRODUCTION COSTS | TOTAL COSTS |
|-------------------------------------|----------------|------------------|------------------|-------------|
| 60 Surface Casing                   | \$ 115,349     | -                | -                | \$ 115,349  |
| 61 Intermediate Casing              | 324,891        | -                | -                | 324,891     |
| 62 Drilling Liner                   | -              | -                | -                | -           |
| 63 Production Casing                | 648,340        | -                | -                | 648,340     |
| 64 Production Liner                 | -              | -                | -                | -           |
| 65 Tubing                           | -              | -                | 140,000          | 140,000     |
| 66 Wellhead                         | 61,169         | -                | 40,000           | 101,169     |
| 67 Packers, Liner Hangers           | 13,902         | -                | 20,000           | 33,902      |
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| 69 Production Vessels               | -              | -                | 126,667          | 126,667     |
| 70 Flow Lines                       | -              | -                | 66,667           | 66,667      |
| 71 Rod string                       | -              | -                | -                | -           |
| 72 Artificial Lift Equipment        | -              | -                | 90,000           | 90,000      |
| 73 Compressor                       | -              | -                | 5,833            | 5,833       |
| 74 Installation Costs               | -              | -                | -                | -           |
| 75 Surface Pumps                    | -              | -                | 61,667           | 61,667      |
| 76 Downhole Pumps                   | -              | -                | -                | -           |
| 77 Measurement & Meter Installation | -              | -                | 116,667          | 116,667     |
| 78 Gas Conditioning / Dehydration   | -              | -                | -                | -           |
| 79 Interconnecting Facility Piping  | -              | -                | 20,000           | 20,000      |
| 80 Gathering / Bulk Lines           | -              | -                | -                | -           |
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| 85 Communications / SCADA           | -              | -                | 36,667           | 36,667      |
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| TOTAL TANGIBLES >                   | 1,163,650      | 0                | 989,167          | 2,152,817   |
| TOTAL COSTS >                       | 4,481,994      | 5,064,685        | 1,761,334        | 11,308,013  |

PREPARED BY Permian Resources Operating, LLC:

|                       |    |
|-----------------------|----|
| Drilling Engineer:    | PS |
| Completions Engineer: | ML |
| Production Engineer:  | DC |

Permian Resources Operating, LLC APPROVAL:

|                   |    |                  |    |                 |     |
|-------------------|----|------------------|----|-----------------|-----|
| Co-CEO            | WH | Co-CEO           | JW | VP - Operations | CRM |
| VP - Land & Legal | BC | VP - Geosciences | SO |                 |     |

NON OPERATING PARTNER APPROVAL:

|               |  |                       |                                                                     |         |  |
|---------------|--|-----------------------|---------------------------------------------------------------------|---------|--|
| Company Name: |  | Working Interest (%): |                                                                     | Tax ID: |  |
| Signed by:    |  | Date:                 |                                                                     |         |  |
| Title:        |  | Approval:             | <input type="checkbox"/> Yes <input type="checkbox"/> No (mark one) |         |  |

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ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

|                  |                                                                                                                                    |                  |                   |
|------------------|------------------------------------------------------------------------------------------------------------------------------------|------------------|-------------------|
| DATE:            | 2.17.2023                                                                                                                          | AFE NO.:         | 1                 |
| WELL NAME:       | Bane 4-9 Federal Com 174H                                                                                                          | FIELD:           | Teas; Bone Spring |
| LOCATION:        | Section 4, T20S-R34E                                                                                                               | MD/TVD:          | 20,700' / 10,415' |
| COUNTY/STATE:    | Lea County, New Mexico                                                                                                             | LATERAL LENGTH:  | 10,000'           |
| Permian WI:      |                                                                                                                                    | DRILLING DAYS:   | 19.6              |
| GEOLOGIC TARGET: | TBSG                                                                                                                               | COMPLETION DAYS: | 18.6              |
| REMARKS:         | Drill a horizontal TBSG well and complete with 44 stages. AFE includes drilling, completions, flowback and Initial AL install cost |                  |                   |

| INTANGIBLE COSTS                    | DRILLING COSTS | COMPLETION COSTS | PRODUCTION COSTS | TOTAL COSTS |
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| 10 Directional Drilling, Surveys    | 405,348        | -                | -                | 405,348     |
| 11 Drilling                         | 711,359        | -                | -                | 711,359     |
| 12 Drill Bits                       | 94,533         | -                | -                | 94,533      |
| 13 Fuel & Power                     | 178,292        | 684,220          | -                | 862,512     |
| 14 Cementing & Float Equip          | 229,592        | -                | -                | 229,592     |
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| 18 Completion Unit, Swab, CTU       | -              | 138,232          | -                | 138,232     |
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| 22 Logging / Formation Evaluation   | 6,860          | 7,869            | -                | 14,729      |
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| 28 Mud / Wastewater Disposal        | 182,227        | 57,706           | -                | 239,933     |
| 30 Rig Supervision / Engineering    | 114,369        | 125,904          | 21,667           | 261,941     |
| 32 Drig & Completion Overhead       | 9,836          | -                | -                | 9,836       |
| 35 Labor                            | 144,719        | 65,575           | 101,667          | 311,961     |
| 54 Proppant                         | -              | 1,184,522        | -                | 1,184,522   |
| 95 Insurance                        | 13,834         | -                | -                | 13,834      |
| 97 Contingency                      | -              | 23,045           | 3,833            | 26,878      |
| 99 Plugging & Abandonment           | -              | -                | -                | -           |
| TOTAL INTANGIBLES >                 | 3,318,344      | 5,064,685        | 772,167          | 9,155,196   |

| TANGIBLE COSTS                      | DRILLING COSTS | COMPLETION COSTS | PRODUCTION COSTS | TOTAL COSTS |
|-------------------------------------|----------------|------------------|------------------|-------------|
| 60 Surface Casing                   | \$ 115,349     | -                | -                | \$ 115,349  |
| 61 Intermediate Casing              | 324,891        | -                | -                | 324,891     |
| 62 Drilling Liner                   | -              | -                | -                | -           |
| 63 Production Casing                | 648,340        | -                | -                | 648,340     |
| 64 Production Liner                 | -              | -                | -                | -           |
| 65 Tubing                           | -              | -                | 140,000          | 140,000     |
| 66 Wellhead                         | 61,169         | -                | 40,000           | 101,169     |
| 67 Packers, Liner Hangers           | 13,902         | -                | 20,000           | 33,902      |
| 68 Tanks                            | -              | -                | 45,833           | 45,833      |
| 69 Production Vessels               | -              | -                | 126,667          | 126,667     |
| 70 Flow Lines                       | -              | -                | 66,667           | 66,667      |
| 71 Rod string                       | -              | -                | -                | -           |
| 72 Artificial Lift Equipment        | -              | -                | 90,000           | 90,000      |
| 73 Compressor                       | -              | -                | 5,833            | 5,833       |
| 74 Installation Costs               | -              | -                | -                | -           |
| 75 Surface Pumps                    | -              | -                | 61,667           | 61,667      |
| 76 Downhole Pumps                   | -              | -                | -                | -           |
| 77 Measurement & Meter Installation | -              | -                | 116,667          | 116,667     |
| 78 Gas Conditioning / Dehydration   | -              | -                | -                | -           |
| 79 Interconnecting Facility Piping  | -              | -                | 20,000           | 20,000      |
| 80 Gathering / Bulk Lines           | -              | -                | -                | -           |
| 81 Valves, Dumps, Controllers       | -              | -                | 108,333          | 108,333     |
| 82 Tank / Facility Containment      | -              | -                | 43,333           | 43,333      |
| 83 Flare Stack                      | -              | -                | 16,667           | 16,667      |
| 84 Electrical / Grounding           | -              | -                | 50,000           | 50,000      |
| 85 Communications / SCADA           | -              | -                | 36,667           | 36,667      |
| 86 Instrumentation / Safety         | -              | -                | 833              | 833         |
| TOTAL TANGIBLES >                   | 1,163,650      | 0                | 989,167          | 2,152,817   |
| TOTAL COSTS >                       | 4,481,994      | 5,064,685        | 1,761,334        | 11,308,013  |

PREPARED BY Permian Resources Operating, LLC:

|                       |    |
|-----------------------|----|
| Drilling Engineer:    | PS |
| Completions Engineer: | ML |
| Production Engineer:  | DC |

Permian Resources Operating, LLC APPROVAL:

|                   |    |                  |    |                 |     |
|-------------------|----|------------------|----|-----------------|-----|
| Co-CEO            | WH | Co-CEO           | JW | VP - Operations | CRM |
| VP - Land & Legal | BG | VP - Geosciences | SO |                 |     |

NON OPERATING PARTNER APPROVAL:

|               |  |                       |                                                                     |         |  |
|---------------|--|-----------------------|---------------------------------------------------------------------|---------|--|
| Company Name: |  | Working Interest (%): |                                                                     | Tax ID: |  |
| Signed by:    |  | Date:                 |                                                                     |         |  |
| Title:        |  | Approval:             | <input type="checkbox"/> Yes <input type="checkbox"/> No (mark one) |         |  |

The costs on this AFE are estimates only and may not be construed as readings on any specific item or the total cost of the project. Taking installation approved under the AFE may be delayed up to a year after the well has been completed. In executing this AFE, the Participants agree to pay its proportionate share of actual costs incurred including local creative regulatory, brokerage and well costs under the terms of the available joint operation agreement, regulatory order or other agreement covering this well. Participants shall be received by and billed proportionately for Operator's well

Permian Resources Operating, LLC

300 N. Marienfeld St., Ste. 1000 Midland, TX 79701

Phone (432) 695-4222 • Fax (432) 695-4063

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

|                  |                                                                                                                                    |                  |                   |
|------------------|------------------------------------------------------------------------------------------------------------------------------------|------------------|-------------------|
| DATE:            | 2.17.2023                                                                                                                          | AFE NO.:         | 1                 |
| WELL NAME:       | Bane 4-9 Federal Com 201H                                                                                                          | FIELD:           | Tonto; Wolfcamp   |
| LOCATION:        | Section 4, T20S-R34E                                                                                                               | MD/TVD:          | 21,210' / 10,925' |
| COUNTY/STATE:    | Lea County, New Mexico                                                                                                             | LATERAL LENGTH:  | 10,000'           |
| Permian WI:      |                                                                                                                                    | DRILLING DAYS:   | 19.6              |
| GEOLOGIC TARGET: | WCXY                                                                                                                               | COMPLETION DAYS: | 19                |
| REMARKS:         | Drill a horizontal WCXY well and complete with 44 stages. AFE includes drilling, completions, flowback and Initial AL install cost |                  |                   |

| INTANGIBLE COSTS                    | DRILLING COSTS | COMPLETION COSTS | PRODUCTION COSTS | TOTAL COSTS |
|-------------------------------------|----------------|------------------|------------------|-------------|
| 1 Land / Legal / Regulatory         | \$ 59,066      | -                | 37,500           | \$ 96,566   |
| 2 Location, Surveys & Damages       | 288,079        | 18,067           | 2,500            | 308,647     |
| 4 Freight / Transportation          | 47,628         | 43,778           | 25,000           | 116,406     |
| 5 Rental - Surface Equipment        | 124,327        | 215,417          | 105,000          | 444,744     |
| 6 Rental - Downhole Equipment       | 205,424        | 59,805           | -                | 265,229     |
| 7 Rental - Living Quarters          | 48,083         | 54,480           | -                | 102,562     |
| 10 Directional Drilling, Surveys    | 429,543        | -                | -                | 429,543     |
| 11 Drilling                         | 753,820        | -                | -                | 753,820     |
| 12 Drill Bits                       | 100,176        | -                | -                | 100,176     |
| 13 Fuel & Power                     | 188,935        | 725,061          | -                | 913,996     |
| 14 Cementing & Float Equip          | 243,296        | -                | -                | 243,296     |
| 15 Completion Unit, Swab, CTU       | -              | -                | 15,000           | 15,000      |
| 16 Perforating, Wireline, Slickline | -              | 393,136          | -                | 393,136     |
| 17 High Pressure Pump Truck         | -              | 123,274          | -                | 123,274     |
| 18 Completion Unit, Swab, CTU       | -              | 146,484          | -                | 146,484     |
| 20 Mud Circulation System           | 105,209        | -                | -                | 105,209     |
| 21 Mud Logging                      | 17,529         | -                | -                | 17,529      |
| 22 Logging / Formation Evaluation   | 7,270          | 8,339            | -                | 15,609      |
| 23 Mud & Chemicals                  | 361,835        | 438,185          | 10,000           | 810,020     |
| 24 Water                            | 43,459         | 661,625          | 300,000          | 1,005,083   |
| 25 Stimulation                      | -              | 814,033          | -                | 814,033     |
| 26 Stimulation Flowback & Disp      | -              | 121,606          | 150,000          | 271,606     |
| 28 Mud / Wastewater Disposal        | 193,104        | 61,151           | -                | 254,254     |
| 30 Rig Supervision / Engineering    | 121,196        | 133,420          | 21,667           | 276,283     |
| 32 Drig & Completion Overhead       | 10,423         | -                | -                | 10,423      |
| 35 Labor                            | 153,358        | 69,489           | 101,667          | 324,514     |
| 54 Proppant                         | -              | 1,255,227        | -                | 1,255,227   |
| 95 Insurance                        | 14,660         | -                | -                | 14,660      |
| 97 Contingency                      | -              | 24,421           | 3,833            | 28,254      |
| 99 Plugging & Abandonment           | -              | -                | -                | -           |
| TOTAL INTANGIBLES >                 | 3,516,419      | 5,367,000        | 772,167          | 9,655,585   |

| TANGIBLE COSTS                      | DRILLING COSTS | COMPLETION COSTS | PRODUCTION COSTS | TOTAL COSTS |
|-------------------------------------|----------------|------------------|------------------|-------------|
| 60 Surface Casing                   | \$ 122,234     | -                | -                | \$ 122,234  |
| 61 Intermediate Casing              | 344,284        | -                | -                | 344,284     |
| 62 Drilling Liner                   | -              | -                | -                | -           |
| 63 Production Casing                | 687,039        | -                | -                | 687,039     |
| 64 Production Liner                 | -              | -                | -                | -           |
| 65 Tubing                           | -              | -                | 140,000          | 140,000     |
| 66 Wellhead                         | 64,820         | -                | 40,000           | 104,820     |
| 67 Packers, Liner Hangers           | 14,732         | -                | 20,000           | 34,732      |
| 68 Tanks                            | -              | -                | 45,833           | 45,833      |
| 69 Production Vessels               | -              | -                | 126,667          | 126,667     |
| 70 Flow Lines                       | -              | -                | 66,667           | 66,667      |
| 71 Rod string                       | -              | -                | -                | -           |
| 72 Artificial Lift Equipment        | -              | -                | 90,000           | 90,000      |
| 73 Compressor                       | -              | -                | 5,833            | 5,833       |
| 74 Installation Costs               | -              | -                | -                | -           |
| 75 Surface Pumps                    | -              | -                | 61,667           | 61,667      |
| 76 Downhole Pumps                   | -              | -                | -                | -           |
| 77 Measurement & Meter Installation | -              | -                | 116,667          | 116,667     |
| 78 Gas Conditioning / Dehydration   | -              | -                | -                | -           |
| 79 Interconnecting Facility Piping  | -              | -                | 20,000           | 20,000      |
| 80 Gathering / Bulk Lines           | -              | -                | -                | -           |
| 81 Valves, Dumps, Controllers       | -              | -                | 108,333          | 108,333     |
| 82 Tank / Facility Containment      | -              | -                | 43,333           | 43,333      |
| 83 Flare Stack                      | -              | -                | 16,667           | 16,667      |
| 84 Electrical / Grounding           | -              | -                | 50,000           | 50,000      |
| 85 Communications / SCADA           | -              | -                | 36,667           | 36,667      |
| 86 Instrumentation / Safety         | -              | -                | 833              | 833         |
| TOTAL TANGIBLES >                   | 1,233,109      | 0                | 989,167          | 2,222,276   |
| TOTAL COSTS >                       | 4,749,528      | 5,367,000        | 1,761,334        | 11,877,862  |

PREPARED BY Permian Resources Operating, LLC:

|                       |    |
|-----------------------|----|
| Drilling Engineer:    | PS |
| Completions Engineer: | ML |
| Production Engineer:  | DC |

Permian Resources Operating, LLC APPROVAL:

|                   |    |                  |    |                 |     |
|-------------------|----|------------------|----|-----------------|-----|
| Co-CEO            | WH | Co-CEO           | JW | VP - Operations | CRM |
| VP - Land & Legal | BC | VP - Geosciences | SO |                 |     |

NON OPERATING PARTNER APPROVAL:

|               |  |                       |                                                                     |         |  |
|---------------|--|-----------------------|---------------------------------------------------------------------|---------|--|
| Company Name: |  | Working Interest (%): |                                                                     | Tax ID: |  |
| Signed by:    |  | Date:                 |                                                                     |         |  |
| Title:        |  | Approval:             | <input type="checkbox"/> Yes <input type="checkbox"/> No (mark one) |         |  |

The costs on this AFE are estimates only and may not be construed as ceilings on any specific item or the total cost of the project. Taking installation approved under the AFE may be delayed up to a year after the well has been completed. In executing this AFE, the Participant agrees to pay its noncontingent share of actual costs incurred including local, state, regulatory, brokerage and well costs under the terms of the applicable joint venture agreement, regulatory order or other agreement covering this well. Participants shall be correct by and billed noncontingently for Operator's well

Permian Resources Operating, LLC

300 N. Marienfeld St., Ste. 1000 Midland, TX 79701

Phone (432) 695-4222 • Fax (432) 695-4063

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

|                  |                                                                                                                                    |                  |                   |
|------------------|------------------------------------------------------------------------------------------------------------------------------------|------------------|-------------------|
| DATE:            | 2.17.2023                                                                                                                          | AFE NO.:         | 1                 |
| WELL NAME:       | Bane 4-9 Federal Com 202H                                                                                                          | FIELD:           | Tonto; Wolfcamp   |
| LOCATION:        | Section 4, T20S-R34E                                                                                                               | MD/TVD:          | 21,210' / 10,925' |
| COUNTY/STATE:    | Lea County, New Mexico                                                                                                             | LATERAL LENGTH:  | 10,000'           |
| Permian WI:      |                                                                                                                                    | DRILLING DAYS:   | 19.6              |
| GEOLOGIC TARGET: | WCXY                                                                                                                               | COMPLETION DAYS: | 19                |
| REMARKS:         | Drill a horizontal WCXY well and complete with 44 stages. AFE includes drilling, completions, flowback and Initial AL install cost |                  |                   |

| INTANGIBLE COSTS                    | DRILLING COSTS | COMPLETION COSTS | PRODUCTION COSTS | TOTAL COSTS |
|-------------------------------------|----------------|------------------|------------------|-------------|
| 1 Land / Legal / Regulatory         | \$ 59,066      | -                | 37,500           | \$ 96,566   |
| 2 Location, Surveys & Damages       | 288,079        | 18,067           | 2,500            | 308,647     |
| 4 Freight / Transportation          | 47,628         | 43,778           | 25,000           | 116,406     |
| 5 Rental - Surface Equipment        | 124,327        | 215,417          | 105,000          | 444,744     |
| 6 Rental - Downhole Equipment       | 205,424        | 59,805           | -                | 265,229     |
| 7 Rental - Living Quarters          | 48,083         | 54,480           | -                | 102,562     |
| 10 Directional Drilling, Surveys    | 429,543        | -                | -                | 429,543     |
| 11 Drilling                         | 753,820        | -                | -                | 753,820     |
| 12 Drill Bits                       | 100,176        | -                | -                | 100,176     |
| 13 Fuel & Power                     | 188,935        | 725,061          | -                | 913,996     |
| 14 Cementing & Float Equip          | 243,296        | -                | -                | 243,296     |
| 15 Completion Unit, Swab, CTU       | -              | -                | 15,000           | 15,000      |
| 16 Perforating, Wireline, Slickline | -              | 393,136          | -                | 393,136     |
| 17 High Pressure Pump Truck         | -              | 123,274          | -                | 123,274     |
| 18 Completion Unit, Swab, CTU       | -              | 146,484          | -                | 146,484     |
| 20 Mud Circulation System           | 105,209        | -                | -                | 105,209     |
| 21 Mud Logging                      | 17,529         | -                | -                | 17,529      |
| 22 Logging / Formation Evaluation   | 7,270          | 8,339            | -                | 15,609      |
| 23 Mud & Chemicals                  | 361,835        | 438,185          | 10,000           | 810,020     |
| 24 Water                            | 43,459         | 661,625          | 300,000          | 1,005,083   |
| 25 Stimulation                      | -              | 814,033          | -                | 814,033     |
| 26 Stimulation Flowback & Disp      | -              | 121,606          | 150,000          | 271,606     |
| 28 Mud / Wastewater Disposal        | 193,104        | 61,151           | -                | 254,254     |
| 30 Rig Supervision / Engineering    | 121,196        | 133,420          | 21,667           | 276,283     |
| 32 Drig & Completion Overhead       | 10,423         | -                | -                | 10,423      |
| 35 Labor                            | 153,358        | 69,489           | 101,667          | 324,514     |
| 54 Proppant                         | -              | 1,255,227        | -                | 1,255,227   |
| 95 Insurance                        | 14,660         | -                | -                | 14,660      |
| 97 Contingency                      | -              | 24,421           | 3,833            | 28,254      |
| 99 Plugging & Abandonment           | -              | -                | -                | -           |
| TOTAL INTANGIBLES >                 | 3,516,419      | 5,367,000        | 772,167          | 9,655,585   |

| TANGIBLE COSTS                      | DRILLING COSTS | COMPLETION COSTS | PRODUCTION COSTS | TOTAL COSTS |
|-------------------------------------|----------------|------------------|------------------|-------------|
| 60 Surface Casing                   | \$ 122,234     | -                | -                | \$ 122,234  |
| 61 Intermediate Casing              | 344,284        | -                | -                | 344,284     |
| 62 Drilling Liner                   | -              | -                | -                | -           |
| 63 Production Casing                | 687,039        | -                | -                | 687,039     |
| 64 Production Liner                 | -              | -                | -                | -           |
| 65 Tubing                           | -              | -                | 140,000          | 140,000     |
| 66 Wellhead                         | 64,820         | -                | 40,000           | 104,820     |
| 67 Packers, Liner Hangers           | 14,732         | -                | 20,000           | 34,732      |
| 68 Tanks                            | -              | -                | 45,833           | 45,833      |
| 69 Production Vessels               | -              | -                | 126,667          | 126,667     |
| 70 Flow Lines                       | -              | -                | 66,667           | 66,667      |
| 71 Rod string                       | -              | -                | -                | -           |
| 72 Artificial Lift Equipment        | -              | -                | 90,000           | 90,000      |
| 73 Compressor                       | -              | -                | 5,833            | 5,833       |
| 74 Installation Costs               | -              | -                | -                | -           |
| 75 Surface Pumps                    | -              | -                | 61,667           | 61,667      |
| 76 Downhole Pumps                   | -              | -                | -                | -           |
| 77 Measurement & Meter Installation | -              | -                | 116,667          | 116,667     |
| 78 Gas Conditioning / Dehydration   | -              | -                | -                | -           |
| 79 Interconnecting Facility Piping  | -              | -                | 20,000           | 20,000      |
| 80 Gathering / Bulk Lines           | -              | -                | -                | -           |
| 81 Valves, Dumps, Controllers       | -              | -                | 108,333          | 108,333     |
| 82 Tank / Facility Containment      | -              | -                | 43,333           | 43,333      |
| 83 Flare Stack                      | -              | -                | 16,667           | 16,667      |
| 84 Electrical / Grounding           | -              | -                | 50,000           | 50,000      |
| 85 Communications / SCADA           | -              | -                | 36,667           | 36,667      |
| 86 Instrumentation / Safety         | -              | -                | 833              | 833         |
| TOTAL TANGIBLES >                   | 1,233,109      | 0                | 989,167          | 2,222,276   |
| TOTAL COSTS >                       | 4,749,528      | 5,367,000        | 1,761,334        | 11,877,862  |

PREPARED BY Permian Resources Operating, LLC:

|                       |    |
|-----------------------|----|
| Drilling Engineer:    | PS |
| Completions Engineer: | ML |
| Production Engineer:  | DC |

Permian Resources Operating, LLC APPROVAL:

|                   |    |                  |    |                 |     |
|-------------------|----|------------------|----|-----------------|-----|
| Co-CEO            | WH | Co-CEO           | JW | VP - Operations | CRM |
| VP - Land & Legal | BC | VP - Geosciences | SO |                 |     |

NON OPERATING PARTNER APPROVAL:

|               |                                                                               |         |
|---------------|-------------------------------------------------------------------------------|---------|
| Company Name: | Working Interest (%):                                                         | Tax ID: |
| Signed by:    | Date:                                                                         |         |
| Title:        | Approval: <input type="checkbox"/> Yes <input type="checkbox"/> No (mark one) |         |

The costs on this AFE are estimates only and may not be considered as ceilings on any specific item or the total cost of the project. Taking installation approval under the AFE may be delayed up to a year after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of actual costs incurred, including local, state, regulatory, back-charge and well costs under the terms of the applicable joint venture agreement, regulatory order or other agreement governing this well. Participants shall be received by and billed ratably for Operator's well

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ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

|                  |                                                                                                                                    |                  |                   |
|------------------|------------------------------------------------------------------------------------------------------------------------------------|------------------|-------------------|
| DATE:            | 2.17.2023                                                                                                                          | AFE NO.:         | 1                 |
| WELL NAME:       | Bane 4-9 Federal Com 203H                                                                                                          | FIELD:           | Tonto; Wolfcamp   |
| LOCATION:        | Section 4, T20S-R34E                                                                                                               | MD/TVD:          | 21,210' / 10,925' |
| COUNTY/STATE:    | Lea County, New Mexico                                                                                                             | LATERAL LENGTH:  | 10,000'           |
| Permian WI:      |                                                                                                                                    | DRILLING DAYS:   | 19.6              |
| GEOLOGIC TARGET: | WCXY                                                                                                                               | COMPLETION DAYS: | 19                |
| REMARKS:         | Drill a horizontal WCXY well and complete with 44 stages. AFE includes drilling, completions, flowback and Initial AL install cost |                  |                   |

| INTANGIBLE COSTS                    | DRILLING COSTS | COMPLETION COSTS | PRODUCTION COSTS | TOTAL COSTS |
|-------------------------------------|----------------|------------------|------------------|-------------|
| 1 Land / Legal / Regulatory         | \$ 59,066      | -                | 37,500           | \$ 96,566   |
| 2 Location, Surveys & Damages       | 288,079        | 18,067           | 2,500            | 308,647     |
| 4 Freight / Transportation          | 47,628         | 43,778           | 25,000           | 116,406     |
| 5 Rental - Surface Equipment        | 124,327        | 215,417          | 105,000          | 444,744     |
| 6 Rental - Downhole Equipment       | 205,424        | 59,805           | -                | 265,229     |
| 7 Rental - Living Quarters          | 48,083         | 54,480           | -                | 102,562     |
| 10 Directional Drilling, Surveys    | 429,543        | -                | -                | 429,543     |
| 11 Drilling                         | 753,820        | -                | -                | 753,820     |
| 12 Drill Bits                       | 100,176        | -                | -                | 100,176     |
| 13 Fuel & Power                     | 188,935        | 725,061          | -                | 913,996     |
| 14 Cementing & Float Equip          | 243,296        | -                | -                | 243,296     |
| 15 Completion Unit, Swab, CTU       | -              | -                | 15,000           | 15,000      |
| 16 Perforating, Wireline, Slickline | -              | 393,136          | -                | 393,136     |
| 17 High Pressure Pump Truck         | -              | 123,274          | -                | 123,274     |
| 18 Completion Unit, Swab, CTU       | -              | 146,484          | -                | 146,484     |
| 20 Mud Circulation System           | 105,209        | -                | -                | 105,209     |
| 21 Mud Logging                      | 17,529         | -                | -                | 17,529      |
| 22 Logging / Formation Evaluation   | 7,270          | 8,339            | -                | 15,609      |
| 23 Mud & Chemicals                  | 361,835        | 438,185          | 10,000           | 810,020     |
| 24 Water                            | 43,459         | 661,625          | 300,000          | 1,005,083   |
| 25 Stimulation                      | -              | 814,033          | -                | 814,033     |
| 26 Stimulation Flowback & Disp      | -              | 121,606          | 150,000          | 271,606     |
| 28 Mud / Wastewater Disposal        | 193,104        | 61,151           | -                | 254,254     |
| 30 Rig Supervision / Engineering    | 121,196        | 133,420          | 21,667           | 276,283     |
| 32 Drig & Completion Overhead       | 10,423         | -                | -                | 10,423      |
| 35 Labor                            | 153,358        | 69,489           | 101,667          | 324,514     |
| 54 Proppant                         | -              | 1,255,227        | -                | 1,255,227   |
| 95 Insurance                        | 14,660         | -                | -                | 14,660      |
| 97 Contingency                      | -              | 24,421           | 3,833            | 28,254      |
| 99 Plugging & Abandonment           | -              | -                | -                | -           |
| TOTAL INTANGIBLES >                 | 3,516,419      | 5,367,000        | 772,167          | 9,655,585   |

| TANGIBLE COSTS                      | DRILLING COSTS | COMPLETION COSTS | PRODUCTION COSTS | TOTAL COSTS |
|-------------------------------------|----------------|------------------|------------------|-------------|
| 60 Surface Casing                   | \$ 122,234     | -                | -                | \$ 122,234  |
| 61 Intermediate Casing              | 344,284        | -                | -                | 344,284     |
| 62 Drilling Liner                   | -              | -                | -                | -           |
| 63 Production Casing                | 687,039        | -                | -                | 687,039     |
| 64 Production Liner                 | -              | -                | -                | -           |
| 65 Tubing                           | -              | -                | 140,000          | 140,000     |
| 66 Wellhead                         | 64,820         | -                | 40,000           | 104,820     |
| 67 Packers, Liner Hangers           | 14,732         | -                | 20,000           | 34,732      |
| 68 Tanks                            | -              | -                | 45,833           | 45,833      |
| 69 Production Vessels               | -              | -                | 126,667          | 126,667     |
| 70 Flow Lines                       | -              | -                | 66,667           | 66,667      |
| 71 Rod string                       | -              | -                | -                | -           |
| 72 Artificial Lift Equipment        | -              | -                | 90,000           | 90,000      |
| 73 Compressor                       | -              | -                | 5,833            | 5,833       |
| 74 Installation Costs               | -              | -                | -                | -           |
| 75 Surface Pumps                    | -              | -                | 61,667           | 61,667      |
| 76 Downhole Pumps                   | -              | -                | -                | -           |
| 77 Measurement & Meter Installation | -              | -                | 116,667          | 116,667     |
| 78 Gas Conditioning / Dehydration   | -              | -                | -                | -           |
| 79 Interconnecting Facility Piping  | -              | -                | 20,000           | 20,000      |
| 80 Gathering / Bulk Lines           | -              | -                | -                | -           |
| 81 Valves, Dumps, Controllers       | -              | -                | 108,333          | 108,333     |
| 82 Tank / Facility Containment      | -              | -                | 43,333           | 43,333      |
| 83 Flare Stack                      | -              | -                | 16,667           | 16,667      |
| 84 Electrical / Grounding           | -              | -                | 50,000           | 50,000      |
| 85 Communications / SCADA           | -              | -                | 36,667           | 36,667      |
| 86 Instrumentation / Safety         | -              | -                | 833              | 833         |
| TOTAL TANGIBLES >                   | 1,233,109      | 0                | 989,167          | 2,222,276   |
| TOTAL COSTS >                       | 4,749,528      | 5,367,000        | 1,761,334        | 11,877,862  |

PREPARED BY Permian Resources Operating, LLC:

|                       |    |
|-----------------------|----|
| Drilling Engineer:    | PS |
| Completions Engineer: | ML |
| Production Engineer:  | DC |

Permian Resources Operating, LLC APPROVAL:

|                   |    |                  |    |                 |     |
|-------------------|----|------------------|----|-----------------|-----|
| Co-CEO            | WH | Co-CEO           | JW | VP - Operations | CRM |
| VP - Land & Legal | BC | VP - Geosciences | SO |                 |     |

NON OPERATING PARTNER APPROVAL:

|               |                       |                                                                     |
|---------------|-----------------------|---------------------------------------------------------------------|
| Company Name: | Working Interest (%): | Tax ID:                                                             |
| Signed by:    | Date:                 |                                                                     |
| Title:        | Approval:             | <input type="checkbox"/> Yes <input type="checkbox"/> No (mark one) |

The costs on this AFE are estimates only and may not be considered as ceilings on any specific item or the total cost of the project. Taking installation approved under the AFE may be delayed up to a year after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of actual costs incurred, including local, creative, regulatory, brokerage and well costs under the terms of the applicable joint venture agreement, regulatory order or other agreement executed by the Participant's well. Participants shall be covered by and held nonresponsible for the Operator's well.

Permian Resources Operating, LLC

300 N. Marienfeld St., Ste. 1000 Midland, TX 79701  
Phone (432) 695-4222 • Fax (432) 695-4063

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

|                  |                                                                                                                                    |                  |                   |
|------------------|------------------------------------------------------------------------------------------------------------------------------------|------------------|-------------------|
| DATE:            | 2.17.2023                                                                                                                          | AFE NO.:         | 1                 |
| WELL NAME:       | Bane 4-9 Federal Com 204H                                                                                                          | FIELD:           | Tonto; Wolfcamp   |
| LOCATION:        | Section 4, T20S-R34E                                                                                                               | MD/TVD:          | 21,210' / 10,925' |
| COUNTY/STATE:    | Lea County, New Mexico                                                                                                             | LATERAL LENGTH:  | 10,000'           |
| Permian WI:      |                                                                                                                                    | DRILLING DAYS:   | 19.6              |
| GEOLOGIC TARGET: | WCXY                                                                                                                               | COMPLETION DAYS: | 19                |
| REMARKS:         | Drill a horizontal WCXY well and complete with 44 stages. AFE includes drilling, completions, flowback and Initial AL install cost |                  |                   |

| INTANGIBLE COSTS                    | DRILLING COSTS | COMPLETION COSTS | PRODUCTION COSTS | TOTAL COSTS |
|-------------------------------------|----------------|------------------|------------------|-------------|
| 1 Land / Legal / Regulatory         | \$ 59,066      | -                | 37,500           | \$ 96,566   |
| 2 Location, Surveys & Damages       | 288,079        | 18,067           | 2,500            | 308,647     |
| 4 Freight / Transportation          | 47,628         | 43,778           | 25,000           | 116,406     |
| 5 Rental - Surface Equipment        | 124,327        | 215,417          | 105,000          | 444,744     |
| 6 Rental - Downhole Equipment       | 205,424        | 59,805           | -                | 265,229     |
| 7 Rental - Living Quarters          | 48,083         | 54,480           | -                | 102,562     |
| 10 Directional Drilling, Surveys    | 429,543        | -                | -                | 429,543     |
| 11 Drilling                         | 753,820        | -                | -                | 753,820     |
| 12 Drill Bits                       | 100,176        | -                | -                | 100,176     |
| 13 Fuel & Power                     | 188,935        | 725,061          | -                | 913,996     |
| 14 Cementing & Float Equip          | 243,296        | -                | -                | 243,296     |
| 15 Completion Unit, Swab, CTU       | -              | -                | 15,000           | 15,000      |
| 16 Perforating, Wireline, Slickline | -              | 393,136          | -                | 393,136     |
| 17 High Pressure Pump Truck         | -              | 123,274          | -                | 123,274     |
| 18 Completion Unit, Swab, CTU       | -              | 146,484          | -                | 146,484     |
| 20 Mud Circulation System           | 105,209        | -                | -                | 105,209     |
| 21 Mud Logging                      | 17,529         | -                | -                | 17,529      |
| 22 Logging / Formation Evaluation   | 7,270          | 8,339            | -                | 15,609      |
| 23 Mud & Chemicals                  | 361,835        | 438,185          | 10,000           | 810,020     |
| 24 Water                            | 43,459         | 661,625          | 300,000          | 1,005,083   |
| 25 Stimulation                      | -              | 814,033          | -                | 814,033     |
| 26 Stimulation Flowback & Disp      | -              | 121,606          | 150,000          | 271,606     |
| 28 Mud / Wastewater Disposal        | 193,104        | 61,151           | -                | 254,254     |
| 30 Rig Supervision / Engineering    | 121,196        | 133,420          | 21,667           | 276,283     |
| 32 Drilg & Completion Overhead      | 10,423         | -                | -                | 10,423      |
| 35 Labor                            | 153,358        | 69,489           | 101,667          | 324,514     |
| 54 Proppant                         | -              | 1,255,227        | -                | 1,255,227   |
| 95 Insurance                        | 14,660         | -                | -                | 14,660      |
| 97 Contingency                      | -              | 24,421           | 3,833            | 28,254      |
| 99 Plugging & Abandonment           | -              | -                | -                | -           |
| TOTAL INTANGIBLES >                 | 3,516,419      | 5,367,000        | 772,167          | 9,655,585   |

| TANGIBLE COSTS                      | DRILLING COSTS | COMPLETION COSTS | PRODUCTION COSTS | TOTAL COSTS |
|-------------------------------------|----------------|------------------|------------------|-------------|
| 60 Surface Casing                   | \$ 122,234     | -                | -                | \$ 122,234  |
| 61 Intermediate Casing              | 344,284        | -                | -                | 344,284     |
| 62 Drilling Liner                   | -              | -                | -                | -           |
| 63 Production Casing                | 687,039        | -                | -                | 687,039     |
| 64 Production Liner                 | -              | -                | -                | -           |
| 65 Tubing                           | -              | -                | 140,000          | 140,000     |
| 66 Wellhead                         | 64,820         | -                | 40,000           | 104,820     |
| 67 Packers, Liner Hangers           | 14,732         | -                | 20,000           | 34,732      |
| 68 Tanks                            | -              | -                | 45,833           | 45,833      |
| 69 Production Vessels               | -              | -                | 126,667          | 126,667     |
| 70 Flow Lines                       | -              | -                | 66,667           | 66,667      |
| 71 Rod string                       | -              | -                | -                | -           |
| 72 Artificial Lift Equipment        | -              | -                | 90,000           | 90,000      |
| 73 Compressor                       | -              | -                | 5,833            | 5,833       |
| 74 Installation Costs               | -              | -                | -                | -           |
| 75 Surface Pumps                    | -              | -                | 61,667           | 61,667      |
| 76 Downhole Pumps                   | -              | -                | -                | -           |
| 77 Measurement & Meter Installation | -              | -                | 116,667          | 116,667     |
| 78 Gas Conditioning / Dehydration   | -              | -                | -                | -           |
| 79 Interconnecting Facility Piping  | -              | -                | 20,000           | 20,000      |
| 80 Gathering / Bulk Lines           | -              | -                | -                | -           |
| 81 Valves, Dumps, Controllers       | -              | -                | 108,333          | 108,333     |
| 82 Tank / Facility Containment      | -              | -                | 43,333           | 43,333      |
| 83 Flare Stack                      | -              | -                | 16,667           | 16,667      |
| 84 Electrical / Grounding           | -              | -                | 50,000           | 50,000      |
| 85 Communications / SCADA           | -              | -                | 36,667           | 36,667      |
| 86 Instrumentation / Safety         | -              | -                | 833              | 833         |
| TOTAL TANGIBLES >                   | 1,233,109      | 0                | 989,167          | 2,222,276   |
| TOTAL COSTS >                       | 4,749,528      | 5,367,000        | 1,761,334        | 11,877,862  |

PREPARED BY Permian Resources Operating, LLC:

|                       |    |
|-----------------------|----|
| Drilling Engineer:    | PS |
| Completions Engineer: | ML |
| Production Engineer:  | DC |

Permian Resources Operating, LLC APPROVAL:

|                   |    |                  |    |                 |     |
|-------------------|----|------------------|----|-----------------|-----|
| Co-CEO            | WH | Co-CEO           | JW | VP - Operations | CRM |
| VP - Land & Legal | BC | VP - Geosciences | SO |                 |     |

NON OPERATING PARTNER APPROVAL:

|               |                       |                                                                     |
|---------------|-----------------------|---------------------------------------------------------------------|
| Company Name: | Working Interest (%): | Tax ID:                                                             |
| Signed by:    | Date:                 |                                                                     |
| Title:        | Approval:             | <input type="checkbox"/> Yes <input type="checkbox"/> No (mark one) |

The costs on this AFE are estimates only and may not be construed as ceilings on any specific item or the total cost of the project. Tubing installation approved under the AFE may be delayed up to a year after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of actual costs incurred, including local, creative, regulatory, backzone and well costs under the terms of the available joint operating agreement, regulatory order or other approved revenue this well. Participants shall be covered by and billed proportionately for Operator's well



|                                            | Using Coterra Ownership                      |                          |                          |                          |              |
|--------------------------------------------|----------------------------------------------|--------------------------|--------------------------|--------------------------|--------------|
|                                            | In Favor of CTRA                             | In Favor of R&S          |                          |                          |              |
| Owner                                      | Mighty Pheasant - Bone Spring Proration Unit |                          |                          |                          |              |
|                                            | W2W2 of Sections 5 and 8                     | E2W2 of Sections 5 and 8 | W2E2 of Sections 5 and 8 | E2E2 of Sections 5 and 8 |              |
| Moore & Shelton Co., Ltd                   | 1.5576%                                      | 1.5575%                  | 1.5574%                  | 1.5573%                  | CTRA Support |
| HOG Partnership, LP                        | 2.5174%                                      | 5.6433%                  | 5.6438%                  | 5.6444%                  | Neutral      |
| Challenger Crude, Ltd.                     | 2.1886%                                      | 2.1884%                  | 2.1883%                  | 2.1881%                  | CTRA Support |
| Permian Resources LLC                      | 44.1918%                                     | 25.7614%                 | 24.0932%                 | 24.0915%                 | PR Owned     |
| Delmar Hudson Lewis Living Trust           | 2.6393%                                      | 4.1226%                  | 4.1227%                  | 4.1229%                  | CTRA Owned   |
| Magnum Hunter Production                   | 21.0701%                                     | 21.0682%                 | 32.0105%                 | 32.0116%                 | CTRA Owned   |
| Zorro Partners, Ltd.                       | 2.4194%                                      | 5.6503%                  | 5.6507%                  | 5.6514%                  | CTRA Support |
| Josephine T. Hudson Trust                  | 0.4399%                                      | 0.8371%                  | 0.8372%                  | 0.8373%                  | CTRA Support |
| Ard Oil, LTD                               | 1.3197%                                      | 2.5114%                  | 2.5115%                  | 2.5118%                  | PR Support   |
| Chase Oil Corporation                      | 1.3506%                                      | 1.3504%                  | 1.3504%                  | 1.3502%                  | Neutral      |
| Cimarex Energy Co.                         | 5.3362%                                      | 5.3357%                  | 5.3354%                  | 5.3349%                  | CTRA Owned   |
| Avalon Energy Corporation                  | 0.4261%                                      | 0.4261%                  | 0.4261%                  | 0.4260%                  | PR Owned     |
| Wilbanks Reserve Corporation               | 2.3677%                                      | 2.3675%                  | 2.3674%                  | 2.3671%                  | Neutral      |
| Prime Rock Resources                       | 1.2784%                                      | 1.2782%                  | 1.2782%                  | 1.2781%                  | Neutral      |
| Marks Oil, Inc.                            | 0.4457%                                      | 0.4456%                  | 0.4456%                  | 0.4456%                  | Neutral      |
| Javelina Partners                          | 4.4471%                                      | 7.6778%                  | 7.6781%                  | 7.6786%                  | CTRA Support |
| William A. Hudson, II                      | 0.2360%                                      | 0.2360%                  | 0.2360%                  | 0.2359%                  | CTRA Support |
| Union Hill Oil & Gas Co. Inc.              | 2.2680%                                      | 2.2678%                  | 2.2676%                  | 2.2674%                  | CTRA Support |
| Highland (Texas) Energy Company            | 1.2049%                                      | 0.0000%                  | 0.0000%                  | 0.0000%                  | CTRA Support |
| Richardson Oil Company, LLC                | 0.2953%                                      | 0.0000%                  | 0.0000%                  | 0.0000%                  | CTRA Support |
| Carolyn R. Beall                           | 0.5000%                                      | 0.0000%                  | 0.0000%                  | 0.0000%                  | PR Support   |
| Diamond Star Production Co., LLC           | 0.5000%                                      | 0.0000%                  | 0.0000%                  | 0.0000%                  | PR Support   |
| Tierra Encantada, LLC                      | 0.5000%                                      | 0.0000%                  | 0.0000%                  | 0.0000%                  | Neutral      |
| David Luna                                 | 0.5000%                                      | 0.0000%                  | 0.0000%                  | 0.0000%                  | Neutral      |
| MRC Permian Company                        | 0.0000%                                      | 4.5009%                  | 0.0000%                  | 0.0000%                  | Neutral      |
| CM Resources II, LLC                       | 0.0000%                                      | 3.1066%                  | 0.0000%                  | 0.0000%                  | PR Owned     |
| CBR Oil Properties, LLC                    | 0.0000%                                      | 1.3336%                  | 0.0000%                  | 0.0000%                  | PR Support   |
| General Partnership, 2023 Permian Basin JV | 0.0000%                                      | 0.3334%                  | 0.0000%                  | 0.0000%                  | Neutral      |
| % for CTRA                                 | 44.10%                                       | 50.94%                   | 61.88%                   | 61.89%                   |              |
| % for PR                                   | 46.94%                                       | 33.14%                   | 27.03%                   | 27.03%                   |              |

| Owner                                      | Loosey Goosey - Bone Spring Proration Unit |                          |                          |                          |              |
|--------------------------------------------|--------------------------------------------|--------------------------|--------------------------|--------------------------|--------------|
|                                            | W2W2 of Sections 4 and 9                   | E2W2 of Sections 4 and 9 | W2E2 of Sections 4 and 9 | E2E2 of Sections 4 and 9 |              |
| Moore & Shelton Co., Ltd                   | 2.9657%                                    | 2.9676%                  | 2.9694%                  | 2.9713%                  | CTRA Support |
| HOG Partnership, LP                        | 5.6470%                                    | 5.6519%                  | 5.9706%                  | 5.9753%                  | Neutral      |
| Challenger Crude, Ltd.                     | 2.1872%                                    | 2.1857%                  | 1.4561%                  | 1.4551%                  | CTRA Support |
| Permian Resources LLC                      | 22.6756%                                   | 22.6593%                 | 24.7422%                 | 24.7244%                 | PR Owned     |
| Delmar Hudson Lewis Living Trust           | 7.7649%                                    | 7.7741%                  | 7.7828%                  | 7.7919%                  | CTRA Owned   |
| Magnum Hunter Production                   | 21.0570%                                   | 21.0419%                 | 18.8161%                 | 18.8026%                 | CTRA Owned   |
| Zorro Partners, Ltd.                       | 7.1179%                                    | 7.1262%                  | 7.1342%                  | 7.1425%                  | CTRA Support |
| Josephine T. Hudson Trust                  | 1.2942%                                    | 1.2957%                  | 1.2971%                  | 1.2986%                  | CTRA Support |
| Ard Oil, LTD                               | 3.8825%                                    | 3.8870%                  | 3.8914%                  | 3.8959%                  | PR Support   |
| Chase Oil Corporation                      | 1.3497%                                    | 1.3488%                  | 0.8986%                  | 0.8979%                  | Neutral      |
| Cimarex Energy Co.                         | 5.3329%                                    | 5.3291%                  | 8.2281%                  | 8.2222%                  | CTRA Owned   |
| Avalon Energy Corporation                  | 0.4259%                                    | 0.4256%                  | 0.2835%                  | 0.2833%                  | PR Owned     |
| Wilbanks Reserve Corporation               | 2.3662%                                    | 2.3645%                  | 1.5753%                  | 1.5742%                  | Neutral      |
| Prime Rock Resources                       | 1.2776%                                    | 1.2767%                  | 0.8505%                  | 0.8499%                  | Neutral      |
| Marks Oil, Inc.                            | 0.4454%                                    | 0.4451%                  | 0.2965%                  | 0.2963%                  | Neutral      |
| Javelina Partners                          | 11.7079%                                   | 11.7203%                 | 11.4967%                 | 11.5092%                 | CTRA Support |
| William A. Hudson, II                      | 0.2359%                                    | 0.2357%                  | 0.1570%                  | 0.1569%                  | CTRA Support |
| Union Hill Oil & Gas Co. Inc.              | 2.2666%                                    | 2.2650%                  | 2.1539%                  | 2.1523%                  | CTRA Support |
| Highland (Texas) Energy Company            | 0.0000%                                    | 0.0000%                  | 0.0000%                  | 0.0000%                  | CTRA Support |
| Richardson Oil Company, LLC                | 0.0000%                                    | 0.0000%                  | 0.0000%                  | 0.0000%                  | CTRA Support |
| Carolyn R. Beall                           | 0.0000%                                    | 0.0000%                  | 0.0000%                  | 0.0000%                  | PR Support   |
| Diamond Star Production Co., LLC           | 0.0000%                                    | 0.0000%                  | 0.0000%                  | 0.0000%                  | PR Support   |
| Tierra Encantada, LLC                      | 0.0000%                                    | 0.0000%                  | 0.0000%                  | 0.0000%                  | Neutral      |
| David Luna                                 | 0.0000%                                    | 0.0000%                  | 0.0000%                  | 0.0000%                  | Neutral      |
| MRC Permian Company                        | 0.0000%                                    | 0.0000%                  | 0.0000%                  | 0.0000%                  | Neutral      |
| CM Resources II, LLC                       | 0.0000%                                    | 0.0000%                  | 0.0000%                  | 0.0000%                  | PR Owned     |
| CBR Oil Properties, LLC                    | 0.0000%                                    | 0.0000%                  | 0.0000%                  | 0.0000%                  | PR Support   |
| General Partnership, 2023 Permian Basin JV | 0.0000%                                    | 0.0000%                  | 0.0000%                  | 0.0000%                  | Neutral      |
| % for CTRA                                 | 61.93%                                     | 61.94%                   | 61.49%                   | 61.50%                   |              |
| % for PR                                   | 26.98%                                     | 26.97%                   | 28.92%                   | 28.90%                   |              |

