

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

**APPLICATION OF PERMIAN RESOURCES  
OPERATING, LLC FOR COMPULSORY  
POOLING, LEA COUNTY, NEW MEXICO.**

**CASE NO. 23957**

**EXHIBIT INDEX**

Compulsory Pooling Checklist

|           |  |
|-----------|--|
| Exhibit A | Self-Affirmed Statement of Chris Astwood   |
| A-1       | Application & Proposed Notice of Hearing   |
| A-2       | C-102  |
| A-3       | Plat of Tracts, Tract Ownership, Applicable Lease Numbers, Unit Recapitulation, Pooled Parties |
| A-4       | Sample Well Proposal Letter & AFEs   |
| A-5       | Chronology of Contact  |
| Exhibit B | Self-Affirmed Statement of Ira Bradford  |
| B-1       | Regional Locator Map   |
| B-2       | Cross Section Location Map   |
| B-3       | Second Bone Spring Subsea Structure Map  |
| B-4       | Stratigraphic Cross-Section  |
| B-5       | Gun Barrel Development Plan  |
| Exhibit C | Self-Affirmed Statement of Dana S. Hardy   |
| C-1       | Notice Letters to All Interested Parties   |
| C-2       | Chart of Notice to All Interested Parties  |
| C-3       | Copies of Certified Mail Receipts and Returns  |
| C-4       | Affidavit of Publication for November 10, 2023   |

# COMPULSORY POOLING APPLICATION CHECKLIST

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

|  |   |
|--|---|
| <b>Case: 23957</b>   | <b>APPLICANT'S RESPONSE</b>   |
| <b>Date</b>  | <b>December 7, 2023</b>   |
| Applicant  | Permian Resources Operating, LLC  |
| Designated Operator & OGRID (affiliation if applicable)  | OGRID No. 372165  |
| Applicant's Counsel:   | Hinkle Shanor LLP   |
| Case Title:  | Application of Permian Resources Operating, LLC for Compulsory Pooling, Lea County, New Mexico.   |
| Entries of Appearance/Intervenors:   | None.   |
| Well Family  | Casa Bonita   |
| <b>Formation/Pool</b>  |   |
| Formation Name(s) or Vertical Extent:  | Bone Spring Formation   |
| Primary Product (Oil or Gas):  | Oil   |
| Pooling this vertical extent:  | Bone Spring Formation   |
| Pool Name and Pool Code:   | WC-025 G-07 S223505N; Bone Spring Pool (Code 98136)   |
| Well Location Setback Rules:   | Statewide   |
| <b>Spacing Unit</b>  |   |
| Type (Horizontal/Vertical)   | Horizontal  |
| Size (Acres)   | 242.04 acres  |
| Building Blocks:   | quarter-quarter   |
| Orientation:   | South to North  |
| Description: TRS/County  | E/2 E/2 of Section 5 and the E/2 NE/4 of Section 8, Township 22 South, Range 35 East, Lea County.   |
| Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and is approval of non-standard unit requested in this application?</u>            | Yes.  |
| <b>Other Situations</b>  |   |
| Depth Severance: Y/N. If yes, description  | N/A   |
| Proximity Tracts: If yes, description  | N/A   |
| Proximity Defining Well: if yes, description   | N/A   |
| Applicant's Ownership in Each Tract  | Exhibit A-3   |
| <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  | Casa Bonita 8 State Com 124H (API # ---)<br>2423' FNL & 1059' FEL (Unit H), Section 8, T22S, R35E<br>100' FNL & 990' FEL (Lot 1), Section 5, T22S, R35E<br>Completion Target: Bone Spring (Approx. 10,150' TVD) |
| Horizontal Well First and Last Take Points   | Exhibit A-2   |
| Completion Target (Formation, TVD and MD)  | Exhibit A-4   |
| Net Present Value and Operating Costs  |   |

|  |                                       |
|--|---------------------------------------|
| Drilling Supervision/Month \$  | \$10,000.00                           |
| Production Supervision/Month \$  | \$1,000.00                            |
| Justification for Supervision Costs  | Exhibit A                             |
| Requested Risk Charge  | 200%                                  |
| <b>Notice of Hearing</b>   |                                       |
| Proposed Notice of Hearing   | Exhibit A-1                           |
| Proof of Mailed Notice of Hearing (20 days before hearing)   | Exhibit C-1, Exhibit C-2, Exhibit C-3 |
| Proof of Published Notice of Hearing (10 days before hearing)  | Exhibit C-4                           |
| <b>Ownership Determination</b>   |                                       |
| Land Ownership Schematic of the Spacing Unit   | Exhibit A-3                           |
| Tract List (including lease numbers and owners)  | Exhibit A-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)  | Exhibit A-3                           |
| Unlocatable Parties to be Pooled   | N/A                                   |
| Ownership Depth Severance (including percentage above & below)   | N/A                                   |
| <b>Joinder</b>   |                                       |
| Sample Copy of Proposal Letter   | Exhibit A-4                           |
| List of Interest Owners (ie Exhibit A of JOA)  | Exhibit A-3                           |
| Chronology of Contact with Non-Joined Working Interests  | Exhibit A-5                           |
| Overhead Rates In Proposal Letter  | Exhibit A-4                           |
| Cost Estimate to Drill and Complete  | Exhibit A-4                           |
| Cost Estimate to Equip Well  | Exhibit A-4                           |
| Cost Estimate for Production Facilities  | Exhibit A-4                           |
| <b>Geology</b>   |                                       |
| Summary (including special considerations)   | Exhibit B                             |
| Spacing Unit Schematic   | Exhibit B-1                           |
| Gunbarrel/Lateral Trajectory Schematic   | Exhibit B-5                           |
| Well Orientation (with rationale)  | Exhibit B                             |
| Target Formation   | Exhibit B                             |
| HSU Cross Section  | Exhibit B-2                           |
| Depth Severance Discussion   | N/A                                   |
| <b>Forms, Figures and Tables</b>   |                                       |
| C-102  | Exhibit A-2                           |
| Tracts   | Exhibit A-3                           |
| Summary of Interests, Unit Recapitulation (Tracts)   | Exhibit A-3                           |
| General Location Map (including basin)   | Exhibit B-1                           |
| Well Bore Location Map   | Exhibit B-2                           |
| Structure Contour Map - Subsea Depth   | Exhibit B-3                           |
| Cross Section Location Map (including wells)   | Exhibit B-2                           |

|  |                   |
|--|-------------------|
| Cross Section (including Landing Zone)   | Exhibit B-4       |
| <b>Additional Information</b>  |                   |
| Special Provisions/Stipulations  | N/A               |
| <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):  | Dana S. Hardy     |
| <b>Signed Name</b> (Attorney or Party Representative):   | /s/ Dana S. Hardy |
| <b>Date:</b>   | 12/5/2023         |

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

**APPLICATION OF PERMIAN RESOURCES  
OPERATING, LLC FOR COMPULSORY  
POOLING, LEA COUNTY, NEW MEXICO.**

**CASE NO. 23957**

**SELF-AFFIRMED STATEMENT  
OF CHRIS ASTWOOD**

1. I am a landman with Permian Resources Operating, LLC ("Permian Resources"). I am over 18 years of age, have personal knowledge of the matters addressed herein, and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division ("Division") and my credentials as an expert in petroleum land matters were accepted and made a matter of record.

2. Copies of the application and proposed hearing notice are attached as **Exhibit A-1**.

3. None of the parties proposed to be pooled in this case indicated opposition to this matter proceeding by affidavit; therefore I do not expect any opposition at hearing.

4. Permian Resources seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a 242.04-acre, more or less, standard horizontal spacing unit comprised of the E/2 E/2 of Section 5 and the E/2 NE/4 of Section 8, Township 22 South, Range 35 East, Lea County, New Mexico ("Unit").

5. The Unit will be dedicated to the **Casa Bonita 8 State Com 124H** well ("Well"), which will be drilled from a surface hole location in the SE/4 NE/4 (Unit H) of Section 8 to a bottom hole location in the NE/4 NE/4 (Lot 1) of Section 5. The Well will be completed in the WC-025 G-07 S223505N; Bone Spring Pool (Code 98136).

6. The completed interval of the Well will be orthodox.

7. **Exhibit A-2** contains the C-102 for the Well.

**Permian Resources Operating, LLC  
Case No. 23957  
Exhibit A**

8. **Exhibit A-3** contains a plat identifying ownership by tract in the Unit. This exhibit also includes any applicable lease numbers, a unit recapitulation, and the interests Permian Resources seeks to pool highlighted in yellow. All of the parties are locatable in that Permian believes it located valid addresses for them.

9. Permian Resources has conducted a diligent search of all county public records, including phone directories and computer databases, as well as internet searches, to locate the interest owners it seeks to pool.

10. **Exhibit A-4** contains a sample well proposal letter and AFEs sent to working interest owners for the Well. The estimated costs reflected on the AFEs are fair and reasonable and comparable to the cost of other wells of similar depth and length drilled in the subject formation in the area.

11. In my opinion, Permian Resources made a good-faith effort to reach voluntary joinder of uncommitted interests in the Well as indicated by the chronology of contact described in **Exhibit A-5**.

12. Permian Resources requests overhead and administrative rates of \$10,000 per month while the Well is being drilled and \$1,000 per month while the Well is producing. These rates are fair and are comparable to the rates charged by Permian and other operators in the vicinity.

13. The attached exhibits were either prepared by me or under my supervision or were compiled from company business records.

14. In my opinion, the granting of Permian Resources' application would serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

15. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony above is true and correct and is made under penalty of perjury

under the laws of the State of New Mexico. My testimony is made as of the date next to my electronic signature below.

A handwritten signature in blue ink that reads "Chris Astwood". The signature is fluid and cursive, with a horizontal line extending from the end of the name.