**EXHIBIT  
A-7**

| Total Permian Development Cost | Net Cost Per WIO  | Total Coterra Development Cost | Net Cost Per WIO  | Difference between Developments       |
|--------------------------------|-------------------|--------------------------------|-------------------|---------------------------------------|
| Delmar Hudson Trust            | \$ 18,089,832.78  | Delmar Hudson Trust            | \$ 9,876,838.20   | \$ 8,212,994.57                       |
| Lindys Living Trust            | \$ 29,308,032.49  | Lindys Living Trust            | \$ 15,737,845.12  | \$ 13,570,187.37                      |
| Javelina Partners              | \$ 41,670,448.93  | Javelina Partners              | \$ 22,324,341.03  | \$ 19,346,107.90                      |
| Zorro Partners                 | \$ 28,105,608.88  | Zorro Partners                 | \$ 14,763,299.18  | \$ 13,342,309.71                      |
| Josephine Hudson Trust         | \$ 5,421,906.00   | Josephine Hudson Trust         | \$ 2,890,835.22   | \$ 2,531,070.78                       |
| Ard Oil                        | \$ 14,654,016.11  | Ard Oil                        | \$ 7,868,922.49   | \$ 6,785,093.62                       |
| Moore and Shelton              | \$ 12,917,179.04  | Moore and Shelton              | \$ 6,876,219.27   | \$ 6,040,959.77                       |
| HOG Partnership LP             | \$ 30,874,175.16  | HOG Partnership LP             | \$ 15,655,402.13  | \$ 15,218,773.03                      |
| Read and Stevens               | \$ 130,419,826.77 | Read and Stevens               | \$ 67,260,556.01  | \$ 63,159,270.76                      |
| First Century Oil              | \$ 29,866,998.32  | First Century Oil              | \$ 15,056,029.91  | \$ 14,810,968.42                      |
| Foran Oil Co.                  | \$ 10,316,095.71  | Foran Oil Co.                  | \$ 5,681,103.05   | \$ 4,634,992.65                       |
| Chase Oil Co.                  | \$ 7,038,561.43   | Chase Oil Co.                  | \$ 3,876,155.67   | \$ 3,162,405.76                       |
| Union Hill                     | \$ 3,374,058.47   | Union Hill                     | \$ 1,682,281.67   | \$ 1,691,776.80                       |
| Magnum Hunter                  | \$ 99,757,303.82  | Magnum Hunter                  | \$ 55,226,946.45  | \$ 44,530,357.37                      |
| Cimarex                        | \$ 32,268,923.15  | Cimarex                        | \$ 16,714,493.11  | \$ 15,554,430.04                      |
| William A Hudson II            | \$ 1,040,859.62   | William A Hudson II            | \$ 695,639.44     | \$ 345,220.19                         |
| Challenger Crude               | \$ 10,822,899.53  | Challenger Crude               | \$ 5,621,612.32   | \$ 5,201,287.21                       |
| MRC Permian                    | \$ 4,107,154.83   | MRC Permian                    | \$ 1,514,460.94   | \$ 2,592,693.89                       |
| Northern Oil and Gas           | \$ 2,835,005.00   | Northern Oil and Gas           | \$ 1,045,418.83   | \$ 1,789,586.17                       |
| CBR Oil Prop                   | \$ 1,521,121.47   | CBR Oil Prop                   | \$ 560,899.00     | \$ 960,222.47                         |
| CLM Production Co.             | \$ 59,381.89      | CLM Production Co.             | \$ -              | \$ 59,381.89                          |
| Highland (Texas) Energy        | \$ 893,406.32     | Highland (Texas) Energy        | \$ 504,660.85     | \$ 388,745.48                         |
| Diamond Star Prod.             | \$ 337,390.03     | Diamond Star Prod.             | \$ 168,220.28     | \$ 169,169.75                         |
| Carolyn Beall                  | \$ 337,390.03     | Carolyn Beall                  | \$ 168,220.28     | \$ 169,169.75                         |
| Tierra Encantada               | \$ 337,390.03     | Tierra Encantada               | \$ 168,220.28     | \$ 169,169.75                         |
| David Luna                     | \$ 337,390.03     | David Luna                     | \$ 168,220.28     | \$ 169,169.75                         |
| Warren Associates              | \$ 59,381.89      | Warren Associates              | \$ -              | \$ 59,381.89                          |
| Marks Oil                      | \$ 2,561,792.75   | Marks Oil                      | \$ 1,099,625.19   | \$ 1,462,167.56                       |
| Prime Rock                     | \$ 5,212,791.56   | Prime Rock                     | \$ 3,154,214.30   | \$ 2,058,577.27                       |
| Wilbanks Reserve               | \$ 13,609,171.58  | Wilbanks Reserve               | \$ 5,841,723.33   | \$ 7,767,448.26                       |
| Avalon Energy Corp.            | \$ 1,737,833.25   | Avalon Energy Corp.            | \$ 1,051,547.61   | \$ 686,285.64                         |
|                                | \$ 539,893,326.89 |                                | \$ 283,253,951.43 | \$ 256,639,375.46                     |
|                                |                   |                                |                   | Total Cost Delta Between Developments |



## TAB 3

Case Nos. 23452-23455

Exhibit B: Self-Affirmed Statement of Staci Mueller, Geologist  
Exhibit B-1: Locator Map & Stress Direction  
Exhibit B-2: Permit Status  
Exhibit B-3: Gun Barrel View  
Exhibit B-4: Development Plan Comparison  
Exhibit B-5: Subsea Structure Map  
Exhibit B-6: 3<sup>rd</sup> Bone Spring Isopach Map  
Exhibit B-7: Structural Cross Section  
Exhibit B-8: 3<sup>rd</sup> Bone Spring Producers vs. all Wolfcamp Producers  
Exhibit B-9: All 3<sup>rd</sup> Bone Spring and Wolfcamp Producers  
Exhibit B-10: Comparing 3<sup>rd</sup> Sand to Wolfcamp Reservoir (SoPhiH)  
Exhibit B-11: 2<sup>nd</sup> Bone Spring Structure Map  
Exhibit B-12: 2<sup>nd</sup> Bone Spring Sand Isopach  
Exhibit B-13: 2<sup>nd</sup> Bone Spring Sand Cross Section  
Exhibit B-14: 2<sup>nd</sup> Bone Spring Sand vs. 3<sup>rd</sup> Bone Spring Carbonate Producers  
Exhibit B-15: PhilH L 2<sup>nd</sup> Sand vs. 3<sup>rd</sup> Carbonate  
Exhibit B-16: 1<sup>st</sup> Bone Spring Sand Structure  
Exhibit B-17: 1<sup>st</sup> Bone Spring Sand Isopach  
Exhibit B-18: 1<sup>st</sup> Bone Spring Structural Cross Section  
Exhibit B-19: Wolfcamp Structure Map (Subsea TVD)  
Exhibit B-20: Wolfcamp XY Isopach  
Exhibit B-21: Wolfcamp XY West to East Cross Section  
Exhibit B-22: 3D Seismic Outline  
Exhibit B-23: Cross Section Across 3<sup>rd</sup> Bone Spring Sand  
Exhibit B-24: Net-to-Gross Density Porosity (DPHI) <4% Within the 3<sup>rd</sup> Bone Spring Sand and Upper Wolfcamp Sands

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

**APPLICATIONS OF CIMAREX ENERGY CO.  
FOR A HORIZONTAL SPACING UNIT AND  
COMPULSORY POOLING, LEA COUNTY, NEW MEXICO**

**Case Nos. 23448 – 23451  
(Mighty Pheasant; Bone Spring)**

**APPLICATIONS OF CIMAREX ENERGY CO.  
FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO**

**Case Nos. 23594 – 23597  
(Mighty Pheasant; Wolfcamp)**

**APPLICATIONS OF CIMAREX ENERGY CO.  
FOR A HORIZONTAL SPACING UNIT AND  
COMPULSORY POOLING, LEA COUNTY, NEW MEXICO**

**Case Nos. 23452 – 23455  
(Loosey Goosey; Bone Spring)**

**APPLICATIONS OF CIMAREX ENERGY CO.  
FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO**

**Case Nos. 23598 – 23601  
(Loosey Goosey; Wolfcamp)**

**SELF-AFFIRMED STATEMENT OF STACI MUELLER**

I, being duly sworn on oath, state the following:

1. I am over the age of 18, and I have personal knowledge of the matters stated herein.
2. I am employed as a petroleum geologist for Coterra Energy, Inc. (“Coterra”) The Applicant, Cimarex Energy Co. (“Cimarex”), is a subsidiary of Coterra. I am familiar with the subject application and the geology involved.

3. This testimony is submitted in connection with the filing by Cimarex in the above-referenced compulsory pooling application pursuant to 19.15.4.12.A(1) NMAC.

4. I have testified previously by affidavit before the Oil Conservation Division (“Division”) as an expert petroleum geologist; my credentials have been made a matter of record, and I have been qualified as an expert by the Division.

a. I have a Bachelor of Science Degree in Geophysical Engineering from Colorado School of Mines, and a Master of Science Degree in Geophysics from Colorado School of Mines.

b. I have worked on New Mexico Oil and Gas matters since July 2018.

5. Cimarex is an established operator in the Quail Ridge area, with 35 horizontal wells drilled within the basal 3<sup>rd</sup> Bone Spring Sand starting in 2010 through 2022. In most of the 3<sup>rd</sup> Sand developments, Triple Combo logs were taken to further the reservoir characterization of both the Bone Spring and Wolfcamp formations. From these extensive mapping efforts along with offset production analyses, Cimarex has verified that the 3<sup>rd</sup> Sand is the most economic target at the Mighty Pheasant and Loosey Goosey proposed development.

6. **Exhibit B-1** shows a map made by Jens-Erik Lund Snee and Mark D. Zoback from Stanford University, which depicts the maximum horizontal stress direction throughout the Delaware and Midland Basins. The map on the right is a zoomed in portion of the regional map (red outline), where the blue lines represent the digitized version of the same stress directions. Based on the regional trend observed by Lund Snee and Zoback, the estimated stress direction at Mighty Pheasant and Loosey Goosey is approximately N70E, which means the favorable well orientation is north-south instead of east-west. Both Cimarex and Permian Resources plan to drill in the north-south orientation.

7. **Exhibit B-2** is a table summarizing the permit status for the Mighty Pheasant and Loosey Goosey developments. Highlighted in yellow are the wells that Cimarex has submitted to the BLM, and each well has “AFMSS-Accepted” noted to show that these wells are high enough on Cimarex’s priority list for the BLM to be currently working on them. Ten permits were submitted between February and March 2022 for a 3<sup>rd</sup> Bone Spring Sand development (tier 1 target in area) plus a 1<sup>st</sup> Sand or 2<sup>nd</sup> Sand well to de-risk the sections in more highly channelized reservoirs.

8. **Exhibit B-3** is a gun barrel view of Cimarex’s development plan across both Mighty Pheasant (Sections 5 & 8) and Loosey Goosey (Sections 4 & 9). Cimarex plans to develop the 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> Bone Spring Sands at 4 wells per section spacing. The 1<sup>st</sup> Sand target is the high porosity, clean sand in the upper half of the interval. The 2<sup>nd</sup> Sand target is the basal siltstone/sandstone interval, and the 3<sup>rd</sup> Sand target is the basal clean sand lobe, which is also the established target across several townships.

9. **Exhibit B-4** is a gun barrel view of Cimarex’s plan (left side) versus Permian Resources (right side). Permian Resources plans to include 3 additional landing zones in their full section development: the Upper 2<sup>nd</sup> Bone Spring Sand, the 3<sup>rd</sup> Carbonate, and the Wolfcamp XY Sands. This is a risky development scenario, because the 3<sup>rd</sup> Sand & Wolfcamp XY vertical spacing is about 95 ft, which is not considered a true stagger and subsequently treated as a flat development. Therefore, Permian Resource plans to develop the 3<sup>rd</sup> Sand & Wolfcamp XY combined reservoir tank at 8 wells per section, which is over-spaced for this area, where almost every operator has developed the 3<sup>rd</sup> Sand with 4 wells per section. Permian Resources’ 3<sup>rd</sup> Carbonate target is approximately 135 ft vertical distance from their proposed Lower 2<sup>nd</sup> Sand target, which is also very tight vertical spacing when there is no frac baffle in between (no tight carbonates). The Lower 2<sup>nd</sup> Sand is the established target across several townships, while there has only been one well

landed in the 3<sup>rd</sup> Carbonate (with no 2<sup>nd</sup> Sand above). The Upper 2<sup>nd</sup> Sand is a target that Cimarex has investigated and determined to be too risky to drill before collecting data.

10. **Exhibit B-5** is a structure map (Subsea TVD) of the top of the Wolfcamp, which is about 50 ft below the 3<sup>rd</sup> Bone Spring Sand Target, as noted by the type log located at the blue star. The contour interval is 100 ft, well control points are displayed, and structure is dipping to the south. From the first take point to the last take point of the Mighty Pheasant and Loosey Goosey wells (located within black and red box), there is approximately 100 ft of relief.

11. **Exhibit B-6** is an isopach map of the 3<sup>rd</sup> Bone Spring Sand, as noted by the type log located at the blue star. The contour interval is 20 ft, well control points are displayed, and the 3<sup>rd</sup> Sand is consistently between 260-280 ft at the Mighty Pheasant and Loosey Goosey development (located within black and red box).

12. **Exhibit B-7** is a structural cross section from west to east on the northern end of the Mighty Pheasant and Loosey Goosey sections. Gamma Ray is displayed in the first log track, on a scale from 0 to 150 API, shaded to the right with blue representing low Gamma Ray, brown representing high Gamma Ray, and yellow in between. The second track is deep resistivity (RDEEP), on a scale from 2 to 2000 Ohms, with RDEEP less than 20 Ohms shaded solid red to represent the Bone Spring Sand reservoirs. The third track is the photoelectric log (PEF) which is shaded blue and purple for higher values and yellow for lower values. The fourth track is neutron and density porosity (NPHI and DPHI). NPHI is shown in red, while DPHI is blue, and when DPHI crosses to the left of NPHI, the space in between the two curves is shaded yellow. Otherwise, it is shaded grey. The basal 3<sup>rd</sup> Sand target is often characterized by the yellow crossover shading in the NPHI and DPHI track, Gamma Ray around 50-70 API, and RDEEP below 20 Ohms. Cimarex's target is the standard basal 3<sup>rd</sup> Bone Spring Sand target across the area (a few townships), which is shown

as a green stick in all three logs. Frac baffles are shown in red and white striped boxes within the depth track, and there are only a couple frac baffles present within the 3<sup>rd</sup> Bone Spring Carbonate. These baffles are characterized by low Gamma Ray <50 API, indicating carbonate, along with high resistivity, and low neutron and density porosities (0-4%). There are no indications of any major geomechanical changes/frac baffles in between Cimarex's 3<sup>rd</sup> Sand target and Permian Resources' Wolfcamp Sands target, indicating that these two intervals are most likely one shared reservoir tank.

13. **Exhibit B-8** is showing a map with all the producing 3<sup>rd</sup> Bone Spring Sand wells across almost three townships (left), versus all of the Wolfcamp producers across the area (right). This Exhibit highlights the fact that the 3<sup>rd</sup> Sand is the established target in the area surrounding the Mighty Pheasant and Loosey Goosey sections (black and red box), while there have only been two Wolfcamp developments plus some parent well tests. Cimarex is also an established operator in this area, with 36 wells drilled including a Wolfcamp test.

14. **Exhibit B-9** shows all of the 3<sup>rd</sup> Bone Spring Sand producing wells with blue diamonds, and all of the Wolfcamp Sands producing wells with orange diamonds. Mighty Pheasant and Loosey Goosey are located within the black and red box which lies among almost all 3<sup>rd</sup> Sand wells. There are a couple of Wolfcamp development tests two miles to the south, but the majority of Wolfcamp and 3<sup>rd</sup> Sand co-development occurs 3 townships to the south, where the total 3<sup>rd</sup> Sand and Wolfcamp Sands reservoir tank is much thicker and deeper into the basin.

15. **Exhibit B-10** shows the PhiH (porosity\*height) of the 3<sup>rd</sup> Bone Spring Sand (left) versus the Wolfcamp X and Y Sands (right) as shown by the type log located at the blue star. PhiH is one of the most common reservoir maps to identify ideal target areas within the Bone Spring Sands because it represents total pore space, and more pore space means more room for hydrocarbon

storage. Both maps have the same color scale, with a contour interval of 2 pore-ft. The Mighty Pheasant and Loosey Goosey sections are shown in the black and red box, and the well control points are displayed, along with the values of the closest control points to the subject development. Higher PhiH values are indicated in yellow and red, while lower values are shown in blue. The average PhiH within the 3<sup>rd</sup> Sand, based on the closest control points, is 26.75 pore-ft. While the average PhiH within the Wolfcamp X and Y Sands is 10 pore-ft, which means that the 3<sup>rd</sup> Sand is at least 72.8% of the total reservoir, while the Wolfcamp Sands are 27.2% of the total reservoir. However, because there are no frac baffles separating the 3<sup>rd</sup> Sand and Wolfcamp Sands, and because the two Permian Resource targets would have about 95 ft of vertical separation, their Wolfcamp wells would drain a significant portion of the 3<sup>rd</sup> Sand reservoir that the four 3<sup>rd</sup> Sand wells would already be targeting.

16. **Exhibit B-11** is a structure map (Subsea TVD) of the top of the 3<sup>rd</sup> Bone Spring Carbonate, which is about 40 ft below the 2<sup>nd</sup> Bone Spring Sand Target, as noted by the type log located at the blue star. The contour interval is 100 ft, well control points are displayed, and structure is dipping to the south. From the first take point to the last take point of the Mighty Pheasant and Loosey Goosey wells (located within black and red box), there is approximately 200 ft of relief on the eastern edge of the proposed development, and about 100 ft of relief on the western edge.

17. **Exhibit B-12** is an isopach map of the 2<sup>nd</sup> Bone Spring Sand, as noted by the type log located at the blue star. The contour interval is 20 ft, well control points are displayed, and the 2<sup>nd</sup> Sand is consistently between 420-440 ft at the Mighty Pheasant and Loosey Goosey development (located within black and red box).

18. **Exhibit B-13** is a structural cross section from west to east on the northern end of the Mighty Pheasant and Loosey Goosey sections. Gamma Ray is displayed in the first log track, on



a scale from 0 to 150 API, shaded to the right with blue representing low Gamma Ray, brown representing high Gamma Ray, and yellow in between. The second track is deep resistivity (RDEEP), on a scale from 2 to 2000 Ohms, with RDEEP less than 20 Ohms shaded solid red to represent the Bone Spring Sand reservoirs. The third track is the photoelectric log (PEF) which is shaded blue and purple for higher values and yellow for lower values. The fourth track is neutron and density porosity (NPHI and DPHI). NPHI is shown in red, while DPHI is blue, and when DPHI crosses to the left of NPHI, the space in between the two curves is shaded yellow. Otherwise, it is shaded grey. The Lower 2<sup>nd</sup> Sand target is often characterized by the yellow crossover shading in the NPHI and DPHI track, Gamma Ray around 50-70 API, and RDEEP below 200 Ohms (not as low as basal 3<sup>rd</sup> Sand target). Cimarex's target is the standard Lower 2<sup>nd</sup> Bone Spring Sand target across the area (a few townships), which is shown as a green stick in all three logs. Frac baffles are shown in red and white striped boxes within the depth track, and there are only a couple frac baffles present within the 2<sup>nd</sup> Bone Spring Carbonate and in the middle of the 2<sup>nd</sup> Sand. These baffles are characterized by low Gamma Ray <50 API, indicating carbonate, along with high resistivity, and low neutron and density porosities (0-4%). These frac baffles within the 2<sup>nd</sup> Sand, plus the vertical distance of approximately 400 ft, indicate that there may be another target within the Upper 2<sup>nd</sup> Sand (similar log characteristics as the Lower Sand target). However, this would be a several mile step-out test, so Cimarex is planning advanced logging/data collection through this interval to de-risk it while drilling the 3<sup>rd</sup> Sand wells.

19. **Exhibit B-14** is showing a map with all the producing Lower 2<sup>nd</sup> Bone Spring Sand wells across almost nine townships (left), versus all of the 3<sup>rd</sup> Bone Spring Carbonate producers across the area (right). This Exhibit highlights the fact that the Lower 2<sup>nd</sup> Sand is the established target in

the area surrounding the Mighty Pheasant and Loosey Goosey sections (black and red box), while there has only been one well landed in the 3<sup>rd</sup> Carbonate, with no 2<sup>nd</sup> Sand development above.

20. **Exhibit B-15** shows the PhiH (porosity\*height) of the 2<sup>nd</sup> Bone Spring Sand (left) versus the 3<sup>rd</sup> Bone Spring Carbonate (right) as shown by the type log located at the blue star. PhiH is one of the most common reservoir maps to identify ideal target areas within the Bone Spring Sands because it represents total pore space, and more pore space means more room for hydrocarbon storage. Both maps have the same color scale, with a contour interval of 2 pore-ft. The Mighty Pheasant and Loosey Goosey sections are shown in the black and red box, and the well control points are displayed. Higher PhiH values are indicated in yellow and red, while lower values are shown in blue. The average PhiH within the 2<sup>nd</sup> Sand, based on the closest control points, is 30 pore-ft. While the average PhiH within the 3<sup>rd</sup> Carbonate is 20 pore-ft, which means that the 2<sup>nd</sup> Sand is at least 60% of the total reservoir, while the 3<sup>rd</sup> Carbonate is 40% of the total reservoir. However, because there are no frac baffles separating the 2<sup>nd</sup> Sand and 3<sup>rd</sup> Carbonate, and because the two Permian Resource targets would have about 135 ft of vertical separation, their 3<sup>rd</sup> Carbonate wells would drain a significant portion of the 2<sup>nd</sup> Sand reservoir that the four 2<sup>nd</sup> Sand wells would already be targeting.

21. **Exhibit B-16** is a structure map (Subsea TVD) of the top of the 1<sup>st</sup> Bone Spring Sand, which is about 40 ft above the 1<sup>st</sup> Bone Spring Sand Target, as noted by the type log located at the blue star. The contour interval is 100 ft, well control points are displayed, and structure is dipping to the south. From the first take point to the last take point of the Mighty Pheasant and Loosey Goosey wells (located within black and red box), there is approximately 85 ft of relief.

22. **Exhibit B-17** is an isopach map of the 1<sup>st</sup> Bone Spring Sand, as noted by the type log located at the blue star. The contour interval is 20 ft, well control points are displayed, and the 1<sup>st</sup>

Sand is consistently between 280-300 ft at the Mighty Pheasant and Loosey Goosey development (located within black and red box).

23. **Exhibit B-18** is a structural cross section from west to east on the northern end of the Mighty Pheasant and Loosey Goosey sections. Gamma Ray is displayed in the first log track, on a scale from 0 to 150 API, shaded to the right with blue representing low Gamma Ray, brown representing high Gamma Ray, and yellow in between. The second track is deep resistivity (RDEEP), on a scale from 2 to 2000 Ohms, with RDEEP less than 20 Ohms shaded solid red to represent the Bone Spring Sand reservoirs. The third track is the photoelectric log (PEF) which is shaded blue and purple for higher values and yellow for lower values. The fourth track is neutron and density porosity (NPHI and DPHI). NPHI is shown in red, while DPHI is blue, and when DPHI crosses to the left of NPHI, the space in between the two curves is shaded yellow. Otherwise, it is shaded grey. The 1<sup>st</sup> Sand target is often characterized by the yellow crossover shading in the NPHI and DPHI track, Gamma Ray around 50-70 API, and RDEEP below 20 Ohms. Cimarex's target is the standard 1<sup>st</sup> Bone Spring Sand target across the area (a few townships), which is shown as a green stick in all three logs.

#### **WOLFCAMP STATEMENT**

24. **Exhibit B-19** is a structure map (Subsea TVD) of the top of the Wolfcamp, which is about 50 ft below the 3<sup>rd</sup> Bone Spring Sand Target, as noted by the type log located at the blue star. The contour interval is 100 ft, well control points are displayed, and structure is dipping to the south. From the first take point to the last take point of the Mighty Pheasant and Loosey Goosey wells (located within black and red box), there is approximately 100 ft of relief.

25. **Exhibit B-20** is an isopach map of the Wolfcamp X and Y Sands, as noted by the type log located at the blue star. The contour interval is 20 ft, well control points are displayed, and the

Wolfcamp X and Y Sands are consistently about 100 ft at the Mighty Pheasant and Loosey Goosey development (located within black and red box).

26. **Exhibit B-21** is a structural cross section from west to east on the northern end of the Mighty Pheasant and Loosey Goosey sections. Gamma Ray is displayed in the first log track, on a scale from 0 to 150 API, shaded to the right with blue representing low Gamma Ray, brown representing high Gamma Ray, and yellow in between. The second track is deep resistivity (RDEEP), on a scale from 2 to 2000 Ohms, with RDEEP less than 20 Ohms shaded solid red to represent the Bone Spring Sand reservoirs. The third track is the photoelectric log (PEF) which is shaded blue and purple for higher values and yellow for lower values. The fourth track is neutron and density porosity (NPHI and DPHI). NPHI is shown in red, while DPHI is blue, and when DPHI crosses to the left of NPHI, the space in between the two curves is shaded yellow. Otherwise, it is shaded grey. The basal 3<sup>rd</sup> Sand target is often characterized by the yellow crossover shading in the NPHI and DPHI track, Gamma Ray around 50-70 API, and RDEEP below 20 Ohms. Cimarex's target is the standard basal 3<sup>rd</sup> Bone Spring Sand target across the area (a few townships), which is located above the Wolfcamp X & Y Sands (highlighted yellow on the left side). Frac baffles are shown in red and white striped boxes within the depth track, and there are only a couple frac baffles present within the 3<sup>rd</sup> Bone Spring Carbonate. These baffles are characterized by low Gamma Ray <50 API, indicating carbonate, along with high resistivity, and low neutron and density porosities (0-4%). There are no indications of any major geomechanical changes/frac baffles in between Cimarex's 3<sup>rd</sup> Sand target and Permian Resources' Wolfcamp Sands target, indicating that these two intervals are most likely one shared reservoir tank; therefore, Permian Resources' Wolfcamp XY Sands target will primarily produce from the 3<sup>rd</sup> Bone Spring Sand.

**NO FRAC BAFFLE BETWEEN WOLFCAMP AND 3<sup>RD</sup> SAND**

27. **Exhibit B-22** shows the outlined area in red of Cimarex's 3D seismic coverage, which includes the Mighty Pheasant and Loosey Goosey sections as well as the adjacent Cimarex acreage. The Capitan Reef area is shaded blue, and the Potash outline is light blue. 3D seismic will aid in geosteering the Bone Spring development.

28. **Exhibit B-23** is a cross section across 3<sup>rd</sup> Bone Spring Sand developments, as shown on the map, in two townships (approximate target shown along the green line). The highlighted portion of the logs, which represents the sands bordering the 3<sup>rd</sup> Bone Spring Sand and Upper Wolfcamp, shows that there are no frac baffles (carbonates) present that would separate the Bone Spring and Wolfcamp across the whole area.

29. **Exhibit B-24** is a map showing net-to-gross density porosity (DPHI) <4% within the 3<sup>rd</sup> Bone Spring Sand and Upper Wolfcamp Sands, where 0% means there is no frac baffle separating the two formations. Almost all 3<sup>rd</sup> Sand developments on the map lie within an area that contains minimal-to-no carbonate/frac baffle between the Bone Spring and Wolfcamp.

30. The fact that there are minimal-to-no carbonate/frac baffles between the Bone Spring and Wolfcamp, as evidenced by Exhibits B-23 and B-24, further supports Cimarex's contention that these two intervals are most likely one shared reservoir tank. Thus, Cimarex's proposed 3rd Sand single landing is the optimal proposal based on the geology of the target area. These exhibits also provide further proof that Permian Resources' Wolfcamp XY Sands target will primarily produce from the 3rd Bone Spring Sand.

31. The Exhibits to this Affidavit were prepared by me or compiled from Cimarex's company business records under my supervision.

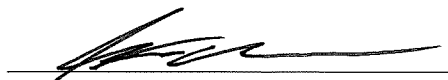
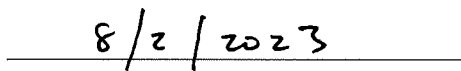
32. The granting of this Application is in the interests of conservation, the prevention of waste, and the protection of correlative rights.

33. The foregoing is correct and complete to the best of my knowledge and belief.

*[Signature page follows]*

*Signature page of Self-Affirmed Statement of Staci Mueller:*

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case Nos. 23448-23455 and 23594 – 23601 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.

  
STACI MUELLER  
Date Signed



# *Geology Exhibits*



## Locator Map & Stress Direction

Coterra plans to develop Sections 4-9 and 5-8 with 2-mile laterals

1. 8 Lower 3<sup>rd</sup> Bone Spring Sand
2. 8 2<sup>nd</sup> Bone Spring Sand
3. 8 1<sup>st</sup> Bone Spring Sand

The wells will be drilled north to south from 2 pads/ Section

### State of stress in the Permian Basin, Texas and New Mexico: Implications for induced seismicity

Jens-Erik Lund Snee<sup>1</sup> and Mark D. Zoback<sup>1</sup>

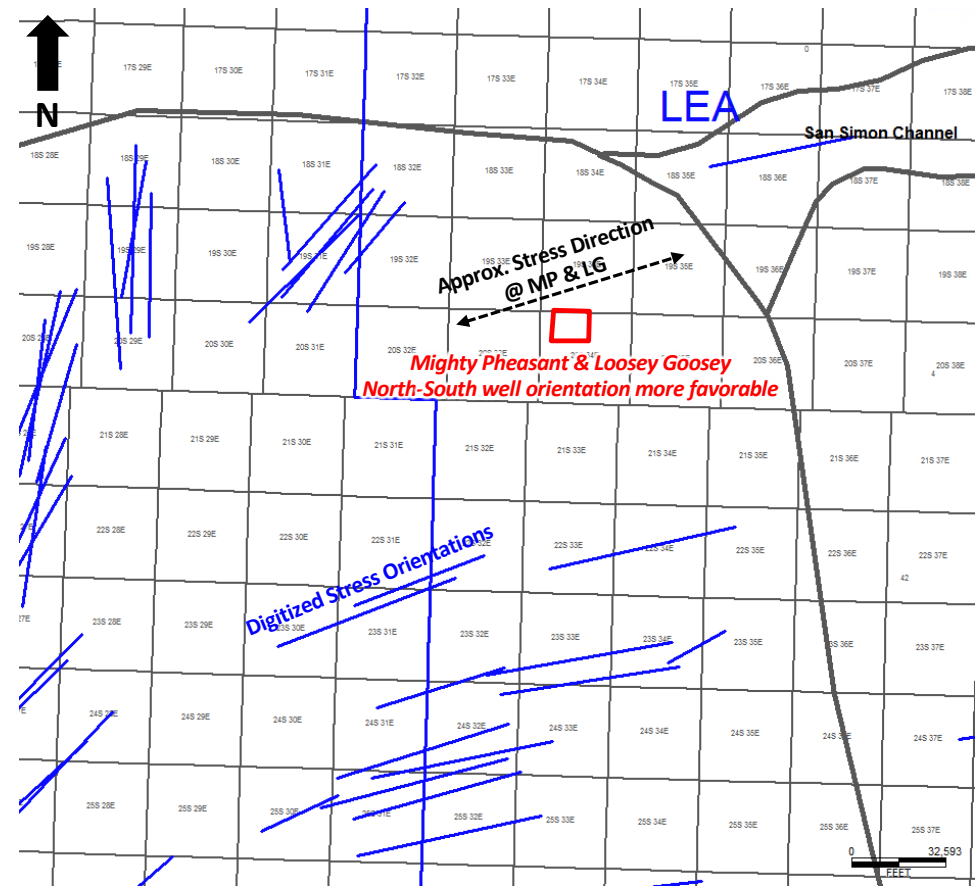
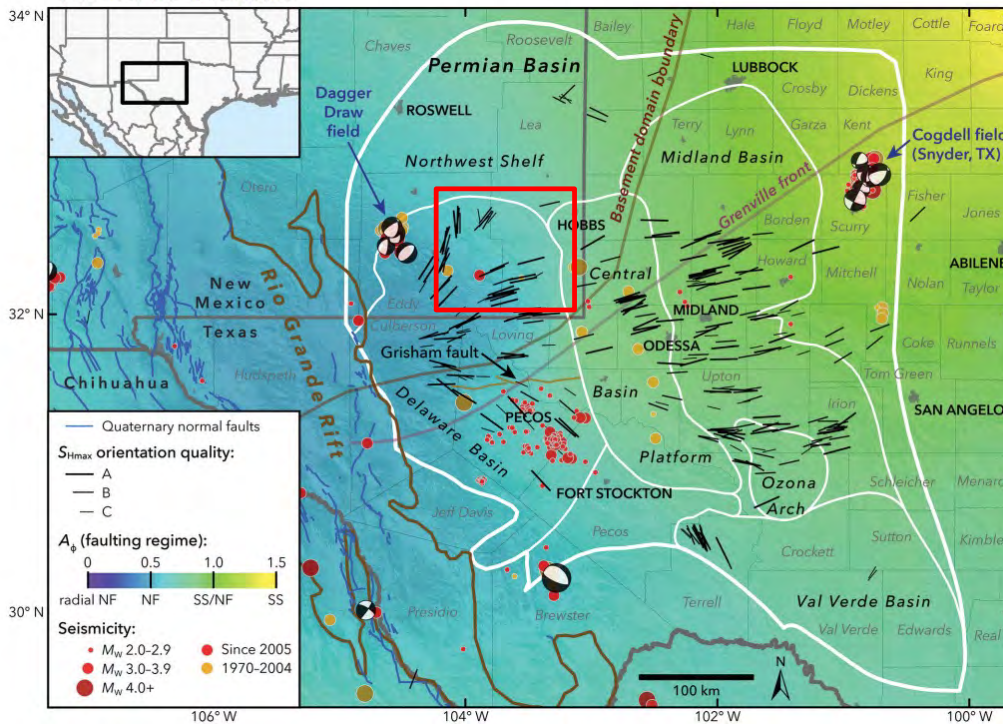


EXHIBIT  
B-1



## Permit Status

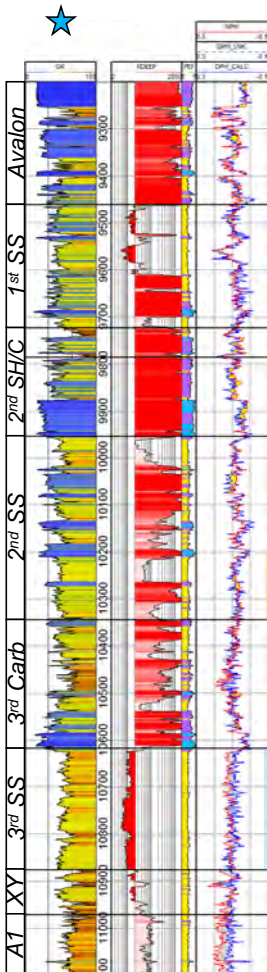
| State | County | Well Name & Number               | Permit Status   | Permit Submission Due Date | Permit Submitted Date | 10-Day Letter Date | 10-Day Letter Due |
|-------|--------|----------------------------------|-----------------|----------------------------|-----------------------|--------------------|-------------------|
| NM    | Lea    | Mighty Pheasant 5-8 Fed Com 101H | To be permitted |                            |                       |                    |                   |
| NM    | Lea    | Mighty Pheasant 5-8 Fed Com 102H | To be permitted |                            |                       |                    |                   |
| NM    | Lea    | Mighty Pheasant 5-8 Fed Com 103H | To be permitted |                            |                       |                    |                   |
| NM    | Lea    | Mighty Pheasant 5-8 Fed Com 104H | To be permitted |                            |                       |                    |                   |
| NM    | Lea    | Mighty Pheasant 5-8 Fed Com 201H | To be permitted |                            |                       |                    |                   |
| NM    | Lea    | Mighty Pheasant 5-8 Fed Com 202H | To be permitted |                            |                       |                    |                   |
| NM    | Lea    | Mighty Pheasant 5-8 Fed Com 203H | To be permitted |                            |                       |                    |                   |
| NM    | Lea    | Mighty Pheasant 5-8 Fed Com 204H | AFMSS-Accepted  | 2/14/2022                  | 2/14/2022             | 6/2/2023           | 7/17/2023         |
| NM    | Lea    | Mighty Pheasant 5-8 Fed Com 301H | AFMSS-Accepted  | 3/1/2022                   | 3/1/2022              |                    |                   |
| NM    | Lea    | Mighty Pheasant 5-8 Fed Com 302H | AFMSS-Accepted  | 3/2/2022                   | 3/2/2022              |                    |                   |
| NM    | Lea    | Mighty Pheasant 5-8 Fed Com 303H | AFMSS-Accepted  | 2/14/2022                  | 2/14/2022             | 6/2/2023           | 7/17/2023         |
| NM    | Lea    | Mighty Pheasant 5-8 Fed Com 304H | AFMSS-Accepted  | 3/1/2022                   | 3/1/2022              | 6/2/2023           | 7/17/2023         |
| NM    | Lea    | Loosey Goosey 4-9 Fed Com 101H   | To be permitted |                            |                       |                    |                   |
| NM    | Lea    | Loosey Goosey 4-9 Fed Com 102H   | To be permitted |                            |                       |                    |                   |
| NM    | Lea    | Loosey Goosey 4-9 Fed Com 103H   | To be permitted |                            |                       |                    |                   |
| NM    | Lea    | Loosey Goosey 4-9 Fed Com 104H   | To be permitted |                            |                       |                    |                   |
| NM    | Lea    | Loosey Goosey 4-9 Fed Com 201H   | To be permitted |                            |                       |                    |                   |
| NM    | Lea    | Loosey Goosey 4-9 Fed Com 202H   | To be permitted |                            |                       |                    |                   |
| NM    | Lea    | Loosey Goosey 4-9 Fed Com 203H   | To be permitted |                            |                       |                    |                   |
| NM    | Lea    | Loosey Goosey 4-9 Fed Com 204H   | AFMSS-Accepted  | 3/15/2022                  | 3/15/2022             |                    |                   |
| NM    | Lea    | Loosey Goosey 4-9 Fed Com 301H   | AFMSS-Accepted  | 3/9/2022                   | 3/9/2022              |                    |                   |
| NM    | Lea    | Loosey Goosey 4-9 Fed Com 302H   | AFMSS-Accepted  | 3/9/2022                   | 3/9/2022              |                    |                   |
| NM    | Lea    | Loosey Goosey 4-9 Fed Com 303H   | AFMSS-Accepted  | 3/15/2022                  | 3/15/2022             |                    |                   |
| NM    | Lea    | Loosey Goosey 4-9 Fed Com 304H   | AFMSS-Accepted  | 3/15/2022                  | 3/15/2022             |                    |                   |

Submitted permits for 3<sup>rd</sup> Sand development & 1<sup>st</sup> Sand/2<sup>nd</sup> Sand test  
BLM is currently working on these

EXHIBIT  
B-2

# Cimarex Development Plan

Quail Ridge 32  
State 2



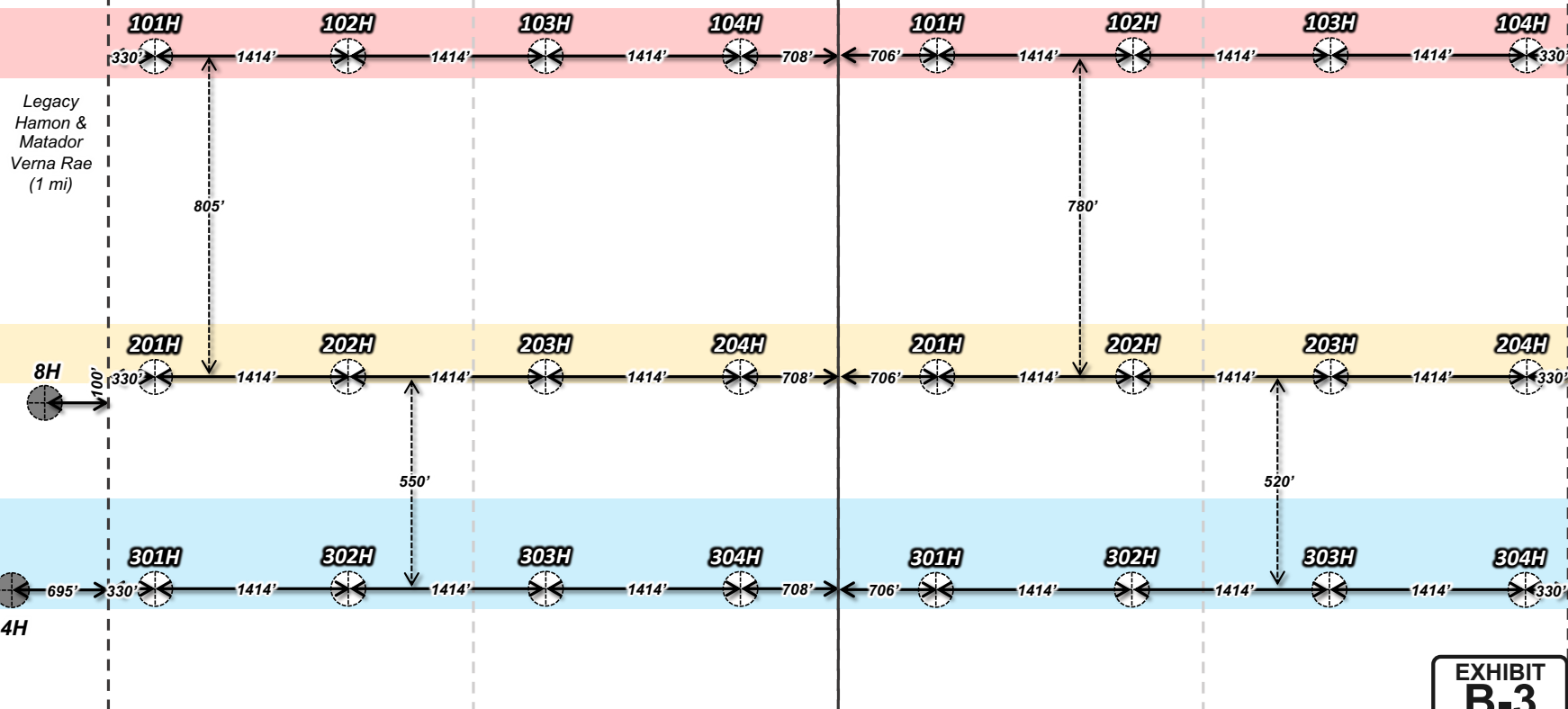
W Sec Line

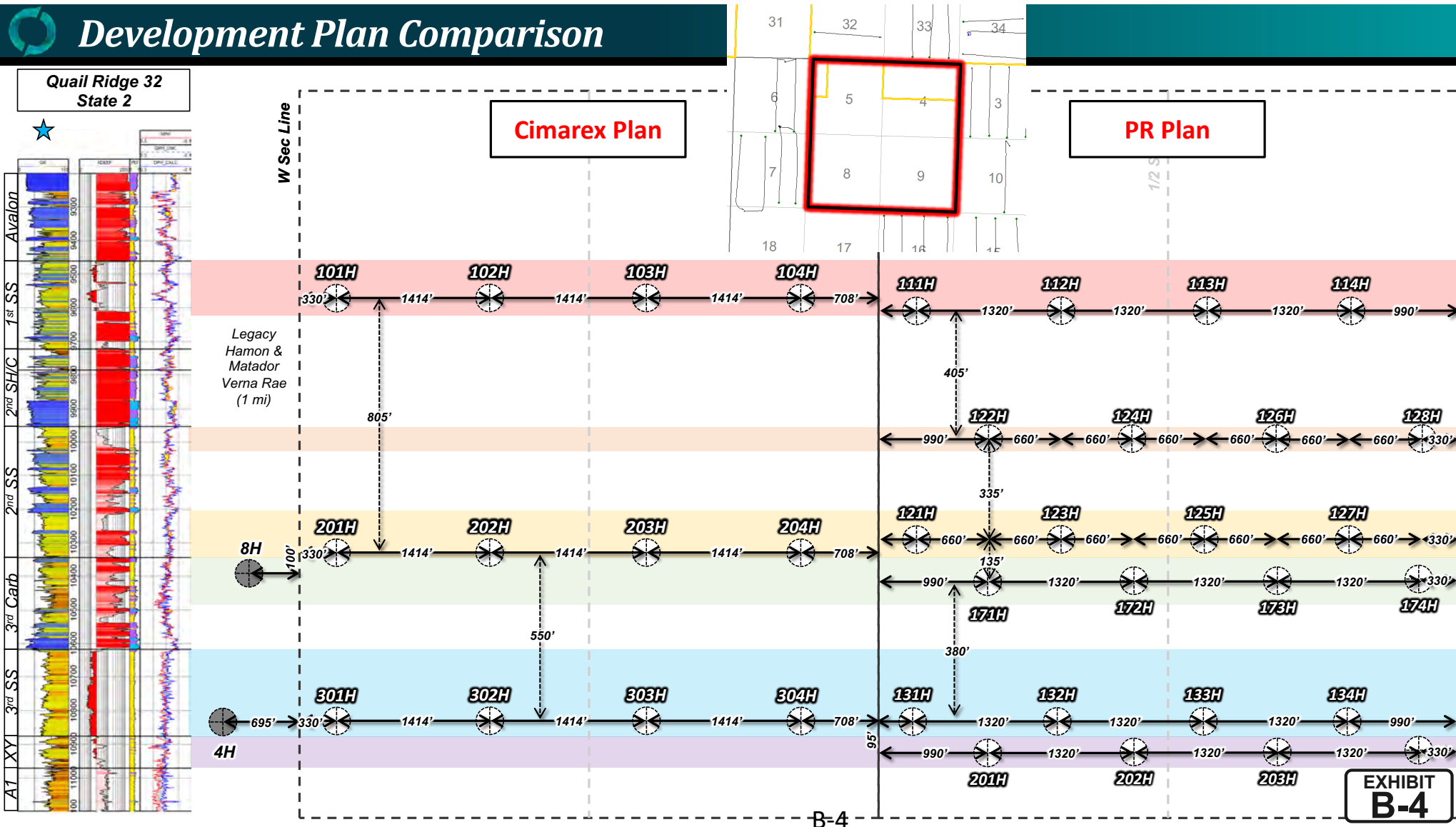
**Mighty Pheasant**

E Sec Line

**Loosey Goosey**

1/2 Sec Line





# ***3<sup>rd</sup> Bone Spring Sand***



# 3<sup>rd</sup> Bone Spring Sand Structure

Quail Ridge 32  
State 2

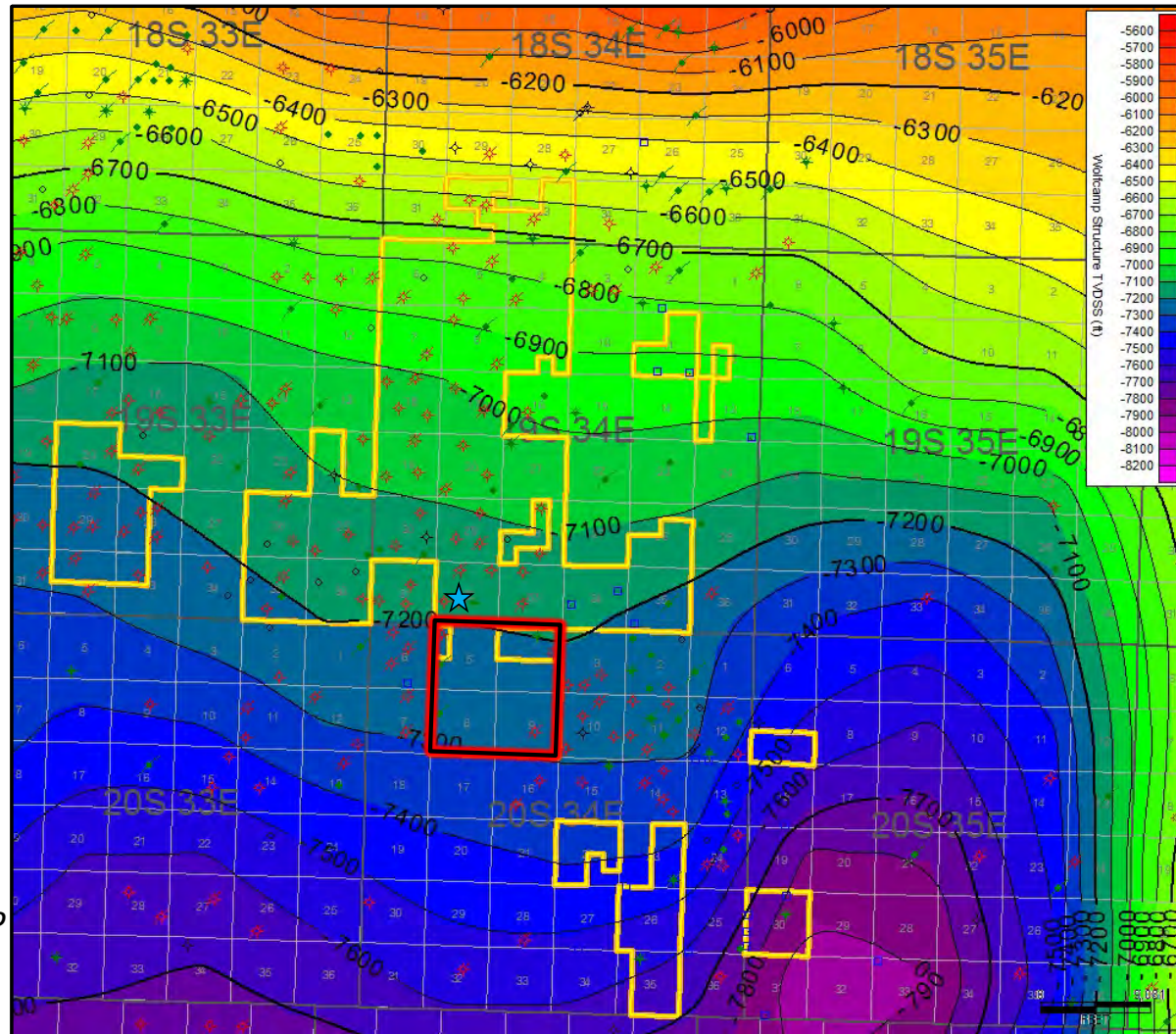
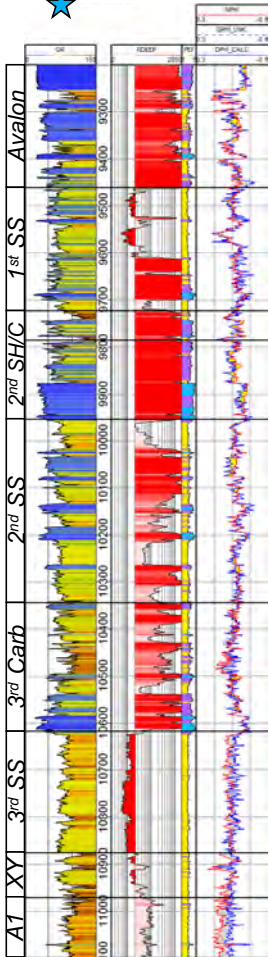