---

Chris Astwood

11/29/2023

Date

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

**APPLICATION OF PERMIAN RESOURCES  
OPERATING, LLC FOR COMPULSORY  
POOLING, LEA COUNTY, NEW MEXICO.**

**CASE NO. 23957**

**APPLICATION**

Pursuant to NMSA § 70-2-17, Permian Resources Operating, LLC (“Applicant”) (OGRID No. 372165) applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 242.04-acre, more or less, standard horizontal spacing unit comprised of the E/2 E/2 of Section 5 and the E/2 NE/4 of Section 8, Township 22 South, Range 35 East, Lea County, New Mexico (“Unit”). In support of its application, Applicant states the following:

1. Applicant is a working interest owner in the Unit and has the right to drill wells thereon.
2. The Unit will be dedicated to the **Casa Bonita 8 State Com 124H** well (“Well”), which will be drilled from a surface hole location in the SE/4 NE/4 (Unit H) of Section 8 to a bottom hole location in the NE/4 NE/4 (Lot 1) of Section 5.
3. The completed interval of the Well will be orthodox.
4. Applicant has undertaken diligent, good faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Well but has been unable to obtain voluntary agreements from all interest owners.
5. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

**Permian Resources Operating, LLC  
Case No. 23957  
Exhibit A-1**



6. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in the Unit should be pooled and Applicant should be designated the operator of the Well and the Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on December 7, 2023, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the Well in the Unit;
- C. Designating Permian Resources Operating, LLC as the operator of the Unit and the Well to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping, and completing the Well;
- E. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% charge for the risk assumed by Permian Resources Operating, LLC in drilling and completing the Well against any working interest owner who does not voluntarily participate in the drilling of the Well.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy

Jaclyn M. McLean

P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554

dhardy@hinklelawfirm.com

jmclean@hinklelawfirm.com

*Counsel for Permian Resources Operating,  
LLC*

**Application of Permian Resources Operating, LLC for Compulsory Pooling, Lea County, New Mexico.** Applicant applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 242.04-acre, more or less, standard horizontal spacing unit comprised of the E/2 E/2 of Section 5 and the E/2 NE/4 of Section 8, Township 22 South, Range 35 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the **Casa Bonita 8 State Com 124H** well ("Well"), which will be drilled from a surface hole location in the SE/4 NE/4 (Unit H) of Section 8 to a bottom hole location in the NE/4 NE/4 (Lot 1) of Section 5. The completed interval of the Well will be orthodox. Also to be considered will be the cost of drilling and completing the Well and the allocation of the costs, the designation of Applicant as operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 13 miles west of Eunice, New Mexico.

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
811 S. First St., Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Artec, NM 87410  
District IV  
1220 S. St Francis Dr., 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

Case No. 23957

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>30-025-52198 | <sup>2</sup> Pool Code<br>98136                                | <sup>3</sup> Pool Name<br>WC-025 G-07 S223505N; Bone Spring |
| <sup>4</sup> Property Code<br>334833    | <sup>5</sup> Property Name<br>CASA BONITA 8 STATE COM          | <sup>6</sup> Well Number<br>#124H                           |
| <sup>7</sup> OGRID No.<br>372165        | <sup>8</sup> Operator Name<br>PERMIAN RESOURCES OPERATING, LLC | <sup>9</sup> Elevation<br>3,585'                            |

<sup>10</sup> Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| H             | 8       | 22 S     | 35 E  |         | 2,423'        | NORTH            | 1,059'        | EAST           | LEA    |

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

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| L1            | 5       | 22 S     | 35 E  |         | 100'          | NORTH            | 990'          | EAST           | LEA    |

|   |                               |                                  |                         |
|---|-------------------------------|----------------------------------|-------------------------|
| <sup>12</sup> Dedicated Acres<br>242.04 | <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>16</sup>

**SURFACE HOLE LOCATION & KICK-OFF POINT**  
2,423' FNL & 1,059' FEL  
NM EAST-NAD 83  
NORTH: 513.048.12'  
EAST: 834.156.79'  
LAT: 32.40686470  
LONG: -103.38452340  
NM EAST-NAD 27  
NORTH: 512.987.17'  
EAST: 792.973.16'  
LAT: 32.40674000  
LONG: -103.38404663

**FIRST TAKE POINT & PENETRATION POINT 1**  
2,540' FNL & 990' FEL  
NM EAST-NAD 83  
NORTH: 512.931.95'  
EAST: 834.226.81'  
LAT: 32.40654369  
LONG: -103.38429987  
NM EAST-NAD 27  
NORTH: 512.871.00'  
EAST: 793.043.18'  
LAT: 32.40641899  
LONG: -103.38382313

**PENETRATION POINT 2**  
0' FSL & 990' FEL  
NM EAST-NAD 83  
NORTH: 515.471.88'  
EAST: 834.204.37'  
LAT: 32.41352511  
LONG: -103.38429953  
NM EAST-NAD 27  
NORTH: 515.410.86'  
EAST: 793.020.78'  
LAT: 32.41340044  
LONG: -103.38382259


**PENETRATION POINT 3**  
2,674' FSL & 990' FEL  
NM EAST-NAD 83  
NORTH: 518.145.61'  
EAST: 834.192.61'  
LAT: 32.42087400  
LONG: -103.38426069  
NM EAST-NAD 27  
NORTH: 518.084.52'  
EAST: 793.009.08'  
LAT: 32.42074936  
LONG: -103.38378354

**LAST TAKE POINT & BOTTOM HOLE LOCATION**  
100' FNL & 990' FEL  
NM EAST-NAD 83  
NORTH: 520.720.38'  
EAST: 834.181.29'  
LAT: 32.42795088  
LONG: -103.38422326  
NM EAST-NAD 27  
NORTH: 520.659.22'  
EAST: 792.997.80'  
LAT: 32.42782627  
LONG: -103.38374593

**CORNER COORDINATES**  
NEW MEXICO EAST - NAD 83  
A-CALCULATED CORNER  
N: 520.775.35' E: 829.850.32'  
B-FOUND 1/2" IRON ROD  
N: 520.802.85' E: 832.494.80'  
C-FOUND 2" IRON PIPE  
N: 520.830.67' E: 835.170.82'  
D-FOUND NAIL  
N: 515.485.49' E: 835.194.28'  
E-FOUND 2" IRON PIPE  
N: 510.200.16' E: 835.241.00'  
F-FOUND 2" IRON PIPE  
N: 510.134.32' E: 829.952.96'  
G-FOUND IRON PIPE  
N: 512.773.96' E: 829.929.62'  
H-CALCULATED CORNER  
N: 515.397.31' E: 829.901.27'  
I-FOUND NAIL  
N: 518.091.23' E: 829.875.75'  
J-FOUND 1" IRON PIPE  
N: 515.449.12' E: 832.548.57'

**<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.

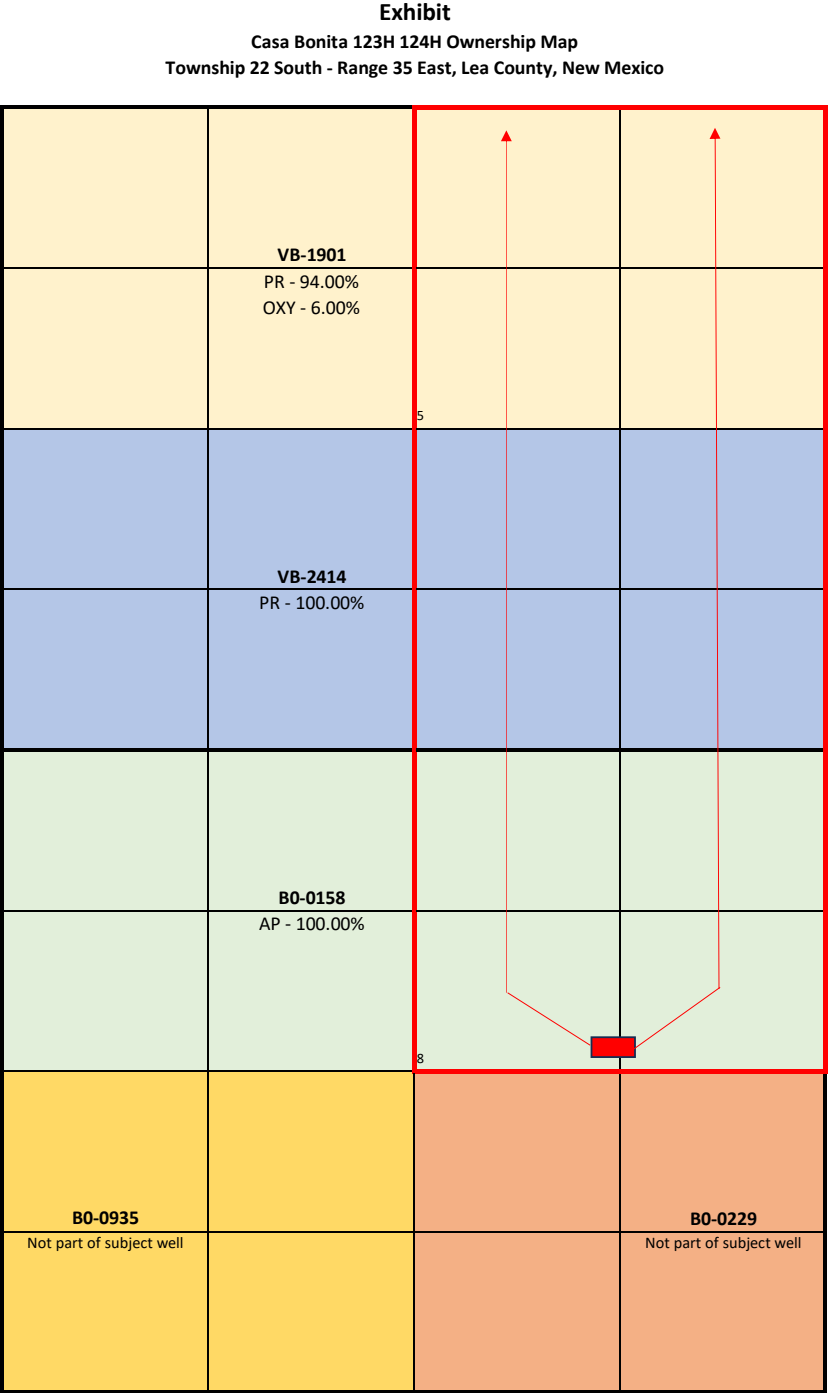
 10/31/23  
Signature Date  
Kanicia Schlichting 10/31/23  
Printed Name Date  
kanicia.schlichting@permianres.com 10/31/23  
Email Address Date