EXHIBIT  
B-5



# 3<sup>rd</sup> Bone Spring Sand Isopach

Quail Ridge 32  
State 2

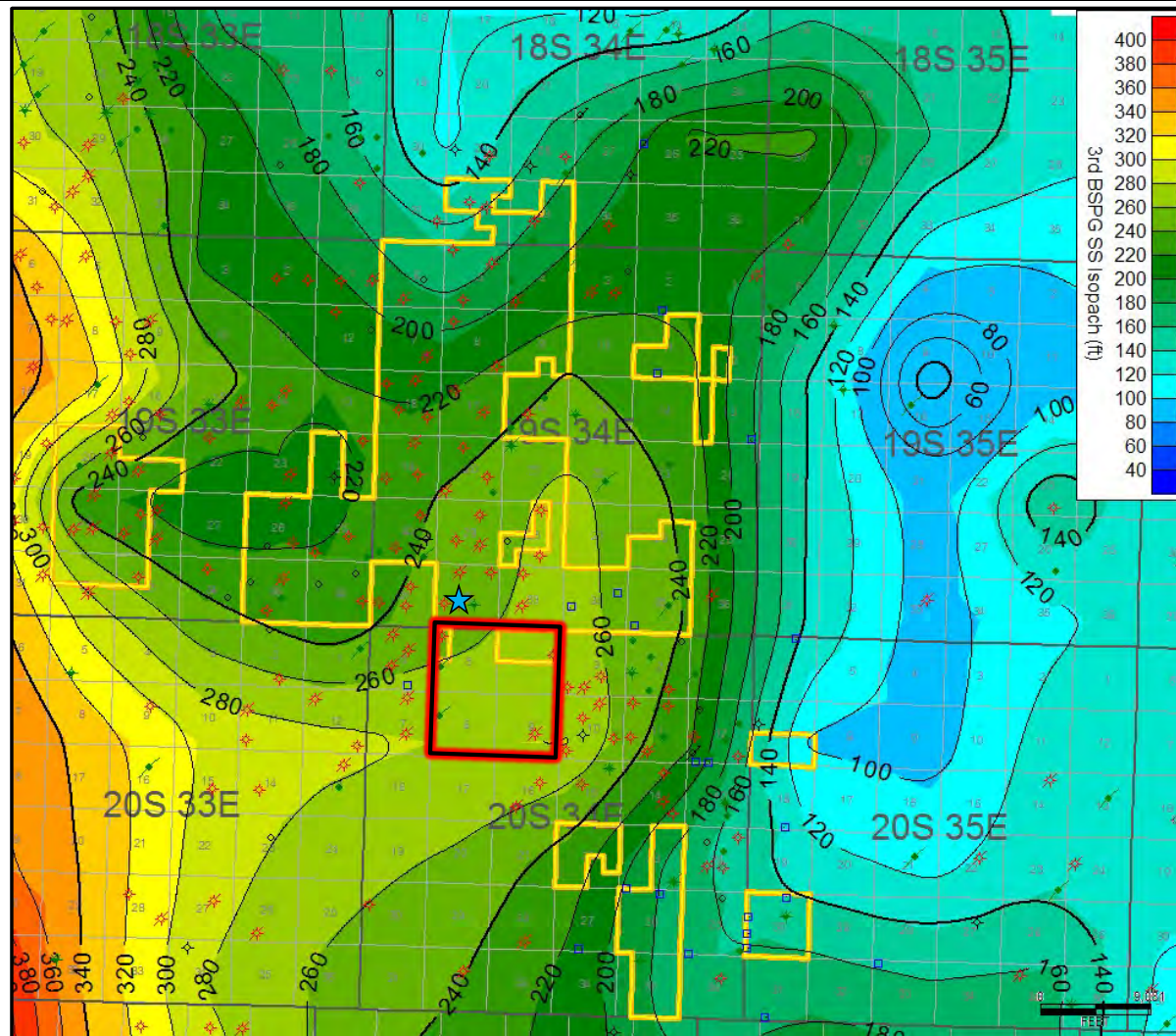
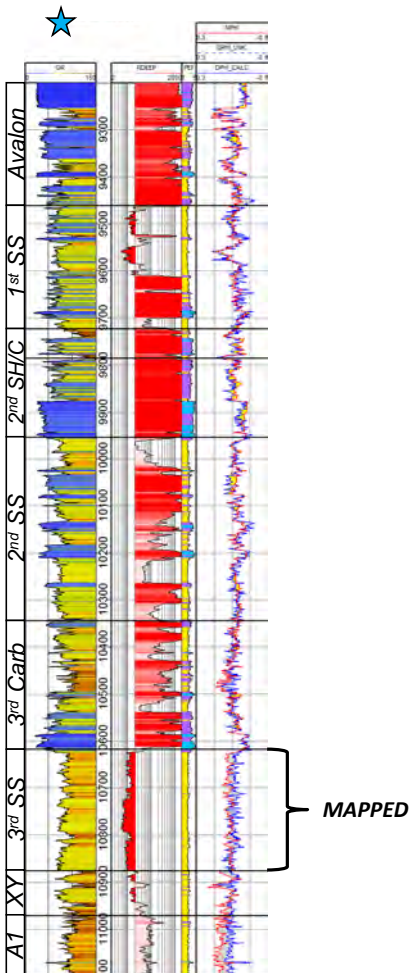
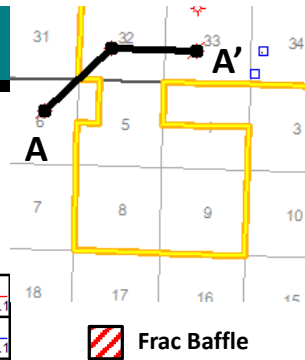
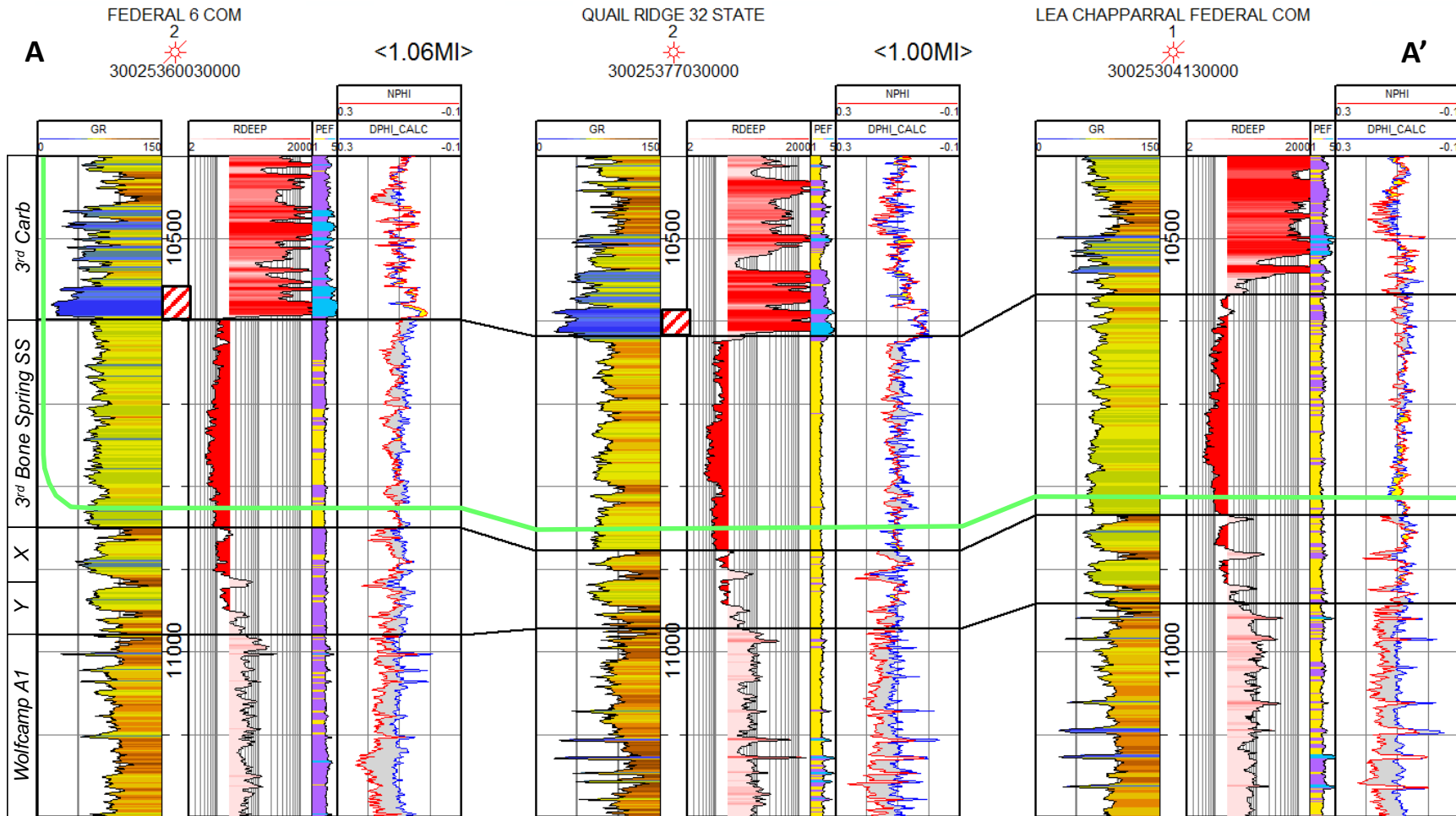


EXHIBIT  
B-6

# 3<sup>rd</sup> Bone Spring Sand Cross Section

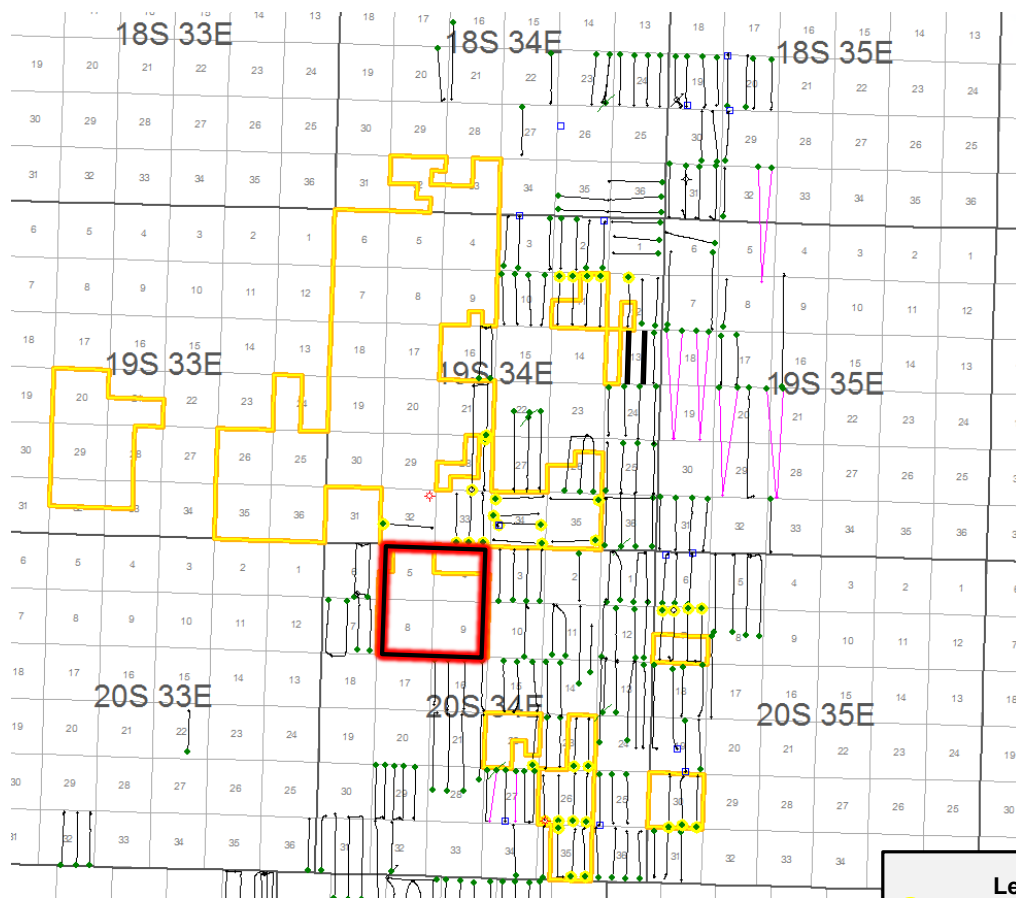


PR's additional Wolfcamp target lies ~95' below the 3<sup>rd</sup> Sand target. No significant frac baffle separates the two reservoirs.

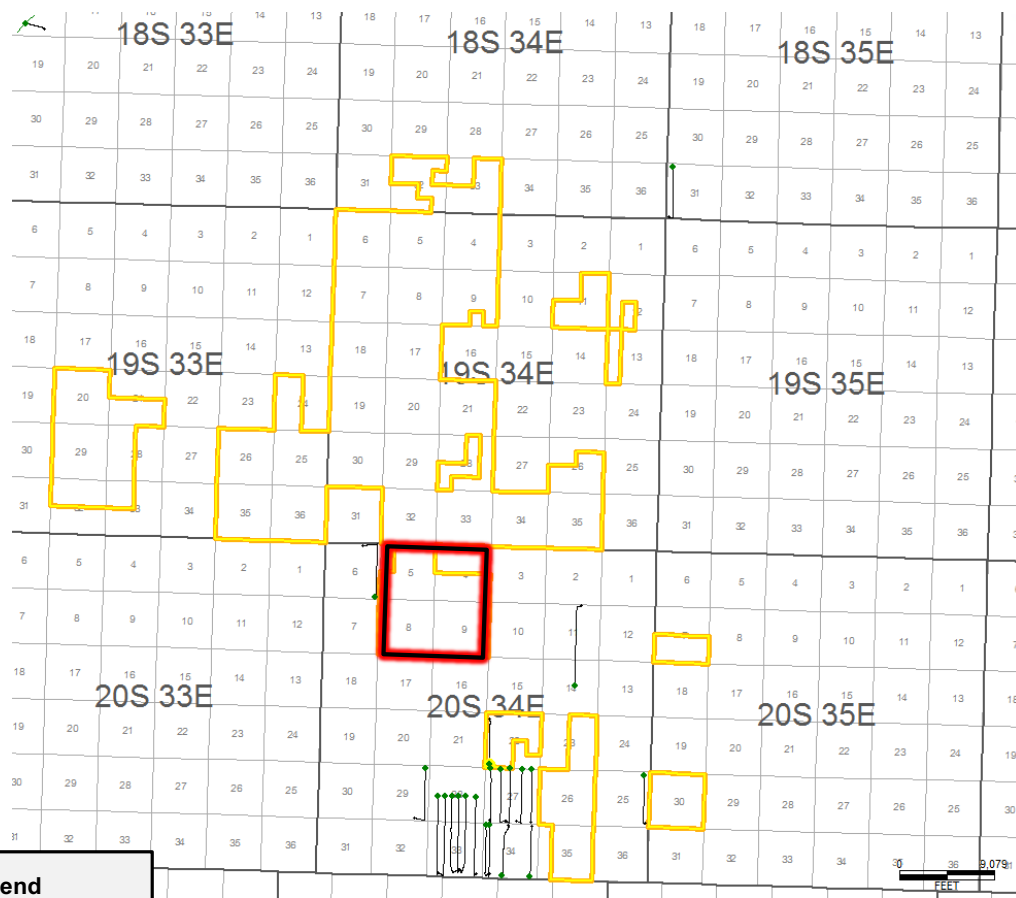
EXHIBIT  
B-7

## 3<sup>rd</sup> Bone Spring Sand is Established Target

### 3<sup>rd</sup> Bone Spring Sand Producers



### Wolfcamp Producers



**Legend**  
● Cimarex Operated Wells

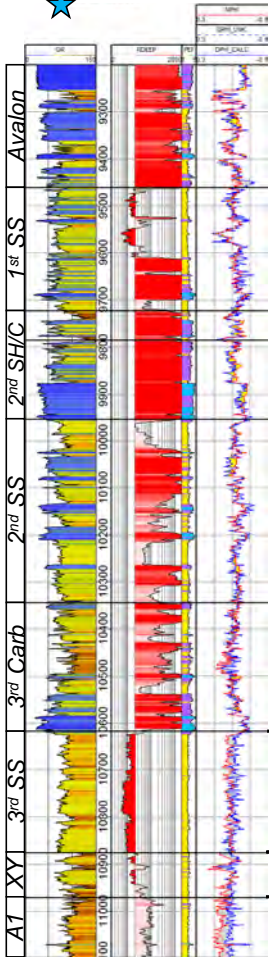
**EXHIBIT  
B-8**





# Comparing 3<sup>rd</sup> Sand to Wolfcamp Reservoir (SoPhiH)

Quail Ridge 32  
State 2

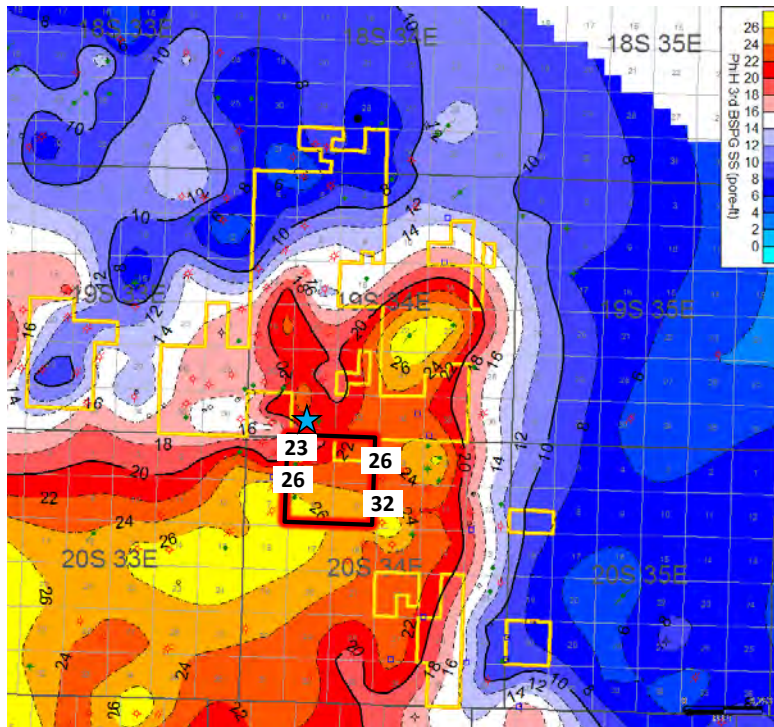


Left Map

Right Map

## PhiH 3<sup>rd</sup> Bone Spring Sand

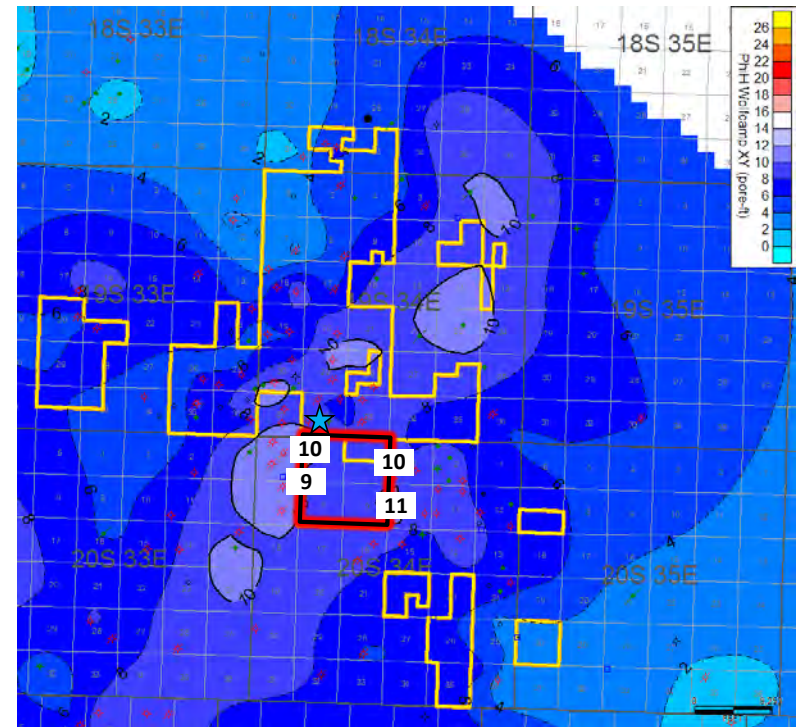
CTRA Target



Avg PhiH in 3<sup>rd</sup> SS = 26.75  
72.8% of total reservoir

## PhiH Wolfcamp X & Y Sands

Permian Resources Additional Target



Avg PhiH in WFMP XY = 10  
27.2% of total reservoir

EXHIBIT  
B-10

# ***2<sup>nd</sup> Bone Spring Sand***



# 2<sup>nd</sup> Bone Spring Sand Structure

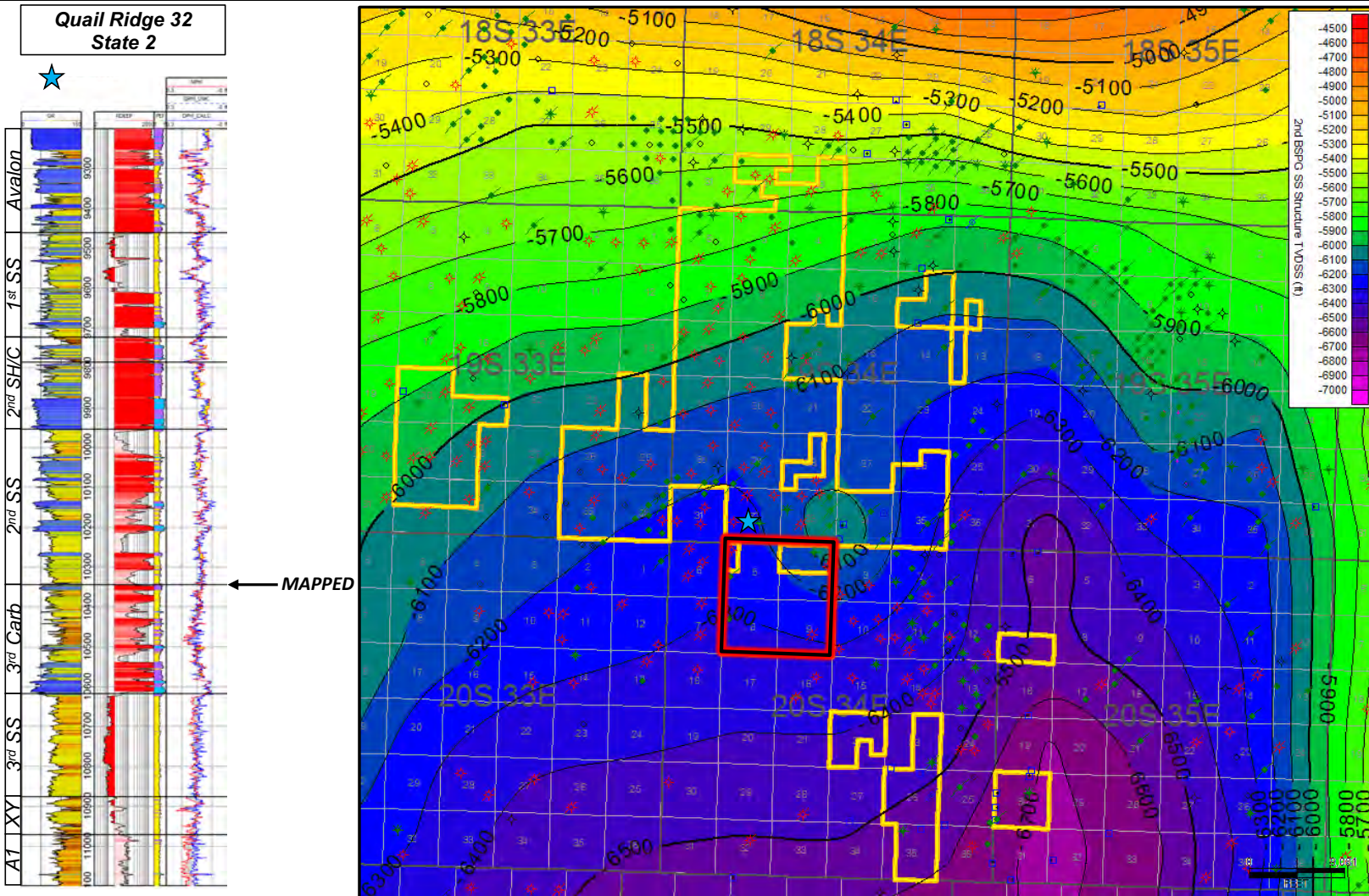


EXHIBIT  
B-11



## 2<sup>nd</sup> Bone Spring Sand Isopach

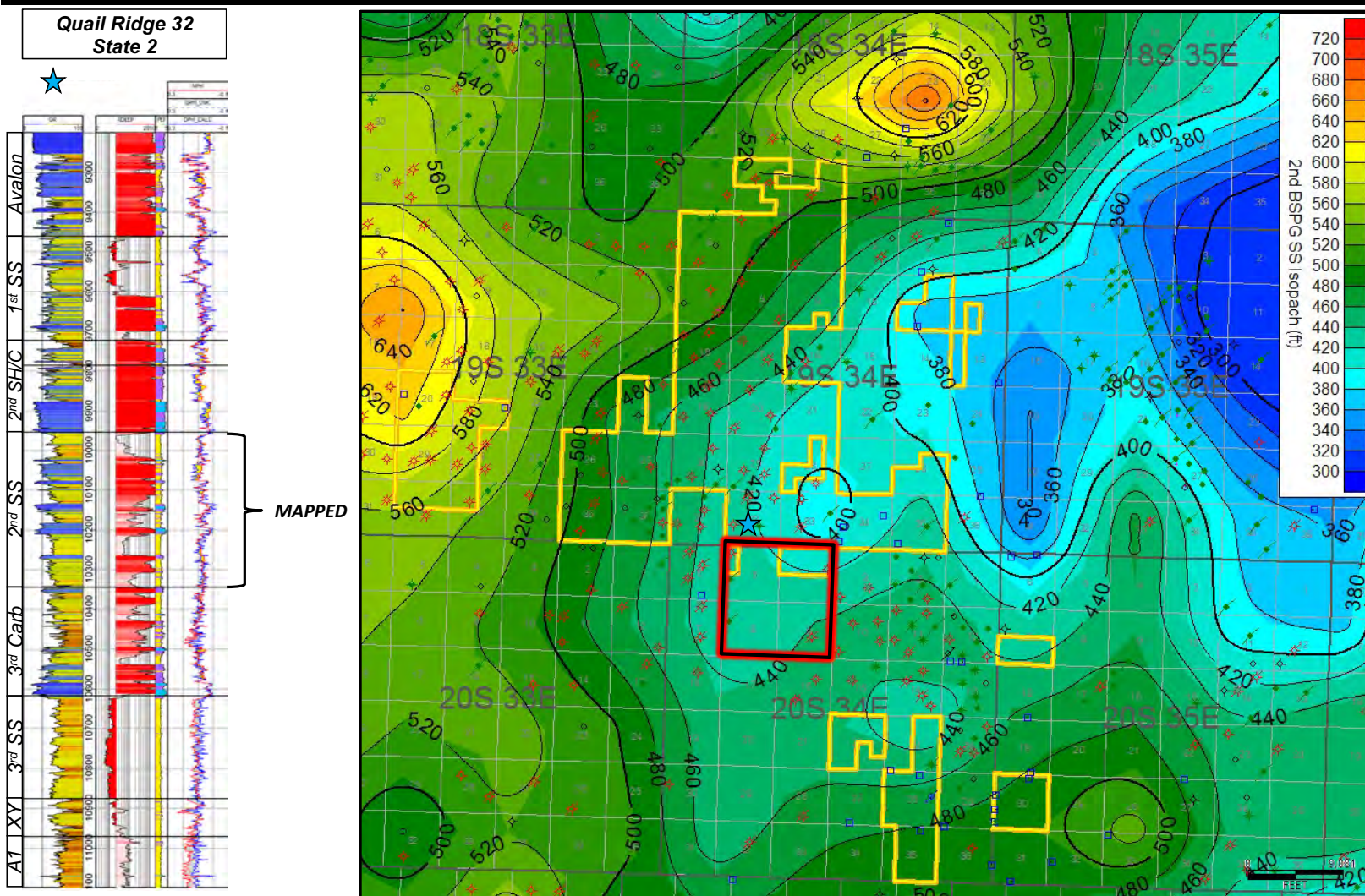
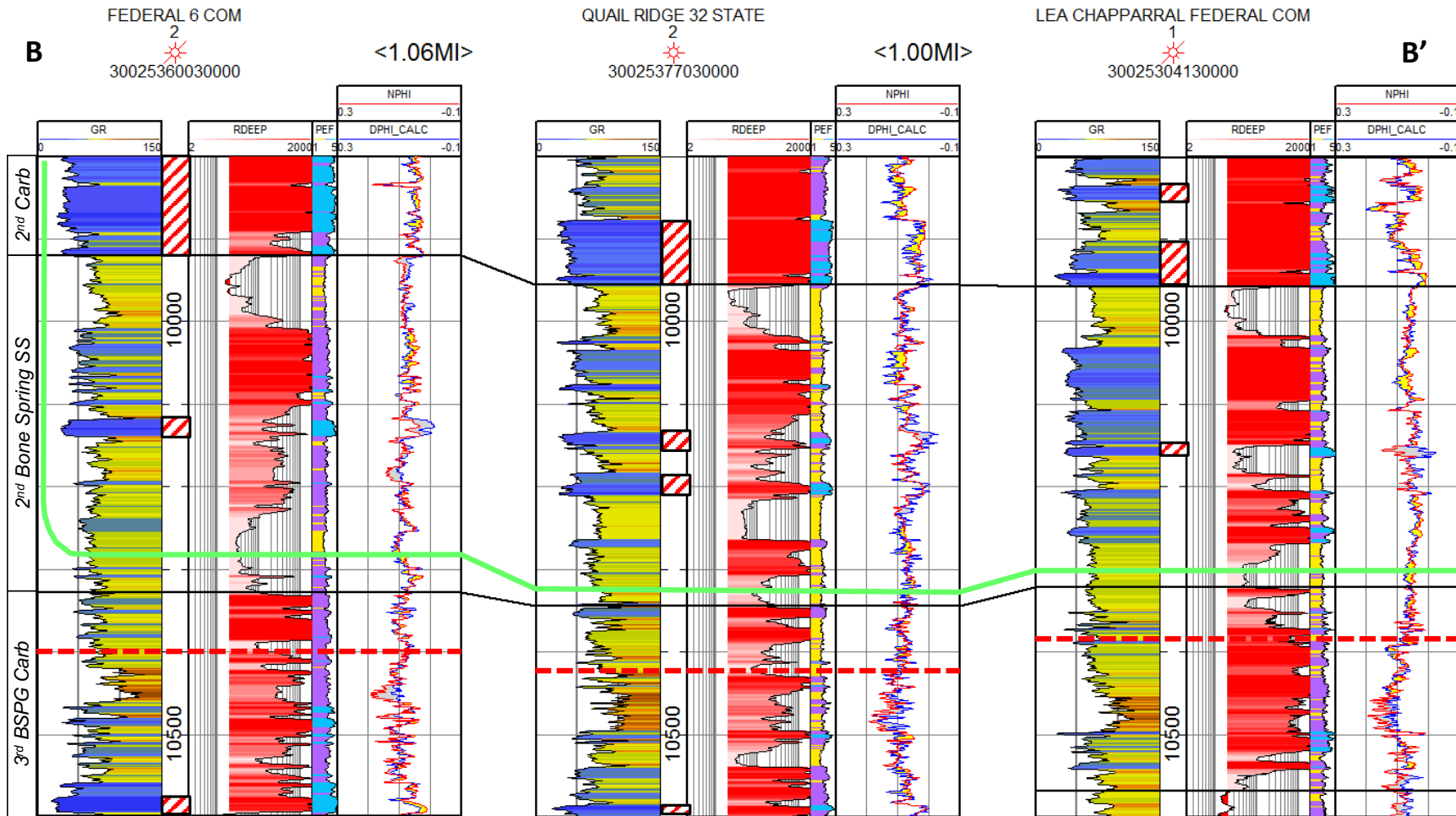


EXHIBIT  
**B-12**

## 2<sup>nd</sup> Bone Spring Sand Cross Section

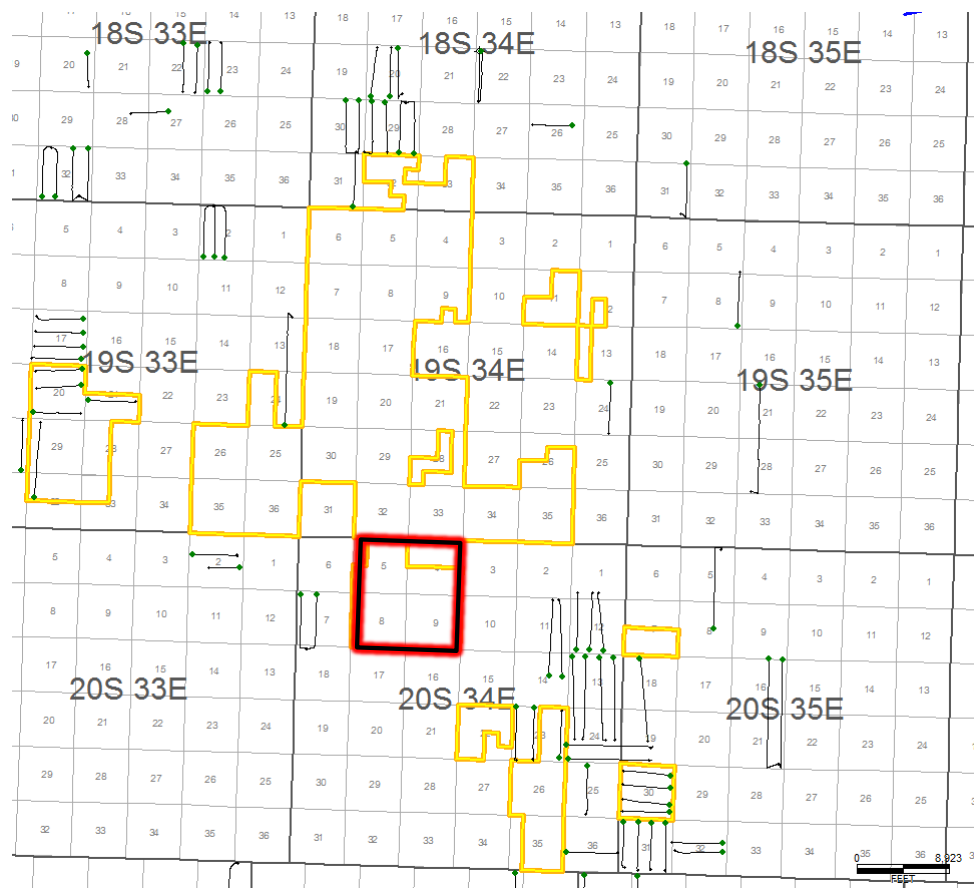


PR's additional 3<sup>rd</sup> Carb target lies ~135' below L. 2<sup>nd</sup> Sand target. No significant frac baffle separates the two reservoirs.

EXHIBIT  
B-13

## 2<sup>nd</sup> Bone Spring Sand is Established Target

### Lower 2<sup>nd</sup> Bone Spring Sand Producers



### 3<sup>rd</sup> Bone Spring Carb Producers

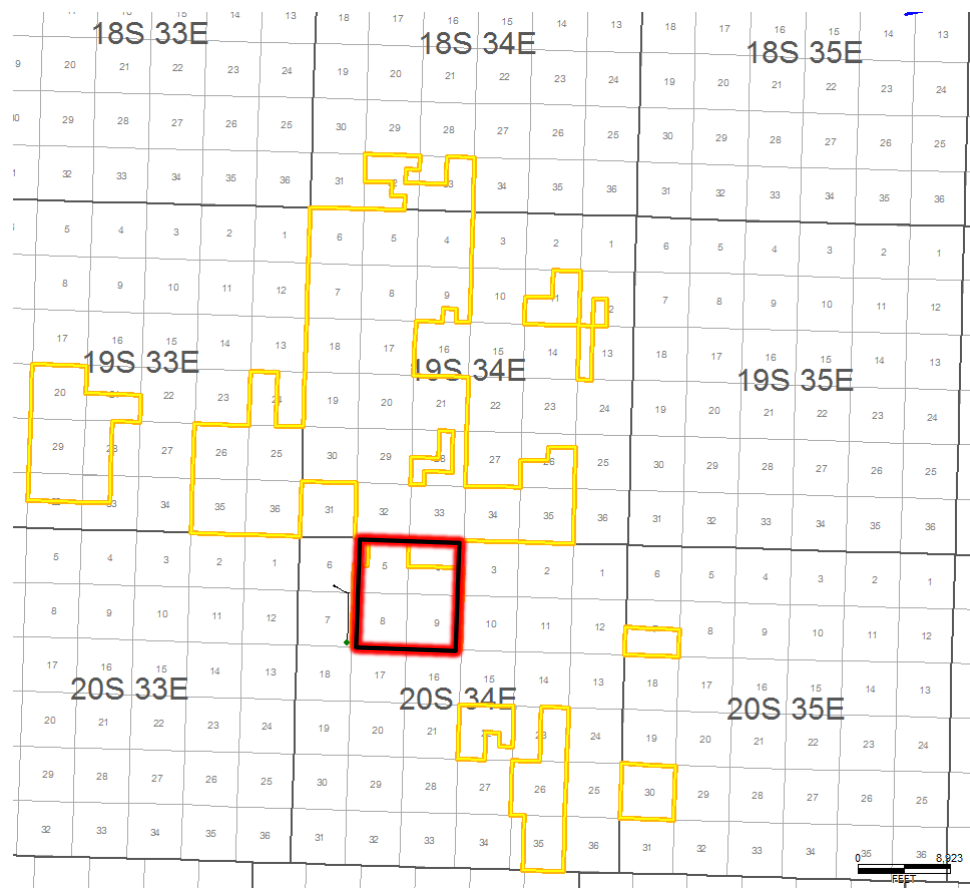
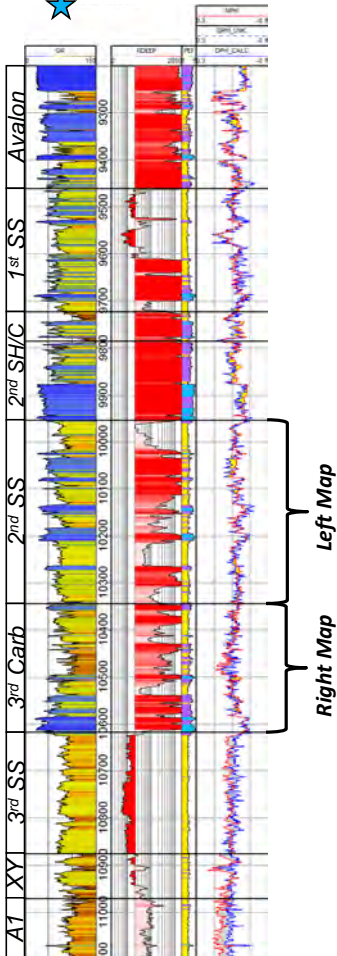


EXHIBIT  
B-14



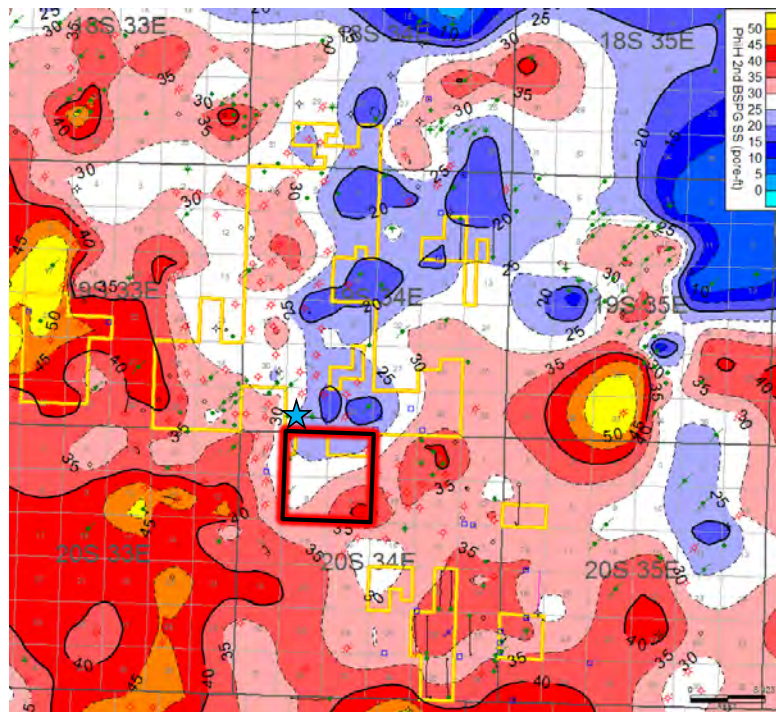
# 

Quail Ridge 32  
State 2



## **PhiH 2<sup>nd</sup> Bone Spring Sand**

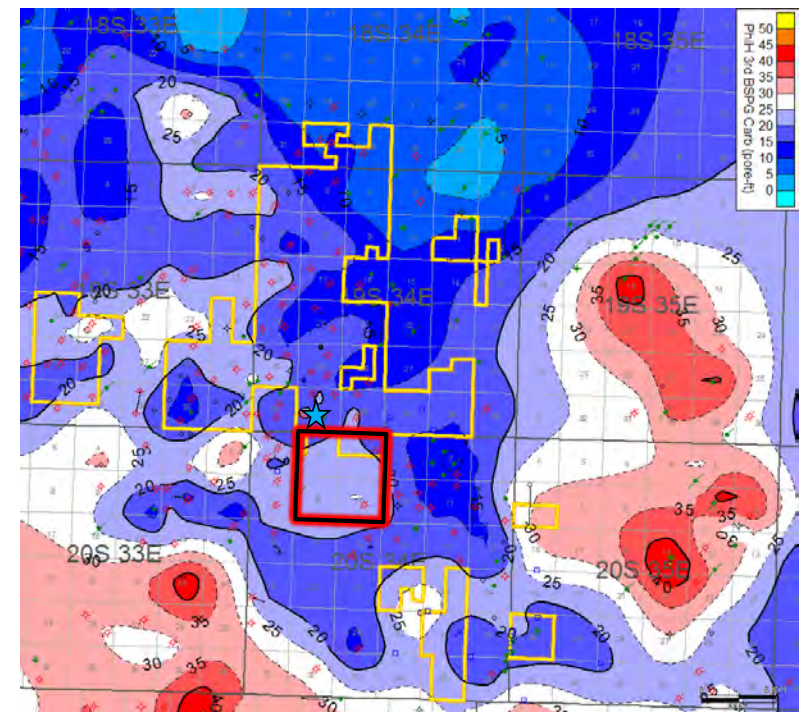
CTRA Target



Avg PhiH in 3<sup>rd</sup> SS = 30  
60% of total reservoir

## **PhiH 3<sup>rd</sup> Bone Spring Carb**

Permian Resources Additional Target



Avg PhiH in WFMP XY = 20  
40% of total reservoir

EXHIBIT  
B-15

# ***1<sup>st</sup> Bone Spring Sand***



COTERRA



# 1<sup>st</sup> Bone Spring Sand Structure

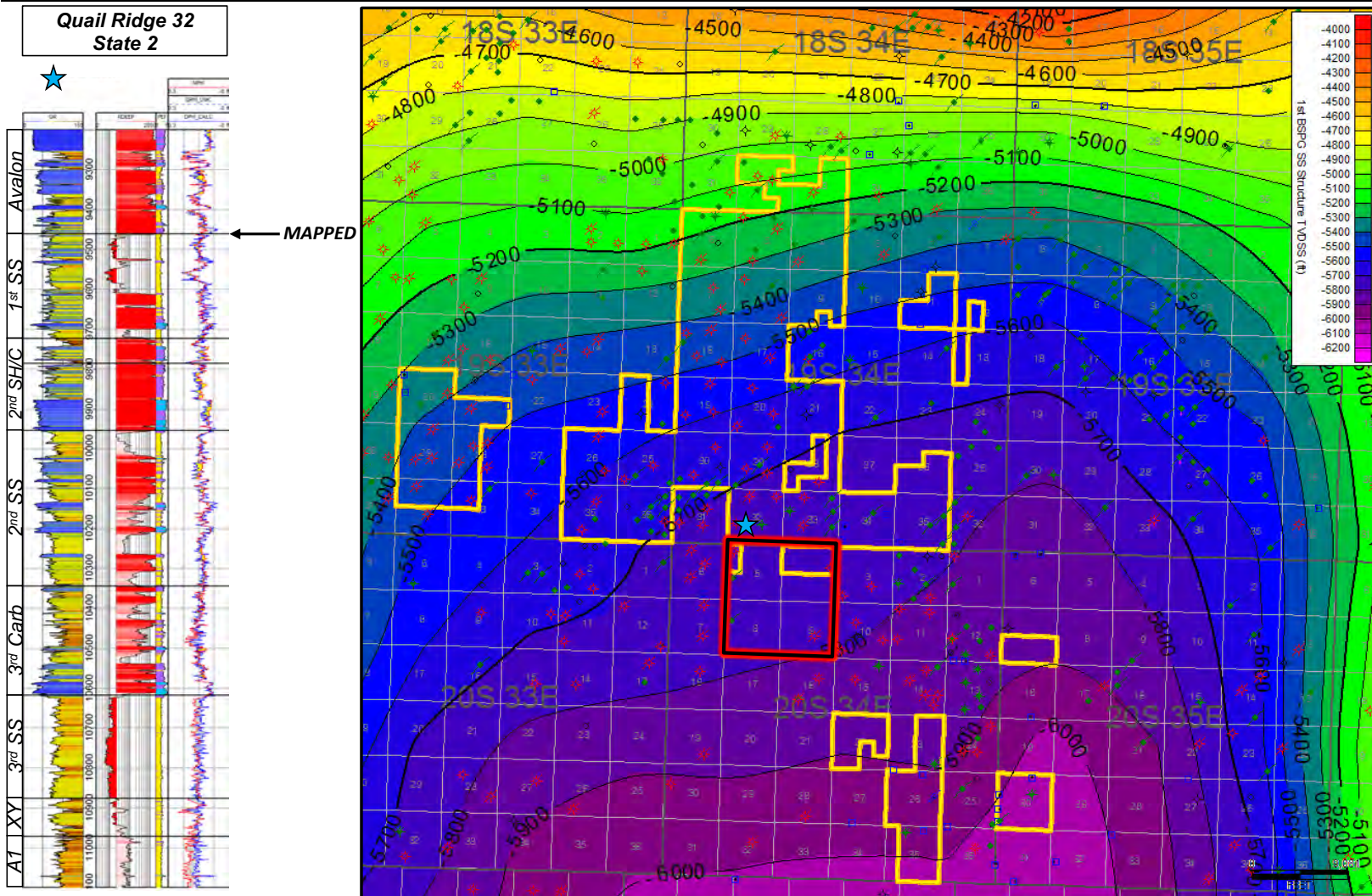
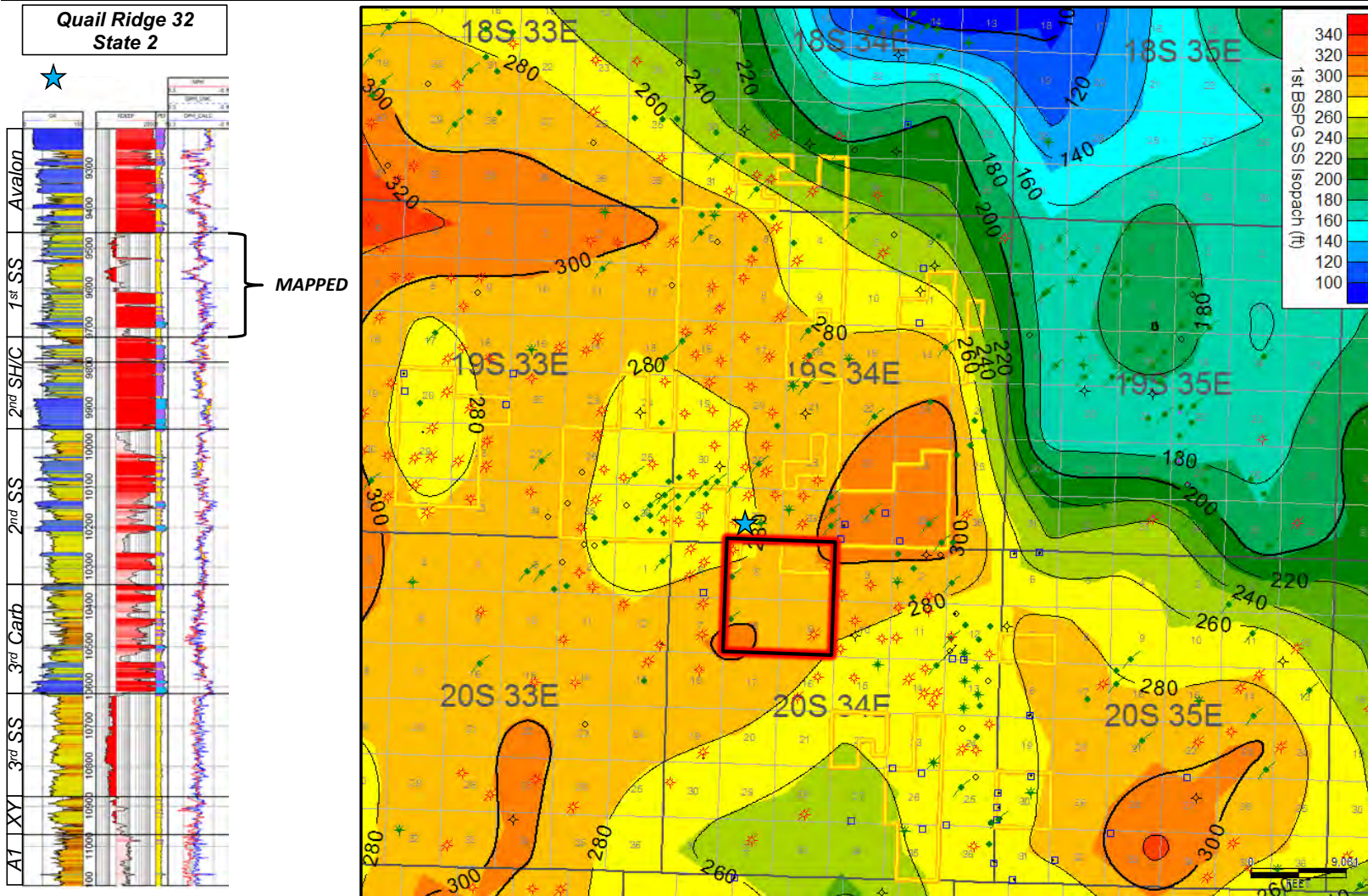
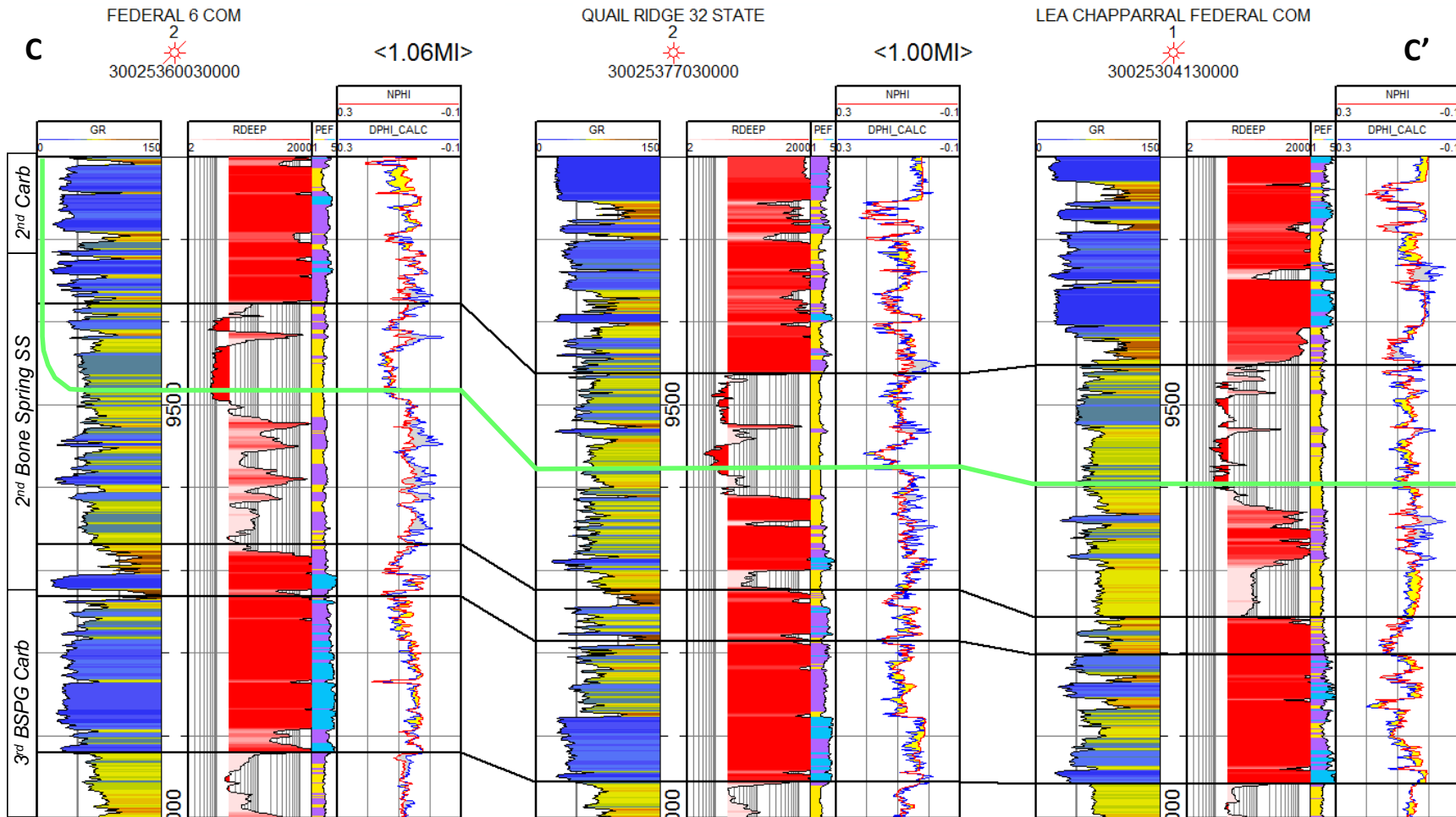