**<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.

Date: 9/12/2023

  
MARK J. MURRAY P.L.S. NO. 12177



|     |  |     |   |                  |
|-----|--|-----|---|------------------|
|     | Permain Resources Operating, LLC<br>300 N. Marienfeld Street, Ste. 1000<br>Midland, TX 79701 |     | GMT New Mexico Royalty Company,<br>LLC<br>1560 Broadway, Suite 2000<br>Denver, CO 80202 | VB-1901, VB-2414 |
| PR  |  | ORR |   |                  |
|     | Oxy Y-1 Company<br>5 Greenway Plaza, Suite 110<br>Houston, TX 77046                          |     |   |                  |
| Oxy |  |     |   |                  |
|     | Apache Corporation<br>2000 Post Oak Boulevard, Suite 100<br>Houston, TX 77056                |     |   |                  |
| AP  |  |     |   |                  |

**Permian Resources Operating, LLC**  
**Case No. 23957**  
**Exhibit A-3**

**Unit Size****481.15****VB-1901****164.15****Working Interest**

| <b>Name</b>       | <b>Interest</b>  | <b>Acres</b>       | <b>Unit Participation</b> |
|-------------------|------------------|--------------------|---------------------------|
| Permian Resources | 0.9400000        | 154.3010000        | 0.3187049                 |
| OXY-Y1 Company    | 0.0600000        | 9.8490000          | 0.0203429                 |
| <b>Total</b>      | <b>1.0000000</b> | <b>164.1500000</b> | <b>0.3390478</b>          |

**VB-2414****160****Working Interest**

| <b>Name</b>       | <b>Interest</b>  | <b>Acres</b>       | <b>Unit Participation</b> |
|-------------------|------------------|--------------------|---------------------------|
| Permian Resources | 1.0000000        | 160.0000000        | 0.3304761                 |
| <b>Total</b>      | <b>1.0000000</b> | <b>160.0000000</b> | <b>0.3304761</b>          |

**B0-0158****160****Working Interest**

| <b>Name</b>        | <b>Interest</b>  | <b>Acres</b>       | <b>Unit Participation</b> |
|--------------------|------------------|--------------------|---------------------------|
| Apache Corporation | 1.0000000        | 160.0000000        | 0.3304761                 |
| <b>Total</b>       | <b>1.0000000</b> | <b>160.0000000</b> | <b>0.3304761</b>          |

**Unit Total****1.0000000**

Unit Size

484.1500000

**VB-1901**

164.15

**Net Interest**

| Name                                | Interest         | Acres              | Unit Participation |
|-------------------------------------|------------------|--------------------|--------------------|
| Permian Resources                   | 0.7332000        | 120.3547800        | 0.2485899          |
| OXY-Y1 Company                      | 0.0468000        | 7.6822200          | 0.0158674          |
| GMT New Mexico Royalty Company, LLC | 0.0325000        | 5.3348750          | 0.0110191          |
| Royalty - State of NM               | 0.1875000        | 30.7781250         | 0.0635715          |
| <b>Total</b>                        | <b>1.0000000</b> | <b>164.1500000</b> | <b>0.3390478</b>   |

**VB-2414**

160

**Net Interest**

| Name                                | Interest         | Acres              | Unit Participation |
|-------------------------------------|------------------|--------------------|--------------------|
| Permian Resources                   | 0.7800000        | 124.8000000        | 0.2577714          |
| GMT New Mexico Royalty Company, LLC | 0.0325000        | 5.2000000          | 0.0107405          |
| Royalty - State of NM               | 0.1875000        | 30.0000000         | 0.0619643          |
| <b>Total</b>                        | <b>1.0000000</b> | <b>160.0000000</b> | <b>0.3304761</b>   |

**B0-0158**

160

**Net Interest**

| Name                  | Interest         | Acres              | Unit Participation |
|-----------------------|------------------|--------------------|--------------------|
| Apache Corporation    | 0.8750000        | 140.0000000        | 0.2891666          |
| Royalty - State of NM | 0.1250000        | 20.0000000         | 0.0413095          |
| <b>Total</b>          | <b>1.0000000</b> | <b>160.0000000</b> | <b>0.3304761</b>   |

Unit Total

1.0000000



300 N. MARIENFELD STREET, SUITE 1000  
MIDLAND, TX 79701

OFFICE 432.695.4222  
FAX 432.695.4063

September 20, 2023

*Via Certified Mail*

OXY Y-1 Company  
Attn: New Mexico Land Manager  
5 Greenway Plaza, Ste. 110  
Houston, TX 77046