EXHIBIT  
B-16



# 1<sup>st</sup> Bone Spring Sand Isopach

**EXHIBIT  
B-17**



**EXHIBIT  
B-18**

# *Wolfcamp XY*



# Wolfcamp XY Structure

Quail Ridge 32  
State 2

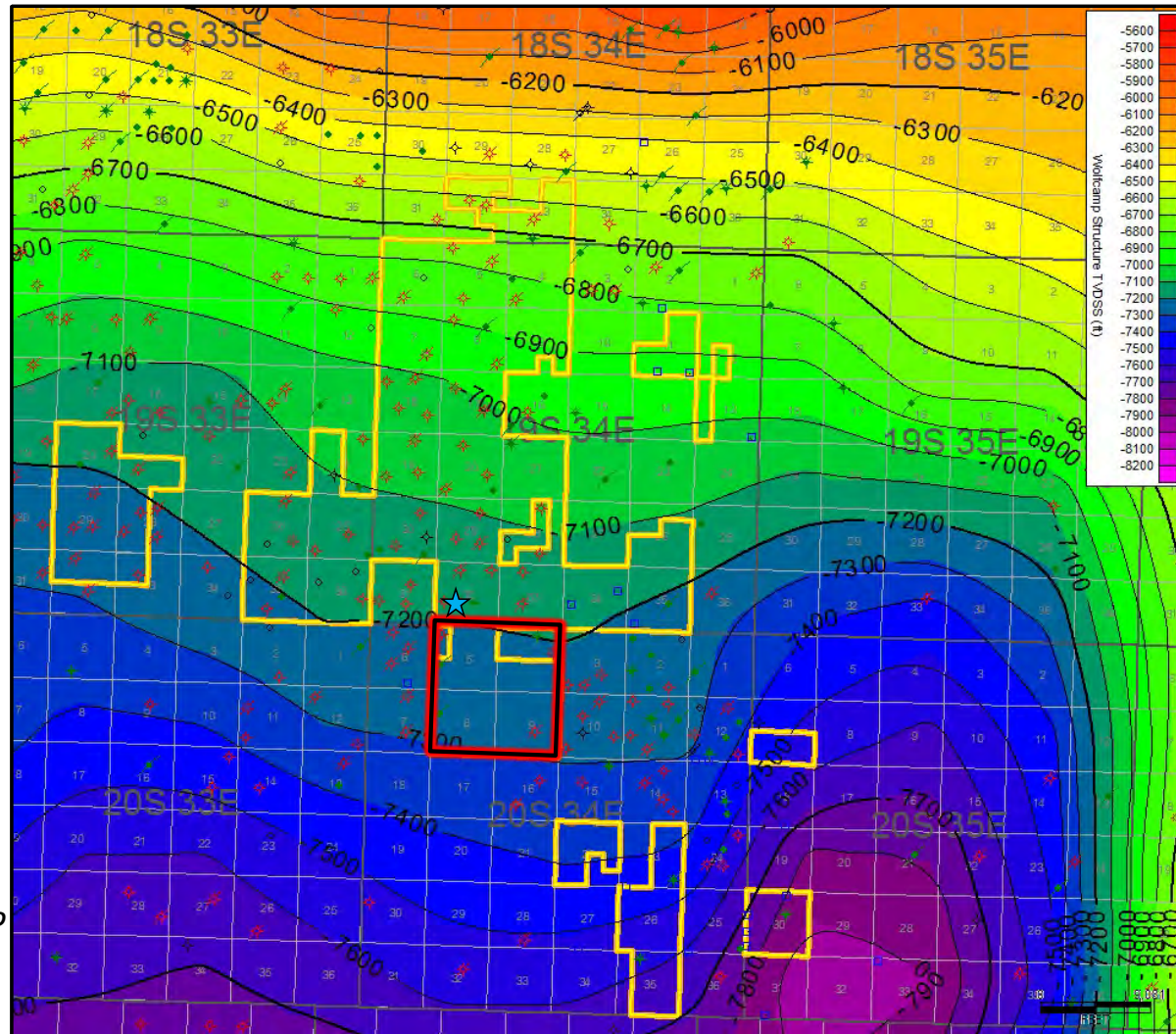
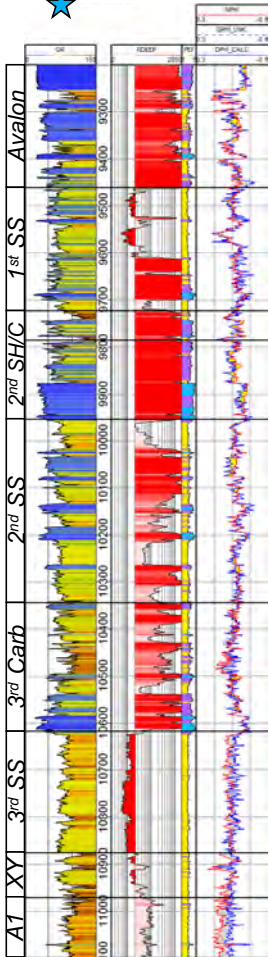
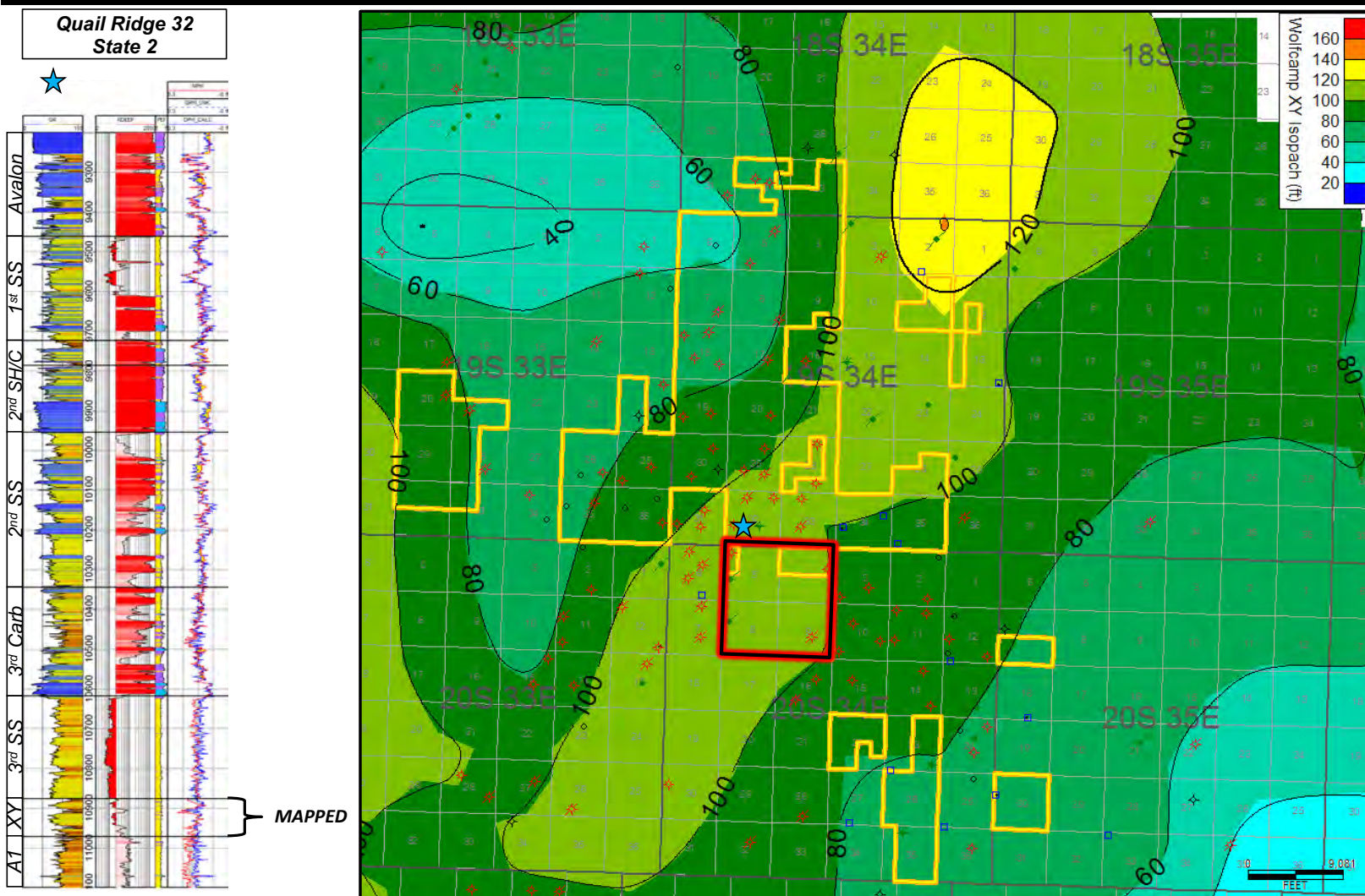


EXHIBIT  
B-19



# Wolfcamp XY Isopach



# Wolfcamp XY Cross Section

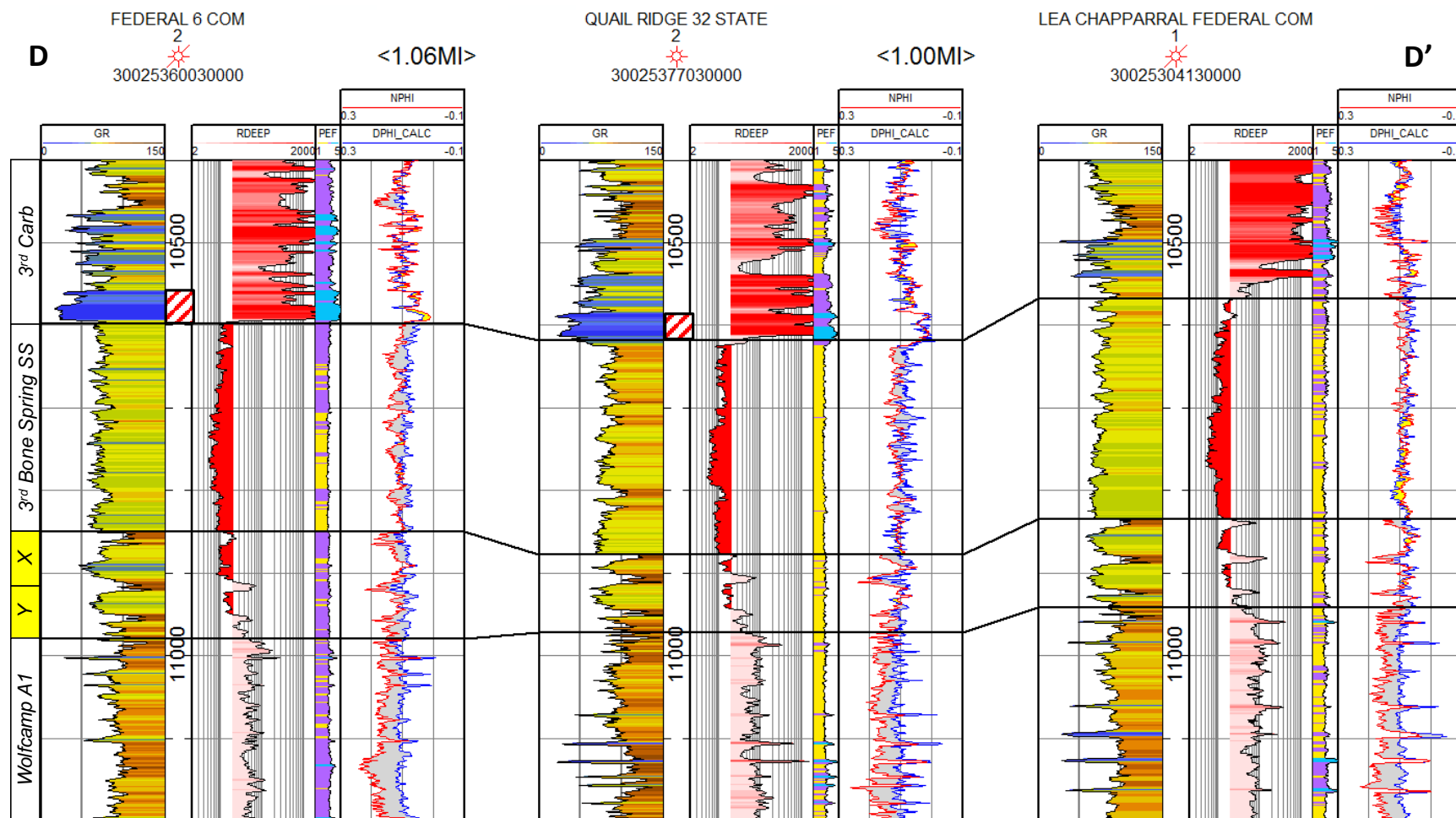


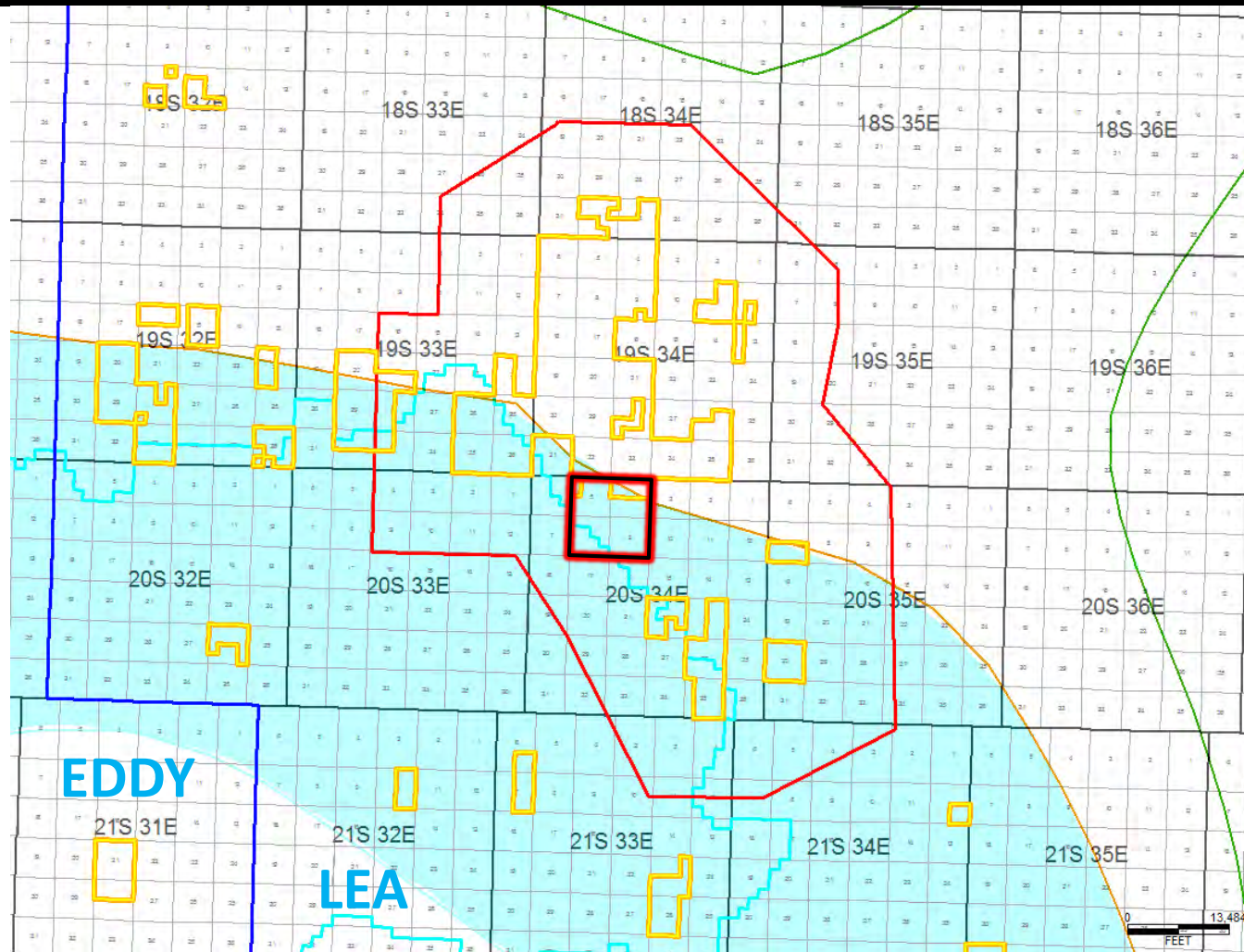
EXHIBIT  
B-21



# ***No Frac Baffle Between Wolfcamp and 3<sup>rd</sup> Sand***



## 3D Seismic Outline



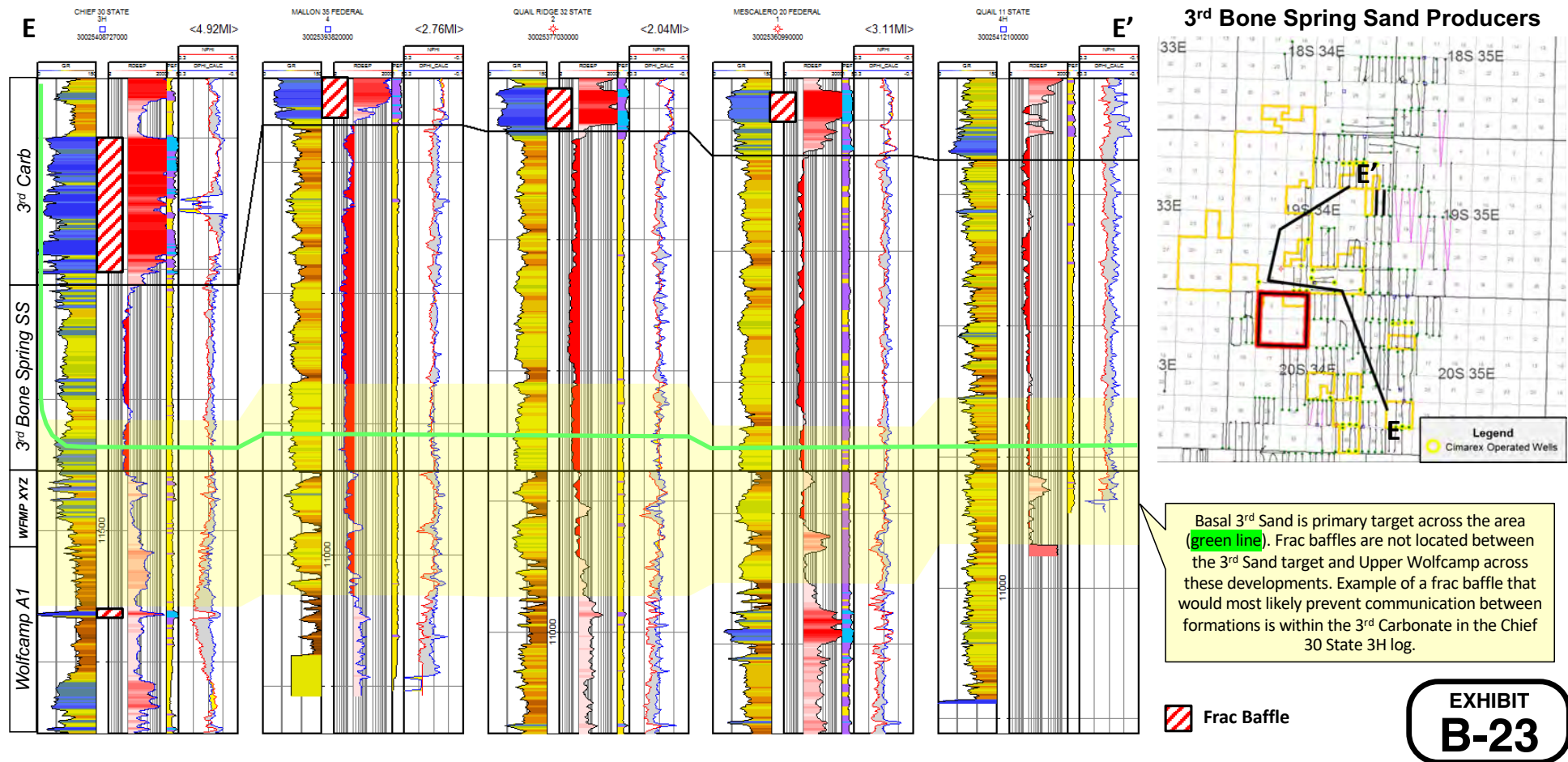
- Capitan Reef
- Cimarex 3D Seismic
- Potash Outline
- Cimarex Acreage
- Mighty Pheasant & Loosey Goosey

**EXHIBIT  
B-22**

**3D seismic survey processed in  
2022**



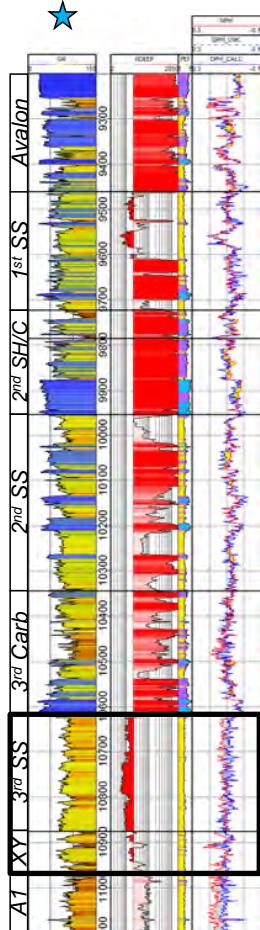
## No Frac Baffle Present Between Wolfcamp & 3<sup>rd</sup> Sand at Offset 3<sup>rd</sup> Sand Developments



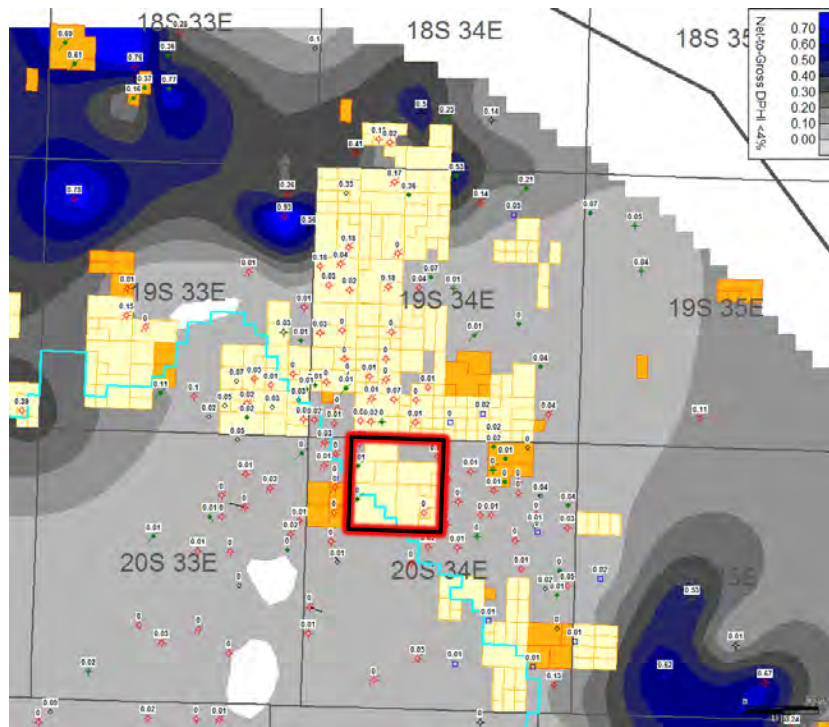


## No Frac Baffles Between BSPG & WFMP at Existing Production

Quail Ridge 32  
State 2

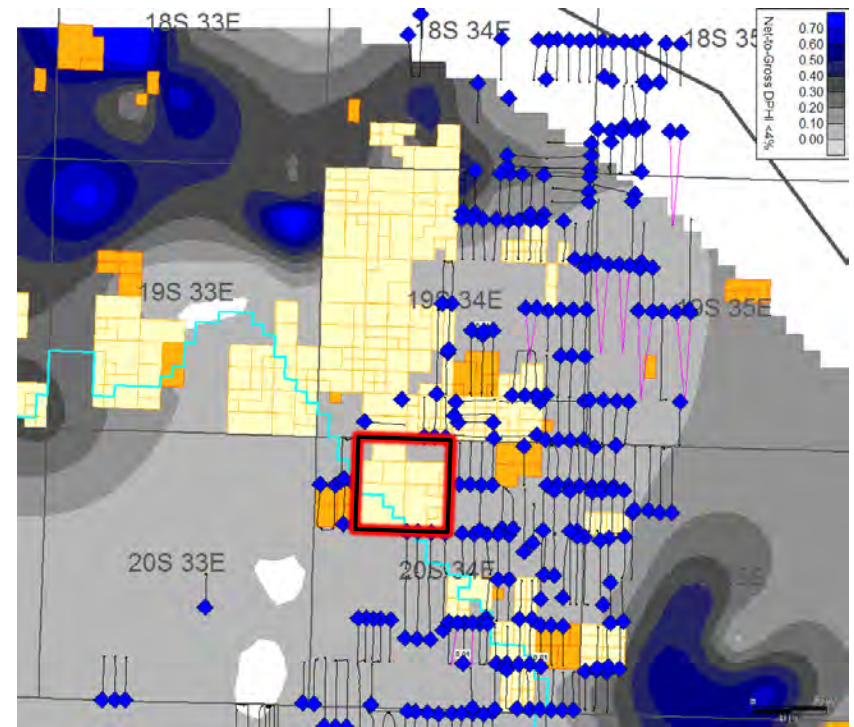


Net-to-Gross DPHI <4%  
(0% means there is no frac baffle)



MAPPED

Scale is from 0% to 70%, so value = 0 means that there is no occurrence of density porosity dropping below 4% within 3<sup>rd</sup> Sand & Wolfcamp XY (no frac baffle)



◆ 3<sup>rd</sup> Bone Spring Sand

EXHIBIT  
B-24

## **TAB 4**

Case Nos. 23452-23455

Exhibit C: Self-Affirmed Statement of Calvin Boyle, Facility Engineer  
Exhibit C-1: Mighty Pheasant - Loosey Goosey Development Plan  
Exhibit C-2: Mighty Pheasant - Loosey Goosey Operations and Environmental  
Overview

Page 205 of 291

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

**APPLICATIONS OF CIMAREX ENERGY CO.  
FOR A HORIZONTAL SPACING UNIT AND  
COMPULSORY POOLING, LEA COUNTY, NEW MEXICO**

**Case Nos. 23448 – 23451  
(Mighty Pheasant; Bone Spring; Secs. 5 & 8)**

**APPLICATIONS OF CIMAREX ENERGY CO.  
FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO**

**Case Nos. 23594 – 23597  
(Mighty Pheasant; Wolfcamp; Secs. 5 & 8)**

**APPLICATIONS OF CIMAREX ENERGY CO.  
FOR A HORIZONTAL SPACING UNIT AND  
COMPULSORY POOLING, LEA COUNTY, NEW MEXICO**

**Case Nos. 23452 – 23455  
(Loosey Goosey; Bone Spring; Secs. 4 & 9)**

**APPLICATIONS OF CIMAREX ENERGY CO.  
FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO**

**Case Nos. 23598 – 23601  
(Loosey Goosey; Wolfcamp; Secs. 4 & 9)**

**SELF-AFFIRMED STATEMENT OF CALVIN BOYLE**

1. I am over the age of 18 and have the capacity to provide this Statement.
2. I graduated from the University of Oklahoma in 2016 with a Bachelor of Science degree in Petroleum Engineering. I received a Master of Business Administration from Oklahoma State University in 2018.

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**EXHIBIT  
C**

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3. I was employed by Haliburton Energy Services from June 2017 until March 2019, as a Technical Professional, responsible for designing and managing cementing programs for all of XTO Energy Inc.'s drilling rigs in the Mid-Continent.

4. I joined Cimarex Energy Co. ("Cimarex") in March 2019. Since October 1, 2021, when Cimarex merged with Cabot Oil & Gas Corporation to form Coterra Energy Inc. ("Coterra"), I have been an employee of Coterra.

5. I have been a Facility Engineer for Cimarex and then Coterra since April 2021. As the Facility Engineer, I am responsible for planning, designing, and managing production facilities operated by Cimarex. Coterra has charged me with ensuring that production facilities are designed and managed so as to minimize environmental impacts.

6. I manage construction budgets for production facilities and allocate capital to optimize production facilities. I have appended a copy of my resume as Attachment A to my Statement.

7. This Statement provides a description and overview of the facilities that Cimarex will implement in its development plan for the Mighty Pheasant Wells in Sections 5 and 8, Township 20 South, Range 34 East; and the Loosey Goosey Wells in Sections 4 and 9, Township 20 South, Range 34 East, covering 2,880 acres, more or less. (The 2,880 acres are referred to herein as the "Subject Lands" and the Development Plan for the Subject Lands is referred to herein as the "MP-LG Development Plan.").

8. I assisted in the formulation of Cimarex's plans to develop the hydrocarbons in the applications filed in the above-referenced Cases and am familiar with facilities that Cimarex is proposing in its applications as well as the AFEs associated with all of the wells that Cimarex is

proposing in these cases and the AFEs associated with the additional wells that Cimarex is planning to drill on the Subject Lands.

**Exhibit C-1:  
Mighty Pheasant - Loosey Goosey Development Plan.**

9. As shown on Exhibit C-1, Cimarex will develop the Subject Lands with only 33.9 acres of disturbance to the surface, consisting of 2.33 acres of roads, 25.25 acres for pads, and 6.31 acres for a single battery. Thus, the results in a minimal 1.17% disturbance of the Subject Lands that substantially minimizes the environmental impact of the plan of development.

10. After the four drill pads and bulk gathering lines are installed, Cimarex will rotate back to these existing drill pads for all activities and operations within the MP-LG Development Plan, thus requiring no further surface disturbance to the lands. By minimizing dirt work in this way, Cimarex will reduce potential air pollution and preserve both native vegetation and natural habitat.

11. Cimarex will use a single Battery for all of the 27 to 34 wells that Cimarex intends to drill as part of the MP-LG Development Plan. A single battery eliminates two additional batteries that would otherwise be required, thereby eliminating additional surface disturbances and high-risk emissions devices.

12. Cimarex will develop the Subject Lands utilizing best-in-class gas capture technology and operations. Cimarex has already initiated this approach by securing proposals for oil, water, and gas takeaway using such technology and by submitting load requests to power surface equipment to develop the acreage. Cimarex has implemented an operations policy that encompasses zero (0) routine flaring and the use of tankless facilities that offer superior capture rates of low-pressure gas (>90% low pressure capture) for new developments. Cimarex will utilize these policies in the development plan.

**Exhibit C-2:**  
**Mighty Pheasant - Loosey Goosey Operations and Environmental Overview**

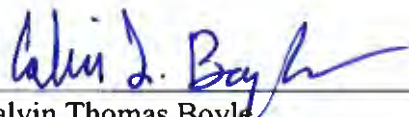
13. Cimarex will construct a single tankless facility for the MP-LG Development Plan. Cimarex will spend an additional \$610,000 to lower the emission's risk of the facility. Cimarex's tankless facility utilizes surge vessels rather than tanks. In doing so, Cimarex removes all high-risk emissions devices from the facility. Cimarex will not utilize a high-pressure flare unless H<sub>2</sub>S is present which allows Cimarex to minimize flaring. Cimarex will also install redundant vapor recovery units to increase low pressure gas capture and minimize flaring.

14. Cimarex will spend an additional \$255,000 to lower the spill risk of the facility. Cimarex will install lined containment around all equipment and pumps. Berm switches will be installed inside the containment to minimize a spill if one should occur. Cimarex will install stainless steel piping in high spill risk areas which significantly reduces the likelihood of a spill occurring. Cimarex will install pump seal leak detection to minimize the likelihood of a spill off of the water transfer pumps.

15. The Exhibits to this Self-Affirmed Statement were prepared by me or compiled from Cimarex's company business records under my supervision and/or approval.

16. The foregoing is correct and complete to the best of my knowledge and belief.

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case Nos. 23448-23455 and 23594-23601 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.

  
Calvin Thomas Boyle  
8-2-23  
Date Signed

# Calvin Thomas Boyle

6001 Deauville Blvd. Suite 300N Midland, TX 79706 | (918)-891-1095 | calvin.boyle@coterra.com

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## Education

### Master of Business Administration

Concentration: Energy Business

Oklahoma State University – Stillwater, OK

Graduated August 2018; GPA: 4.00

### Bachelor of Science in Petroleum Engineering

University of Oklahoma – Norman, OK

Graduated May 2016; GPA: 3.71

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## Work Experience

### Coterra Energy (Formerly Cimarex Energy) – Facility Engineer

Midland, TX (April 2021-present)

- Plan, supervise, and design capital projects to minimize environmental impact
- Efficiently allocate capital to optimize production facilities
- Manage \$74MM capital construction budget
- Implement Vapor Recovery Unit life plan to effectively decrease emissions
- Coordinate with field personnel and executive management for successful project execution
- Software proficiencies: Promax, ARIES, Carte, XSPOC, Spotfire, Google Earth, and various

### Coterra Energy (Formerly Cimarex Energy) – Production Engineer

Midland, TX (March 2020-April 2021)

- Monitor production of more than 200 oil and gas wells in Lea and Eddy County New Mexico (Gas Lift, ESP, flowing, and pumping wells)
- Proposed, oversaw, and executed the divestiture of a 30 well asset
- Design and implement workovers (Rod Lift, ESP, Plunger, Acid Stimulation)
- Implemented the XSPOC system which decreased downtime by 12%

### Coterra Energy (Formerly Cimarex Energy) – Field Engineer

Jal, NM (March 2019 to March 2020)

- Managed production of 31 oil wells (Gas lift, pumping, plunger, and flowing)
- Optimized the wells to increase production and decrease LOE
- Monitored flare pilot and VRUs to prevent methane emissions from flares and tanks
- Maintained production facilities

### Halliburton Energy Services – Technical Professional, Cement

El Reno, OK (June 2017 to March 2019)

- Manage and design the cementing program for all of XTO's drilling rigs in the Mid-Continent; designing the cement programs in order to meet or exceed all of the XTO's specifications on each well drilled
- Design cement slurries for thickening time, compressive strength, rheological properties, and fluid loss; proactively tailoring cement slurries to achieve desired properties and alleviate risk for both my customers and Halliburton
- Run foam cement jobs on location; monitoring multiple variables and pumping nitrogen to ensure a successful job

Attachment  
**A**

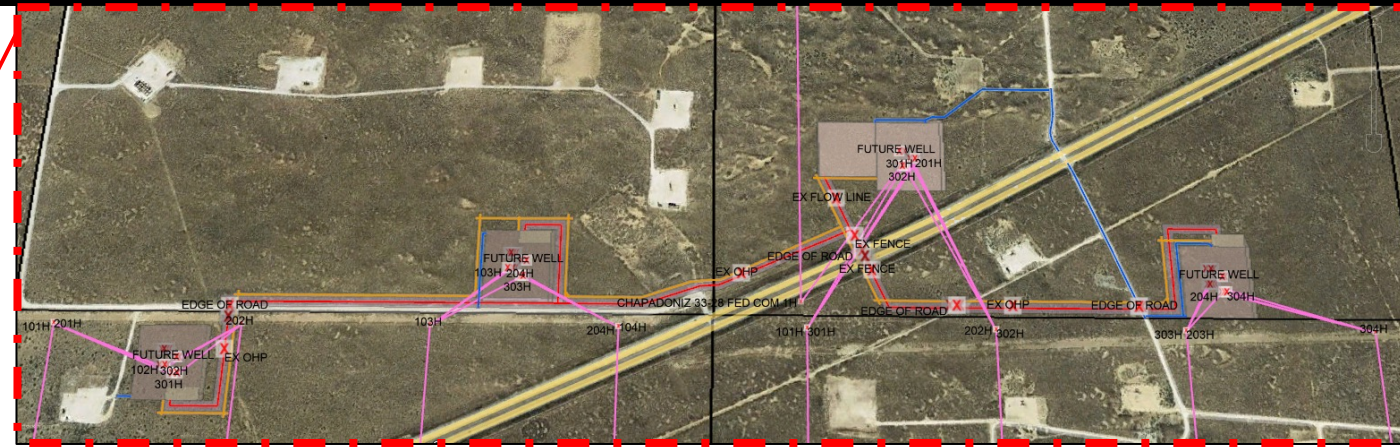




## Mighty Pheasant

# Loosey Goosey

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- Oil water gas power ROW connects 4 drilling pads with on pad separation to Battery
- Single battery eliminates 2 additional batteries worth of disturbance and high-risk emissions devices.
- Cimarex permits 0 routine flaring, and our design has  $\geq 90\%$  low pressure vapor capture
- Roads (2.33) acres, pads (25.25 acres) and battery (6.31 acres) create  $\sim 33.9$  acres of disturbance allowing for full development of  $\sim 2880$  acres, 1.17% disturbance.
- Pipelines are onetime construction; follow-up wells will use existing gathering off pad which is installed the first time a well is drilled off a drill pad. All future wells create no new disturbance off drill pads minimizing environmental impact



## Tankless Battery Design

- Central battery utilizing surge vessels
- Satellite separators utilized to eliminate future ground disturbance

## Emissions Reduction

- 0 high risk emissions devices
- Removal of high-pressure flare (Shut wells in during high line pressure events)
- Redundant vapor recovery units to increase low-pressure gas capture and reduce flaring

## Spill Mitigation

- Containment around all equipment and pumps
- Stainless steel piping in high-risk areas
- Transfer pump seal leak detection
- Berm switches in containments





## TAB 5

Case Nos. 23452-23455

Exhibit D: Self-Affirmed Statement of Eddie Behm, Petroleum Engineer

Exhibit D-1: Cimarex's High Profile Role in Lea County

Exhibit D-2: Cimarex's Overall Production in Lea County

Exhibit D-3: Map of 3<sup>rd</sup> Bone Spring Sand Producers

Exhibit D-4: 3<sup>rd</sup> Sand Well Count by Landing and Operators

Exhibit D-5: Black and Tan 3<sup>rd</sup> Sand Composite Forecast 6 wells  
(Before WC completion)

Exhibit D-6: Black and Tan 3<sup>rd</sup> Sand Composite Forecast 6 Wells Post  
Wolfcamp Frac

Exhibit D-7: Black and Tan Wolfcamp Composite Forecast 6 wells

Exhibit D-8: Black and Tan Wolfcamp Composite Forecast 5 wells

Exhibit D-9: Lessons learned from Black & Tan Development

Exhibit D-10: Diagram of Staggered Landing Wolfcamp 3<sup>rd</sup> SS Vs. 3<sup>rd</sup> SS Flat

Exhibit D-11: Black and Tan Analog comparison to MP/LG

Exhibit D-12: Landing Zone Matters; Five Years Ago, Cimarex's Perry Test  
Confirmed 3<sup>rd</sup> SS Landing as Best Target

Exhibit D-13: Vrena Frac Test

Exhibit D-13: Dataset Identifying all Wells in Area of Interest

Exhibit D-14: Production Projections: 1280 Scale

Exhibit D-15: Average Cumulations of Oil

Exhibit D-16: Projected Oil Rate: 1280 Scale

Exhibit D-17: Batman WH vs. EH

Exhibit D-18: Capital Plan Comparison

Exhibit D-19: Cimarex Majority Working Interest

Exhibit D-20: Comparison of Development Plans

Exhibit D-21: PV10 Comparison: Mighty Pheasant vs. Joker

Exhibit D-22: PV10 Comparison: Loosey Goosey vs. Bane

Exhibit D-23: Ownership Rations and Depth Severances

Exhibit D-24: API List of Wells by Formation

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

**APPLICATIONS OF CIMAREX ENERGY CO.  
FOR A HORIZONTAL SPACING UNIT AND  
COMPULSORY POOLING, LEA COUNTY, NEW MEXICO**

**Case Nos. 23448 – 23451  
(Mighty Pheasant; Bone Spring; Secs. 5 & 8)**

**APPLICATIONS OF CIMAREX ENERGY CO.  
FOR COMPULSORY POOLING,  
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**Case Nos. 23594 – 23597  
(Mighty Pheasant; Wolfcamp; Secs. 5 & 8)**

**APPLICATIONS OF CIMAREX ENERGY CO.  
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**Case Nos. 23452 – 23455  
(Loosey Goosey; Bone Spring; Secs. 4 & 9)**

**APPLICATIONS OF CIMAREX ENERGY CO.  
FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO**

**Case Nos. 23598 – 23601  
(Loosey Goosey; Wolfcamp; Secs. 4 & 9)**

**SELF-AFFIRMED STATEMENT OF EDDIE BEHM**

1. I am over the age of 18 and have the capacity to provide this Statement.
2. For the past six years, I have been employed as a Production Engineer and Reservoir Engineer in the Delaware Basin for Cimarex Energy Co. (“Cimarex”) and then Coterra Energy Inc (“Coterra”) as of October 1, 2021, when Cimarex merged with Cabot Oil & Gas

Corporation to form Coterra. My primary focus has been the development of the Bone Spring and Wolfcamp formations in Lea County, New Mexico.

3. I graduated from the University of Tulsa in 2011 with a Bachelor of Science degree in Petroleum Engineering. I was employed by Occidental Petroleum Corporation and California Resources Corporation from 2011 to 2017, prior to working for Cimarex.

4. I have previously testified before the Oil Conservation Division (“Division”) as an expert in Petroleum Engineering and my credentials have been accepted of record by the Division.

5. I provided petroleum engineering and petroleum reservoir expertise with respect to the formulation of Cimarex’s plans to develop the Loosey Goosey Wells in Sections 4 and 9 and the Mighty Pheasant Wells in Sections 5 and 8, Township 20 South, Range 34 East, Township 20 South, Range 34 East, covering 2,880 acres, more or less. (The 2,880 acres are referred to herein as the “Subject Lands” and Cimarex’s Development Plan for the Subject Lands is referred to herein as the “Goosey-Pheasant Plan.”)

6. I am also thoroughly familiar with the competing applications filed by Read & Stevens, Inc. in Case Nos. 23508-23523 for its Bane Wells proposed for Sections 4 and 9 and its Joker Wells proposed for Section 5 and 8 (collectively referred to as the “Bane-Joker Plan”). Read & Stevens designated Permian Resources Operating, LLC as the Operator for its proposed development. (Read & Stevens, Inc. and Permian Resources Operating, LLC are collectively referred to herein as “Permian Resources.”)

7. This Statement compares Cimarex’s Goosey-Pheasant Plan to Permian Resources’ Bane-Joker Plan to be used in the hearing before the Division on these competing applications.

8. Based on my educational background, my experience as a Petroleum Engineer in the area surrounding the competing plans that contain the same geological and reservoir

characteristics (referred to herein as the “Area of Interest” and as the “AOI”), production data from wells completed in the 3<sup>rd</sup> Bone Spring Sand and in the Upper Wolfcamp in the Area of Interest, Recovery factors within the subject lands, Stack Stagger results throughout Lea County in various geologic settings, data from the Hydraulic Fracturing Test Site 2 (“HFTS2”), and the costs of the competing plans, it is my opinion regarding the development to the Subject Lands as an expert in the field of Petroleum Engineering that:

- The 3<sup>rd</sup> Bone Spring Sand (“3<sup>rd</sup> Sand”) is the established single bench target;
- The optimal spacing for the 3<sup>rd</sup> Sand is four (4) laterals per Section;
- The spacing proposed by Permian Resources of eight (8) laterals per Section in the 3<sup>rd</sup> Sand is overly dense and wasteful since it will not result in an increase production to offset the additional \$166 Million in capital expenditures incurred;
- Co-development of the Upper Wolfcamp in association with the development of the 3<sup>rd</sup> Sand will not result in any significant increase in the Estimated Ultimate Recovery (“EUR”) of hydrocarbons and may negatively impact EUR;
- Due to the fact that the working interest owners under Permian Resources’ plan will be burdened with an additional \$270 Million in costs that will result in little, if any, disparities in EUR, all working interest owners will enjoy a substantial benefit if Cimarex’s Goosey-Pheasant Plan is implemented, even working interest owners who own a greater interest in the Wolfcamp Formation than the Bone Spring Formation; and
- Conversely, all working interest owners of the Subject Lands will suffer considerable reduction in their return on investment if Permian Resources’ Joker-Bane Plan is implemented, even working interest owners who own a greater interest in the Wolfcamp Formation than the Bone Spring Formation.

9. The information on which I am basing my opinions are the type of information that an expert in Petroleum Engineering normally relies upon in formulating opinions related to these subject matters.

**Exhibits D-1 and D-2**  
**Cimarex is a Play Leader in Lea County**

10. **Exhibits D-1 and D-2** show the top fifteen (15) operators in Lea County from 2018-2022, based on the Average First 12 Month Cum BOE per 1000 feet of laterals (Ex. D-1) and based on Average First 12 Month Cum Oil BBL per 1000 feet of laterals (Ex. D-2), as compiled by Enverus, Inc.

11. **Exhibit D-1** shows that from 2018-2022 Coterra/Cimarex averaged 50,749 BOE for the first twelve months for each 1,000 feet of laterals over 81 wells, while Permian Resources averaged just 30,059 BOE for that same period for 94 wells. Coterra/Cimarex is one of the top two operators in Lea County under this metric.

12. **Exhibit D-2** shows that from 2018-2022, Coterra/Cimarex averaged 34,633 barrels of oil for the first twelve months per 1,000 feet of laterals over 81 wells, while Permian Resources averages just 23,625 BOE for that same period for 94 wells. Coterra/Cimerax is one of the top two operators in Lea County under this metric.

13. While these results are dependent upon the quality of the producing formations, Cimarex's superior results are also the result of applying a similar process using barrier and flow unit identification to inform landings, full section development recovery from densely drilled projects to inform well count, and understanding how oil is distributed within the flow units to most efficiently target all the economic barrels in each development. The most important driver of our success in Lea County over this time period has been driven not only by improved lateral spacing but by recognizing whether a flat single landing or stagger is most appropriate for the flow unit or units being targeted. We target the Leonard, Avalon, 2<sup>nd</sup> Shale, Upper 2<sup>nd</sup> Sand, lower 2<sup>nd</sup> Sand, Harkey, 3<sup>rd</sup> Sand, Wolfcamp sands, Wolfcamp A, and Wolfcamp Lower A/B and over spacing

laterally or vertically risks performance of wells landed in formations above and below as well as within the same bench.

14. Recognizing when a single landing is needed and a stagger is warranted is a fundamental difference in the plans proposed. Cimarex moved from 14 well per section testing staggers as vertically tight as 40 feet in 2017 at Hallertau (Section 5, Township 26 South, Range 32 East), which targeted the X and Y as if they were separate flow units with a third landing in the A 150 feet below despite a lack of barriers. Lack of vertical separation in addition to over spacing was a common mistake 6 years ago which results quickly made obvious to operators who reduced well count and increased vertical separation. Cimarex moved from a 40 foot stagger to a single clastic landing and now targets the A at 200 to 250' of vertical separation at places like the Red Hills 32-5 and Red Hills Unit 33-4 Wells (Section 32, Township 24 South, Range 32 East and Section 33, Township 25 South, Range 32 East) where both benches exist at 9 wells per section or as a single clastic landing at the Dos Equis 12-13 Wells (Sections 12 and 13, Township 24 South, Range 32 East), 6 wells per section where carbonate has made the Middle A non-prospective. The 3<sup>rd</sup> Bone Spring Sand and Wolfcamp stagger combined with 8 wells per 1280 acres, the well count proposed by Permian, looks more like a 2018 test in both well count and vertical drainage assumptions than a 2023 development plan informed by studies like HFTS2 and all the production results from significant development within Lea County.

15. South Lea county is complex across the entire area with flow units changing drastically over several miles. Cimarex's aggregate experience in Lea County is important because it is actually harder to optimally develop properties in the Southern part of Lea County, where most of Cimarex's Lea county activity has been the last 5 years. This is due to the fact that there are more landing zones with unclear boundaries due to multiple non laterally continuous thin carbonates and



much more variation in rock quality within individual landing zones due to increased distance from sediment source. The Subject Lands are the closest thing to conventional formations in Lea County and Cimarex's experience in the County and all the lessons learned in tighter rock on spacing and vertical separation will be even more important in a region of higher porosity, higher vertical continuity, higher permeability, and more defined frac baffles and barriers, especially when paired with the ability to complete wells with higher net fracture pressure (bigger frac height/half-length at same surface pressure).

**Exhibit D-3**  
**3<sup>rd</sup> Bone Spring Sand is the Established Single Bench Target**  
**at 4 Wells Per Section Within the Area of Interest**

16. **Exhibit D-3** consists of a map of approximately 42,650 acres in the AOI that includes the Subject Lands. This Exhibit compares the development of the 3<sup>rd</sup> Bone Spring Sand (left AOI map) and the Wolfcamp (right AOI map). The laterals of the Cimarex operated wells are highlighted in yellow. The lands controlled by Cimarex are marked by yellow boundary lines.

17. In the AOI, there are little or no indications of any major geomechanical changes/frac baffles in between the 3<sup>rd</sup> Sand target and Wolfcamp Sands that are the target of Permian Resources' proposed Wolfcamp wells, indicating that these two intervals are most likely one shared reservoir tank.

18. Cimarex has substantial experience in developing hydrocarbons in the AOI based on the fact that it has executed 36 wells within the AOI, 15% of all wells. Moreover, we were an early lateral play delineator within the AOI whose results helped drive significant lateral investment in the area.

19. This Exhibit, and the data upon which it is based, coupled with Cimarex's experience within the AOI, supports my opinion that the reservoir of hydrocarbons in the AOI is adequately captured with a single landing within the flow unit for the following reasons.

20. The map on the left of **Exhibit D-3**, "3<sup>rd</sup> Bone Spring Sand Producers" shows significant single bench development of the 3<sup>rd</sup> Sand at four (4) wells per section spacing (WPS).

21. The map on the right of **Exhibit D-3**, "Wolfcamp Producers," shows that the Wolfcamp Formation is not primarily targeted in conjunction with 3<sup>rd</sup> Bone Spring Sand development. Furthermore, as demonstrated by the map on the right, "Wolfcamp Producers," where the Wolfcamp Formation is developed, it is predominantly drilled and developed without the 3<sup>rd</sup> Sand also being developed.

22. Thus, the history of development in the AOI supports my opinion that the reservoir is adequately captured with a single landing in the 3<sup>rd</sup> Sand within the flow unit.

**Exhibit D-4**  
**Well Count by Landing and Operators**  
**Proves that the 3<sup>rd</sup> Sand is the Consensus Landing**

23. **Exhibit D-4** contains a table that shows the total number of 3<sup>rd</sup> Sand wells and Wolfcamp wells drilled in the AOI by year and by operator.

24. Ninety-seven percent (97%) of wells drilled in the AOI, that is 236 out of 244 wells, are executed as single bench, non-staggered developments. Of the 22 Wolfcamp Wells drilled in the AOI, 14 were drilled as stand along wells, *i.e.*, wells without a 3<sup>rd</sup> Sand Well, 5 were drilled as a separate bench, and only 3 were drilled in stacks with 3<sup>rd</sup> Sand Wells.

25. This well-established history of development, involving more than \$2 Billion of CapEx<sup>1</sup> by fifteen (15) different operators, proves that it is not just Cimarex's idiosyncratic opinion that the best development plan for the Subject Lands requires a single landing target but rather that this is the consensus shared by all 15 companies active within the AOI, a consensus directly supported by the production data.

26. Furthermore, the fact that 222 wells out of 244 total wells within the AOI land in the 3<sup>rd</sup> Sand supports Cimarex's assessment of the 3<sup>rd</sup> Sand as the optimum landing.

**Exhibits D-5 and D-6**  
**Wine Rack of the Black and Tan Wells and Reference Map**  
**Black and Tan 3<sup>rd</sup> Sand Composite Forecast 6 wells (Before WC completion)**

27. There is only one development plan within the entire AOI similar to the plan Permian Resources is proposing for its Joker and Bane Wells, the Black and Tan Wells drilled in Section 27, Township 20 South, Range 35 East, located just 2 miles south of the Subject Lands. See Exhibit D-3. The development of the Black and Tan Wells was based on similar well drainage assumptions that utilize outdated completion height assumptions that Permian Resources appears to be relying upon.

28. Those assumptions include that there are separate benches which a single landing does not access, that in bench spacing drives performance, and that the vertical separation of a 100-feet would not have much impact on production.

29. The development of the Black and Tan Wells in Section 27 is best analog to Permian Resources' Joker and Bane Development Plan and is predictive of the likely outcome of Permian Resources' proposal to develop the 3<sup>rd</sup> Sand and the Wolfcamp as if they are separate and

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<sup>1</sup> Assuming that the average cost of the 244 wells was \$8.2MM, the CapEx for all of these wells exceeds \$2 Billion.

equal targets. A summary of the production results is set forth in **Exhibit D-10** below. These results demonstrate substantial underproduction and waste that occurred as a result of the development of the Black and Tan Wells, results that would likely be replicated under Permian Resources' Joker and Bane Development Plan, which is based on the same erroneous underlying assumptions that doomed the Wolfcamp development of Section 27 with the Black and Tan Wells. Cimarex's MG-LG Development Plan would avoid such an outcome.

30. **Exhibit D-5** shows the winerack view of the Black and Tan Wells with a reference map. **Exhibit D-6** shows the actual aggregate production from the six 3<sup>rd</sup> Sand Wells, through May 1, 2019, before the five Wolfcamp Wells were fraced.

31. Exhibit D-6 also shows the Forecast as of May 1, 2019, for the future aggregate well performance of the six 3<sup>rd</sup> Sand Wells, prior to the underlying Wolfcamp development. Significant reserves (that of 2.5MM barrels of oil) and rates (that being 3356 BOPD IP30) were accessed by these 1-mile wells supporting 3<sup>rd</sup> Sand as a proven landing for optimal production.

32. We calculate Recovery Factor as within 1% of slickwater 4 well per section developments despite the drilling of 2 additional wells and would execute this section at 4 wells per section and expect similar results.

#### **Exhibit D-7**

##### **Black and Tan 3<sup>rd</sup> Sand Composite Forecast 6 Wells Post Wolfcamp Frac**

33. This Slide shows the Forecast as of May 1, 2023, for the future aggregate well performance of 3<sup>rd</sup> Bone Spring Sand wells after underlying Wolfcamp development. Unfavorable results included elevated water cut, rapid Gas-to-Oil Ratio Incline, and steep oil decline, all of which are signatures of interference between the five Wolfcamp wells drilled below these six 3<sup>rd</sup> Sand wells. After the Wolfcamp wells were drilled and produced, overall reserves appear to have

fallen to 1.63 MM barrels of oil with a steep decline profile. These facts prove the degradation a 2<sup>nd</sup> landing causes within the AOI on the 3<sup>rd</sup> Bone Spring Sand.

**Exhibit D-8**  
**Black and Tan Wolfcamp Composite Forecast 5 wells**

34. This plot shows the aggregate performance and forecast for the five Wolfcamp wells completed below the six 3<sup>rd</sup> Sand wells shown on exhibits **D-5, D-6 and D-7**. Data clearly shows that vertical interference occurs in staggered developments, causing these 5 wells to add only 885MBO oil reserves and 500 BOPD IP in the aggregate. Elevated water cut and rapid GOR incline are evidence of interference with 3<sup>rd</sup> sand wells above.

**Exhibit D-9**  
**Lessons Learned from the Black and Tan Development**

35. **Exhibit D-9** table 1.0 shows some simple forecast metrics highlighting the fact that only a negligible rate and a negligible amount of EUR were detectable from drilling the five extra, not to mention expensive, Wolfcamp wells. It is noteworthy and significant how little benefit the five wells added and how much they negatively impacted 3<sup>rd</sup> sand production. The aggregate rate change is so small it is essentially zero (0) which does not support or justify as effective capital stewardship the drilling of the 8 additional \$11MM dollar wells proposed by Permian Resources. Table 1.1 shows the pore space distribution, 3<sup>rd</sup> Sand has 268% more PHIH than the upper Wolfcamp and is clearly the predominant contributing reservoir. The hypothesis that landing in 3<sup>rd</sup> Sand with 268% more porosity and height combined with better flow properties is the best way to access all the bbls becomes unarguable with production data from Black And Tan where the addition of Wolfcamp landings added no reserves and only negatively impacted the 3<sup>rd</sup> Sand raising aggregate section OpEx. The lesson learned from this data is that drilling into the Upper Wolfcamp itself is financially wasteful and jeopardizes optimal 3<sup>rd</sup> Sand production. A setback

from 3<sup>rd</sup> sand is in the best interest of efficient low risk recovery of the area reserves in this single landing target.

**Exhibit D-10**  
**Diagram of Staggered Landing Wolfcamp 3<sup>rd</sup> SS Vs. 3<sup>rd</sup> SS Flat**

36. This exhibit shows what Cimarex believes happened in the Black and Tan analog example which reflects the nature of Permian Resources' proposal and therefore Permian's likely outcome. The Majority of Stimulated Rock Volume accessed by 3<sup>rd</sup> Sand well's landed flat must be very similar to the Stimulated rock volume accessed by staggered Wolfcamp and 3<sup>rd</sup> landings. If this were not true, the sum of Wolfcamp and 3<sup>rd</sup> sand production out of the Black and Tan development would be significantly higher once the 2<sup>nd</sup> bench was added instead of about the same. Where appropriate geologically, Cimarex executes as many as 9 landings within the same section in Lea County. Due to the location of barriers and target reservoir height executing two landings within the contested acreage in the 3<sup>rd</sup> Sand Wolfcamp target or the lower 2<sup>nd</sup> Sand 3<sup>rd</sup> Shale target serves only to double development CapEx. Cimarex has proprietary data from South Lea County developments in thicker more heterogeneous pay that support the accuracy of how we have assessed the vertical interference and is confident additional landings serve only to dilute sweet spot landing production. Not everyone has access to the same data but there is a wealth of public data available from the Hydraulic Fracture Test Site 2 DOE and industry partnership that would lead to the same conclusion.

**Exhibit D-11**  
**Black and Tan Analog comparison to MP/LG**

37. Loosey Goosey and Mighty Pheasant have a similar pore space distribution as the Black and Tan Development with slightly higher porosity. The extra porosity is more likely to correlate to better permeability and allow a single landing to capture proven 3<sup>rd</sup> sand reserves even



more efficiently. Sensitivities run vs. reserves (Table 1.3) and Highside expectations (Table 1.4) show the PV 10 degradation and how much uplift would be needed to break even on the additional wells proposed by Permian. Given Black and Tan's added negligible bbls and rate, close to 0%, in similar rock two miles away, the public data simply does not support the 30% to 40% EUR and rate improvement needed to even break even on the extra incremental CapEx proposed by Permian resources well count. The recovery factor needed to payout the additional wells proposed is unrealistic in my opinion based on the Analog results. Furthermore, due to optimum well count Cimarex's plan is self-funding with payout in < 1 year. This is important for follow up benches that Cimarex will be able to rapidly develop out of lease cashflow, whereas Permian resources would require debt to fund an annual drilling program and would be significantly more exposed to commodity pricing jeopardizing timely development of subsequent benches if they go from 5 wells per section to 8 wells per section.

**Exhibit D-12**  
**Landing Zone Matters; Five Years Ago, Cimarex's Perry Test Confirmed**  
**3<sup>rd</sup> SS Landing as Best Target**

38. Cimarex confirmed 3<sup>rd</sup> Sand as best landing zone 5 years ago in 2018 with the Perry 4H 1 mile South of the contested acreage block. Over the life of the well, we see the old conventional 3<sup>rd</sup> Sand landing outperform other landings. Fracs evolved over time to modern slick water completions. Today most companies pump between 2000#/ft and 3000#/ft and 38 bbl/ft up to 60 bbl/ft with 6 to 14 clusters per stage depending on the target. It is highly unusual for a legacy frac, that is, one more conventional (i.e., <2016 with low cluster count, long stages, and unfocused frac energy), to better access reservoir than a modern frac (>2016 vintage with high cluster count, short stages, very focused frac energy). The best explanation for 478#/ft 3<sup>rd</sup> Sand frac outperforming 5 to 6 times the frac energy pumped in the Wolfcamp test well is that the vast

majority of oil reserves and best rock fabric flow properties are located within the 3<sup>rd</sup> Sand, and not in the Upper Wolfcamp. Thus, drilling into the Upper Wolfcamp is a waste of resources.

39. The dataset that identifies all the wells in the Area of Interest that I used in my analysis and that played a role in my conclusions is attached hereto as **Exhibit D-24**.

### **Exhibit D-13 Verna Rae Frac Test**

40. The Verna Rae wells are a frac test and a poor analog for a full development. In my opinion, the 6827#/ft and 129 bbls/ft of frac energy is draining significantly more bbls than the 160-acre proration unit and appears to interfere with the 133H. Full developments are better to use for EUR and spacing because well half lengths are constrained which prevents both over estimating program development performance and section EUR's. I do not recommend offsetting the Verna Rae wells at double proven density as a good investment of CapEx because 3 times a modern slick waters frac energy was concentrated immediately adjacent to the subject lands.

### **Exhibits D-14 1280-Scale Project Cum. Oil/ft vs. Days**

41. **Exhibit D-14** shows multiple developments executed at various Wells Per Section ("WPS"). The Y axis shows project cum/ft normalized to a full section development. For example, the ESTE WH Minis are 2 wells drilled at 4 WPS. Production from these wells is multiplied by 2 so production from these wells can be readily compared to full section projects. The Este EH Minis are 4 wells drilled at 8 WPS in the East Half and are multiplied by 8 to easily compare them to full section projects.

42. This simple plot provides a good check for Reserves vs. Acceleration. Acceleration occurs when a project is outperforming other projects during its early life, the first year for example, only to roll over with more production time to point towards the same ultimate

cumulative recovery. Understanding if production is additional reserves or merely acceleration of production is very important in places like New Mexico that offer decades of drilling opportunity with finite localized takeaway. Our Lea County team's definition of optimum development is a well count that accesses the economic bbls, rather than drill a 5<sup>th</sup> well to potentially accelerate bbls that appear to already be accessed by 4 wells we would deploy that capital in an additional landing within the project to add additional reserves with that capital or even de-risk a less tested landing for the area to replenish inventory. When Cimarex executes this approach across its Lea County acreage at portfolio level it allows Cimarex to drill additional projects with entire landing zones fully developed at an accelerated pace as opposed to executing less acres and benches at a denser well count that degrades stakeholders' returns and decreases aggregate royalty payments in the County.

43. The Reed and Stevens North Lea 3 (shown on Exhibit D-13) is an example where the long-term reserves captured by 4 WPS is very similar to denser projects. Cimarex is proposing this same spacing with all wells executed with a modern slickwater frac, produced on ESP with appropriate gas separation down hole, and then combined with adequate takeaway. It is my opinion that Cimarex's proposal will deliver a top performer as compared to all developments shown in Exhibit D-13, including the Batman E/2 and Batman W/2, with respect to the economics, *i.e.*, a greater return on investment and in terms of EUR.

44. The key takeaways from **Exhibit D-14** are that:

- Over time, 4 WPS developments catch up to denser spaced projects in production indicating that higher early-life production from denser developments is primarily attributable to acceleration;
- COG's Little Bear project is a dense Wolfcamp only landing, full development that underperforms, similar to the Black and Tan Wolfcamp, supporting Cimarex's proposed 3<sup>rd</sup> Sand landing; and

- Drilling Wolfcamp wells appears damaging to 3rd SS project at Black and Tan. The Wolfcamp wells appear to have added at most 30 bbl/ft reserves after 1,000 days which is, more or less, equivalent to slope of 3rd Sand prior to completion.

45. The early results for the 5 WPS Batman project looks good and the spacing is within 1 well of Cimarex's proposed 4 WPS, as opposed to Permian Resources' proposed 8 WPS for the 3rd Sand and Wolfcamp. However, it is too early to assess success or failure of the 5 WPS Batman project. Each of the Batman projects need to Cum approximately 125 bbl/ft out of the DSU to be able to make firm EURs. I would be more confident assessing the success or failure of this project after the Batman wells have had ESP's installed and several months of decline are evident. My expectation is that the ESP install will peak the differences between the two half sections and that over time differences between the two half section developments will decrease similar to what has been seen on other developments as spacing impacts materialize in production. I am not sure the East half 3rd sand wells drilled at 4 wells per section have fully cleaned up yet and if they have not, it will adversely affect production from the Batman wells.

**Exhibit D-15**  
**Average Per-Well Cum. Oil/ft vs Days, 2-Year Zoom**

46. **Exhibit D-15** shows the average well performance in Bo/ft vs. Time zoomed into a 2-year period. This is a simple capital efficiency plot with the most capitally efficient early time wells plotting at the top and less capitally efficient wells plotting at the bottom. It is noteworthy that the best wells are either 4 WPS developments or flowed by EOG which, in my opinion, is one of the best operators in Lea County at aggressive drawdown / acceleration of their developments.

47. The main take aways from **Exhibit D-15** are that:

- Denser spaced developments underperform looser spaced developments to the point that drilling past 4 WPS appears to be a waste of capital;

- The Della project drilled by EOG takes longer to show degradation, most likely due to aggressive drawdown common on EOG's developments; and
- In aggregate 3rd Sand is the best way to develop from production results.

**Exhibit D-16**  
**1280-Scale Project Oil Rate/ft vs cum Oil/ft**

48. **Exhibit D-16** shows Rate/ft vs. Cum/ft for multiple projects executed within the subject lands. This plot is useful for comparing developments that may be flowed differently. For example, if an operator is flowing a well constrained by takeaway they will plot low on the y axis but stay flat for a long time on the X axis. Alternatively, if a development is flowed without constraints it will peak very high on the y axis but quickly go on decline. On this Exhibit, the data past 125 cum oil/ft out of the development is most important with shallower declines equating to larger EURs and steeper declines equating to lower EURs. The 4 WPS Reed & Stevens project is an example where significant bbls were contacted and could have been produced more efficiently by some combination of frac, drawdown, and takeaway capacity.

49. The main take aways from **Exhibit D-16** are that:

- More time is needed on the Batman wells to gauge performance, post ESP install decline at 100 to 150 cum/ft will be a meaningful data point; and
- In aggregate 3<sup>rd</sup> sand developments have a shallower slope than Wolfcamp developments and will enjoy ultimate higher EURs.

**Exhibit D-17**  
**Batman East Half vs. Batman West Half**

50. **Exhibit D-17** illustrates that there is a significant shift in GOR and Watercut on day 8 in the Batman development. Based on the limited days of production, as a Reservoir Engineer I am unable to determine whether these results evidence a long-term trend or whether these results are being driven by (1) allocation with oil carryover on the East Half 4 WPS development; or (2) water carry over on the West Half 6 WPS development; or (3) if this is an

early time issue that will be resolved by ESP install in the coming weeks, or (4) some combination thereof. These unanswerable questions further undercut any reliance a Reservoir Engineer can place on production from the Batman wells at this early juncture.

**Exhibit D-18**  
**Capital Expenditure Comparison between Cimarex's Goosey-Pheasant Plan vs.**  
**Permian Resources Bane-Joker Plan**

51. **Exhibit D-18** contains two tables comparing the capital expenditures for Cimarex's Loosey Goosey and Mighty Pheasant wells and the additional wells that it plans to develop in the future in Sections 4, 5, 8, and 9<sup>2</sup> versus the capital expenditures for Permian Resources' Bane and Joker Wells<sup>3</sup>. These tables establish that:

- a) Permian Resources proposes to spend \$92.7 Million more in capital expenditures than Cimarex to develop each of its Plans by drilling an additional four (4) wells in the 3<sup>rd</sup> Bone Spring Sand and four (4) wells in the Upper Wolfcamp under each of its Plans;
- b) In each of its Plans, Permian Resources proposes to spend \$11 Million on a fourth well in the Upper 2<sup>nd</sup> Sand well compared to Cimarex's plan for three Upper 2<sup>nd</sup> Sand wells; and
- c) Due to Permian Resources' higher per well AFEs, Permian Resources will spend \$31.6 Million more than Cimarex (using Cimarex's updated August 2023 cost estimates) in each of its Plans to drill 4 wells in the 1<sup>st</sup> Sand, 2<sup>nd</sup> Sand, and 3<sup>rd</sup> Sand and three wells in the upper 2<sup>nd</sup> Sand (\$166,181,956 versus \$134,593,047).

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<sup>2</sup> There are two columns for AFE CapEx amounts for Mighty Pheasant Wells 204H, 301H, 302H, 303H, and 304H, and for the additional wells that Cimarex plans for Sections 5 and 8. The first column sets forth estimated costs as of August 25, 2022, when Cimarex sent out its election letters to working interest owners for the Mighty Pheasant Wells. The second column sets forth the estimated costs for these wells updated to reflect June 2023 costs, which were provided to me by John Coffman.

<sup>3</sup> The AFE CapEx amounts for the Bane and Joker Wells are based on the AFEs that Permian Resources included in the package sent to working interest owners with the election letters dated March 17, 2023.



52. In sum, if the Division grants Permian Resources' development plan for its Bane and Joker Wells, Permian Resources will spend \$135,352,717 more than Cimarex to develop Sections 4 and 9 (Bane vs. Loosey Goosey) and will spend \$135,352,717 more than Cimarex to develop Sections 5 and 8 (Joker vs. Mighty Pheasant).

53. As set forth herein, the excessive capital expenditures will not result in increased production justifying the expense. Such a result constitutes financial waste that unnecessarily burdens, undermines, and harms the correlative rights of all working interest owners.

**Exhibit D-19**  
**NPV-10 Comparison Between Goosey-Pheasant and Bane-Joker**

54. **Exhibit D-19** contains two tables that set forth the present value of the estimated future oil and gas revenues, reduced by direct expenses and discounted at an annual rate of 10% (PV-10), net of all burdens (NPV-10). The first table shows the NPV-10 for Permian Resources' Joker and Bane Wells and the second table shows the NPV-10 for Cimarex's Might Pheasant and Loosey Goosey Wells.

55. The NPV-10 calculations are based on the June 2023 Strip West Texas Intermediate prices and assume that the NRI is 80% and that the technical EUR accessed is 9,336MMbo across the DSU's similar to Black and Tan 3<sup>rd</sup> sand development with ~560Mbo of negative impact from offset depletion. The after-tax rate of return (ATax ROR%) assumes a 22.6543% tax on profits.

56. The NPV-10 comparison shows that the NPV-10 for Permian Resources' Joker-Bane Plan shows a \$32 Million return on CapEx and an after-tax Rate of Return of 21%, while Cimarex's Goosey-Pheasant Plan shows a \$115 Million on CapEx and an after-tax Rate of Return of 149%.

**Exhibit D-20**  
**Comparison of 3<sup>rd</sup> Sand Flat Cimarex Plan vs. Wolfcamp Stagger Permian Plan**

57. **Exhibit D-20** contains a table that compares the PV-10 under Permian Resources' plan to drill eight 3<sup>rd</sup> Sand wells and four Wolfcamp wells in each of its two development proposals (Bane-Joker) versus the PV-10 under Cimarex's plan to drill four 3<sup>rd</sup> Sand Wells in each of its two development proposals (Goosey-Pheasant). The PV-10 calculations are based on the same assumptions used in Exhibit D-18. The Table is controlled to determine the change in PV-10 based on the ratio of ownership of Bone Spring net acres versus Wolfcamp net acres. The ratio in the first row is 1:1 and the last row is 1:8.

58. The purpose of this Exhibit is to demonstrate that working interest owners will enjoy a significant benefit under Cimarex's planned developments even if their interest in the Wolfcamp formation is five times greater than in the Bone Spring. At a 1:6 ratio, Bone Spring to Wolfcamp, the working interest owner would still enjoy a \$1,246 PV-10 per 1 net acre of Bone Spring working interest advantage under Cimarex's proposal.

**Exhibit D-21**  
**MRC Permian – PV-10 Comparison Mighty Pheasant versus Joker**

59. **Exhibit D-21** focuses on MRC Permian, which has the highest ratio of Bone Spring to Wolfcamp ownership, 1:3.0088, in Sections 5 and 8, Cimarex's Mighty Pheasant Plan, versus Permian Resources' Joker Plan.

60. The Table on **Exhibit D-21** shows that under Permian Resources' Joker Plan, MRC Permian's PV-10 is \$25,193/acre versus \$45,237/acre under Cimarex's Might Pheasant Plan. In other words, despite the fact that MRC Permian's interest in the Wolfcamp is a little more than 3 times its interest in the Bone Spring, MRC Permian would enjoy a PV-10 of \$20,044/acre more

under the Mighty Pheasant per each net acre that it owns in the Bone Spring as compared to Permian Resources' Joker Plan.

**Exhibit D-22**  
**HOG Partners – PV-10 Comparison Loosey Goosey vs. Bane**

61. **Exhibit D-22** focuses on HOG Partnership LP, which has the highest ratio of Bone Spring to Wolfcamp ownership, 1:1.37, in Sections 4 and 9, Cimarex's Loosey Goosey Plan, versus Permian Resources' Bane Plan.

62. The Table on **Exhibit D-22** shows that under Permian Resources' Bane Plan, HOG Partnership's PV-10 is \$14,894/acre versus \$45,237/acre under Cimarex's Loosey Goosey Plan. In other words, despite the fact HOG Partnership's interest in the Wolfcamp is 37% higher than its interest in the Bone Spring, HOG Partnership would enjoy a PV-10 of \$30,343/acre more under the Mighty Pheasant per each net acre that it owns in the Bone Spring as compared to Permian Resources' Bane Plan.

**Exhibit D-23**  
**Ownership Ratios and Depth Severances**

63. **Exhibit D-23** contains two tables. The table on the left, "Ownership Loosey Goosey/Bane," lists all of the working interest owners in Sections 4 and 9, showing their respective working interests in the Bone Spring and in the Wolfcamp, as well as their WC/BS ownership ratio.

64. The Loosey Goosey/Bane Table shows that the only working interest owner in Sections 4 and 9 that owns a greater interest in the Wolfcamp than it owns in the Bone Spring is HOG Partnership LP. As shown in **Exhibit D-23**, HOG Partnership LP would enjoy a much better outcome under the Loosey Goosey Plan despite the fact that it has a greater working interest in the Wolfcamp than it does in the Bone Spring.

65. The table on the right, "Ownership Mighty Pheasant/Joker," lists all of the working interest owners in Sections 5 and 8, showing their respective working interests in the Bone Spring and in the Wolfcamp, as well as their WC/BS ownership ratio.

66. The Mighty Pheasant/Joker Table shows that there are a number of working interest owners in Sections 5 and 8 that own a greater interest in the Wolfcamp than the Bone Spring, with MRC Permian having the largest ratio, 1:3009 (rounded up from 1:30088). As shown in Exhibit D-20, MRC Permian would enjoy a much better outcome under the Loosey Goosey Plan despite the fact that it owns more than 3 times an interest in the Wolfcamp than it does in the Bone Spring.

67. The purpose of **Exhibit D-23**, as well as **Exhibits D-18 through D-22**, is to demonstrate that Cimarex's Loosey Goosey and Mighty Pheasant Plans protect the correlative rights of all working interest owners since they will enjoy a much greater economic benefit under Cimarex's plans than under Permian Resources' plan and, conversely, Permian Resources' plans do not protect the correlative rights of the working interest owners in Sections 4, 5, 8, and 9 since their economic return on investment will be crushed under the weight of Permian Resources' excessive capital expenditures that do not increase the EURs.

68. The Exhibits to this Self-Affirmed Statement were prepared by me or compiled from Cimarex's company business records under my supervision and/or approval.

69. As explained by the foregoing, the granting of Cimarex's Applications are in the best interests of conservation, the prevention of waste, and the protection of correlative rights.

70. The foregoing is correct and complete to the best of my knowledge and belief.

*Self-Affirmed Signature on following page.*

**Self-Affirmed Statement of Eddie Behm:**

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case Nos. 23448-23455 and 23594-23601 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.

---

Eddie Behm

---

Date Signed

**From:** Eddie Behm Eddie.Behm@coterra.com  
**Subject:** Signing my statement by Email 8/2/2023  
**Date:** August 2, 2023 at 2:17 PM  
**To:** Bill Zimsky bill@abadieschill.com

---



I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case Nos. 23448-23455 and 23594-23601 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.

I am signing my self-affirmed statement by this email on August 2<sup>nd</sup> 2023

Eddie Behm

This message may contain confidential and/or privileged information. If you are not the addressee or authorized to receive this for the addressee, you must not use, copy, disclose or take any action based on this message or any information herein. If you have received this message in error, please advise the sender immediately by reply e-mail and delete this message.



**Avg. First 12 Month BOE by Operator, Lea County 2018-2022**  
*Source: Enverus Top 15 Operators OCD Data*

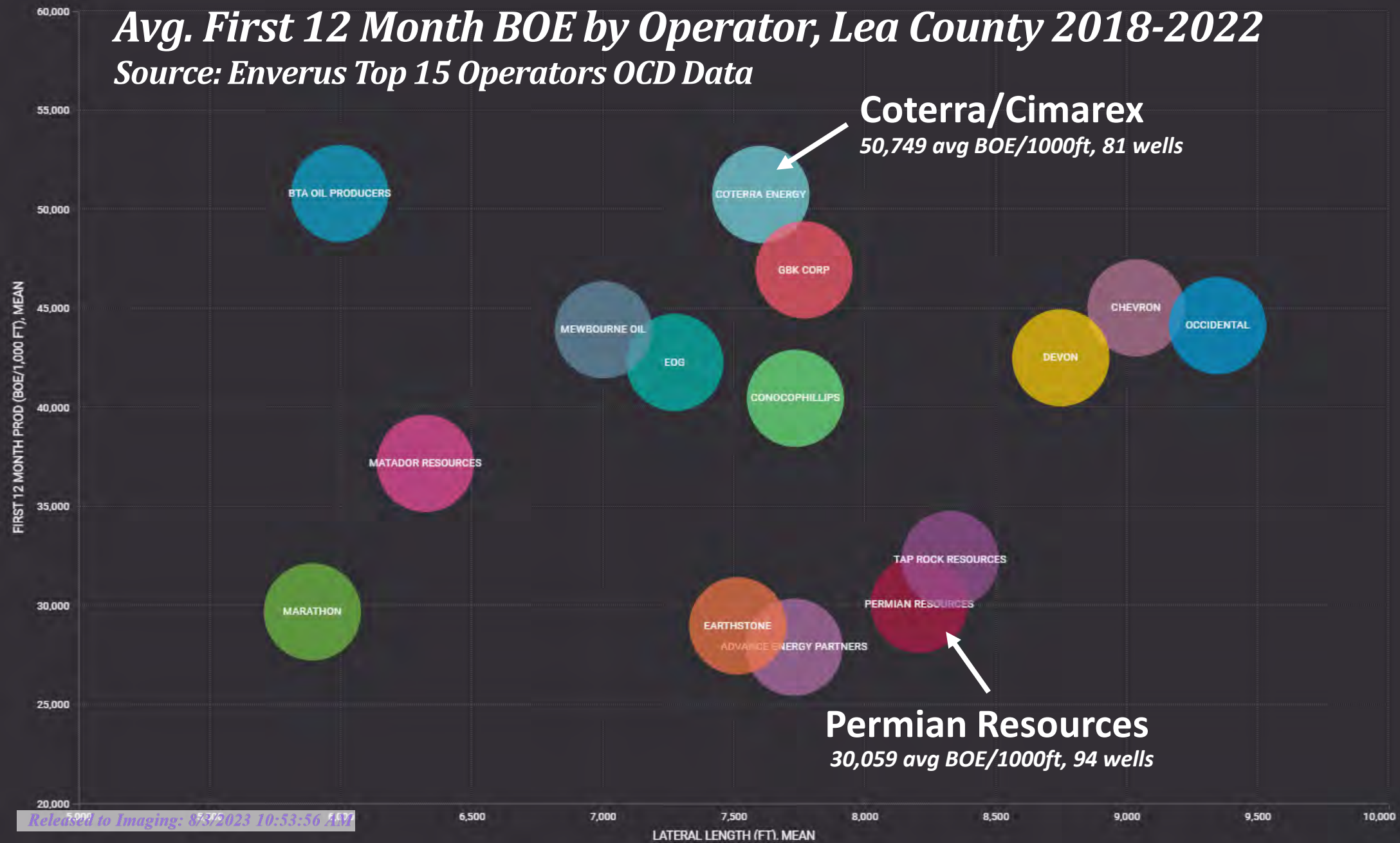


Exhibit D-1

**Avg. First 12 Month Oil by Operator, Lea County 2018-2022**  
*Source: Enverus Top 15 Operators OCD Data*

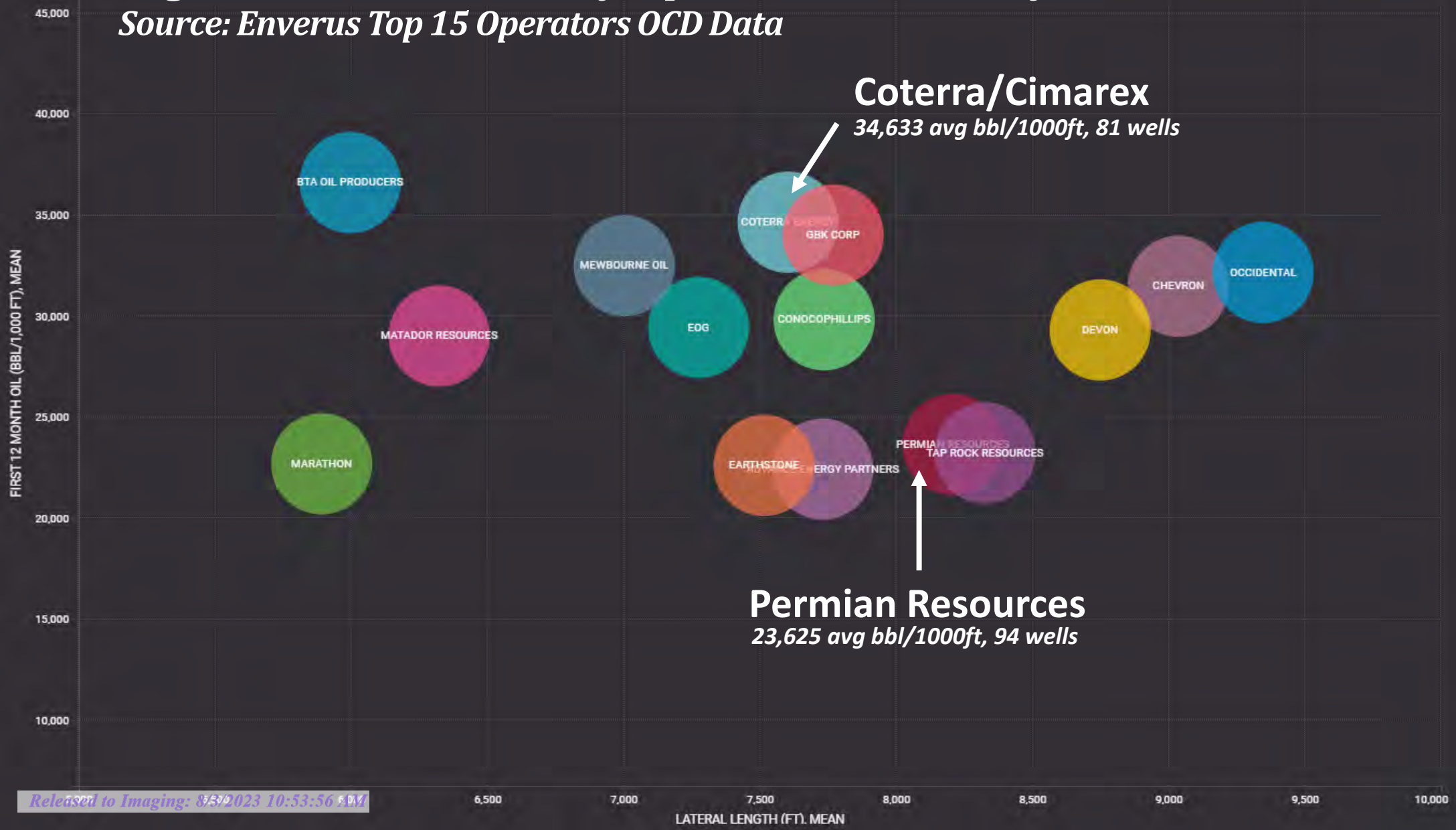
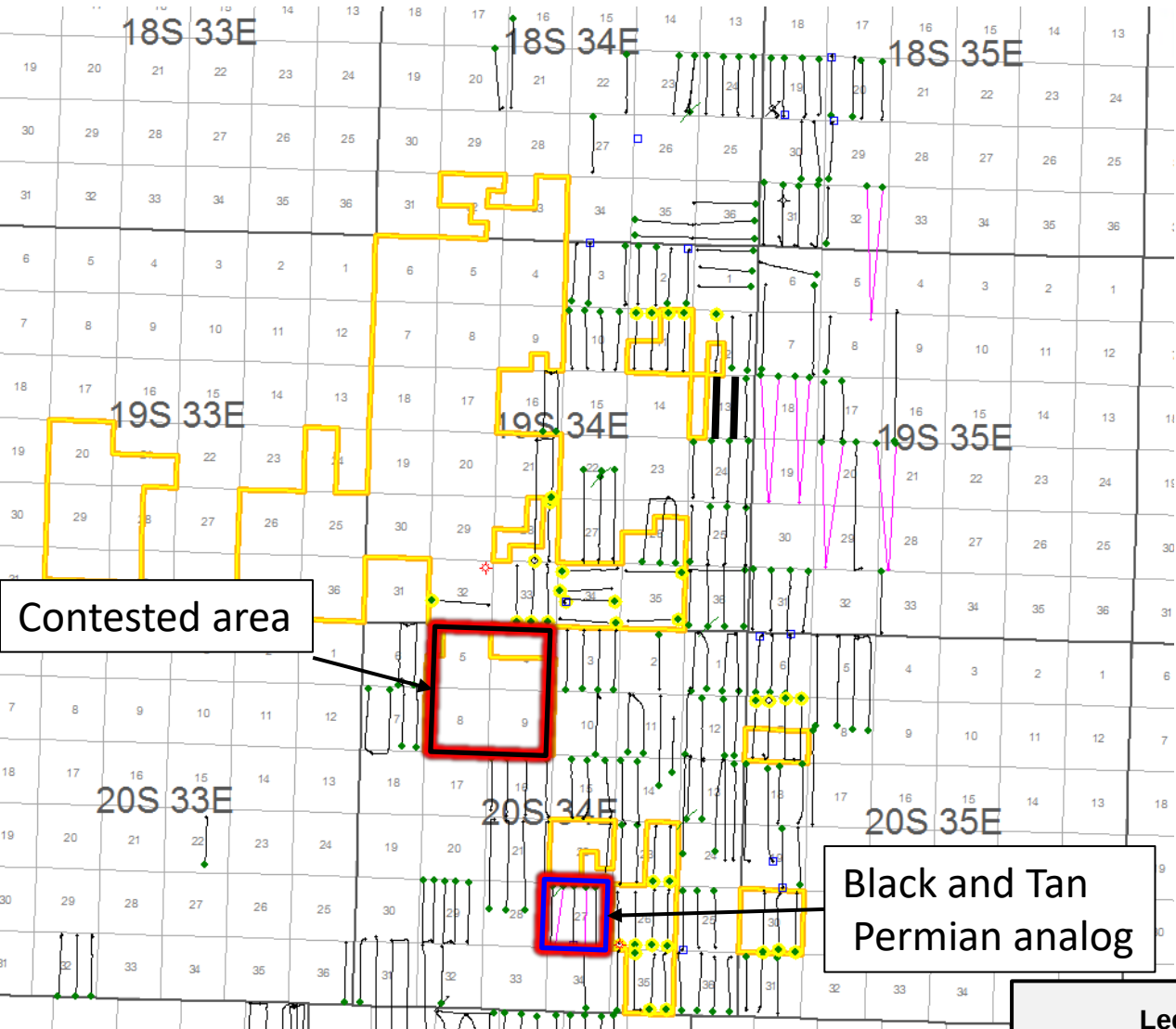


Exhibit D-2

# 3<sup>rd</sup> Bone Spring Sand is the Established Single Bench Target at 4 WPS within AOI

42,650 acres developed with more than 1 well, all but one development, 98.5% of sections similar to Cimarex proposal

## 3<sup>rd</sup> Bone Spring Sand Producers



## Wolfcamp Producers

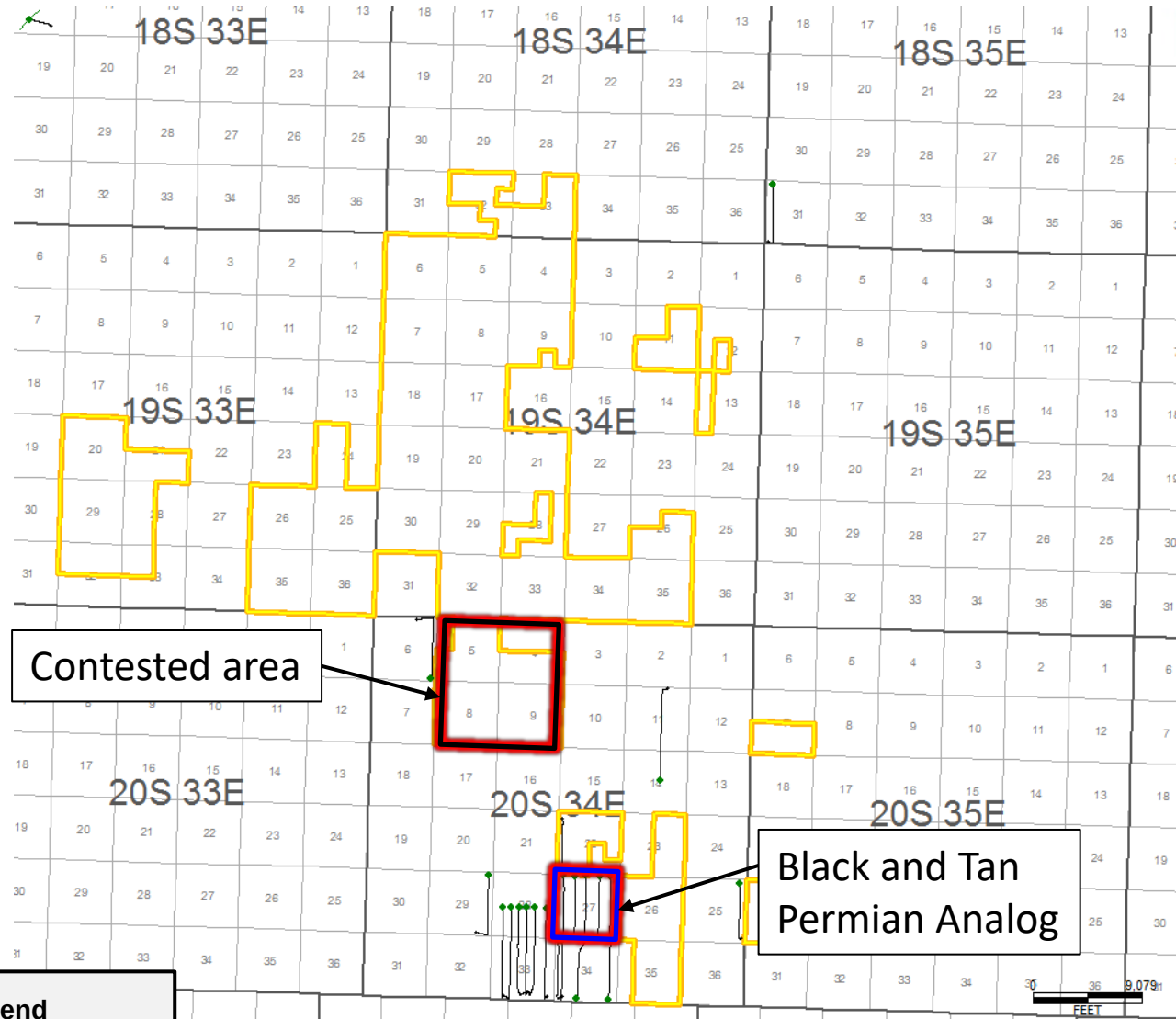
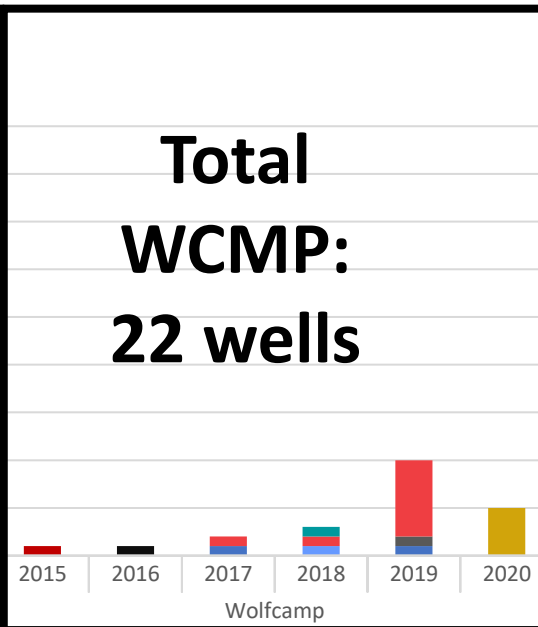
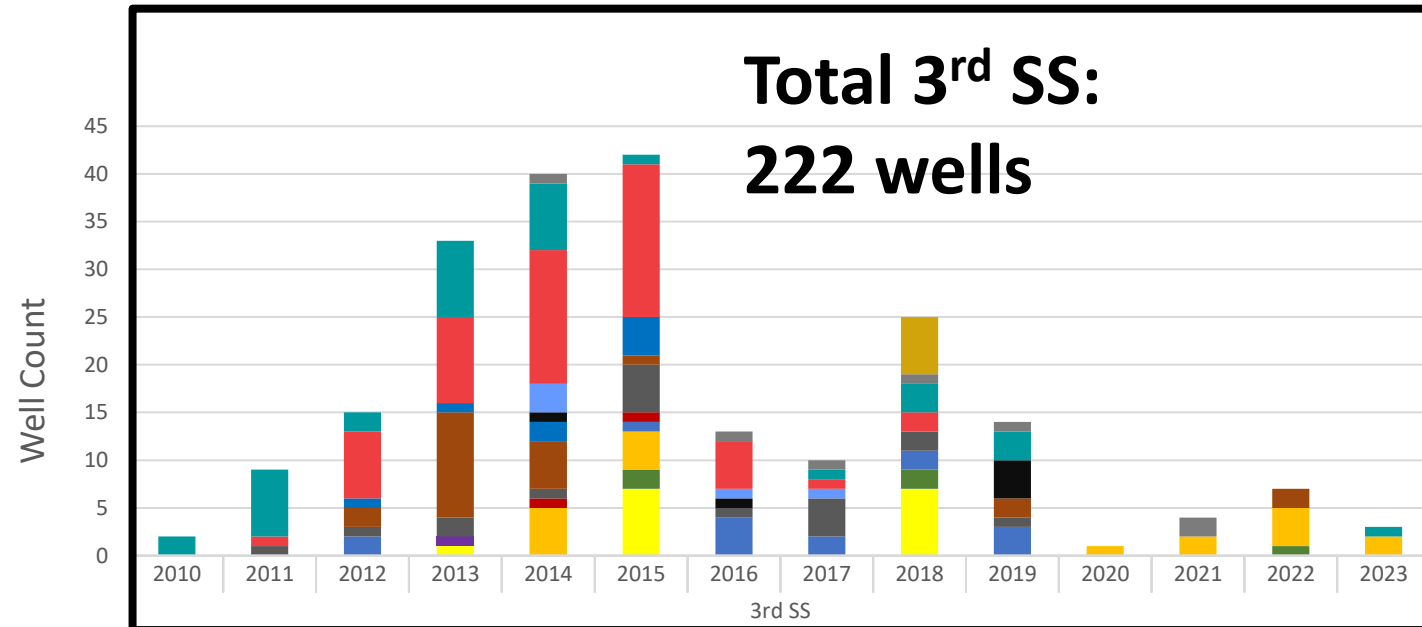


Exhibit D-4

- 3<sup>rd</sup> Sand / single bench landing supported by 236 wells, 97%.
- 14 of 22 WCMP were drilled instead of 3<sup>rd</sup> SS
- 5 of 22 WCMP drilled as a separate bench
- 3 WCMP stack tests with 3<sup>rd</sup> Sand