**RE: Well Proposal – Casa Bonita 5 State Com**  
E/2 of Section 5 & NE/4 of Section 8, T22S-R35E  
Lea County, New Mexico

To Whom It May Concern:

Permian Resources Operating, LLC (“Permian”), as Operator, hereby re-proposes the drilling and completion of the Casa Bonita 5 State Com 123H & the Casa Bonita 5 State Com 124H (“Wells”), due to surface & bottom hole location changes at the following approximate location within Township 22 South, Range 35 East:

**1. Casa Bonita 5 State Com 123H**

SHL: SE/4NE/4 of Section 8 (Unit H) or another legal location within the NE/4 of Section 8  
BHL: 2145’ FEL & 100’ FNL of Section 5  
FTP: 1980’ FEL & 2540’ FNL of Section 8  
LTP: 1980’ FEL & 100’ FNL of Section 5  
TVD: 10,150’  
TMD: 17,650’  
Proration: W/2E/2 of Section 5 & W/2NE/4 of Section 8, T22S-R35E  
Targeted Interval: 2<sup>nd</sup> Bone Spring  
Total Cost: See attached AFE

**2. Casa Bonita 5 State Com 124H**

SHL: SE/4NE/4 of Section 8 (Unit H) or another legal location within the NE/4 of Section 8  
BHL: 990’ FEL & 100’ FNL of Section 5  
FTP: 660’ FEL & 2540’ FNL of Section 8  
LTP: 660’ FEL & 100’ FNL of Section 5  
TVD: 10,150’  
TMD: 17,650’  
Proration: E/2E/2 of Section 5 & E/2NE/4 of Section 8, T22S-R35E  
Targeted Interval: 2<sup>nd</sup> Bone Spring  
Total Cost: See attached AFE

**Permian Resources Operating, LLC**  
**Case No. 23957**  
**Exhibit A-4**



All other locations, TVD, and target are approximate and subject to change dependent on surface or subsurface issues encountered. Permian is proposing to drill this Well under the modified terms of the 1989 AAPL Operating Agreement and a form of said Operating Agreement will be provided upon request. The Operating Agreement will include the following general provisions:

- 100%/300%/300% non-consent provisions
- \$10,000/\$1,000 drilling and producing rates
- Permian Resources Operating, LLC named as Operator

Please indicate your election to participate in the drilling and completion of the proposed Well in the space provided below. Please sign and return one copy of this letter, a signed copy of the proposed AFE, and your geologic well requirements.

In the interest of time, should we not reach an agreement within thirty (30) days of the date of your receipt of this letter, Permian will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a spacing unit for the proposed well. If you do not wish to participate, Permian would be interested in acquiring your interest in the subject lands which is subject to further mutually agreeable negotiation.

Thank you for your time and consideration, if you have any questions at all, please don't hesitate to contact me at 432.315.0102 or by email at [chris.astwood@permianres.com](mailto:chris.astwood@permianres.com).

Respectfully,

**PERMIAN RESOURCES OPERATING, LLC**



Chris Astwood  
Senior Landman

*Enclosures*

**Casa Bonita 5 State Com**

| <b>Well Elections:</b><br><i>(Please indicate your responses in the spaces below)</i> |                             |  |
|---|-----------------------------|--|
| <b>Well(s)</b>  | <b>Elect to Participate</b> | <b>Elect to <u>NOT</u> Participate</b> |
| <b>Casa Bonita 5 State Com 123H</b>   |                             |  |
| <b>Casa Bonita 5 State Com 124H</b>   |                             |  |

OXY Y-1 Company

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



300 N. MARIENFELD STREET, SUITE 1000  
MIDLAND, TX 79701

OFFICE 432.695.4222  
FAX 432.695.4063

**Participate / Rejection Declaration**

Please return this page to Permian by the date specified in the letter, signed indicating your election to either participate in or reject this insurance program. If you reject the insurance coverage arranged by Permian, then, to the extent that Permian has an obligation to secure any such insurance on your behalf under any applicable agreements or otherwise, Permian will be relieved of such obligation, and Permian will assume that you maintain appropriate levels of insurance and will provide a current Certificate of Insurance upon request. If you fail to make an election within 30 days from receipt of this notice, you will be deemed a participant in the program as detailed on the attached and billed for your percentage participation as such.

☐ I hereby elect to participate in the insurance coverage arranged by Permian Resources Operating, LLC, and understand that I will be charged for such participation.

☐ I hereby elect to reject the insurance coverage arranged by Permian Resources Operating, LLC.