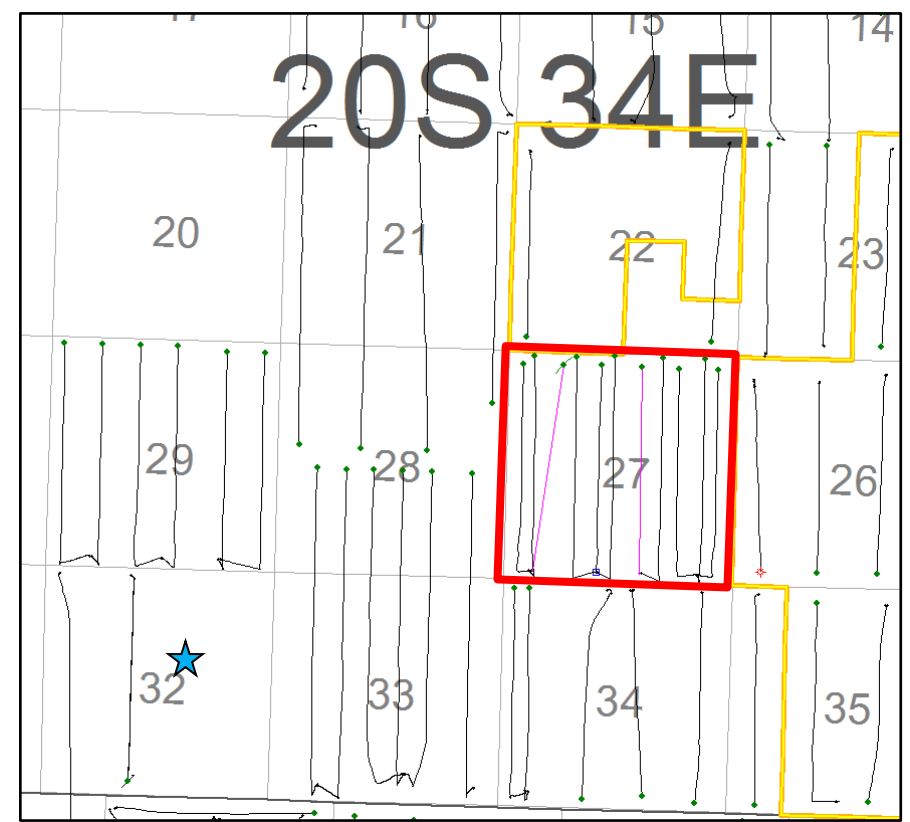
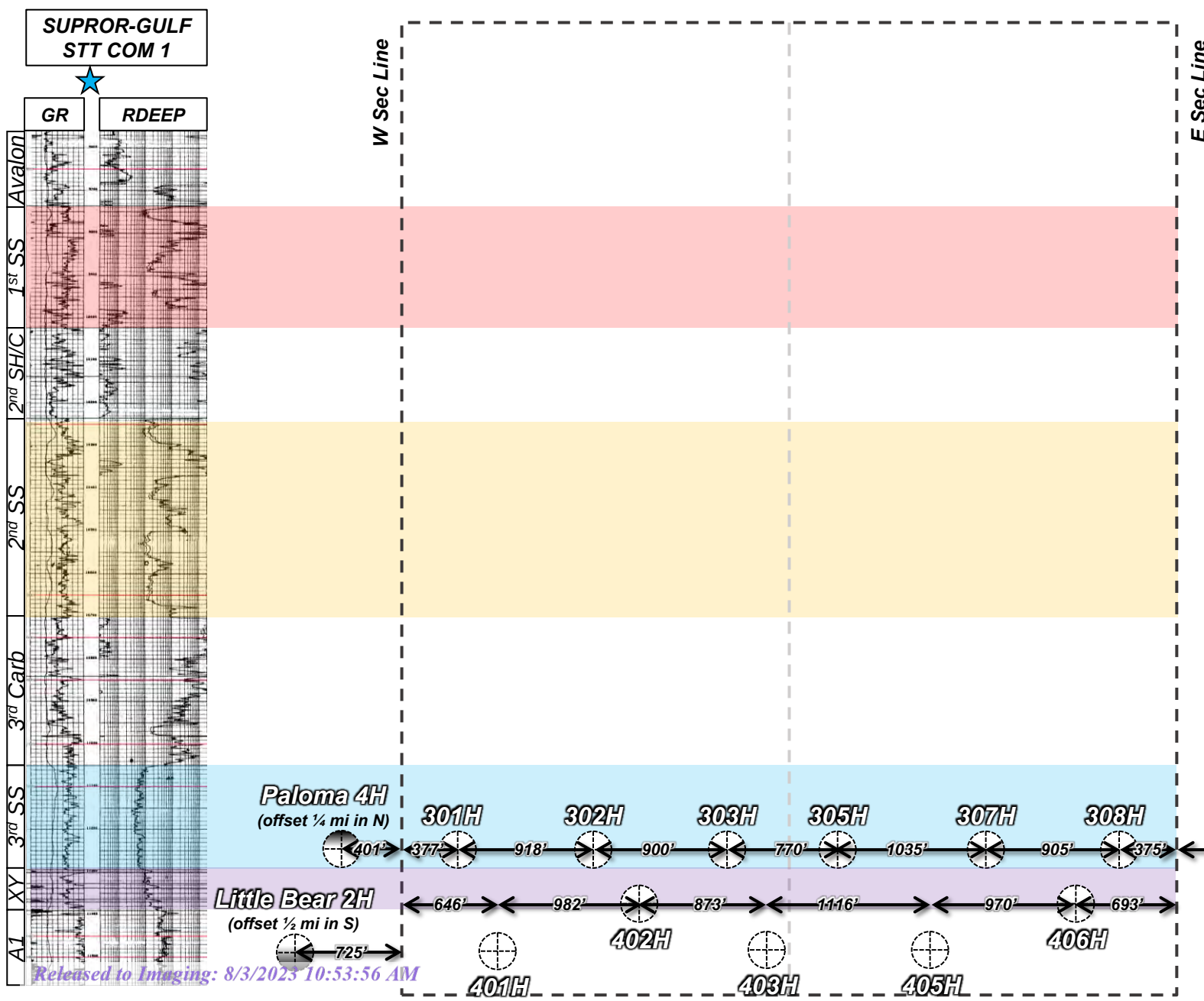


|                                |
|--------------------------------|
| APACHE CORP                    |
| CAZA OPERATING LLC             |
| CIMAREX ENERGY CO              |
| COG OPERATING LLC              |
| EARTHSTONE OPERATING LLC       |
| EOG RESOURCES INC              |
| FASKEN OIL & RANCH LTD         |
| FRANKLIN MOUNTAIN ENERGY 3 LLC |
| LEGACY RESERVES OPERATING LP   |
| MARATHON OIL PERMIAN LLC       |
| MATADOR PRODUCTION CO          |
| MEWBOURNE OIL CO               |
| RAYBAW OPERATING LLC           |
| READ & STEVENS INC             |
| XTO ENERGY INC                 |

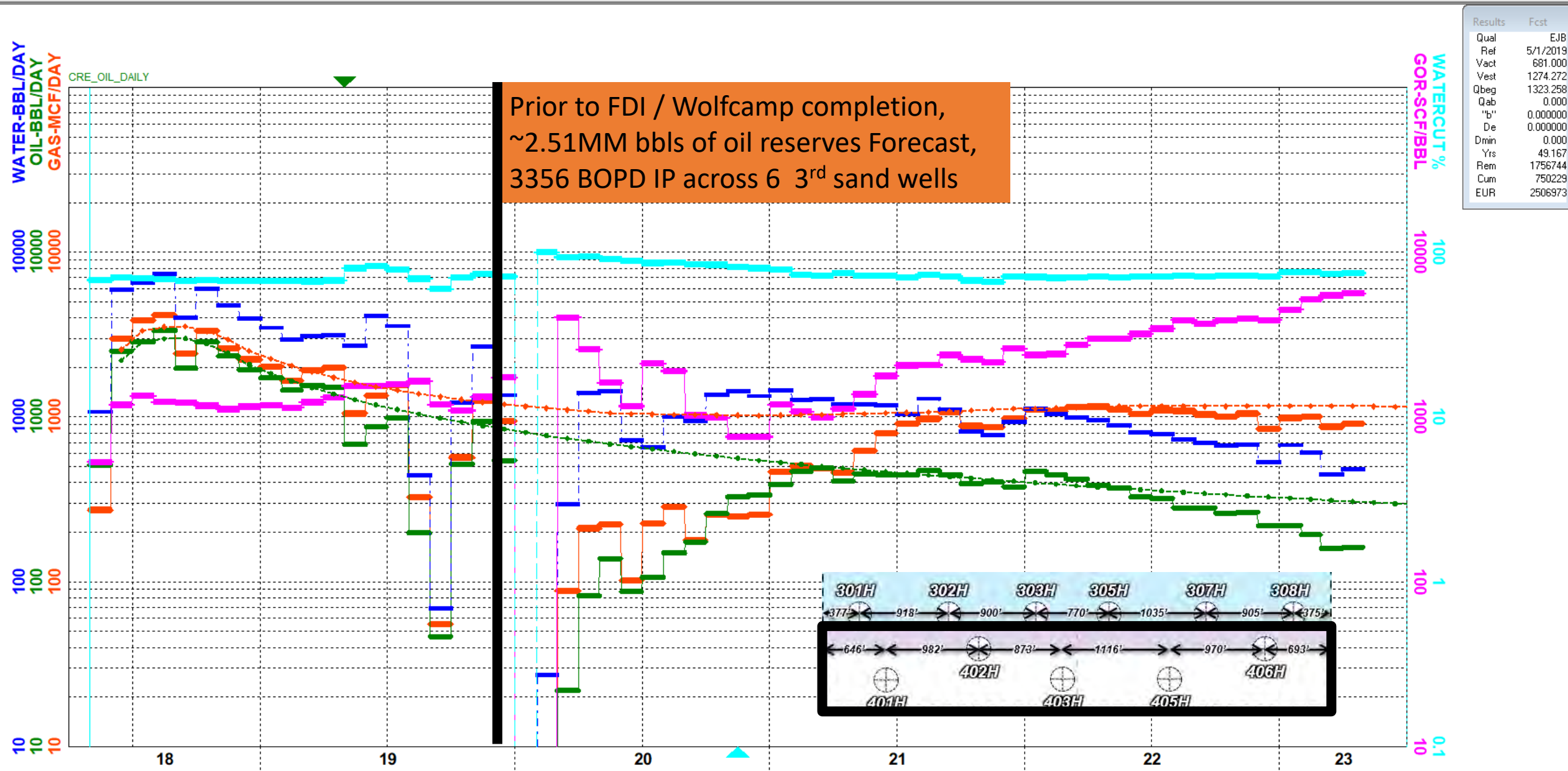
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|---|---|---|----|----|----|---|---|---|---|---|---|---|---|
|   |   |   |    |    |    |   |   | 6 |   |   |   |   |   |
|   |   |   |    | 1  |    | 1 | 1 | 1 | 1 |   | 2 |   |   |
| 2 | 7 | 2 | 8  | 7  | 1  |   | 1 | 3 | 3 |   |   | 1 |   |
|   | 1 | 7 | 9  | 14 | 16 | 5 | 1 | 2 |   |   |   |   |   |
|   |   |   | 3  |    |    | 1 | 1 |   |   |   |   |   |   |
|   |   |   | 1  |    |    | 1 |   |   | 4 |   |   |   |   |
|   |   | 1 | 1  | 2  | 4  |   |   |   |   |   |   |   |   |
|   |   | 2 | 11 | 5  | 1  |   |   |   | 2 |   |   | 2 |   |
|   | 1 | 1 | 2  | 1  | 5  | 1 | 4 | 2 | 1 |   |   |   |   |
|   |   |   | 1  | 1  |    |   |   |   |   |   |   |   |   |
|   |   | 2 |    | 1  | 4  | 2 | 2 | 3 |   |   |   |   |   |
|   |   |   | 5  | 4  |    |   |   |   |   | 1 | 2 | 4 | 2 |
|   |   |   | 1  |    |    |   |   |   |   |   |   |   |   |
|   |   |   |    | 2  |    |   |   | 2 |   |   | 1 |   |   |
|   |   |   | 1  | 7  |    |   |   | 7 |   |   |   |   |   |

|   |   |   |   |   |   |
|---|---|---|---|---|---|
|   |   |   |   |   | 5 |
|   |   |   | 1 |   |   |
|   |   | 1 | 1 | 8 |   |
|   |   |   | 1 |   |   |
|   | 1 |   |   |   |   |
|   |   |   |   | 1 |   |
| 1 |   | 1 |   | 1 |   |
|   |   |   |   |   |   |
|   |   |   |   |   |   |
|   |   |   |   |   |   |
|   |   |   |   |   |   |





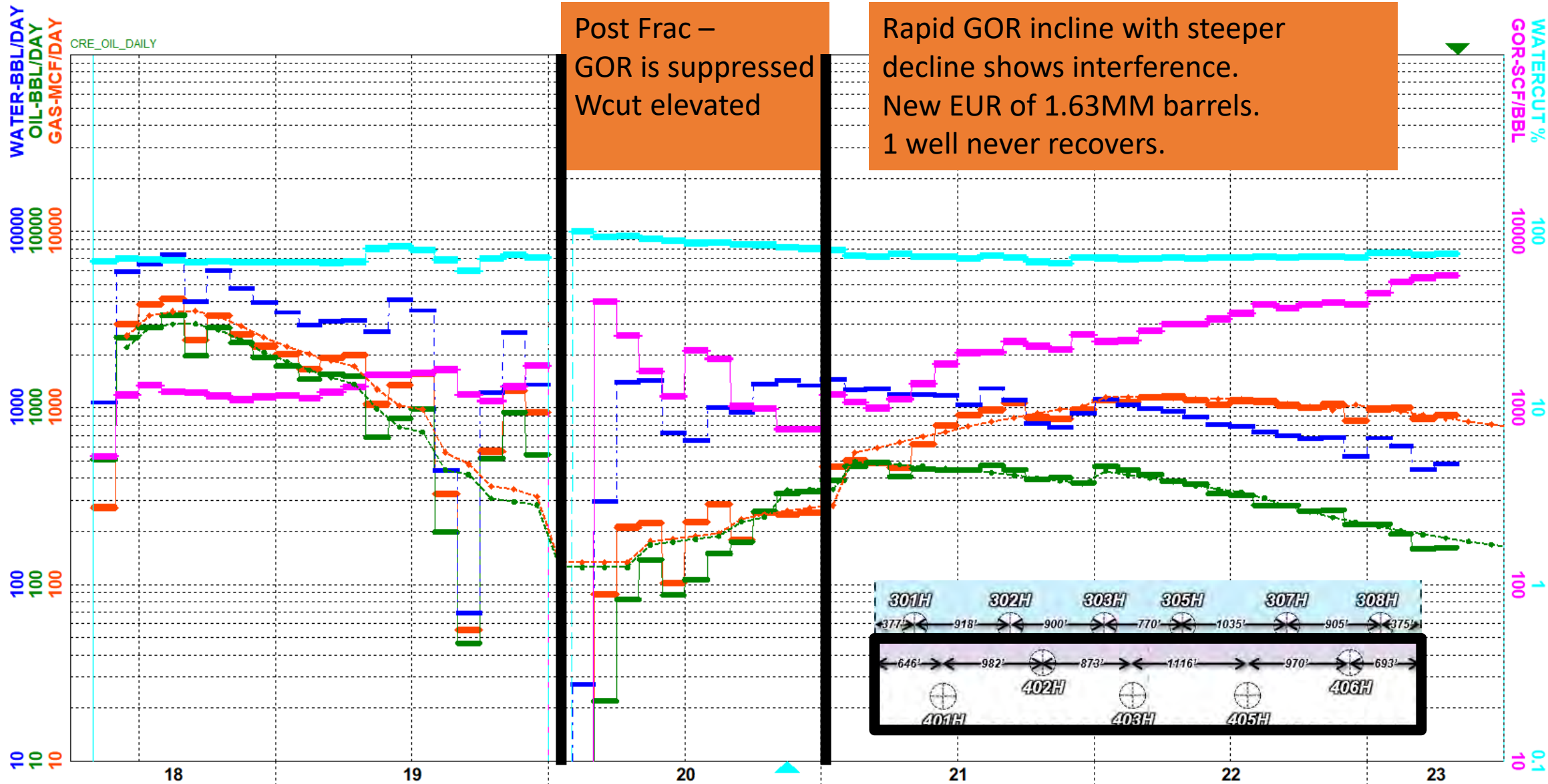
# Black and Tan 3<sup>rd</sup> Sand Composite Forecast 6 Wells ( Before WC completion)



| Results | Fcst     |
|---------|----------|
| Qual    | EJB      |
| Ref     | 5/1/2019 |
| Vact    | 681.000  |
| Vest    | 1274.272 |
| Qbeg    | 1323.258 |
| Qab     | 0.000    |
| "b"     | 0.000000 |
| De      | 0.000000 |
| Dmin    | 0.000    |
| Yrs     | 49.167   |
| Rem     | 1756744  |
| Cum     | 750229   |
| EUR     | 2506973  |

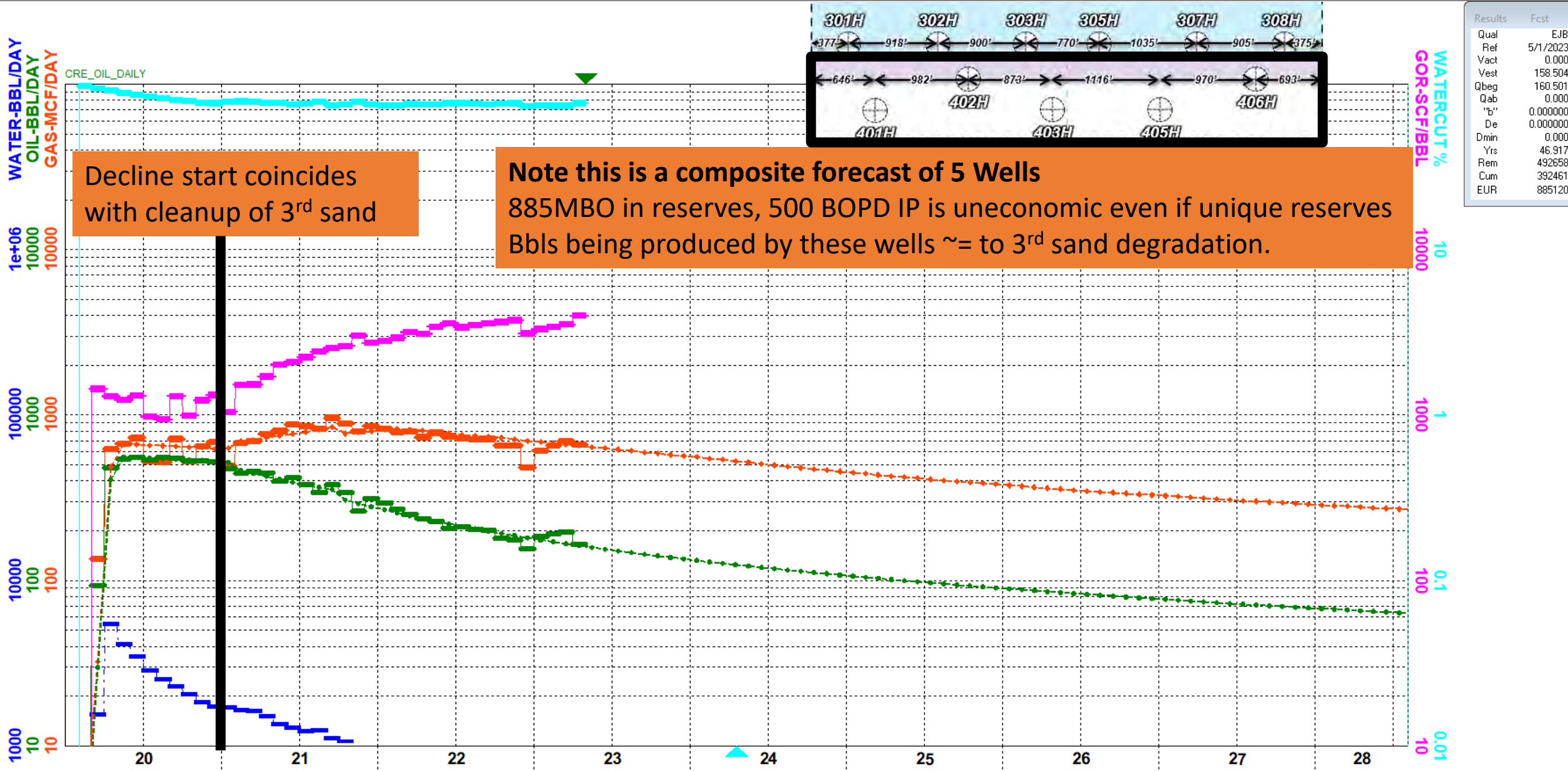


# Black and Tan 3<sup>rd</sup> Sand Composite Forecast 6 Wells Post Wolfcamp Frac



| Results | Fcst     |
|---------|----------|
| Qual    | EJ8FRAC  |
| Ref     | 5/1/2023 |
| Vact    | 0.000    |
| Vest    | 175.490  |
| Qbeg    | 179.285  |
| Qab     | 0.000    |
| "b"     | 0.000000 |
| De      | 0.000000 |
| Dmin    | 0.000    |
| Yrs     | 45.083   |
| Rem     | 376112   |
| Cum     | 1252382  |
| EUR     | 1628494  |

# Black and Tan Wolfcamp Composite Forecast 5 Wells



| Results | Fcst     |
|---------|----------|
| Qual    | EJB      |
| Ref     | 5/1/2023 |
| Vact    | 0.000    |
| Vest    | 158.504  |
| Qbeg    | 160.501  |
| Qab     | 0.000    |
| "b"     | 0.000000 |
| De      | 0.000000 |
| Dmin    | 0.000    |
| Yrs     | 46.917   |
| Rem     | 492658   |
| Cum     | 392461   |
| EUR     | 885120   |

|                          |                                    |                              |                        |                                                                 |               |
|--------------------------|------------------------------------|------------------------------|------------------------|-----------------------------------------------------------------|---------------|
| PROJECT = Black & Tan 27 |                                    |                              |                        |                                                                 | Completed 2nd |
| 30025461240000           | BLACK & TAN 27 FEDERAL COM #405H   | BLACK & TAN 27 FEDERAL COM   | WOLFCAMP A             | APACHE CORP   LEA   4583   09/01/2019   02/26/2020   0EF33AE781 |               |
| 30025460720000           | BLACK & TAN 27 FEDERAL COM #401H   | BLACK & TAN 27 FEDERAL COM   | WOLFCAMP A             | APACHE CORP   LEA   4666   10/19/2019   01/22/2020   AFD8F0925C |               |
| 30025460730000           | BLACK & TAN 27 FEDERAL COM #402H   | BLACK & TAN 27 FEDERAL COM   | WOLFCAMP SANDS XY SAND | APACHE CORP   LEA   4561   08/17/2019   02/26/2020   B4C53386   |               |
| 30025461230000           | BLACK & TAN 27 FEDERAL COM #403H   | BLACK & TAN 27 FEDERAL COM   | WOLFCAMP SANDS XY SAND | APACHE CORP   LEA   4629   09/08/2019   02/26/2020   607292AC   |               |
| 30025460750000           | BLACK & TAN 27 FEDERAL COM #406H   | BLACK & TAN 27 FEDERAL COM   | WOLFCAMP SANDS XY SAND | APACHE CORP   LEA   4694   09/29/2019   02/26/2020   F44F2545C  | Completed 1st |
| 30025440180000           | BLACK & TAN 27 FEDERAL COM #302H   | BLACK & TAN 27 FEDERAL COM   | 3RD BONE SPRING SAND   | APACHE CORP   LEA   4416   12/11/2017   06/01/2018   163AC020E2 |               |
| 30025440170000           | BLACK & TAN 27 FEDERAL COM #301H   | BLACK & TAN 27 FEDERAL COM   | 3RD BONE SPRING SAND   | APACHE CORP   LEA   4526   11/15/2017   06/01/2018   402B8A1B23 |               |
| 30025439210100           | BLACK & TAN 27 FEDERAL COM #303H   | BLACK & TAN 27 FEDERAL COM   | 3RD BONE SPRING SAND   | APACHE CORP   LEA   4360   10/24/2017   05/18/2018   748D250B4E |               |
| 30025439400000           | BLACK & TAN 27 FEDERAL COM #305H   | BLACK & TAN 27 FEDERAL COM   | 3RD BONE SPRING SAND   | APACHE CORP   LEA   4524   03/17/2018   05/23/2018   A635466B07 |               |
| 30025440440000           | BLACK & TAN 27 FEDERAL COM #307H   | BLACK & TAN 27 FEDERAL COM   | 3RD BONE SPRING SAND   | APACHE CORP   LEA   4303   01/07/2018   05/16/2018   CF72E02929 |               |
| 30025440450000           | BLACK AND TAN 27 FEDERAL COM #308H | BLACK AND TAN 27 FEDERAL COM | 3RD BONE SPRING SAND   | APACHE CORP   LEA   4340   01/30/2018   05/05/2018   A7CD7      |               |

## WC vs. 3<sup>rd</sup> sand comparison shows stagger is capital waste

- 3<sup>rd</sup> sand IP is > 6 X Wolfcamp
- Wolfcamp oil rate ~ = to 3<sup>rd</sup> sand rate decrease
- Wolfcamp reserves ~ = to 3<sup>rd</sup> sand EUR decrease
- 5 Wolfcamp wells added ~ 0 additional bbls

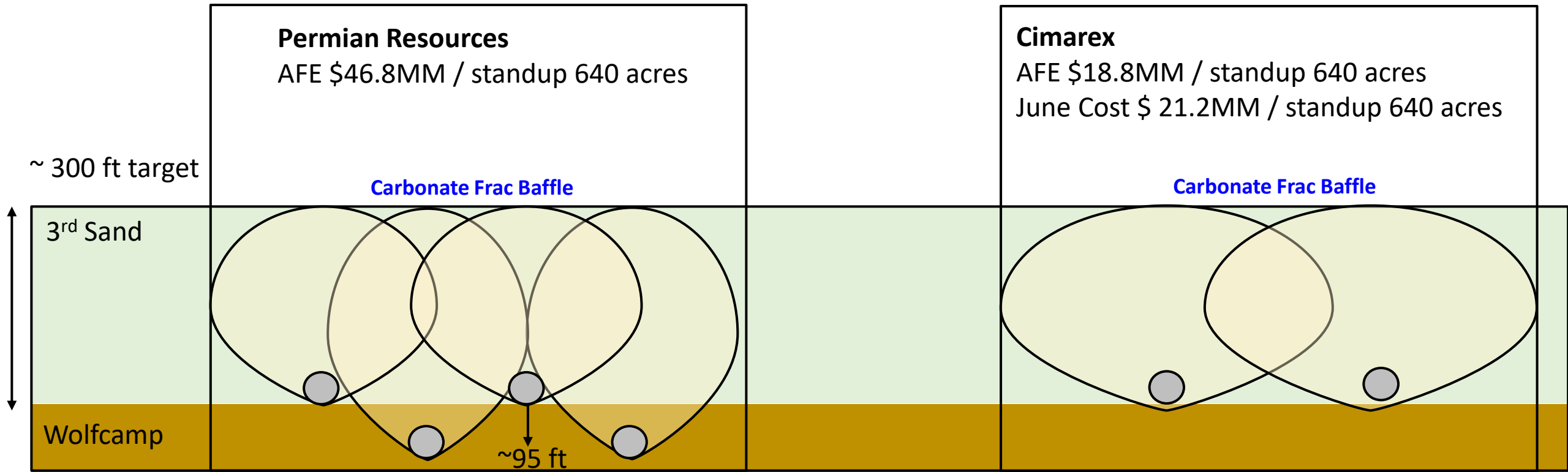
| Table 1.0 Comparison of 3rd sand to Wolfcamp | 3rd Sand        |                    |                | Wolfcamp | (Wolfcamp - 3rd Sand Delta) = value added from 5 wells |
|----------------------------------------------|-----------------|--------------------|----------------|----------|--------------------------------------------------------|
|                                              | 3rd Bone Spring | 3rd Bone Post frac | 3rd Sand Delta |          |                                                        |
| IP30 BOPD                                    | 3,356           | NA                 | NA             | 555      | NA                                                     |
| Pre vs. Post frac oil rate BOPD              | 950             | 500                | -450           | +555     | 105                                                    |
| EUR MMBO                                     | 2.51            | 1.63               | -0.88          | +0.89    | 0.01                                                   |

## 3<sup>rd</sup> sand is the landing for this single bench target

- 268% Phi H vs. Wolfcamp
- 3<sup>rd</sup> sand delta compounded by being cleaner with better flow property's than the Wolfcamp

| Table 1.1 Analog Comparison | 3rd Sand | Wolfcamp | 3 <sup>rd</sup> SS % of total | 3rd / Wolfcamp Comparison % |
|-----------------------------|----------|----------|-------------------------------|-----------------------------|
| PHIH                        | 26.75    | 10       | 72.8                          | 268                         |

# Diagram of Staggered Landing Wolfcamp + 3<sup>rd</sup> SS vs. 3<sup>rd</sup> SS Flat



- Cimarex has experience developing as many as 8 landings within a DSU successfully in Lea county with 9<sup>th</sup> drilling now, 35 to 38 wells / section. The difference is the combination of geology (barriers, reservoir height, and flow units) don't support the proposed staggers at Mighty Pheasant Loosey Goosey as demonstrated by area developments like Black and Tan.
- 3<sup>rd</sup> and Wolfcamp landed this close together are equivalent to 8 WPS flat in the 3<sup>rd</sup> Sand, double the AOI proven density.
- A wealth of data from the DOE and industry funded Hydraulic Fracture Test Site 2 supports an upper Wolfcamp buffer zone in this specific location to protect proven 3<sup>rd</sup> Sand correlative rights and prevent capital waste.

# Black and Tan Analog Comparison To MP/LG

| Table 1.2<br>Analog Comparison | Black and Tan |          |                               | Mighty Pheasant Loosey Goosey |          |                               |
|--------------------------------|---------------|----------|-------------------------------|-------------------------------|----------|-------------------------------|
|                                | 3rd Sand      | Wolfcamp | 3 <sup>rd</sup> SS % of total | 3rd Sand                      | Wolfcamp | 3 <sup>rd</sup> SS % of total |
| PHIH                           | 22            | 7        | 76                            | 27                            | 10       | 73                            |

- Contested acreage is expected to outperform Black and Tan 2.5MMbo / 640-acre Technical EUR by ~20%
- Over performance driven by improved PHIH of 3<sup>rd</sup> sand.  $27/22 = 122\%$ .
- Sensitivities highlight impact of capital waste given 0% uplift on Black and Tan Wolfcamp 3<sup>rd</sup> SS analog
  - Table 1.3 - Wolfcamp must add ~40% reserves to break even vs Cimarex Development at P90 reserves case
  - Table 1.4 - Wolfcamp must add ~31% reserves to break even vs. Cimarex Development at SM business case
  - Neither Table 1.3 or 1.4 increase in performance is reasonable to expect given public data

**Table 1.3 Reserves Economic Comparison 10MM Technical EUR DSU**

| \$65 flat analysis at Cimarex WI & NRI |        |                  | Permian   |               | Cimarex   |               |
|----------------------------------------|--------|------------------|-----------|---------------|-----------|---------------|
| Reserves                               | IP     | Economic EUR MBO | PV10 \$MM | Payout months | PV10 \$MM | Payout months |
| 100%                                   | 14,738 | 8,860            | 14.7      | 43            | 41.8      | 12            |
| 110% expected                          | 16,212 | 9,820            | 21.4      | 33            |           |               |
| 120% expected                          | 17,685 | 10,780           | 28.2      | 26            |           |               |
| 130% expected                          | 19,159 | 11,740           | 34.9      | 23            |           |               |
| 140% expected                          | 20,633 | 12,700           | 41.5      | 21            |           |               |

**Table 1.4 Development Comparison 12MM Technical EUR DSU**

| \$65 flat analysis at Cimarex WI & NRI |        |                  | Permian   |               | Cimarex |               |
|----------------------------------------|--------|------------------|-----------|---------------|---------|---------------|
| 12 MM EUR                              | IP     | Economic EUR MBO | PV10 \$MM | Payout months | PV10    | Payout months |
| 100%                                   | 18,897 | 11,026           | 34.8      | 23            | 61.9    | 10            |
| 110% expected                          | 20,787 | 12,987           | 43.6      | 20            |         |               |
| 120% expected                          | 22,676 | 14,233           | 52.3      | 18            |         |               |
| 130% expected                          | 24,566 | 15,480           | 61        | 16            |         |               |
| 140% expected                          | 26,456 | 16,727           | 69.7      | 15            |         |               |

- In order to create equivalent PV10, Wolfcamp landings must add ~40% more reserves vs reserves estimate (table 1.3) and 31% more reserves vs. P50 expectation (table 1.4). This outcome is unrealistic vs. observed results.
- Cimarex lower terminal fixed OpEx + less well degradation results in 9.1MM EUR vs. Permian 8.9MM EUR at 100% reserves expectation.
- The Cimarex plan self-funds annual drilling after first batch of wells supporting rapid development
- Permian plan supports slower development speed

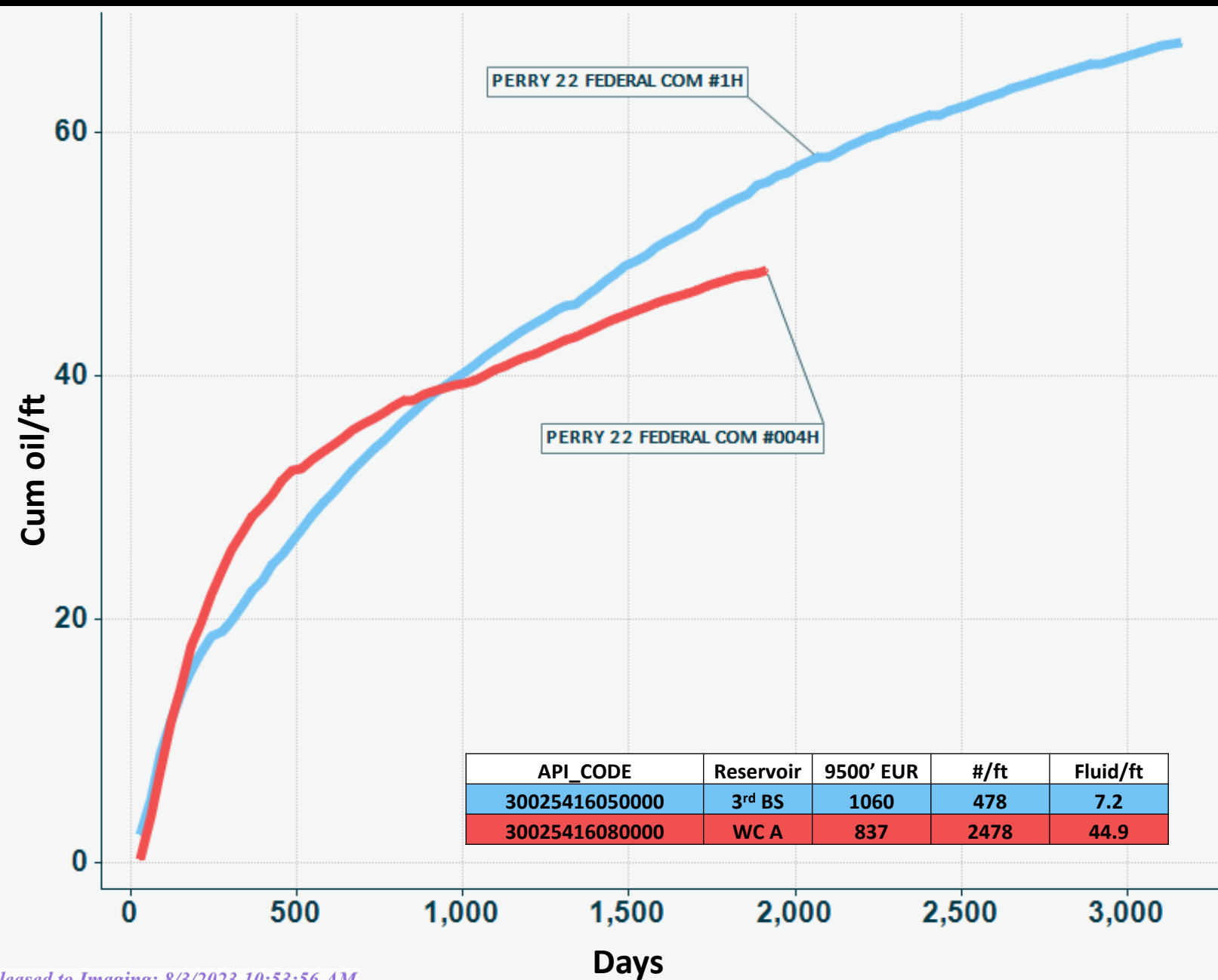


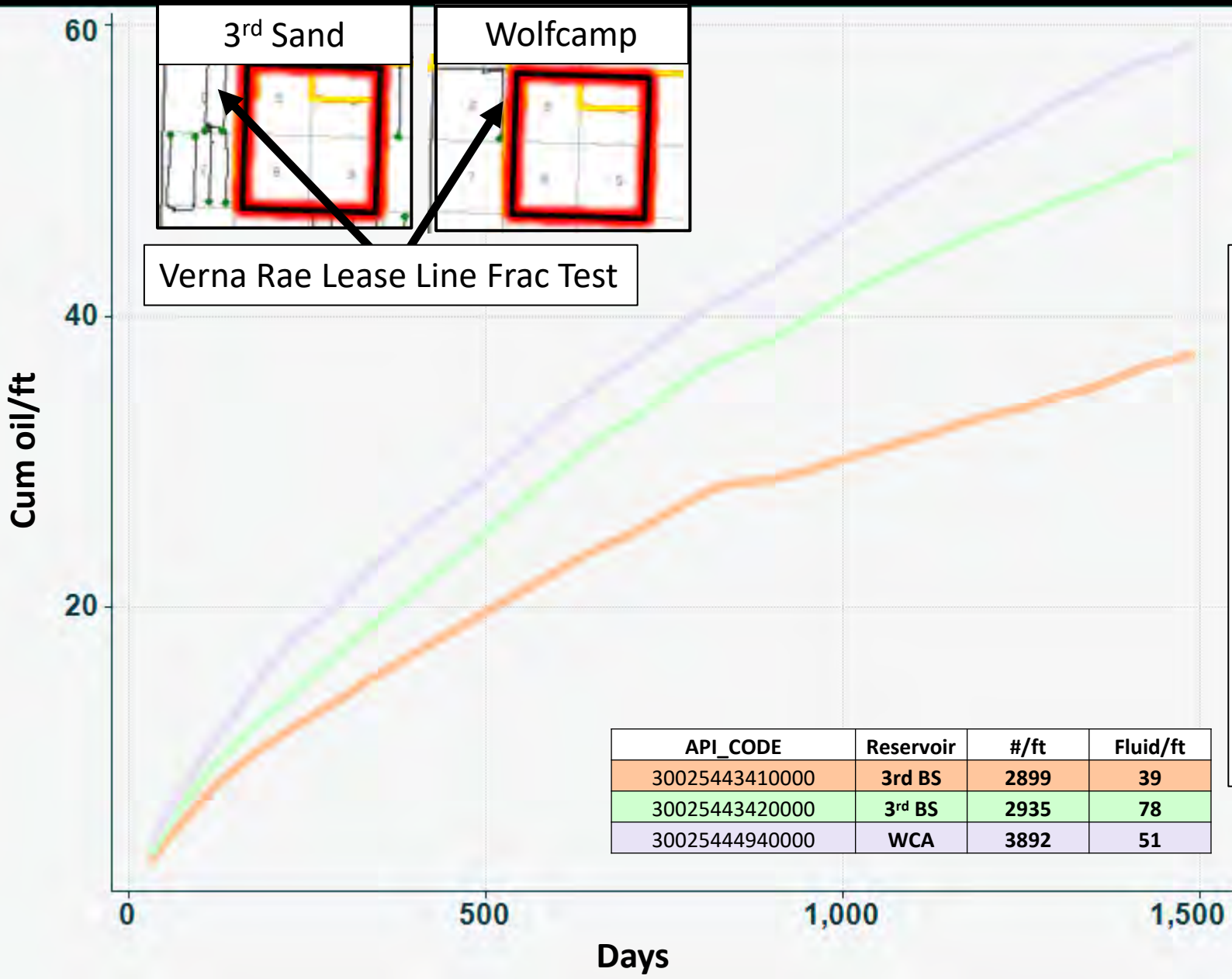
Exhibit D-12

**Note: 5 to 6 x the frac energy is not as important as the right landing zone.**

- The Perry 1H 2014 vintage 3<sup>rd</sup> sand well outperforms modern 2018 Perry 4H Wolfcamp completion in the same section at better oil cut 1 mile south of contested development area.
- The best flow properties and majority of bbls are best accessed from the 3<sup>rd</sup> sand where they are located
- Updated Production to Monthly / Days in Month



# Verna Rae Frac Test Section 6 Adjacent to Subject Lands



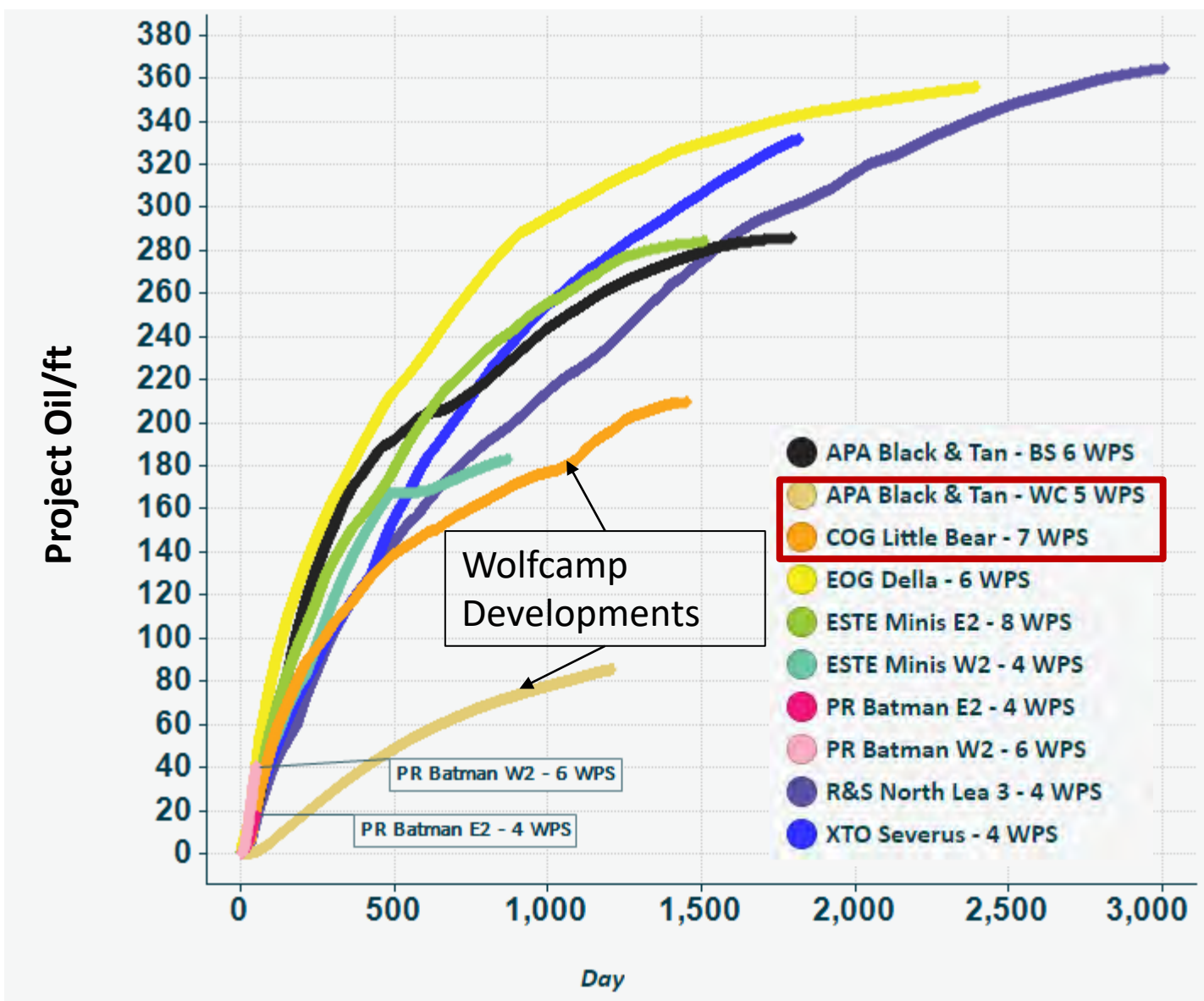
WELL\_NAME ▾ +

- VERNA RAE FED COM #133H
- VERNA RAE FEDERAL COM #134H
- VERNA RAE FEDERAL COM #204H

(None) ▾

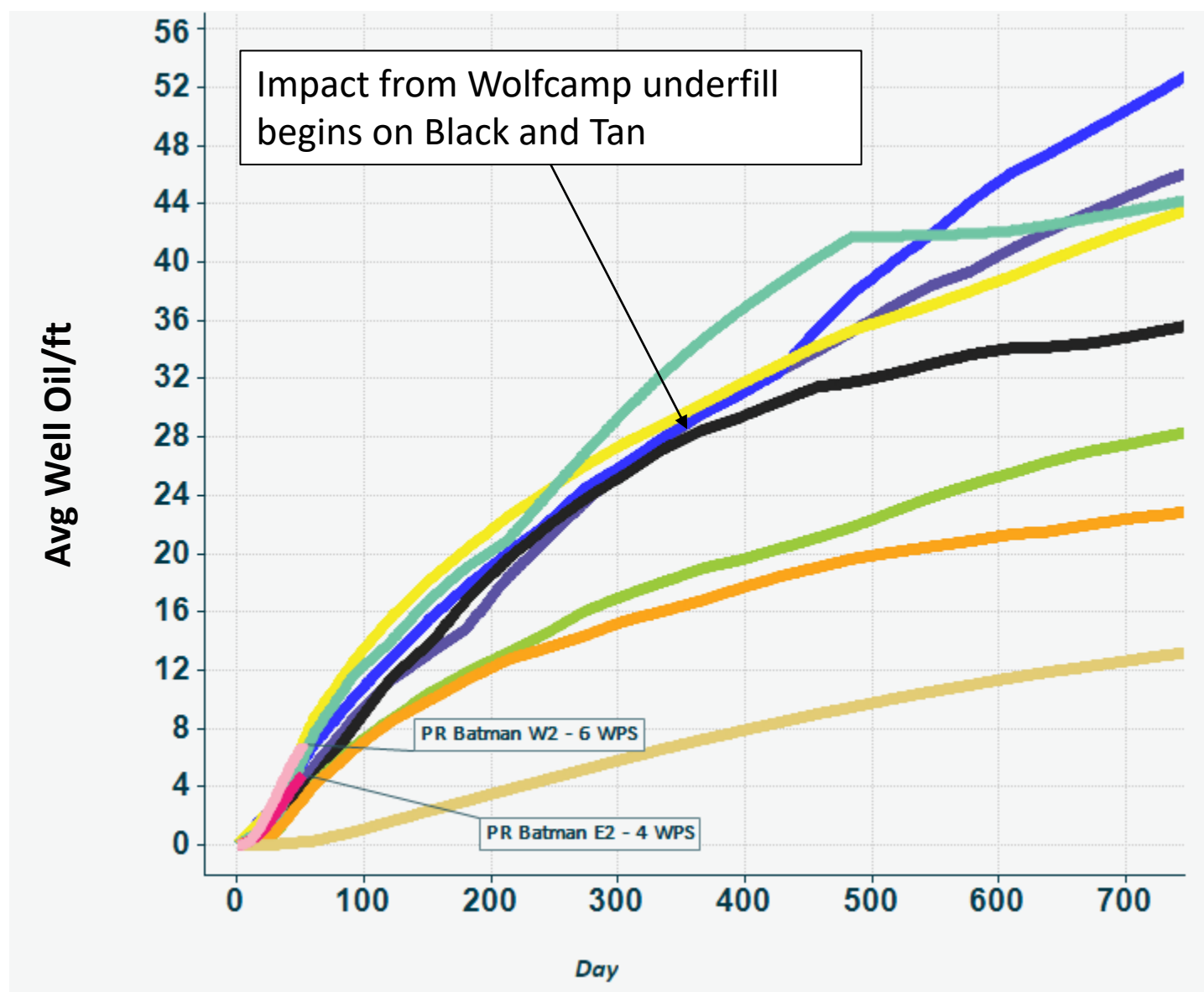
- Key points:
- The Verna Rae 204H is capturing significant 3<sup>rd</sup> sand bbls due to significantly more energy pumped on this frac test than what is prudent in a full development scenario. Frac Uplift on unbounded Edge wells does not equate to uplift when bounded
  - Cimarex uses full developments when available to avoid unreasonable full section bounded development expectations.
  - Offsetting these massive frac tests which Lease line Mighty Pheasant / Joker at double proven well density will not outperform Cimarex plan.

# 1280 Scale Project Cum. Oil/ft vs Days



- Key points
- Over time 4 WPS developments catchup to denser projects indicating denser developments are primarily acceleration
- COG little Bear is a dense Wolfcamp only landing full development that underperforms similar to Black and Tan Wolfcamp supporting our proposed 3<sup>rd</sup> Sand landing
- Batman needs to Cum ~125bbls /ft out of the DSU to get an idea of EURS
- Drilling Wolfcamp looks damaging to 3<sup>rd</sup> SS project at Black and Tan. WFMP looks to have added at most 30 bbl/ft reserves after 1000 days which is ~equivalent to slope of 3<sup>rd</sup> sand prior to completion.