Agreed this \_\_\_\_\_ day of \_\_\_\_\_, 2023 by:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title



300 N. MARIENFELD STREET, SUITE 1000  
MIDLAND, TX 79701

OFFICE 432.695.4222  
FAX 432.695.4063

September 20, 2023

*Via Certified Mail*

Apache Corporation  
2000 Post Oak Blvd., Ste. 100  
Houston, TX 77056  
Attn: Leslie Mullin

**RE: Well Proposal – Casa Bonita 5 State Com**  
E/2 of Section 5 & NE/4 of Section 8, T22S-R35E  
Lea County, New Mexico

To Whom It May Concern:

Permian Resources Operating, LLC (“Permian”), as Operator, hereby re-proposes the drilling and completion of the Casa Bonita 5 State Com 123H & the Casa Bonita 5 State Com 124H (“Wells”) due to surface & bottom hole location changes at the following approximate location within Township 22 South, Range 35 East:

**1. Casa Bonita 5 State Com 123H**

SHL: SE/4NE/4 of Section 8 (Unit H) or another legal location within the NE/4 of Section 8  
BHL: 2145’ FEL & 100’ FNL of Section 5  
FTP: 1980’ FEL & 2540’ FNL of Section 8  
LTP: 1980’ FEL & 100’ FNL of Section 5  
TVD: 10,150’  
TMD: 17,650’  
Proration: W/2E/2 of Section 5 & W/2NE/4 of Section 8, T22S-R35E  
Targeted Interval: 2<sup>nd</sup> Bone Spring  
Total Cost: See attached AFE

**2. Casa Bonita 5 State Com 124H**

SHL: SE/4NE/4 of Section 8 (Unit H) or another legal location within the NE/4 of Section 8  
BHL: 990’ FEL & 100’ FNL of Section 5  
FTP: 660’ FEL & 2540’ FNL of Section 8  
LTP: 660’ FEL & 100’ FNL of Section 5  
TVD: 10,150’  
TMD: 17,650’  
Proration: E/2E/2 of Section 5 & E/2NE/4 of Section 8, T22S-R35E  
Targeted Interval: 2<sup>nd</sup> Bone Spring  
Total Cost: See attached AFE



300 N. MARIENFELD STREET, SUITE 1000  
MIDLAND, TX 79701

OFFICE 432.695.4222  
FAX 432.695.4063

All other locations, TVD, and target are approximate and subject to change dependent on surface or subsurface issues encountered. Permian is proposing to drill this Well under the modified terms of the 1989 AAPL Operating Agreement and a form of said Operating Agreement will be provided upon request. The Operating Agreement will include the following general provisions:

- 100%/300%/300% non-consent provisions
- \$10,000/\$1,000 drilling and producing rates
- Permian Resources Operating, LLC named as Operator

Please indicate your election to participate in the drilling and completion of the proposed Well in the space provided below. Please sign and return one copy of this letter, a signed copy of the proposed AFE, and your geologic well requirements.

In the interest of time, should we not reach an agreement within thirty (30) days of the date of your receipt of this letter, Permian will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a spacing unit for the proposed well. If you do not wish to participate, Permian would be interested in acquiring your interest in the subject lands which is subject to further mutually agreeable negotiation.

Thank you for your time and consideration, if you have any questions at all, please don't hesitate to contact me at 432.315.0102 or by email at [chris.astwood@permianres.com](mailto:chris.astwood@permianres.com).

Respectfully,

**PERMIAN RESOURCES OPERATING, LLC**

A handwritten signature in blue ink that reads "Chris Astwood".

Chris Astwood  
Senior Landman

*Enclosures*



300 N. MARIENFELD STREET, SUITE 1000  
MIDLAND, TX 79701

OFFICE 432.695.4222  
FAX 432.695.4063

**Casa Bonita 5 State Com**

| <b>Well Elections:</b><br><i>(Please indicate your responses in the spaces below)</i> |                             |  |
|---|-----------------------------|--|
| <b>Well(s)</b>  | <b>Elect to Participate</b> | <b>Elect to <u>NOT</u> Participate</b> |
| <b>Casa Bonita 5 State Com 123H</b>   |                             |  |
| <b>Casa Bonita 5 State Com 124H</b>   |                             |  |

Apache Corporation

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



300 N. MARIENFELD STREET, SUITE 1000  
MIDLAND, TX 79701

OFFICE 432.695.4222  
FAX 432.695.4063

**Participate / Rejection Declaration**

Please return this page to Permian by the date specified in the letter, signed indicating your election to either participate in or reject this insurance program. If you reject the insurance coverage arranged by Permian, then, to the extent that Permian has an obligation to secure any such insurance on your behalf under any applicable agreements or otherwise, Permian will be relieved of such obligation, and Permian will assume that you maintain appropriate levels of insurance and will provide a current Certificate of Insurance upon request. If you fail to make an election within 30 days from receipt of this notice, you will be deemed a participant in the program as detailed on the attached and billed for your percentage participation as such.

☐ I hereby elect to participate in the insurance coverage arranged by Permian Resources Operating, LLC, and understand that I will be charged for such participation.

☐ I hereby elect to reject the insurance coverage arranged by Permian Resources Operating, LLC.