# Average Per-Well Cum. Oil/ft vs Days, 2-Year Zoom

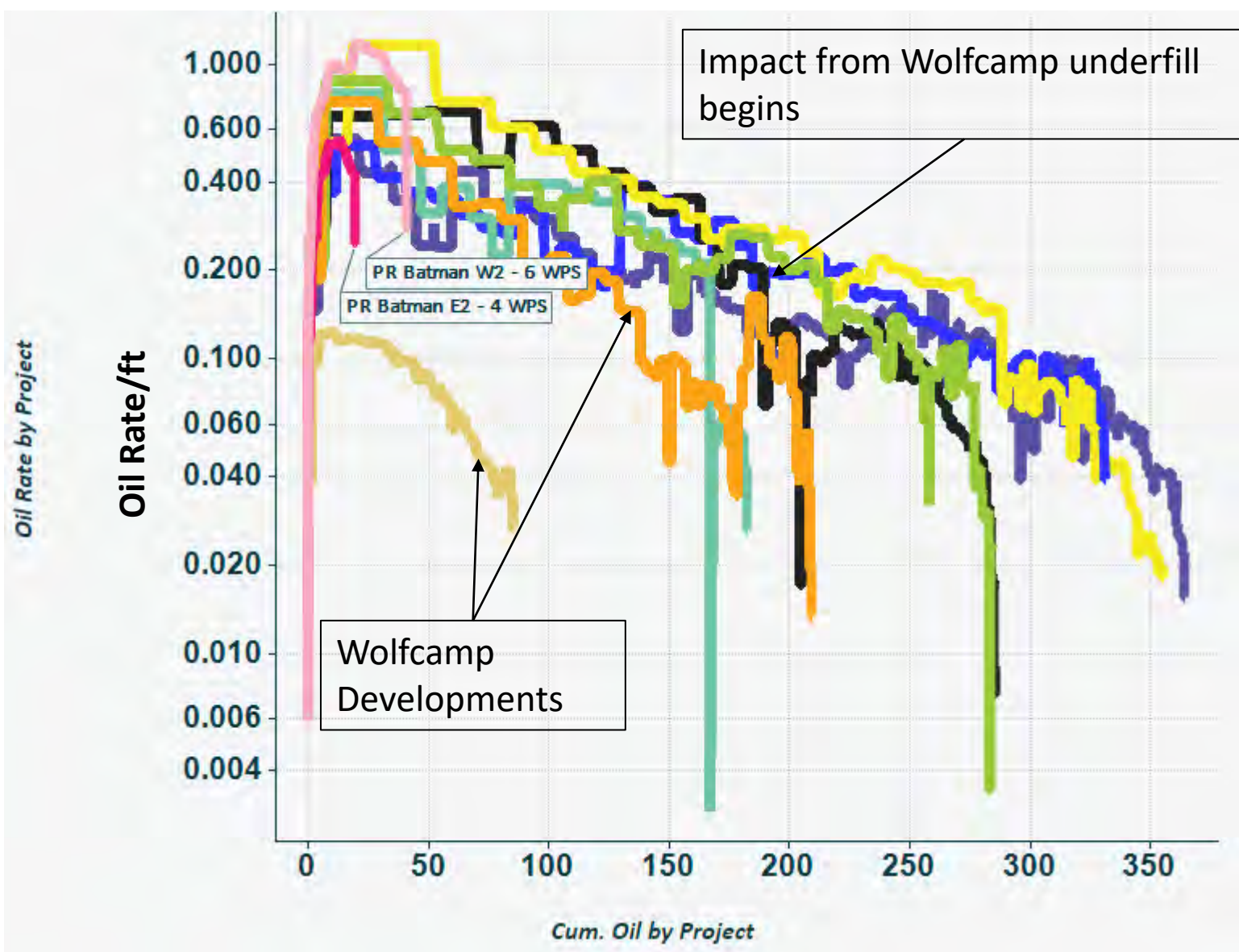


- APA Black & Tan - BS 6 WPS
- APA Black & Tan - WC 5 WPS
- COG Little Bear - 7 WPS
- EOG Della - 6 WPS
- ESTE Minis E2 - 8 WPS
- ESTE Minis W2 - 4 WPS
- PR Batman E2 - 4 WPS
- PR Batman W2 - 6 WPS
- R&S North Lea 3 - 4 WPS
- XTO Severus - 4 WPS

- Key points
- Denser spaced developments underperform looser spaced developments to the point that drilling past 4 WPS appears to be a waste of capital
- The Della project drilled by EOG takes longer to show degradation most likely due to aggressive drawdown common on their developments.
- In aggregate 3rd Sand is the best way to develop from production results



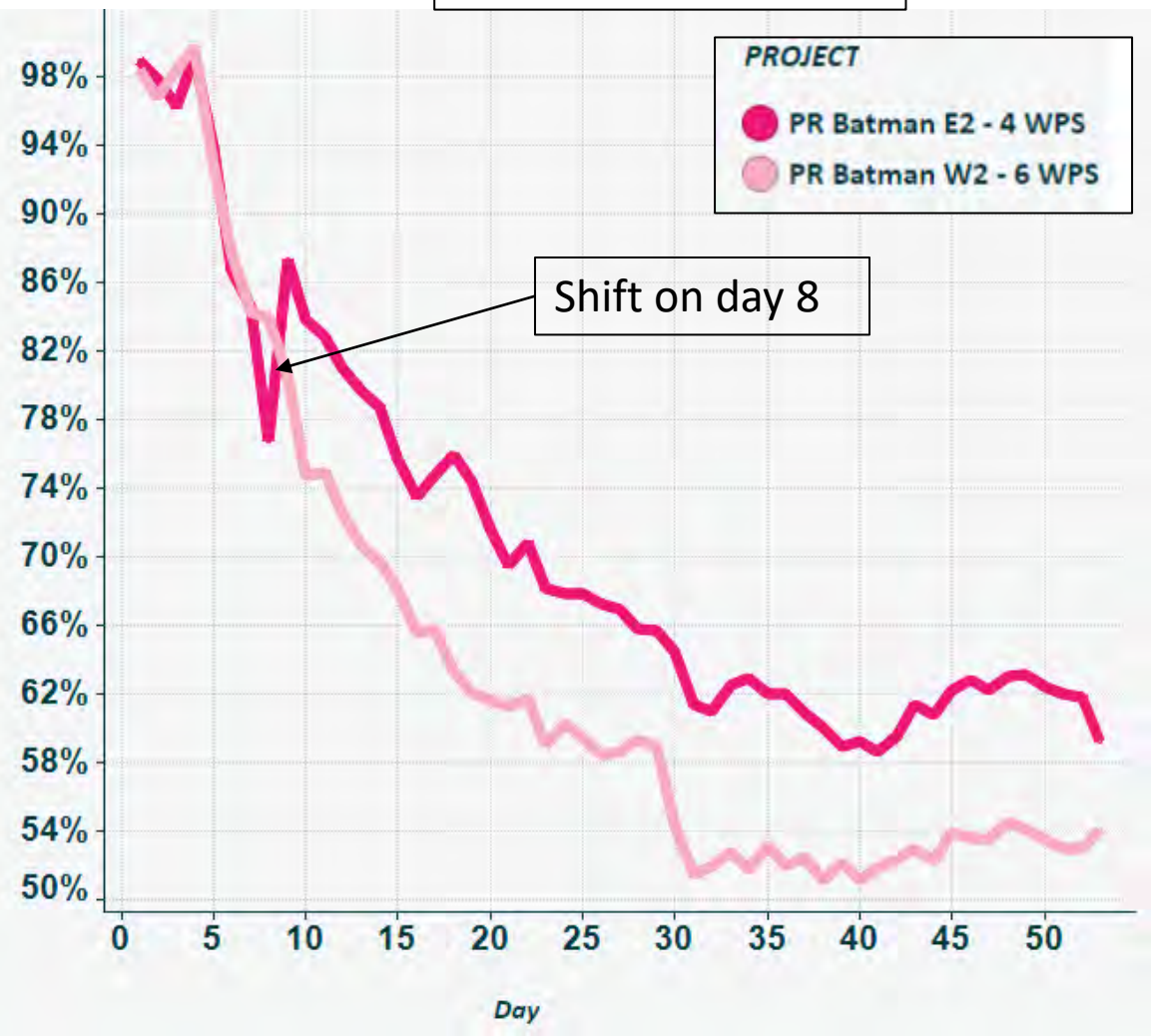
# 1280 Scale Project Oil Rate/ft vs Cum Oil/ft



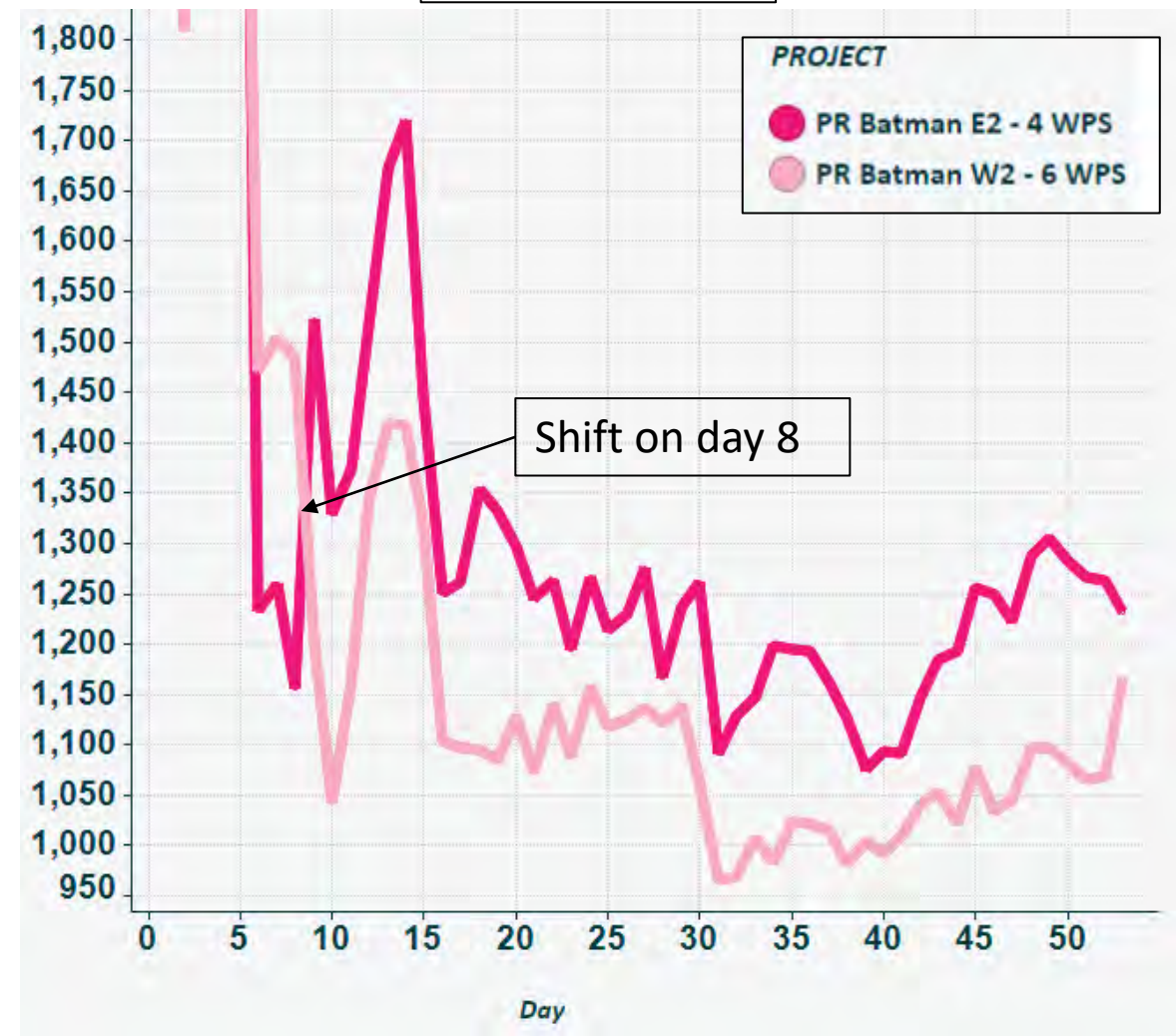
- APA Black & Tan - BS 6 WPS
- APA Black & Tan - WC 5 WPS
- COG Little Bear - 7 WPS
- EOG Della - 6 WPS
- ESTE Minis E2 - 8 WPS
- ESTE Minis W2 - 4 WPS
- PR Batman E2 - 4 WPS
- PR Batman W2 - 6 WPS
- R&S North Lea 3 - 4 WPS
- XTO Severus - 4 WPS

- Key Point
- More time is needed on the Batman wells to gauge performance, post ESP install decline at 100 to 150 cum/ft will be a meaningful data point
- In aggregate 3<sup>rd</sup> sand developments have a shallower slope than Wolfcamp developments and will enjoy ultimate higher EUR's

Water Cut vs. Time



GOR vs. Time



Shift in oil allocation on day 8, long-term trend or driven by a hung separator dump or carryover?



# Capital Plan Comparison

| Cimarex - Loosey Goosey/Mighty Pheasant |      |               |                   |                 |
|-----------------------------------------|------|---------------|-------------------|-----------------|
| Res                                     | Well | AFE CapEx     | June Current Cost | AFE Bench Total |
| 1st                                     | 101H | \$8,570,695   | \$9,651,993       | \$36,922,774    |
| 1st                                     | 102H | \$9,450,693   | \$9,651,993       |                 |
| 1st                                     | 103H | \$9,450,693   | \$9,651,993       |                 |
| 1st                                     | 104H | \$9,450,693   | \$9,651,993       |                 |
| upper 2 <sup>nd</sup> *                 | 211H | \$8,570,695   | \$9,651,993       | \$25,712,085    |
| upper 2 <sup>nd</sup> *                 | 212H | \$8,570,695   | \$9,651,993       |                 |
| upper 2 <sup>nd</sup> *                 | 213H | \$8,570,695   | \$9,651,993       |                 |
| 2nd                                     | 201H | \$8,570,695   | \$9,651,993       | \$34,282,780    |
| 2nd                                     | 202H | \$8,570,695   | \$9,651,993       |                 |
| 2nd                                     | 203H | \$8,570,695   | \$9,651,993       |                 |
| 2nd                                     | 204H | \$8,570,695   | \$9,651,993       |                 |
| 3rd                                     | 301H | \$9,428,854   | \$10,621,993      | \$37,675,408    |
| 3rd                                     | 302H | \$9,428,854   | \$10,621,993      |                 |
| 3rd                                     | 303H | \$9,408,850   | \$10,621,993      |                 |
| 3rd                                     | 304H | \$9,408,850   | \$10,621,993      |                 |
| Total Gross CapEx                       |      | \$134,593,047 | \$148,659,895     | \$134,593,047   |

| Permian Resources – Bane/Joker |      |               |                   |                 |
|--------------------------------|------|---------------|-------------------|-----------------|
| Res                            | Well | AFE CapEx     | June Current Cost | AFE Bench Total |
| 1st                            | 111H | \$10,724,193  |                   | \$42,896,772    |
| 1st                            | 112H | \$10,724,193  |                   |                 |
| 1st                            | 113H | \$10,724,193  |                   |                 |
| 1st                            | 114H | \$10,724,193  |                   |                 |
| uppr 2nd                       | 122H | \$11,020,308  |                   | \$44,081,232    |
| uppr 2nd                       | 124H | \$11,020,308  |                   |                 |
| uppr 2nd                       | 126H | \$11,020,308  |                   |                 |
| uppr 2nd                       | 128H | \$11,020,308  |                   |                 |
| 2nd                            | 121H | \$11,020,308  |                   | \$44,081,232    |
| 2nd                            | 123H | \$11,020,308  |                   |                 |
| 2nd                            | 125H | \$11,020,308  |                   |                 |
| 2nd                            | 127H | \$11,020,308  |                   |                 |
| 3rd bs                         | 131H | \$11,535,757  |                   | \$46,143,028    |
| 3rd bs                         | 132H | \$11,535,757  |                   |                 |
| 3rd bs                         | 133H | \$11,535,757  |                   |                 |
| 3rd bs                         | 134H | \$11,535,757  |                   |                 |
| 3rd bs                         | 171H | \$11,308,013  |                   | \$92,743,500    |
| 3rd bs                         | 172H | \$11,308,013  |                   |                 |
| 3rd bs                         | 173H | \$11,308,013  |                   |                 |
| 3rd bs                         | 174H | \$11,308,013  |                   |                 |
| WC                             | 201H | \$11,877,862  |                   |                 |
| WC                             | 202H | \$11,877,862  |                   |                 |
| WC                             | 203H | \$11,877,862  |                   |                 |
| WC                             | 204H | \$11,877,862  |                   |                 |
| Total Gross CapEx              |      | \$269,945,764 | ?                 | \$269,945,764   |

\*Note: we have planned for upper 2<sup>nd</sup>, acquiring data on 3<sup>rd</sup> sand wells to confirm adequate flow, saturation, and in place in this ~60-foot target and will execute if viable.

**For each Plan, Permian is spending \$135MM more / 1280 acres with proposal Capex, ~100% more CapEx, bad for WI owners:**

- \$ 92.7 MM, shown in red, Cimarex models as uneconomic non additive wells with reserves best captured by single landing.
- \$ 31.6 MM, where well counts are ~= Permian costs are \$ 2.1 MM to \$2.4MM higher/well at time of proposal
- \$ 11 MM, one additional 2<sup>nd</sup> sand well vs. Cimarex Proven spacing.
- Permian Resources contracts, practices, and development plan is >= \$121MM of waste driven by Frac cost and Well Count



We model Permian's plan as significantly over drilled. Extra wellbores raise OpEx, interventions, and spill risk while capturing negligible additional reserves.

|                         | 16 well Permian Plan   June Strip   80% 8/8ths NRI |          |               |               |              |           |
|-------------------------|----------------------------------------------------|----------|---------------|---------------|--------------|-----------|
| Development             | WI                                                 | NRI      | Gross Capex   | WI Capex      | NPV10        | ATax ROR% |
| Mighty Pheasant / Joker | 0.477066                                           | 0.381653 | \$93,654,476  | \$44,574,978  | \$7,746,535  | 21%       |
| Loosey Goosey / Bane    | 0.518295                                           | 0.414636 | \$93,654,476  | \$48,527,881  | \$8,347,243  | 21%       |
| Total Cimarex           | 0.497681                                           | 0.398144 | \$187,308,952 | \$93,102,854  | \$16,093,779 | 21%       |
| Total Development       | 1                                                  | 0.8      | \$187,308,952 | \$187,308,952 | \$32,176,560 | 21%       |

Cimarex’s plan benefits significantly from not over drilling the target. This materializes as fast payout, lower OpEx, and lower spill risk.

|                         | 8 well 3 <sup>rd</sup> Sand Cimarex Plan   June Strip   80% 8/8ths NRI |           |              |              |               |           |
|-------------------------|------------------------------------------------------------------------|-----------|--------------|--------------|---------------|-----------|
| Development             | WI                                                                     | NRI       | Gross Capex  | WI Capex     | NPV10         | ATax ROR% |
| Mighty Pheasant / Joker | 0.553327                                                               | 0.4426616 | \$42,487,972 | \$23,509,755 | \$32,039,956  | 149%      |
| Loosey Goosey / Bane    | 0.527654                                                               | 0.4221232 | \$42,487,972 | \$22,418,953 | \$30,552,828  | 149%      |
| Total Cimarex           | 0.540491                                                               | 0.432393  | \$84,975,944 | \$45,928,710 | \$62,592,788  | 149%      |
| Total Development       | 1                                                                      | 0.8       | \$84,975,944 | \$84,975,944 | \$115,807,328 | 149%      |

# Comparison of 3<sup>rd</sup> sand Flat Cimarex Plan vs. Wolfcamp Stagger Permian Plan

Exhibit D-20

| Ownership mixes vs PV10 of Wolfcamp 3rd Development Plans |          |             |                   |                   |                   |
|-----------------------------------------------------------|----------|-------------|-------------------|-------------------|-------------------|
| BS acres                                                  | WC acres | WC/BS Ratio | PV10 Permian Plan | PV10 Cimarex Plan | Cimarex - Permian |
| 1                                                         | 1        | 1           | \$12,569          | \$45,237          | \$32,668          |
| 1                                                         | 1.37     | 1.37        | \$14,894          | \$45,237          | \$30,343          |
| 1                                                         | 2        | 2           | \$18,853          | \$45,237          | \$26,384          |
| 1                                                         | 3        | 3           | \$25,138          | \$45,237          | \$20,099          |
| 1                                                         | 3.0088   | 3.0088      | \$25,193          | \$45,237          | \$20,044          |
| 1                                                         | 4        | 4           | \$31,422          | \$45,237          | \$13,815          |
| 1                                                         | 5        | 5           | \$37,707          | \$45,237          | \$7,530           |
| 1                                                         | 6        | 6           | \$43,991          | \$45,237          | \$1,246           |
| 1                                                         | 7        | 7           | \$50,276          | \$45,237          | -\$5,039          |

- Above Table sensitivity shows different ownership blends at June Strip pricing and 80% 8/8ths NRI.
- We model WI owners benefitting from our development as long as they do not have a Wolfcamp to 3<sup>rd</sup> Sand ownership imbalance of more than 6x.
- The biggest differential ownership in Loosey Goosey is held by HOG Partnership LP with a 1.37 ratio of Wolfcamp to Bone Spring. \$45,237/acre under Cimarex plan outperforms Permian Plan by ~\$30,000/acre.
- The biggest differential ownership in Mighty Pheasant is held by MRC Permian and is a 3.0088 ratio of Wolfcamp to Bone Spring. \$45,237/acre under Cimarex plan outperforms Permian Plan by ~\$20,000/acre.

| BS acres | WC acres | WC/BS Ratio | PV10 Permian Plan | PV10 Cimarex Plan | Cimarex - Permian |
|----------|----------|-------------|-------------------|-------------------|-------------------|
| 1        | 3.0088   | 3.0088      | \$25,193          | \$45,237          | \$20,044          |

- The biggest differential ownership in Mighty Pheasant / Joker is held by MRC Permian with a 3.0088 ratio of Wolfcamp to Bone Spring
- Under Cimarex’s single landing development MRC Permian’s PV10 is \$ 45,237/acre
- Under Permian Resources’ co-development plan, MRC Permian ‘s PV10 is \$25,193/acre
- MRC Permian enjoys an additional \$20,044/acre PV10 under Cimarex’s plan

# MRC Permian - PV10 Comparison – Loosey Goosey vs. Bane

| BS acres | WC acres | WC/BS Ratio | PV10 Permian Plan | PV10 Cimarex Plan | Cimarex - Permian |
|----------|----------|-------------|-------------------|-------------------|-------------------|
| 1        | 1.37     | 1.37        | \$14,894          | \$45,237          | \$30,343          |

- The only and by default biggest differential ownership in Loosey Goosey / Bane is held by HOG Partnership LP with a 1.37 ratio of Wolfcamp to Bone Spring
- Under Cimarex’s single landing development HOG Partnership PV10 is \$ 45,237/acre
- Under Permian Resources’ co-development plan HOG Partnership PV10 is \$14,894/acre
- HOG Partnership enjoys an additional \$30,343/acre PV10 under Cimarex’s plan

# Ownership Ratios and Depth Severances

Ownership Loosey Goosey / Bane

| OWNER                  | BS WI       | WC WI       | WC / BS ownership Ratio |
|------------------------|-------------|-------------|-------------------------|
| Delmar Hudson Trust    | 0.060950089 | 0.060950089 | 1.0000                  |
| Lindys Living Trust    | 0.079980077 | 0.079980077 | 1.0000                  |
| Javelina Partners      | 0.086387997 | 0.07235004  | 0.8375                  |
| Zorro Partners         | 0.053319802 | 0.053319802 | 1.0000                  |
| Josephine Hudson Trust | 0.013330013 | 0.013330013 | 1.0000                  |
| Ard Oil                | 0.039990039 | 0.039990039 | 1.0000                  |
| Moore and Shelton      | 0.030981016 | 0.030981016 | 1.0000                  |
| HOG Partnership LP     | 0.050128926 | 0.068846535 | 1.3734                  |
| Read and Stevens       | 0.244691793 | 0.244691793 | 1.0000                  |
| First Century Oil      | 0.073245733 | 0.073245733 | 1.0000                  |
| Foran Oil Co.          | 0.038215438 | 0.038215438 | 1.0000                  |
| Chase Oil Co.          | 0.026073984 | 0.026073984 | 1.0000                  |
| Union Hill             | 0           | 0           |                         |
| Magnum Hunter          | 0.09280948  | 0.09280948  | 1.0000                  |
| Cimarex                | 0.089193344 | 0.089193344 | 1.0000                  |
| William A Hudson II    | 0.004679402 | 0           | 0.0000                  |
| Challenger Crude       | 0.016022867 | 0.016022867 | 1.0000                  |

## Loosey Goosey / Bane: Almost Uniform Interest.

- The Majority backs lower well count when unclouded by ownership.
- HOG has a 1.8% delta in ownership which we model as benefiting \$30,000/acre from optimum well count vs. double CapEx plan.

Ownership Mighty Pheasant / Joker

| OWNER                   | BS WI       | WC WI       | WC / BS ownership Ratio |
|-------------------------|-------------|-------------|-------------------------|
| MRC Permian             | 0.011252148 | 0.033766407 | 3.0009                  |
| HOG Partnership LP      | 0.060948477 | 0.060948477 | 1.0000                  |
| Northern Oil and Gas    | 0.007767257 | 0.023305971 | 3.0005                  |
| Javelina Partners       | 0.07044874  | 0.07044874  | 1.0000                  |
| Zorro Partners          | 0.05079596  | 0.05079596  | 1.0000                  |
| Delmar Hudson Trust     | 0.006062753 | 0.006062753 | 1.0000                  |
| First Century Oil       | 0.030962423 | 0.067510413 | 2.1804                  |
| Read and Stevens        | 0.229467276 | 0.280456983 | 1.2222                  |
| CBR Oil Prop            | 0.00416737  | 0.012505521 | 3.0008                  |
| Ard Oil                 | 0.014295    | 0.014295    | 1.0000                  |
| Josephine Hudson Trust  | 0.006755155 | 0.006755155 | 1.0000                  |
| Magnum Hunter           | 0.307816041 | 0.131229999 | 0.4263                  |
| CLM Production Co.      | 0           | 0.001249844 |                         |
| Highland (Texas) Energy | 0.003749531 | 0.001249844 | 0.3333                  |
| Diamond Star Prod.      | 0.001249844 | 0.001249844 | 1.0000                  |
| Carolyn Beall           | 0.001249844 | 0.001249844 | 1.0000                  |
| Tierra Encantada        | 0.001249844 | 0.001249844 | 1.0000                  |
| David Luna              | 0.001249844 | 0.001249844 | 1.0000                  |
| Warren Associates       | 0           | 0.001249844 |                         |
| Cimarex Energy          | 0.025670122 | 0.0522325   | 2.0348                  |
| Moore and Shelton       | 0.01687     | 0.01687     | 1.0000                  |
| Lindys Living Trust     | 0.02859     | 0.02859     | 1.0000                  |
| Challenger Crude        | 2%          | 2%          | 1.0000                  |
| Avalon Energy Corp      | 0.007812793 | 0           | 0.0000                  |
| Marks Oil               | 0.00817     | 0.01567     | 1.9180                  |
| Prime Rock              | 0.023435195 | 0           | 0.0000                  |
| Wilbanks Reserve        | 0.043402861 | 0.083240693 | 1.9179                  |
| Union Hill              | 0.012499024 | 0.012499024 | 1.0000                  |

## Mighty Pheasant / Joker : Complicated by Depth Severance

- MRC Permian has worst ratio with 2.25% delta in ownership which we model as benefiting \$20,000/acre more from optimum well count vs. double CapEx Plan.



## 3rd SS Wolfcamp API List

| UWI (APINum)   | Well Label                   | Operator                       | Formation |
|----------------|------------------------------|--------------------------------|-----------|
| 30025024240100 | LEA UNIT 4H                  | LEGACY RESERVES OPERATING LP   | 3rd SS    |
| 30025328180000 | MALLON '34' FEDERAL 16       | CIMAREX ENERGY CO              | 3rd SS    |
| 30025393820100 | MALLON 35 FEDERAL 4H         | CIMAREX ENERGY CO              | 3rd SS    |
| 30025395550000 | TUSK FEDERAL 2H              | COG OPERATING LLC              | 3rd SS    |
| 30025397630100 | MALLON 34 FEDERAL 18H        | CIMAREX ENERGY CO              | 3rd SS    |
| 30025398940100 | MALLON 34 FEDERAL 19         | CIMAREX ENERGY CO              | 3rd SS    |
| 30025400350000 | AIRCOBRA 12 STATE 002H       | COG OPERATING LLC              | 3rd SS    |
| 30025400400000 | QUAIL RIDGE 32 STATE 3H      | CIMAREX ENERGY CO              | 3rd SS    |
| 30025400860000 | MALLON 35 FEDERAL 7H         | CIMAREX ENERGY CO              | 3rd SS    |
| 30025401150000 | LYNCH 23 FEDERAL 1H          | CIMAREX ENERGY CO              | 3rd SS    |
| 30025401230000 | LYNCH 23 FEDERAL 2H          | CIMAREX ENERGY CO              | 3rd SS    |
| 30025401350000 | MALLON 34 FEDERAL 20         | CIMAREX ENERGY CO              | 3rd SS    |
| 30025402530100 | CHAPARRAL 33 FEDERAL 3H      | CIMAREX ENERGY CO              | 3rd SS    |
| 30025403270000 | HANSON 26 FEDERAL 1H         | CIMAREX ENERGY CO              | 3rd SS    |
| 30025403280000 | CHAPARRAL 33 FEDERAL COM 4   | CIMAREX ENERGY CO              | 3rd SS    |
| 30025403300000 | EAGLE '2' STATE 006H         | MATADOR PRODUCTION CO          | 3rd SS    |
| 30025403610000 | QUAIL '16' STATE COM 003H    | FASKEN OIL & RANCH LTD         | 3rd SS    |
| 30025403880100 | KING COBRA 2 STATE 1H        | COG OPERATING LLC              | 3rd SS    |
| 30025403970000 | AIRSTRIPE 6 STATE COM 2H     | COG OPERATING LLC              | 3rd SS    |
| 30025404040000 | WILD COBRA 1 STATE 2H        | COG OPERATING LLC              | 3rd SS    |
| 30025404050100 | PLAYA 2 STATE 001H           | FRANKLIN MOUNTAIN ENERGY 3 LLC | 3rd SS    |
| 30025404250000 | WEST PEARL 36 STATE 002H     | COG OPERATING LLC              | 3rd SS    |
| 30025404300000 | TIGER '11' FEDERAL 1H        | COG OPERATING LLC              | 3rd SS    |
| 30025405310000 | QUAIL '16' STATE 004H        | FASKEN OIL & RANCH LTD         | 3rd SS    |
| 30025405490000 | PLAYA 2 STATE 002H           | FRANKLIN MOUNTAIN ENERGY 3 LLC | 3rd SS    |
| 30025406040100 | IGLOO 19 STATE 2H            | CAZA OPERATING LLC             | 3rd SS    |
| 30025406110000 | IRONHOUSE 20 STATE 001H      | FRANKLIN MOUNTAIN ENERGY 3 LLC | 3rd SS    |
| 30025406340000 | BUTTER CUP 35 STATE COM 001H | FRANKLIN MOUNTAIN ENERGY 3 LLC | 3rd SS    |
| 30025406370000 | HANSON 26 FEDERAL 3H         | CIMAREX ENERGY CO              | 3rd SS    |
| 30025406400000 | BUTTER CUP 36 STATE COM 001H | FRANKLIN MOUNTAIN ENERGY 3 LLC | 3rd SS    |
| 30025406410000 | BUTTER CUP 36 STATE COM 002H | FRANKLIN MOUNTAIN ENERGY 3 LLC | 3rd SS    |
| 30025406420000 | BUTTER CUP 35 STATE COM 002H | FRANKLIN MOUNTAIN ENERGY 3 LLC | 3rd SS    |
| 30025406760100 | IRONHOUSE 19 STATE COM 001H  | FRANKLIN MOUNTAIN ENERGY 3 LLC | 3rd SS    |
| 30025406970000 | LAGUNA 23 FEDERAL COM 002H   | EARTHSTONE OPERATING LLC       | 3rd SS    |
| 30025406980100 | LEA UNIT 30H                 | LEGACY RESERVES OPERATING LP   | 3rd SS    |
| 30025406990100 | LEA UNIT 31H                 | LEGACY RESERVES OPERATING LP   | 3rd SS    |
| 30025407250100 | OUTLAW '22' FEDERAL COM 1H   | COG OPERATING LLC              | 3rd SS    |
| 30025407270000 | MONGOOSE FEE 001H            | MATADOR PRODUCTION CO          | 3rd SS    |
| 30025407420000 | LAGUNA 23 FEDERAL COM 1H     | EARTHSTONE OPERATING LLC       | 3rd SS    |
| 30025407480000 | IRONHOUSE 20 STATE COM 002H  | FRANKLIN MOUNTAIN ENERGY 3 LLC | 3rd SS    |
| 30025407500000 | LYNCH 35-2H                  | CIMAREX ENERGY CO              | 3rd SS    |
| 30025407780100 | PRICKLY PEAR 6 FEDERAL 4H    | COG OPERATING LLC              | 3rd SS    |
| 30025408040000 | HANSON 26 FEDERAL 4H         | CIMAREX ENERGY CO              | 3rd SS    |
| 30025408140100 | CONDOR STATE 001H            | COG OPERATING LLC              | 3rd SS    |
| 30025408190000 | HANSON 26 FEDERAL 2H         | CIMAREX ENERGY CO              | 3rd SS    |
| 30025408250000 | LYNCH 35 FEE 1H              | CIMAREX ENERGY CO              | 3rd SS    |
| 30025408360000 | MERIT 32 DM STATE COM 001H   | FRANKLIN MOUNTAIN ENERGY 3 LLC | 3rd SS    |
| 30025408410000 | QUAIL 11 STATE COM 1H        | CIMAREX ENERGY CO              | 3rd SS    |
| 30025408510000 | LYNCH 35 FEE 2H              | CIMAREX ENERGY CO              | 3rd SS    |
| 30025408750000 | AIRCOBRA 12 STATE 1H         | COG OPERATING LLC              | 3rd SS    |

|                |                                 |                                |        |
|----------------|---------------------------------|--------------------------------|--------|
| 30025408840000 | MERIT 6 EH STATE COM 001H       | FRANKLIN MOUNTAIN ENERGY 3 LLC | 3rd SS |
| 30025409420000 | QUAIL '16' STATE 007H           | FASKEN OIL & RANCH LTD         | 3rd SS |
| 30025409700000 | STRATOJET 31 STATE COM 2H       | COG OPERATING LLC              | 3rd SS |
| 30025409770100 | TRES PRIMOS 3 STATE 1H          | COG OPERATING LLC              | 3rd SS |
| 30025409840000 | MARATHON ROAD 14 NC FEDERAL 1H  | MEWBOURNE OIL CO               | 3rd SS |
| 30025410250000 | CONDOR STATE 2H                 | COG OPERATING LLC              | 3rd SS |
| 30025410500000 | IRONHOUSE 19 STATE COM 003H     | FRANKLIN MOUNTAIN ENERGY 3 LLC | 3rd SS |
| 30025410600000 | KING COBRA 2 STATE 2H           | COG OPERATING LLC              | 3rd SS |
| 30025410940000 | IRONHOUSE 19 STATE COM 002H     | FRANKLIN MOUNTAIN ENERGY 3 LLC | 3rd SS |
| 30025411060100 | GOOSE STATE 001H                | COG OPERATING LLC              | 3rd SS |
| 30025411100000 | WILD COBRA 1 STATE 1H           | COG OPERATING LLC              | 3rd SS |
| 30025411310000 | PERLA NEGRA FEDERAL COM 1H      | XTO ENERGY INC                 | 3rd SS |
| 30025411410000 | QUAIL 11 STATE COM 3H           | CIMAREX ENERGY CO              | 3rd SS |
| 30025411480100 | CAPROCK 27 STATE FEDERAL COM 1H | RAYBAW OPERATING LLC           | 3rd SS |
| 30025411520000 | AIRSTRIPE FEE COM 1H            | COG OPERATING LLC              | 3rd SS |
| 30025411630000 | IRONHOUSE 24 STATE COM 001H     | FRANKLIN MOUNTAIN ENERGY 3 LLC | 3rd SS |
| 30025412010000 | GOOSE STATE COM 2H              | COG OPERATING LLC              | 3rd SS |
| 30025412100100 | QUAIL 11 STATE COM 4H           | CIMAREX ENERGY CO              | 3rd SS |
| 30025412150000 | MARATHON ROAD 14 MD FEDERAL 1H  | MEWBOURNE OIL CO               | 3rd SS |
| 30025412450200 | IRONHOUSE '19' STATE COM 004H   | FRANKLIN MOUNTAIN ENERGY 3 LLC | 3rd SS |
| 30025413050100 | HAMON A FEDERAL COM 3H          | LEGACY RESERVES OPERATING LP   | 3rd SS |
| 30025413580100 | TUSK FEDERAL 4H                 | COG OPERATING LLC              | 3rd SS |
| 30025413660000 | QUAIL '16' STATE 8H             | FASKEN OIL & RANCH LTD         | 3rd SS |
| 30025413670100 | LEA SOUTH 25 FEDERAL COM 5H     | EARTHSTONE OPERATING LLC       | 3rd SS |
| 30025415190100 | NIGHTHAWK STATE COM 1H          | MARATHON OIL PERMIAN LLC       | 3rd SS |
| 30025415320000 | SCHARB 10 PA STATE 1H           | MEWBOURNE OIL CO               | 3rd SS |
| 30025415440000 | ALBATROSS STATE COM 2H          | COG OPERATING LLC              | 3rd SS |
| 30025415620000 | TANGO BTP STATE COM 004H        | EOG RESOURCES INC              | 3rd SS |
| 30025415720100 | PRICKLY PEAR 6 FEDERAL 2H       | COG OPERATING LLC              | 3rd SS |
| 30025415730000 | TUSK FEDERAL 3H                 | COG OPERATING LLC              | 3rd SS |
| 30025415740000 | TUSK FEDERAL 5H                 | COG OPERATING LLC              | 3rd SS |
| 30025415750000 | MARATHON ROAD 15 PA FEDERAL 1H  | MEWBOURNE OIL CO               | 3rd SS |
| 30025415950000 | IRONHOUSE 24 STATE COM 002H     | FRANKLIN MOUNTAIN ENERGY 3 LLC | 3rd SS |
| 30025416050000 | PERRY 22 FEDERAL COM 1H         | CIMAREX ENERGY CO              | 3rd SS |
| 30025416120100 | ORIOLE STATE 1H                 | COG OPERATING LLC              | 3rd SS |
| 30025416170000 | HAMON A FEDERAL COM 4H          | LEGACY RESERVES OPERATING LP   | 3rd SS |
| 30025416290000 | PRICKLY PEAR 6 FEDERAL 3H       | COG OPERATING LLC              | 3rd SS |
| 30025416300100 | HAMON FEDERAL COM A 2H          | LEGACY RESERVES OPERATING LP   | 3rd SS |
| 30025416440000 | LYNCH 35 FED COM 3H             | CIMAREX ENERGY CO              | 3rd SS |
| 30025416950000 | IRONHOUSE 24 STATE COM 003H     | FRANKLIN MOUNTAIN ENERGY 3 LLC | 3rd SS |
| 30025416960000 | IRONHOUSE 24 STATE COM 004H     | FRANKLIN MOUNTAIN ENERGY 3 LLC | 3rd SS |
| 30025417140000 | TOMCAT FEE 1H                   | COG OPERATING LLC              | 3rd SS |
| 30025417520000 | CUATRO HIJOS FEE 4H             | COG OPERATING LLC              | 3rd SS |
| 30025417750000 | SCHARB 10 B30B STATE 1H         | MEWBOURNE OIL CO               | 3rd SS |
| 30025418080000 | MALLON 27 FEDERAL COM 003H      | MATADOR PRODUCTION CO          | 3rd SS |
| 30025418090000 | ALBATROSS STATE COM 1H          | COG OPERATING LLC              | 3rd SS |
| 30025418330000 | TIGER 11 FEDERAL 2H             | COG OPERATING LLC              | 3rd SS |
| 30025418340000 | CORDONIZ 28 FEDERAL COM 4H      | CIMAREX ENERGY CO              | 3rd SS |
| 30025418350000 | KINGFISHER STATE COM 1H         | COG OPERATING LLC              | 3rd SS |
| 30025418360000 | KINGFISHER STATE COM 2H         | COG OPERATING LLC              | 3rd SS |
| 30025418580000 | TEAL 12 STATE 2H                | CIMAREX ENERGY CO              | 3rd SS |
| 30025418610000 | PERLA VERDE 31 STATE 2H         | XTO ENERGY INC                 | 3rd SS |



## 3rd SS Wolfcamp API List

|                |                                  |                                |        |
|----------------|----------------------------------|--------------------------------|--------|
| 30025418620000 | PERLA VERDE 31 STATE 003H        | XTO ENERGY INC                 | 3rd SS |
| 30025418630000 | PERLA VERDE 31 STATE 4H          | XTO ENERGY INC                 | 3rd SS |
| 30025418790000 | CHAPARRAL 33 FEDERAL COM 5H      | CIMAREX ENERGY CO              | 3rd SS |
| 30025418980000 | LEA SOUTH 25 FEDERAL COM 6H      | EARTHSTONE OPERATING LLC       | 3rd SS |
| 30025419450000 | MARATHON ROAD 15 B3OB FEDERAL 1H | MEWBOURNE OIL CO               | 3rd SS |
| 30025419470000 | PALOMA 21 FEDERAL COM 4H         | FASKEN OIL & RANCH LTD         | 3rd SS |
| 30025419860000 | SCHARB 10 B3NC STATE 1H          | MEWBOURNE OIL CO               | 3rd SS |
| 30025419870100 | SUPER COBRA STATE COM 1H         | COG OPERATING LLC              | 3rd SS |
| 30025419930000 | PALOMA 21 FEDERAL COM 1H         | FASKEN OIL & RANCH LTD         | 3rd SS |
| 30025419940000 | PALOMA 21 FEDERAL COM 2H         | FASKEN OIL & RANCH LTD         | 3rd SS |
| 30025419950000 | PALOMA 21 FEDERAL COM 3H         | FASKEN OIL & RANCH LTD         | 3rd SS |
| 30025420340000 | STRATOSPHERE 36 STATE COM 3H     | COG OPERATING LLC              | 3rd SS |
| 30025420350000 | STRATOSPHERE 36 STATE COM 4H     | COG OPERATING LLC              | 3rd SS |
| 30025420360000 | STRATOSPHERE 36 STATE COM 5H     | COG OPERATING LLC              | 3rd SS |
| 30025420370000 | STRATOSPHERE 36 STATE COM 6H     | COG OPERATING LLC              | 3rd SS |
| 30025420630000 | PERLA VERDE 31 STATE 001H        | XTO ENERGY INC                 | 3rd SS |
| 30025420800000 | NORTH LEA '3' FEDERAL COM 001H   | READ & STEVENS INC             | 3rd SS |
| 30025421290000 | TRES PRIMOS 3 STATE 2H           | COG OPERATING LLC              | 3rd SS |
| 30025421410000 | PEARL WEST 36 STATE COM 6H       | COG OPERATING LLC              | 3rd SS |
| 30025421450000 | WEST PEARL 36 STATE COM 003H     | COG OPERATING LLC              | 3rd SS |
| 30025421460000 | PEARL WEST 36 STATE COM 4H       | COG OPERATING LLC              | 3rd SS |
| 30025421470000 | WEST PEARL 36 STATE COM 005H     | COG OPERATING LLC              | 3rd SS |
| 30025421730000 | RAPTOR WEST 3 STATE 004H         | MARATHON OIL PERMIAN LLC       | 3rd SS |
| 30025422010000 | MARATHON ROAD 15 NC FEDERAL 1H   | MEWBOURNE OIL CO               | 3rd SS |
| 30025422120000 | MALLON 27 FEDERAL COM 001H       | MATADOR PRODUCTION CO          | 3rd SS |
| 30025422270000 | NORTH LEA 3 FEDERAL COM 002H     | READ & STEVENS INC             | 3rd SS |
| 30025422280000 | NORTH LEA '3' FEDERAL COM 003H   | READ & STEVENS INC             | 3rd SS |
| 30025422680000 | LEA 7 FEDERAL COM 1H             | CIMAREX ENERGY CO              | 3rd SS |
| 30025422760000 | CUATRO HIJOS FEE 3H              | COG OPERATING LLC              | 3rd SS |
| 30025422920000 | BLACK PEARL 1 FEDERAL COM 1H     | COG OPERATING LLC              | 3rd SS |
| 30025422930000 | BLACK PEARL 1 FEDERAL 002H       | COG OPERATING LLC              | 3rd SS |
| 30025422940000 | BLACK PEARL 1 FEDERAL 3H         | COG OPERATING LLC              | 3rd SS |
| 30025422950000 | BLACK PEARL 1 FEDERAL 4H         | COG OPERATING LLC              | 3rd SS |
| 30025423150000 | MALLON 27 FEDERAL COM 2H         | MATADOR PRODUCTION CO          | 3rd SS |
| 30025423380100 | BLUE JAY FEDERAL 001H            | COG OPERATING LLC              | 3rd SS |
| 30025423420000 | LEA UNIT 32H                     | LEGACY RESERVES OPERATING LP   | 3rd SS |
| 30025423430000 | LEA UNIT 33H                     | LEGACY RESERVES OPERATING LP   | 3rd SS |
| 30025423440000 | LEA UNIT 34H                     | LEGACY RESERVES OPERATING LP   | 3rd SS |
| 30025423520000 | CIMARRON 16-19-34 RN STATE 134H  | MATADOR PRODUCTION CO          | 3rd SS |
| 30025423570100 | IGLOO '19' STATE 3H              | CAZA OPERATING LLC             | 3rd SS |
| 30025423670000 | BUTTER CUP 36 STATE COM 003H     | FRANKLIN MOUNTAIN ENERGY 3 LLC | 3rd SS |
| 30025423770000 | IGGLES STATE COM 001H            | COG OPERATING LLC              | 3rd SS |
| 30025424300000 | STRATOJET 31 STATE COM 8H        | COG OPERATING LLC              | 3rd SS |
| 30025424720000 | KINGFISHER STATE COM 5H          | COG OPERATING LLC              | 3rd SS |
| 30025424990000 | PICKARD 20 18 34 RN STATE 124H   | MATADOR PRODUCTION CO          | 3rd SS |
| 30025425210000 | SCHARB 10 B3MD STATE 1H          | MEWBOURNE OIL CO               | 3rd SS |
| 30025425460000 | LEA 7 FEDERAL COM 2H (P&A 12/27/ | CIMAREX ENERGY CO              | 3rd SS |
| 30025425770000 | PERLA NEGRA FEDERAL COM 4H       | XTO ENERGY INC                 | 3rd SS |
| 30025426840000 | NORTH LEA '3' FEDERAL COM 004H   | READ & STEVENS INC             | 3rd SS |
| 30025427090000 | PERLA NEGRA FEDERAL COM 2H       | XTO ENERGY INC                 | 3rd SS |
| 30025427700000 | PERLA NEGRA FEDERAL COM 3H       | XTO ENERGY INC                 | 3rd SS |
| 30025428850000 | LEA UNIT 44H                     | LEGACY RESERVES OPERATING LP   | 3rd SS |

|                |                                       |                                |        |
|----------------|---------------------------------------|--------------------------------|--------|
| 30025429490000 | LEA UNIT 54H                          | LEGACY RESERVES OPERATING LP   | 3rd SS |
| 30025429500000 | MAS FEDERAL 3H                        | COG OPERATING LLC              | 3rd SS |
| 30025429580000 | LEA UNIT 051H                         | LEGACY RESERVES OPERATING LP   | 3rd SS |
| 30025429720000 | DESERT ROSE 17-8 FEDERAL COM 001      | CAZA OPERATING LLC             | 3rd SS |
| 30025429790000 | CIMARRON 16 19S 34E RN STATE COM      | MATADOR PRODUCTION CO          | 3rd SS |
| 30025429880100 | EAGLECLAW FEDERAL 001H                | CAZA OPERATING LLC             | 3rd SS |
| 30025430290000 | LEA SOUTH 25 FEDERAL COM 3BS 007      | EARTHSTONE OPERATING LLC       | 3rd SS |
| 30025430350000 | LEA UNIT 059H                         | LEGACY RESERVES OPERATING LP   | 3rd SS |
| 30025430540000 | DELLA 29 FEDERAL COM 602H             | EOG RESOURCES INC              | 3rd SS |
| 30025430770000 | LEA UNIT 038H                         | LEGACY RESERVES OPERATING LP   | 3rd SS |
| 30025432470100 | LEA UNIT 062H                         | LEGACY RESERVES OPERATING LP   | 3rd SS |
| 30025432500000 | HAMON A FED COM 009H                  | LEGACY RESERVES OPERATING LP   | 3rd SS |
| 30025434150000 | SEVERUS 31 FEDERAL COM 001H           | XTO ENERGY INC                 | 3rd SS |
| 30025434160000 | SEVERUS 31 FEDERAL COM 002H           | XTO ENERGY INC                 | 3rd SS |
| 30025434170000 | SEVERUS 31 FEDERAL COM 003H           | XTO ENERGY INC                 | 3rd SS |
| 30025434180000 | SEVERUS 31 FEDERAL COM 004H           | XTO ENERGY INC                 | 3rd SS |
| 30025434680100 | CHIEF 30 STATE 7H                     | CIMAREX ENERGY CO              | 3rd SS |
| 30025435330000 | BLUE JAY FEDERAL COM 002H             | COG OPERATING LLC              | 3rd SS |
| 30025436800000 | NORTH LEA 10 FEDERAL 002H             | READ & STEVENS INC             | 3rd SS |
| 30025437410000 | ESPEJO FEDERAL COM 001H               | XTO ENERGY INC                 | 3rd SS |
| 30025437420000 | ESPEJO FEDERAL COM 002H               | XTO ENERGY INC                 | 3rd SS |
| 30025437770000 | ESPEJO FEDERAL COM 003H               | XTO ENERGY INC                 | 3rd SS |
| 30025437920000 | STRATOJET 31 STATE COM 007H           | COG OPERATING LLC              | 3rd SS |
| 30025438160100 | AIRSTRIIP 31 18 35 RN STATE COM #132H | MATADOR PRODUCTION CO          | 3rd SS |
| 30025439210100 | BLACK & TAN 27 FEDERAL COM 303H       | APACHE CORP                    | 3rd SS |
| 30025439400000 | BLACK & TAN 27 FEDERAL COM 305H       | APACHE CORP                    | 3rd SS |
| 30025440170000 | BLACK & TAN 27 FEDERAL COM 301H       | APACHE CORP                    | 3rd SS |
| 30025440180000 | BLACK & TAN 27 FEDERAL COM 302H       | APACHE CORP                    | 3rd SS |
| 30025440440000 | BLACK & TAN 27 FEDERAL COM 307H       | APACHE CORP                    | 3rd SS |
| 30025440450000 | BLACK AND TAN 27 FEDERAL COM 308      | APACHE CORP                    | 3rd SS |
| 30025440920000 | MAS FEDERAL COM 001H                  | COG OPERATING LLC              | 3rd SS |
| 30025442130000 | CHIEF 30 STATE 8H                     | CIMAREX ENERGY CO              | 3rd SS |
| 30025443230000 | AIRSTRIIP 31-18-35 RN STATE COM 1     | MATADOR PRODUCTION CO          | 3rd SS |
| 30025443410000 | VERNA RAE FEDERAL COM 133H            | MATADOR PRODUCTION CO          | 3rd SS |
| 30025443420000 | VERNA RAE FEDERAL COM 134H            | MATADOR PRODUCTION CO          | 3rd SS |
| 30025444740000 | DELLA 29 FEDERAL COM 603H             | EOG RESOURCES INC              | 3rd SS |
| 30025444750000 | DELLA 29 FEDERAL 604H                 | EOG RESOURCES INC              | 3rd SS |
| 30025444760000 | DELLA 29 FEDERAL 605H                 | EOG RESOURCES INC              | 3rd SS |
| 30025444770000 | DELLA 29 FEDERAL 606H                 | EOG RESOURCES INC              | 3rd SS |
| 30025444950000 | EAGLECLAW FEDERAL COM 002H            | CAZA OPERATING LLC             | 3rd SS |
| 30025445090000 | AIRSTRIIP 31-18-35 RN STATE COM 1     | MATADOR PRODUCTION CO          | 3rd SS |
| 30025449080000 | CHIEF 30 STATE 9H                     | CIMAREX ENERGY CO              | 3rd SS |
| 30025450540000 | MESCALERO RIDGE 21 FEDERAL 1H         | CIMAREX ENERGY CO              | 3rd SS |
| 30025451540000 | LEA UNIT 066H                         | LEGACY RESERVES OPERATING LP   | 3rd SS |
| 30025451990000 | LEA 7 FEDERAL COM 29H                 | CIMAREX ENERGY CO              | 3rd SS |
| 30025452000000 | LEA 7 FEDERAL COM 30H                 | CIMAREX ENERGY CO              | 3rd SS |
| 30025452100000 | LEA UNIT 065H                         | LEGACY RESERVES OPERATING LP   | 3rd SS |
| 30025454380000 | AIRSTRIIP 31-18S-35E RN STATE COM     | MATADOR PRODUCTION CO          | 3rd SS |
| 30025458960000 | ANCHOR 19 35 33 STATE 001H            | FRANKLIN MOUNTAIN ENERGY 3 LLC | 3rd SS |
| 30025461400000 | CABLE 19 35 9 STATE COM 001H          | FRANKLIN MOUNTAIN ENERGY 3 LLC | 3rd SS |
| 30025467680000 | HEREFORD 29-20 W1OB FED COM 001H      | MEWBOURNE OIL CO               | 3rd SS |
| 30025468030000 | SANTA VACA 19-18 B3MD STATE COM       | MEWBOURNE OIL CO               | 3rd SS |



## 3rd SS Wolfcamp API List

|                |                                   |                                |          |
|----------------|-----------------------------------|--------------------------------|----------|
| 30025474570000 | TALON 5-8 FEDERAL 001H            | CAZA OPERATING LLC             | 3rd SS   |
| 30025474830000 | HEREFORD 29-20 W1MD STATE COM 00  | MEWBOURNE OIL CO               | 3rd SS   |
| 30025474840000 | HEREFORD 29-20 W1NC STATE COM 00  | MEWBOURNE OIL CO               | 3rd SS   |
| 30025474860000 | TALON 5-8 FEDERAL 005H            | CAZA OPERATING LLC             | 3rd SS   |
| 30025491550000 | SANTA VACA 19 18 B3NC STATE COM   | MEWBOURNE OIL CO               | 3rd SS   |
| 30025499040000 | CHAROLAIS 28 21 W1MD STATE COM 0  | MEWBOURNE OIL CO               | 3rd SS   |
| 30025499350000 | HEREFORD 29 20 W1PA STATE COM 00  | MEWBOURNE OIL CO               | 3rd SS   |
| 30025501680000 | FOXTAIL E2 05 32 W1 STATE COM 00  | FRANKLIN MOUNTAIN ENERGY 3 LLC | 3rd SS   |
| 30025501690000 | FOXTAIL E2 05 32 W1 STATE COM 00  | FRANKLIN MOUNTAIN ENERGY 3 LLC | 3rd SS   |
| 30025502420000 | SANTA VACA 19-18 B3OB FEE 001H    | MEWBOURNE OIL CO               | 3rd SS   |
| 30025503260000 | SANTA VACA 19-18 B3PA FEE 001H    | MEWBOURNE OIL CO               | 3rd SS   |
| 30025507240000 | MESCALERO RIDGE 21-28 FED COM 2H  | CIMAREX ENERGY CO              | 3rd SS   |
| 30025416080000 | PERRY 22 FEDERAL COM 4H           | CIMAREX ENERGY CO              | Wolfcamp |
| 30025419500000 | NIGHTHAWK STATE COM 003H          | MARATHON OIL PERMIAN LLC       | Wolfcamp |
| 30025430530000 | DELLA 29 FEDERAL COM 701H         | EOG RESOURCES INC              | Wolfcamp |
| 30025431100000 | LEA SOUTH 25 FEDERAL COM WCA 012  | EARTHSTONE OPERATING LLC       | Wolfcamp |
| 30025433950000 | AIRSTRIIP 31 18 35 RN STATE COM 2 | MATADOR PRODUCTION CO          | Wolfcamp |
| 30025434820000 | MAS FEDERAL 4H                    | COG OPERATING LLC              | Wolfcamp |
| 30025442140100 | MAS FEDERAL COM 002H              | COG OPERATING LLC              | Wolfcamp |
| 30025444940000 | VERNA RAE FEDERAL COM 204H        | MATADOR PRODUCTION CO          | Wolfcamp |
| 30025450980100 | LITTLE BEAR FEDERAL COM 001H      | COG OPERATING LLC              | Wolfcamp |
| 30025450990000 | LITTLE BEAR FEDERAL COM 003H      | COG OPERATING LLC              | Wolfcamp |
| 30025451000000 | LITTLE BEAR FEDERAL COM 004H      | COG OPERATING LLC              | Wolfcamp |
| 30025451020000 | LITTLE BEAR FEDERAL COM 006H      | COG OPERATING LLC              | Wolfcamp |
| 30025451030000 | LITTLE BEAR FEDERAL COM 007H      | COG OPERATING LLC              | Wolfcamp |
| 30025451040000 | LITTLE BEAR FEDERAL COM 008H      | COG OPERATING LLC              | Wolfcamp |
| 30025451050000 | LITTLE BEAR FEDERAL COM 009H      | COG OPERATING LLC              | Wolfcamp |
| 30025451490000 | LITTLE BEAR FEDERAL COM 002H      | COG OPERATING LLC              | Wolfcamp |
| 30025452110100 | LEA UNIT 100H                     | LEGACY RESERVES OPERATING LP   | Wolfcamp |
| 30025460720000 | BLACK & TAN 27 FEDERAL COM 401H   | APACHE CORP                    | Wolfcamp |
| 30025460730000 | BLACK & TAN 27 FEDERAL COM 402H   | APACHE CORP                    | Wolfcamp |
| 30025460750000 | BLACK & TAN 27 FEDERAL COM 406H   | APACHE CORP                    | Wolfcamp |
| 30025461230000 | BLACK & TAN 27 FEDERAL COM 403H   | APACHE CORP                    | Wolfcamp |
| 30025461240000 | BLACK & TAN 27 FEDERAL COM 405H   | APACHE CORP                    | Wolfcamp |

## **TAB 6**

Case No. 23452-23455

Exhibit E: Self-Affirmed Statement of Notice, Darin C. Savage  
Exhibit E-1: Notice Letter  
Exhibit E-2: Mailing List  
Exhibit E-3: Affidavits of Publication

**APPLICATION OF CIMAREX ENERGY CO.  
FOR A HORIZONTAL SPACING UNIT AND  
COMPULSORY POOLING, LEA COUNTY, NEW MEXICO**

## **SELF-AFFIRMED STATEMENT OF NOTICE**

[illegible]

I, Darin C. Savage, attorney and authorized representative of Cimarex Energy Co. (“Cimarex”), the Applicant herein, being first duly sworn, upon oath, states the following:

1. Notice of the applications and hearing in the above-reference cases was timely sent by certified mail, return receipt requested, through the United States Postal Service on March 15, 2023, to all uncommitted interest owners sought to be pooled in this proceeding. *See* Exhibit D-2, attached hereto. Copies of notice letters and evidence of mailing to parties are attached hereto as Exhibits D-1 and D-2.

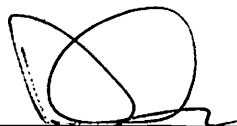
2. Notice was sent to the Hobbs News-Sun, a newspaper of general circulation in Lea County, New Mexico, and timely published in said newspaper on March 17, 2023. *See* Exhibit D-

3.

# EXHIBIT E

*Signature page of Self-Affirmed Statement of Darin C. Savage:*

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case Nos. 23452-23455 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.



Darin Savage

7-13-2023

Date Signed



For the Pursuit of Energy

ABADIE | SCHILL PC

|           |              |
|-----------|--------------|
| Colorado  | New Mexico   |
| Louisiana | Texas        |
| Nebraska  | Kansas       |
| Montana   | Wyoming      |
| Oklahoma  | California   |
|           | North Dakota |

March 15, 2023

VIA CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Cimarex Energy Co., for a horizontal spacing unit and compulsory pooling, Lea County, New Mexico  
Loosey Goosey 4-9 Fed Com 204H Well (Case No. 23452)  
Loosey Goosey 4-9 Fed Com 304H Well (Case No. 23452)

Case No. 23452:

Dear Interest Owners:

This letter is to advise you that Cimarex Energy Co. ("Cimarex") has filed the enclosed application, Case No. 23452, with the New Mexico Oil Conservation Division ("Division") for the compulsory pooling of units within the interval of the Bone Spring formation, as described in the application.

In Case No. 23452, Cimarex seeks to establish a standard 320.89-acre, more or less, horizontal spacing and proration unit comprised of Lot 1 (NE/4 NE/4 equivalent), the SE/4 NE/4, and the E/2 SE/4 of Section 4 and the E/2 E/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, pooling all uncommitted mineral interests from a depth of 9,373 feet (top of first Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], to a depth of 10,845 feet, that being the base of said Bone Spring, designated as an oil pool, underlying the unit. The unit will be dedicated to the above-referenced wells.

A hearing has been requested before a Division Examiner on April 6, 2023, and the status of the hearing can be monitored through the Division's website. Division hearings will commence at 8:15 a.m., traditionally in Porter Hall at the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505.

abadieschill.com

214 McKenzie Street, Santa Fe, New Mexico, 87501

O : 970.385.4401 • F : 970.385.4901

**EXHIBIT  
E-1**



However, under current Division policies, the hearing will be conducted remotely online. For information about remote access and status of the case, you can visit the Division's website at: <https://www.emnrd.nm.gov/ocd/hearing-info/> or call (505) 476-3441.

You are being notified as an interest owner (subject to title examination) and are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 19.15.4.13.B NMAC to file a Pre-hearing Statement at least four business days in advance of a scheduled hearing, but in no event later than 5 p.m. mountain time on the Thursday preceding the scheduled hearing date. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: The names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact John Coffman at (432) 571-7883 or at [john.coffman@coterra.com](mailto:john.coffman@coterra.com).

Sincerely,

A handwritten signature in black ink, appearing to read 'Darin C. Savage', written over a horizontal line.

Darin C. Savage

Attorney for Cimarex Energy Co.



For the Pursuit of Energy

ABADIE | SCHILL PC

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| Colorado  | New Mexico   |
| Louisiana | Texas        |
| Nebraska  | Kansas       |
| Montana   | Wyoming      |
| Oklahoma  | California   |
|           | North Dakota |

March 15, 2023

VIA CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Cimarex Energy Co., for a horizontal spacing unit and  
compulsory pooling, Lea County, New Mexico  
Loosey Goosey 4-9 Fed Com 301H Well (Case No. 23453)

Case No. 23453:

Dear Interest Owners:

This letter is to advise you that Cimarex Energy Co. ("Cimarex") has filed the enclosed application, Case No. 23453, with the New Mexico Oil Conservation Division ("Division") for the compulsory pooling of units within the interval of the Bone Spring formation, as described in the application.

In Case No. 23453, Cimarex seeks to establish a standard 320.21-acre, more or less, horizontal spacing and proration unit comprised of Lot 4 (NW/4 NW/4 equivalent), the SW/4 NW/4, and the W/2 SW/4 of Section 4 and the W/2 W/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, pooling all uncommitted mineral interests from a depth of 9,373 feet (top of first Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], to a depth of 10,845 feet, that being the base of said Bone Spring, designated as an oil pool, underlying the unit. The unit will be dedicated to the above-referenced well.

A hearing has been requested before a Division Examiner on April 6, 2023, and the status of the hearing can be monitored through the Division's website. Division hearings will commence at 8:15 a.m., traditionally in Porter Hall at the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505.

[abadieschill.com](http://abadieschill.com)

214 McKenzie Street, Santa Fe, New Mexico, 87501

O : 970.385.4401 • F : 970.385.4901

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If you have any questions about this matter, please contact John Coffman at (432) 571-7883 or at [john.coffman@coterra.com](mailto:john.coffman@coterra.com).

Sincerely,

A handwritten signature in black ink, appearing to read 'Darin C. Savage', written over a horizontal line.

Darin C. Savage

Attorney for Cimarex Energy Co.



For the Pursuit of Energy

ABADIE | SCHILL PC

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| Colorado  | New Mexico   |
| Louisiana | Texas        |
| Nebraska  | Kansas       |
| Montana   | Wyoming      |
| Oklahoma  | California   |
|           | North Dakota |

March 15, 2023

VIA CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Cimarex Energy Co., for a horizontal spacing unit and  
compulsory pooling, Lea County, New Mexico  
Loosey Goosey 4-9 Fed Com 302H Well (Case No. 23454)

Case No. 23454:

Dear Interest Owners:

This letter is to advise you that Cimarex Energy Co. ("Cimarex") has filed the enclosed application, Case No. 23454, with the New Mexico Oil Conservation Division ("Division") for the compulsory pooling of units within the interval of the Bone Spring formation, as described in the application.

In Case No. 23454, Cimarex seeks to establish a standard 320.44-acre, more or less, horizontal spacing and proration unit comprised of Lot 3 (NE/4 NW/4 equivalent), the SE/4 NW/4, and the E/2 SW/4 of Section 4 and the E/2 W/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, pooling all uncommitted mineral interests from a depth of 9,373 feet (top of first Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], to a depth of 10,845 feet, that being the base of said Bone Spring, designated as an oil pool, underlying the unit. The unit will be dedicated to the above-referenced well.

A hearing has been requested before a Division Examiner on April 6, 2023, and the status of the hearing can be monitored through the Division's website. Division hearings will commence at 8:15 a.m., traditionally in Porter Hall at the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505.

[abadieschill.com](http://abadieschill.com)

214 McKenzie Street, Santa Fe, New Mexico, 87501

O : 970.385.4401 • F : 970.385.4901

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Parties appearing in cases are required by Division Rule 19.15.4.13.B NMAC to file a Pre-hearing Statement at least four business days in advance of a scheduled hearing, but in no event later than 5 p.m. mountain time on the Thursday preceding the scheduled hearing date. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: The names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

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Sincerely,

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Darin C. Savage

Attorney for Cimarex Energy Co.



For the Pursuit of Energy

ABADIE | SCHILL PC

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|-----------|--------------|
| Colorado  | New Mexico   |
| Louisiana | Texas        |
| Nebraska  | Kansas       |
| Montana   | Wyoming      |
| Oklahoma  | California   |
|           | North Dakota |

March 15, 2023

VIA CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Cimarex Energy Co., for a horizontal spacing unit and  
compulsory pooling, Lea County, New Mexico  
Loosey Goosey 4-9 Fed Com 303H Well (Case No. 23455)

Case No. 23455:

Dear Interest Owners:

This letter is to advise you that Cimarex Energy Co. ("Cimarex") has filed the enclosed application, Case No. 23455, with the New Mexico Oil Conservation Division ("Division") for the compulsory pooling of units within the interval of the Bone Spring formation, as described in the application.

In Case No. 23455, Cimarex seeks to establish a standard 320.66-acre, more or less, horizontal spacing and proration unit comprised of Lot 2 (NW/4 NE/4 equivalent), the SW/4 NE/4, and the W/2 SE/4 of Section 4 and the W/2 E/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, pooling all uncommitted mineral interests from a depth of 9,373 feet (top of first Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], to a depth of 10,845 feet, that being the base of said Bone Spring, designated as an oil pool, underlying the unit. The unit will be dedicated to the above-referenced well.

A hearing has been requested before a Division Examiner on April 6, 2023, and the status of the hearing can be monitored through the Division's website. Division hearings will commence at 8:15 a.m., traditionally in Porter Hall at the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505.

[abadieschill.com](http://abadieschill.com)

214 McKenzie Street, Santa Fe, New Mexico, 87501

O : 970.385.4401 • F : 970.385.4901



However, under current Division policies, the hearing will be conducted remotely online. For information about remote access and status of the case, you can visit the Division's website at: <https://www.emnrd.nm.gov/ocd/hearing-info/> or call (505) 476-3441.

You are being notified as an interest owner (subject to title examination) and are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 19.15.4.13.B NMAC to file a Pre-hearing Statement at least four business days in advance of a scheduled hearing, but in no event later than 5 p.m. mountain time on the Thursday preceding the scheduled hearing date. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: The names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact John Coffman at (432) 571-7883 or at [john.coffman@coterra.com](mailto:john.coffman@coterra.com).

Sincerely,

A handwritten signature in black ink, appearing to read 'Darin C. Savage', written over a horizontal line.

Darin C. Savage

Attorney for Cimarex Energy Co.

Mail Activity Report - CertifiedPro.net  
Mailed from 3/1/2023 to 3/31/2023  
User Name: abadieschill  
Generated: 7/12/2023 12:52:26 PM

| USPS Article Number    | Date Mailed | Name 1                                         | Name 2                                       | Address 1               | Address 2  | City       | State | Zip   | Mailing Status | Service Options                             |
|------------------------|-------------|------------------------------------------------|----------------------------------------------|-------------------------|------------|------------|-------|-------|----------------|---------------------------------------------|
| 9314869904300105482880 | 03/15/2023  | Bureau of Land Management                      |                                              | 414 W Taylor St         |            | Hobbs      | NM    | 88240 | Mailed         | Return Receipt - Electronic, Certified Mail |
| 9314869904300105482897 | 03/15/2023  | Moore & Shelton Co., Ltd                       |                                              | PO Box 3070             |            | Galveston  | TX    | 77552 | Mailed         | Return Receipt - Electronic, Certified Mail |
| 9314869904300105482903 | 03/15/2023  | HOG Partnership, LP                            |                                              | 5950 Cedar Springs Rd.  |            | Dallas     | TX    | 75235 | Mailed         | Return Receipt - Electronic, Certified Mail |
| 9314869904300105482910 | 03/15/2023  | Challenger Crude, Ltd.                         |                                              | 400 West Illinois Ave.  | Suite 1210 | Midland    | TX    | 79701 | Mailed         | Return Receipt - Electronic, Certified Mail |
| 9314869904300105482927 | 03/15/2023  | Read & Stevens, Inc.                           |                                              | 300 N. Marienfeld St.   | Suite 1000 | Midland    | TX    | 79701 | Delivered      | Return Receipt - Electronic, Certified Mail |
| 9314869904300105482934 | 03/15/2023  | First Century Oil, Inc.                        |                                              | 300 N. Marienfeld St.   | Suite 1000 | Midland    | TX    | 79701 | Delivered      | Return Receipt - Electronic, Certified Mail |
| 9314869904300105482941 | 03/15/2023  | Francis Hill Hudson,                           | Trustee of Lindy's Living Trust              | 4200 S. Hulen St.       | Suite 302  | Fort Worth | TX    | 76109 | Mailed         | Return Receipt - Electronic, Certified Mail |
| 9314869904300105482958 | 03/15/2023  | Bank of America, N.A., Successor Trustee of    | the Delmar Hudson Lewis Living Trust         | 301 Commerce St.        | Suite 2400 | Fort Worth | TX    | 76102 | Delivered      | Return Receipt - Electronic, Certified Mail |
| 9314869904300105482965 | 03/15/2023  | Magnum Hunter Production                       |                                              | 600 N. Marienfeld St.   | Suite 600  | Midland    | TX    | 79701 | Delivered      | Return Receipt - Electronic, Certified Mail |
| 9314869904300105482972 | 03/15/2023  | Zorro Partners, Ltd.                           |                                              | 616 Texas St.           |            | Fort Worth | TX    | 76102 | Delivered      | Return Receipt - Electronic, Certified Mail |
| 9314869904300105482989 | 03/15/2023  | Frost Bank, Trustee of the Josephine T. Hudson | Testamentary Trust FBO J. Terrell Ard        | 640 Taylor Street       | 17th floor | Fort Worth | TX    | 76102 | Delivered      | Return Receipt - Electronic, Certified Mail |
| 9314869904300105482996 | 03/15/2023  | Ard Oil, LTD                                   |                                              | PO Box 101027           |            | Fort Worth | TX    | 76185 | Mailed         | Return Receipt - Electronic, Certified Mail |
| 9314869904300105483009 | 03/15/2023  | Chase Oil Corporation                          |                                              | PO Box 1767             |            | Artesia    | NM    | 88211 | Delivered      | Return Receipt - Electronic, Certified Mail |
| 9314869904300105483016 | 03/15/2023  | Avalon Energy Corporation                      |                                              | 310 West Wall St.       | Suite 305  | Midland    | TX    | 79701 | Mailed         | Return Receipt - Electronic, Certified Mail |
| 9314869904300105483023 | 03/15/2023  | Wilbanks Reserve Corporation                   |                                              | 450 E. 17th Ave         | Suite 220  | Denver     | CO    | 80203 | Delivered      | Return Receipt - Electronic, Certified Mail |
| 9314869904300105483030 | 03/15/2023  | Prime Rock Resources AgentCo, Inc., as nominee | for the benefit of Prime Rock Resources, LLC | 203 W. Wall Street      | Suite 1000 | Midland    | TX    | 79701 | Delivered      | Return Receipt - Electronic, Certified Mail |
| 9314869904300105483047 | 03/15/2023  | Marks Oil, Inc.                                |                                              | 1775 Sherman St.        | Suite 2990 | Denver     | CO    | 80203 | Delivered      | Return Receipt - Electronic, Certified Mail |
| 9314869904300105483054 | 03/15/2023  | Javelina Partners                              |                                              | 616 Texas St.           |            | Fort Worth | TX    | 76102 | Delivered      | Return Receipt - Electronic, Certified Mail |
| 9314869904300105483061 | 03/15/2023  | William A. Hudson, II                          |                                              | 616 Texas St.           |            | Fort Worth | TX    | 76102 | Delivered      | Return Receipt - Electronic, Certified Mail |
| 9314869904300105483078 | 03/15/2023  | Union Hill Oil & Gas Co. Inc.                  |                                              | 7712 Glenshannon Circle |            | Dallas     | TX    | 75225 | Delivered      | Return Receipt - Electronic, Certified Mail |

EXHIBIT  
E-2



March 20, 2023

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0105 4830 78.**

#### Item Details

|                            |                                              |
|----------------------------|----------------------------------------------|
| <b>Status:</b>             | Delivered, Left with Individual              |
| <b>Status Date / Time:</b> | March 18, 2023, 02:45 p.m.                   |
| <b>Location:</b>           | DALLAS, TX 75225                             |
| <b>Postal Product:</b>     | First-Class Mail®                            |
| <b>Extra Services:</b>     | Certified Mail™<br>Return Receipt Electronic |
| <b>Recipient Name:</b>     | Union Hill Oil Gas Co Inc                    |

#### Shipment Details

|                |       |
|----------------|-------|
| <b>Weight:</b> | 5.0oz |
|----------------|-------|

#### Destination Delivery Address

|                              |                       |
|------------------------------|-----------------------|
| <b>Street Address:</b>       | 7712 GLENSHANNON CIR  |
| <b>City, State ZIP Code:</b> | DALLAS, TX 75225-2054 |

#### Recipient Signature

|                         |                                                                                     |
|-------------------------|-------------------------------------------------------------------------------------|
| Signature of Recipient: |  |
| Address of Recipient:   |  |

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**Reference Number:** 4207.27



March 21, 2023

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0105 4830 61.**

#### Item Details

|                            |                                 |
|----------------------------|---------------------------------|
| <b>Status:</b>             | Delivered, Left with Individual |
| <b>Status Date / Time:</b> | March 20, 2023, 03:22 p.m.      |
| <b>Location:</b>           | FORT WORTH, TX 76102            |
| <b>Postal Product:</b>     | First-Class Mail®               |
| <b>Extra Services:</b>     | Certified Mail™                 |
|                            | Return Receipt Electronic       |
| <b>Recipient Name:</b>     | William A Hudson II             |

#### Shipment Details

|                |       |
|----------------|-------|
| <b>Weight:</b> | 5.0oz |
|----------------|-------|

#### Destination Delivery Address

|                              |                           |
|------------------------------|---------------------------|
| <b>City, State ZIP Code:</b> | FORT WORTH, TX 76102-4662 |
|------------------------------|---------------------------|

#### Recipient Signature

Signature of Recipient:

  
Corey

Address of Recipient:

616 Texas  
St

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March 21, 2023

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0105 4830 54.**

#### Item Details

|                            |                                 |
|----------------------------|---------------------------------|
| <b>Status:</b>             | Delivered, Left with Individual |
| <b>Status Date / Time:</b> | March 20, 2023, 03:22 p.m.      |
| <b>Location:</b>           | FORT WORTH, TX 76102            |
| <b>Postal Product:</b>     | First-Class Mail®               |
| <b>Extra Services:</b>     | Certified Mail™                 |
|                            | Return Receipt Electronic       |
| <b>Recipient Name:</b>     | Javelina Partners               |

#### Shipment Details

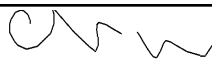
|                |       |
|----------------|-------|
| <b>Weight:</b> | 5.0oz |
|----------------|-------|

#### Destination Delivery Address

|                              |                           |
|------------------------------|---------------------------|
| <b>City, State ZIP Code:</b> | FORT WORTH, TX 76102-4662 |
|------------------------------|---------------------------|

#### Recipient Signature

Signature of Recipient:

  
Corey

Address of Recipient:

616 Texas  
St

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March 21, 2023

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0105 4830 47.**

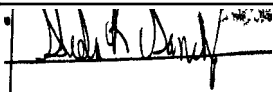
#### Item Details

|                            |                                       |
|----------------------------|---------------------------------------|
| <b>Status:</b>             | Delivered to Agent for Final Delivery |
| <b>Status Date / Time:</b> | March 20, 2023, 04:38 p.m.            |
| <b>Location:</b>           | DENVER, CO 80203                      |
| <b>Postal Product:</b>     | First-Class Mail®                     |
| <b>Extra Services:</b>     | Certified Mail™                       |
|                            | Return Receipt Electronic             |
| <b>Recipient Name:</b>     | Marks Oil Inc                         |

#### Shipment Details

|                |       |
|----------------|-------|
| <b>Weight:</b> | 5.0oz |
|----------------|-------|

#### Recipient Signature

|                                               |                                                                                     |
|-----------------------------------------------|-------------------------------------------------------------------------------------|
| Signature of Recipient:<br>(Authorized Agent) |   |
| Address of Recipient:                         |  |

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March 21, 2023

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0105 4830 30.**

**Item Details**

|                            |                                              |
|----------------------------|----------------------------------------------|
| <b>Status:</b>             | Delivered, Left with Individual              |
| <b>Status Date / Time:</b> | March 20, 2023, 04:37 p.m.                   |
| <b>Location:</b>           | MIDLAND, TX 79701                            |
| <b>Postal Product:</b>     | First-Class Mail®                            |
| <b>Extra Services:</b>     | Certified Mail™<br>Return Receipt Electronic |
| <b>Recipient Name:</b>     | Prime Rock Resources AgentCo Inc as nominee  |

**Shipment Details**

|                |       |
|----------------|-------|
| <b>Weight:</b> | 5.0oz |
|----------------|-------|

**Destination Delivery Address**

|                              |                        |
|------------------------------|------------------------|
| <b>Street Address:</b>       | 203 W WALL ST          |
| <b>City, State ZIP Code:</b> | MIDLAND, TX 79701-4530 |

**Recipient Signature**

Signature of Recipient:

Address of Recipient:

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March 21, 2023

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0105 4830 23.**

**Item Details**

|                            |                                              |
|----------------------------|----------------------------------------------|
| <b>Status:</b>             | Delivered, Front Desk/Reception/Mail Room    |
| <b>Status Date / Time:</b> | March 20, 2023, 03:39 p.m.                   |
| <b>Location:</b>           | DENVER, CO 80203                             |
| <b>Postal Product:</b>     | First-Class Mail®                            |
| <b>Extra Services:</b>     | Certified Mail™<br>Return Receipt Electronic |
| <b>Recipient Name:</b>     | Wilbanks Reserve Corporation                 |

**Shipment Details**

|                |       |
|----------------|-------|
| <b>Weight:</b> | 5.0oz |
|----------------|-------|

**Destination Delivery Address**

|                              |                         |
|------------------------------|-------------------------|
| <b>Street Address:</b>       | 450 E 17TH AVE UNIT 220 |
| <b>City, State ZIP Code:</b> | DENVER, CO 80203-1254   |

**Recipient Signature**

Signature of Recipient:

WSDS  
344

Address of Recipient:

Mail  
Box

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March 21, 2023

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0105 4830 09.**

#### Item Details

|                            |                                                |
|----------------------------|------------------------------------------------|
| <b>Status:</b>             | Delivered, Individual Picked Up at Post Office |
| <b>Status Date / Time:</b> | March 20, 2023, 11:20 a.m.                     |
| <b>Location:</b>           | ARTESIA, NM 88210                              |
| <b>Postal Product:</b>     | First-Class Mail®                              |
| <b>Extra Services:</b>     | Certified Mail™<br>Return Receipt Electronic   |
| <b>Recipient Name:</b>     | Chase Oil Corporation                          |

#### Shipment Details

|                |       |
|----------------|-------|
| <b>Weight:</b> | 5.0oz |
|----------------|-------|

#### Recipient Signature

Signature of Recipient:

*Bear*  
*Brawny*

Address of Recipient:

*1767*

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**Reference Number:** 4207.27



March 21, 2023

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0105 4829 89.**

#### Item Details

|                            |                                              |
|----------------------------|----------------------------------------------|
| <b>Status:</b>             | Delivered, Left with Individual              |
| <b>Status Date / Time:</b> | March 20, 2023, 01:04 p.m.                   |
| <b>Location:</b>           | FORT WORTH, TX 76102                         |
| <b>Postal Product:</b>     | First-Class Mail®                            |
| <b>Extra Services:</b>     | Certified Mail™<br>Return Receipt Electronic |
| <b>Recipient Name:</b>     | Frost Bank Trustee of the Josephine T Hudson |

#### Shipment Details

|                |       |
|----------------|-------|
| <b>Weight:</b> | 5.0oz |
|----------------|-------|

#### Destination Delivery Address

|                              |                           |
|------------------------------|---------------------------|
| <b>Street Address:</b>       | 640 TAYLOR ST             |
| <b>City, State ZIP Code:</b> | FORT WORTH, TX 76102-4809 |

#### Recipient Signature

Signature of Recipient:

Address of Recipient:

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March 21, 2023

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0105 4829 72.**

#### Item Details

**Status:** Delivered, Left with Individual  
**Status Date / Time:** March 20, 2023, 03:22 p.m.  
**Location:** FORT WORTH, TX 76102  
**Postal Product:** First-Class Mail®  
**Extra Services:** Certified Mail™  
Return Receipt Electronic  
**Recipient Name:** Zorro Partners Ltd

#### Shipment Details

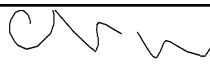
**Weight:** 5.0oz

#### Destination Delivery Address

**City, State ZIP Code:** FORT WORTH, TX 76102-4662

#### Recipient Signature

Signature of Recipient:

  
Corey

Address of Recipient:

616 Texas  
St

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**Reference Number:** 4207.27



March 21, 2023

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0105 4829 65.**

**Item Details**

**Status:** Delivered, Individual Picked Up at Post Office  
**Status Date / Time:** March 20, 2023, 01:10 p.m.  
**Location:** MIDLAND, TX 79701  
**Postal Product:** First-Class Mail®  
**Extra Services:** Certified Mail™  
Return Receipt Electronic  
**Recipient Name:** Magnum Hunter Production

**Shipment Details**

**Weight:** 5.0oz

**Destination Delivery Address**

**Street Address:** 600 N MARIENFELD ST STE 600  
**City, State ZIP Code:** MIDLAND, TX 79701-4405

**Recipient Signature**

Signature of Recipient:

Address of Recipient:

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Information in this section provided by Covius Document Services, LLC.

**Reference Number:** 4207.27





March 24, 2023

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0105 4829 58.**

**Item Details**

**Status:** Delivered, Left with Individual  
**Status Date / Time:** March 23, 2023, 11:16 a.m.  
**Location:** FORT WORTH, TX 76102  
**Postal Product:** First-Class Mail®  
**Extra Services:** Certified Mail™  
Return Receipt Electronic  
**Recipient Name:** Bank of America N A Successor Trustee of the

**Shipment Details**

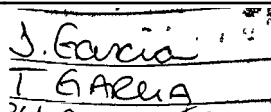
**Weight:** 5.0oz

**Destination Delivery Address**

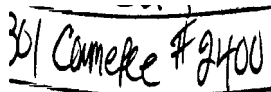
**Street Address:** 301 COMMERCE ST STE 2400  
**City, State ZIP Code:** FORT WORTH, TX 76102-4124

**Recipient Signature**

Signature of Recipient:



Address of Recipient:



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Information in this section provided by Covius Document Services, LLC.

**Reference Number:** 4207.27



March 20, 2023

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0105 4829 34.**

**Item Details**

**Status:** Delivered, Left with Individual  
**Status Date / Time:** March 18, 2023, 11:17 a.m.  
**Location:** MIDLAND, TX 79701  
**Postal Product:** First-Class Mail®  
**Extra Services:** Certified Mail™  
Return Receipt Electronic  
**Recipient Name:** First Century Oil Inc

**Shipment Details**

**Weight:** 5.0oz

**Destination Delivery Address**

**Street Address:** 300 N MARIENFELD ST STE 1000  
**City, State ZIP Code:** MIDLAND, TX 79701-4688

**Recipient Signature**

Signature of Recipient:

Address of Recipient:

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Information in this section provided by Covius Document Services, LLC.

**Reference Number:** 4207.27



March 20, 2023

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0105 4829 27.**

**Item Details**

**Status:** Delivered, Left with Individual  
**Status Date / Time:** March 18, 2023, 11:17 a.m.  
**Location:** MIDLAND, TX 79701  
**Postal Product:** First-Class Mail®  
**Extra Services:** Certified Mail™  
Return Receipt Electronic  
**Recipient Name:** Read Stevens Inc

**Shipment Details**

**Weight:** 5.0oz

**Destination Delivery Address**

**Street Address:** 300 N MARIENFELD ST STE 1000  
**City, State ZIP Code:** MIDLAND, TX 79701-4688

**Recipient Signature**

Signature of Recipient:

Address of Recipient:

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service® for your mailing needs. If you require additional assistance, please contact your local Post Office™ or a Postal representative at 1-800-222-1811.

Sincerely,  
United States Postal Service®  
475 L'Enfant Plaza SW  
Washington, D.C. 20260-0004

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Information in this section provided by Covius Document Services, LLC.

**Reference Number:** 4207.27



April 21, 2023

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0105 4828 80.**

**Item Details**

|                            |                                              |
|----------------------------|----------------------------------------------|
| <b>Status:</b>             | Delivered to Agent for Final Delivery        |
| <b>Status Date / Time:</b> | April 20, 2023, 02:40 p.m.                   |
| <b>Location:</b>           | DURANGO, CO 81301                            |
| <b>Postal Product:</b>     | First-Class Mail®                            |
| <b>Extra Services:</b>     | Certified Mail™<br>Return Receipt Electronic |
| <b>Recipient Name:</b>     | Bureau of Land Management                    |

**Shipment Details**

|                |       |
|----------------|-------|
| <b>Weight:</b> | 5.0oz |
|----------------|-------|

**Recipient Signature**

|                                               |                                                                                     |
|-----------------------------------------------|-------------------------------------------------------------------------------------|
| Signature of Recipient:<br>(Authorized Agent) |   |
| Address of Recipient:                         |  |

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service® for your mailing needs. If you require additional assistance, please contact your local Post Office™ or a Postal representative at 1-800-222-1811.

Sincerely,  
United States Postal Service®  
475 L'Enfant Plaza SW  
Washington, D.C. 20260-0004

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Information in this section provided by Covius Document Services, LLC.

**Reference Number:** 4207.27

**Affidavit of Publication**STATE OF NEW MEXICO  
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated  
March 17, 2023  
and ending with the issue dated  
March 17, 2023.



Publisher

Sworn and subscribed to before me this  
17th day of March 2023.



Business Manager

My commission expires  
January 29, 2027

(Seal) STATE OF NEW MEXICO  
NOTARY PUBLIC  
GUSSIE RUTH BLACK  
COMMISSION # 1087526  
COMMISSION EXPIRES 01/29/2027

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

**LEGAL NOTICE**  
March 17, 2023

**CASE No. 23452:** Notice to all parties and persons having any right, title, interest or claim to this case, including owners of working interest, overriding royalty interest, and record title, among others, as well as to the known and unknown heirs, devisees, assigns and successors of MOORE & SHELTON CO., LTD.; HOG PARTNERSHIP, LP; CHALLENGER CRUDE, LTD.; READ & STEVENS, INC.; FIRST CENTURY OIL, INC.; FRANCIS HILL HUDSON, TRUSTEE OF LINDY'S LIVING TRUST; BANK OF AMERICA, N.A., SUCCESSOR TRUSTEE OF THE DELMAR HUDSON LEWIS LIVING TRUST; MAGNUM HUNTER PRODUCTION; ZORRO PARTNERS, LTD.; FROST BANK, TRUSTEE OF THE JOSEPHINE T. HUDSON TESTAMENTARY TRUST FBO J. TERRELL ARD; ARD OIL, LTD; CHASE OIL CORPORATION; AVALON ENERGY CORPORATION; WILBANKS RESERVE CORPORATION; PRIME ROCK RESOURCES AGENTCO, INC., AS NOMINEE FOR THE BENEFIT OF PRIME ROCK RESOURCES, LLC; MARKS OIL, INC.; JAVELINA PARTNERS; WILLIAM A. HUDSON, II and UNION HILL OIL & GAS CO. INC., of Cimarex Energy Co.'s application for approval of a spacing unit and compulsory pooling, Lea County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division Examiner will conduct a public hearing at 8:15 a.m. on April 6, 2023, traditionally held at 1220 S. St. Francis, Santa Fe, New Mexico, 87505. However, under current Division policies, the hearing will be conducted remotely online. For information about remote access and the status of the case, you can visit the Division's website at: <https://www.emnrd.nm.gov/ocd/hearing-info/> or call (505) 476-3441. Cimarex Energy Co. (operational office at 600 N. Marienfeld St. Suite 600, 79701; HQ office at 1700 Lincoln Street, Suite 3700, Denver CO 80203) seeks an order from the Division: (1) establishing a standard 320.89-acre, more or less, horizontal spacing and proration unit comprised of Lot 1 (NE/4 NE/4 equivalent), the SE/4 NE/4, and the E/2 SE/4 of Section 4 and the E/2 E/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests from a depth of 9,373 feet (top of first Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], to a depth of 10,845 feet, that being the base of said Bone Spring, designated as an oil pool, underlying the unit. Section 4 is an irregular section containing correction lots. The proposed wells to be dedicated to the horizontal spacing unit are the **Loosey Goosey 4-9 Fed Com 204H Well** and the **Loosey Goosey 4-9 Fed Com 304H Well**, both oil wells, to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 33, Township 19 South, Range 34 East, NMPM, to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 9, Township 20 South, Range 34 East, NMPM. The wells will be orthodox, and the take points and completed intervals will comply with the setback requirements under the statewide Rules; also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 40 miles northeast of Carlsbad, New Mexico.  
#00276786

67115820

00276786

DAVID SESSIONS  
ABADIE SCHILL  
555 RIVERGATE LANE 84-180  
DURANGO, CO 81301

**EXHIBIT**  
**E-3**



# Affidavit of Publication

STATE OF NEW MEXICO  
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated  
March 17, 2023  
and ending with the issue dated  
March 17, 2023.



Publisher

Sworn and subscribed to before me this  
17th day of March 2023.



Business Manager

My commission expires

January 29, 2027

(Seal)

STATE OF NEW MEXICO  
NOTARY PUBLIC  
GUSSIE RUTH BLACK  
COMMISSION # 1087526  
COMMISSION EXPIRES 01/29/2027

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

## LEGAL NOTICE March 17, 2023

**CASE No. 23453:** Notice to all parties and persons having any right, title, interest or claim to this case, including owners of working interest, overriding royalty interest, and record title, among others, as well as to the known and unknown heirs, devisees, assigns and successors of MOORE & SHELTON CO., LTD; HOG PARTNERSHIP, LP; CHALLENGER CRUDE, LTD.; READ & STEVENS, INC.; FIRST CENTURY OIL, INC.; FRANCIS HILL HUDSON, TRUSTEE OF LINDY'S LIVING TRUST; BANK OF AMERICA, N.A., SUCCESSOR TRUSTEE OF THE DELMAR HUDSON LEWIS LIVING TRUST; MAGNUM HUNTER PRODUCTION; ZORRO PARTNERS, LTD.; FROST BANK, TRUSTEE OF THE JOSEPHINE T. HUDSON TESTAMENTARY TRUST FBO J. TERRELL ARD; ARD OIL, LTD; CHASE OIL CORPORATION; AVALON ENERGY CORPORATION; WILBANKS RESERVE CORPORATION; PRIME ROCK RESOURCES AGENTCO, INC., AS NOMINEE FOR THE BENEFIT OF PRIME ROCK RESOURCES, LLC; MARKS OIL, INC.; JAVELINA PARTNERS; WILLIAM A. HUDSON, II and UNION HILL OIL & GAS CO. INC., of Cimarex Energy Co.'s application for approval of a spacing unit and compulsory pooling, Lea County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division Examiner will conduct a public hearing at 8:15 a.m. on April 6, 2023, traditionally held at 1220 S. St. Francis, Santa Fe, New Mexico, 87505. However, under current Division policies, the hearing will be conducted remotely online. For information about remote access and the status of the case, you can visit the Division's website at: <https://www.emnrd.nm.gov/ocd/hearing-info/> or call (505) 476-3441. Cimarex Energy Co. (operational office at 600 N. Marlenfeld St. Suite 600, 79701; HQ office at 1700 Lincoln Street, Suite 3700, Denver CO 80203) seeks an order from the Division: (1) establishing a standard 320.21-acre, more or less, horizontal spacing and proration unit comprised of Lot 4 (NW/4 NW/4 equivalent), the SW/4 NW/4, and the W/2 SW/4 of Section 4 and the W/2 W/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests from a depth of 9,373 feet (top of first Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], to a depth of 10,845 feet, that being the base of said Bone Spring, designated as an oil pool, underlying the unit. Section 4 is an irregular section containing correction lots. The proposed well to be dedicated to the horizontal spacing unit is the **Loosey Goosey 4-9 Fed Com 301H Well**, an oil well, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 33, Township 19 South, Range 34 East, NMPM, to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 9, Township 20 South, Range 34 East; NMPM. The well will be orthodox, and the take points and completed interval will comply with the setback requirements under the statewide Rules; also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the well and unit; and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 40 miles northeast of Carlsbad, New Mexico.  
#00276787

67115820

00276787

DAVID SESSIONS  
ABADIE SCHILL  
555 RIVERGATE LANE 84-180  
DURANGO, CO 81301



**Affidavit of Publication**

STATE OF NEW MEXICO  
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated  
March 17, 2023  
and ending with the issue dated  
March 17, 2023.



Publisher

Sworn and subscribed to before me this  
17th day of March 2023.



Business Manager

My commission expires  
January 29, 2027

(Seal)



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

**LEGAL NOTICE**  
March 17, 2023

**CASE No. 23454:** Notice to all parties and persons having any right, title, interest or claim to this case, including owners of working interest, overriding royalty interest, and record title, among others, as well as to the known and unknown heirs, devisees, assigns and successors of MOORE & SHELTON CO., LTD; HOG PARTNERSHIP, LP; CHALLENGER CRUDE, LTD.; READ & STEVENS, INC.; FIRST CENTURY OIL, INC.; FRANCIS HILL HUDSON, TRUSTEE OF LINDY'S LIVING TRUST; BANK OF AMERICA, N.A., SUCCESSOR TRUSTEE OF THE DELMAR HUDSON LEWIS LIVING TRUST; MAGNUM HUNTER PRODUCTION; ZORRO PARTNERS, LTD.; FROST BANK, TRUSTEE OF THE JOSEPHINE T. HUDSON TESTAMENTARY TRUST FBO J. TERRELL ARD; ARD OIL, LTD; CHASE OIL CORPORATION; AVALON ENERGY CORPORATION; WILBANKS RESERVE CORPORATION; PRIME ROCK RESOURCES AGENTCO, INC., AS NOMINEE FOR THE BENEFIT OF PRIME ROCK RESOURCES, LLC; MARKS OIL, INC.; JAVELINA PARTNERS; WILLIAM A. HUDSON, II and UNION HILL OIL & GAS CO. INC., of Cimarex Energy Co.'s application for approval of a spacing unit and compulsory pooling, Lea County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division Examiner will conduct a public hearing at 8:15 a.m. on April 6, 2023, traditionally held at 1220 S. St. Francis, Santa Fe, New Mexico, 87505. However, under current Division policies, the hearing will be conducted remotely online. For information about remote access and the status of the case, you can visit the Division's website at: <https://www.emnrd.nm.gov/ocd/hearing-info/> or call (505) 476-3441. Cimarex Energy Co. (operational office at 600 N. Marlenfeld St. Suite 800, 79701; HQ office at 1700 Lincoln Street, Suite 3700, Denver CO 80203) seeks an order from the Division: (1) establishing a standard 320.44-acre, more or less, horizontal spacing and proration unit comprised of Lot 3 (NE/4 NW/4 equivalent), the SE/4 NW/4, and the E/2 SW/4 of Section 4 and the E/2 W/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests from a depth of 9,373 feet (top of first Bone Spring) in the Quail Ridge; Bone Spring formation (Pool Code 50460), to a depth of 10,845 feet, that being the base of said Bone Spring, designated as an oil pool, underlying the unit. Section 4 is an irregular section containing correction lots. The proposed well to be dedicated to the horizontal spacing unit is the **Loosey Goosey 4-9 Fed Com 302H Well**, an oil well, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 33, Township 19 South, Range 34 East, NMPM, to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 9, Township 20 South, Range 34 East, NMPM. The well will be orthodox, and the take points and completed interval will comply with the setback requirements under the statewide Rules; also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the well and unit; and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 40 miles northeast of Carlsbad, New Mexico.  
#00276788

67115820

00276788

DAVID SESSIONS  
ABADIE SCHILL  
555 RIVERGATE LANE 84-180  
DURANGO, CO 81301

# Affidavit of Publication

STATE OF NEW MEXICO  
COUNTY OF LEA

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Beginning with the issue dated  
March 17, 2023  
and ending with the issue dated  
March 17, 2023.

  
Publisher

Sworn and subscribed to before me this  
17th day of March 2023.

  
Business Manager

My commission expires  
January 29, 2027

(Seal)

STATE OF NEW MEXICO  
NOTARY PUBLIC  
GUSSIE RUTH BLACK  
COMMISSION # 1087526  
COMMISSION EXPIRES 01/29/2027

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

## LEGAL NOTICE March 17, 2023

CASE No. 23455: Notice to all parties and persons having any right, title, interest or claim to this case, including owners of working interest, overriding royalty interest, and record title, among others, as well as to the known and unknown heirs, devisees, assigns and successors of MOORE & SHELTON CO., LTD; HOG PARTNERSHIP, LP; CHALLENGER CRUDE, LTD.; READ & STEVENS, INC.; FIRST CENTURY OIL, INC.; FRANCIS HILL HUDSON, TRUSTEE OF LINDY'S LIVING TRUST; BANK OF AMERICA, N.A., SUCCESSOR TRUSTEE OF THE DELMAR HUDSON LEWIS LIVING TRUST; MAGNUM HUNTER PRODUCTION; ZORRO PARTNERS, LTD.; FROST BANK, TRUSTEE OF THE JOSEPHINE T. HUDSON TESTAMENTARY TRUST FBO J. TERRELL ARD; ARD OIL, LTD; CHASE OIL CORPORATION; AVALON ENERGY CORPORATION; WILBANKS RESERVE CORPORATION; PRIME ROCK RESOURCES AGENTCO, INC., AS NOMINEE FOR THE BENEFIT OF PRIME ROCK RESOURCES, LLC; MARKS OIL, INC.; JAVELINA PARTNERS; WILLIAM A. HUDSON, II and UNION HILL OIL & GAS CO. INC., of Cimarex Energy Co.'s application for approval of a spacing unit and compulsory pooling, Lea County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division Examiner will conduct a public hearing at 8:15 a.m. on April 6, 2023, traditionally held at 1220 S. St. Francis, Santa Fe, New Mexico, 87505. However, under current Division policies, the hearing will be conducted remotely online. For information about remote access and the status of the case, you can visit the Division's website at: <https://www.emnrd.nm.gov/ocd/hearing-info/> or call (505) 476-3441. Cimarex Energy Co. (operational office at 600 N. Marienfeld St. Suite 600, 79701; HQ office at 1700 Lincoln Street, Suite 3700, Denver CO 80203) seeks an order from the Division: (1) establishing a standard 320.66-acre, more or less, horizontal spacing and proration unit comprised of Lot 2 (NW/4 NE/4 equivalent), the SW/4 NE/4, and the W/2 SE/4 of Section 4 and the W/2 E/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests from a depth of 9,373 feet (top of first Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], to a depth of 10,845 feet, that being the base of said Bone Spring, designated as an oil pool, underlying the unit. Section 4 is an irregular section containing correction lots. The proposed well to be dedicated to the horizontal spacing unit is the **Loosey Goosey 4-9 Fed Com 303H Well**, an oil well, to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 33, Township 19 South, Range 34 East, NMPM, to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 9, Township 20 South, Range 34 East, NMPM. The well will be orthodox, and the take points and completed interval will comply with the setback requirements under the statewide Rules; also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the well and unit; and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 40 miles northeast of Carlsbad, New Mexico.  
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DAVID SESSIONS  
ABADIE SCHILL  
555 RIVERGATE LANE 84-180  
DURANGO, CO 81301