Agreed this \_\_\_\_\_ day of \_\_\_\_\_, 2023 by:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

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:            | 8.2.2023   | AFE NO.:         |                  |
| WELL NAME:       | Casa Bonita 5 State Com 124H   | FIELD:           | Bone Spring      |
| LOCATION:        | Sections 5 & 8, T22S-R35E  | MD/TVD:          | 17,650' /10,150' |
| COUNTY/STATE:    | Lea County, New Mexico   | LATERAL LENGTH:  | 7,500'           |
| 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          | \$ 48,916      | -                | -                | \$ 48,916   |
| 2 Location, Surveys & Damages       | 238,575        | 14,963           | -                | 253,538     |
| 4 Freight / Transportation          | 39,443         | 36,255           | 18,000           | 93,699      |
| 5 Rental - Surface Equipment        | 102,962        | 178,399          | 85,500           | 366,861     |
| 6 Rental - Downhole Equipment       | 170,123        | 49,528           | -                | 219,652     |
| 7 Rental - Living Quarters          | 39,820         | 45,118           | -                | 84,938      |
| 10 Directional Drilling, Surveys    | 355,729        | -                | -                | 355,729     |
| 11 Drilling                         | 624,282        | -                | -                | 624,282     |
| 12 Drill Bits                       | 82,961         | -                | -                | 82,961      |
| 13 Fuel & Power                     | 156,468        | 600,465          | -                | 756,933     |
| 14 Cementing & Float Equip          | 201,488        | -                | -                | 201,488     |
| 15 Completion Unit, Swab, CTU       | -              | -                | 13,500           | 13,500      |
| 16 Perforating, Wireline, Slickline | -              | 325,579          | -                | 325,579     |
| 17 High Pressure Pump Truck         | -              | 102,090          | -                | 102,090     |
| 18 Completion Unit, Swab, CTU       | -              | 121,312          | -                | 121,312     |
| 20 Mud Circulation System           | 87,130         | -                | -                | 87,130      |
| 21 Mud Logging                      | 14,517         | -                | -                | 14,517      |
| 22 Logging / Formation Evaluation   | 6,021          | 6,906            | -                | 12,926      |
| 23 Mud & Chemicals                  | 299,656        | 362,886          | 9,000            | 671,542     |
| 24 Water                            | 35,991         | 547,929          | 225,000          | 808,920     |
| 25 Stimulation                      | -              | 674,148          | -                | 674,148     |
| 26 Stimulation Flowback & Disp      | -              | 100,709          | 135,000          | 235,709     |
| 28 Mud / Wastewater Disposal        | 159,920        | 50,642           | -                | 210,563     |
| 30 Rig Supervision / Engineering    | 100,369        | 110,492          | 13,500           | 224,362     |
| 32 Drlg & Completion Overhead       | 8,632          | -                | -                | 8,632       |
| 35 Labor                            | 127,004        | 57,548           | 13,500           | 198,052     |
| 54 Proppant                         | -              | 1,039,526        | -                | 1,039,526   |
| 95 Insurance                        | 12,140         | -                | -                | 12,140      |
| 97 Contingency                      | -              | 20,224           | -                | 20,224      |
| 99 Plugging & Abandonment           | -              | -                | -                | -           |
| TOTAL INTANGIBLES >                 | 2,912,148      | 4,444,720        | 513,000          | 7,869,868   |

| TANGIBLE COSTS                      | DRILLING COSTS | COMPLETION COSTS | PRODUCTION COSTS | TOTAL COSTS |
|-------------------------------------|----------------|------------------|------------------|-------------|
| 60 Surface Casing                   | \$ 101,229     | -                | -                | \$ 101,229  |
| 61 Intermediate Casing              | 285,121        | -                | -                | 285,121     |
| 62 Drilling Liner                   | -              | -                | -                | -           |
| 63 Production Casing                | 568,977        | -                | -                | 568,977     |
| 64 Production Liner                 | -              | -                | -                | -           |
| 65 Tubing                           | -              | -                | 126,000          | 126,000     |
| 66 Wellhead                         | 53,681         | -                | 36,000           | 89,681      |
| 67 Packers, Liner Hangers           | 12,200         | -                | 18,000           | 30,200      |
| 68 Tanks                            | -              | -                | -                | -           |
| 69 Production Vessels               | -              | -                | -                | -           |
| 70 Flow Lines                       | -              | -                | -                | -           |
| 71 Rod string                       | -              | -                | -                | -           |
| 72 Artificial Lift Equipment        | -              | -                | 81,000           | 81,000      |
| 73 Compressor                       | -              | -                | -                | -           |
| 74 Installation Costs               | -              | -                | -                | -           |
| 75 Surface Pumps                    | -              | -                | -                | -           |
| 76 Downhole Pumps                   | -              | -                | -                | -           |
| 77 Measurement & Meter Installation | -              | -                | 27,000           | 27,000      |
| 78 Gas Conditioning / Dehydration   | -              | -                | -                | -           |
| 79 Interconnecting Facility Piping  | -              | -                | 18,000           | 18,000      |
| 80 Gathering / Bulk Lines           | -              | -                | -                | -           |
| 81 Valves, Dumps, Controllers       | -              | -                | -                | -           |
| 82 Tank / Facility Containment      | -              | -                | -                | -           |
| 83 Flare Stack                      | -              | -                | -                | -           |
| 84 Electrical / Grounding           | -              | -                | -                | -           |
| 85 Communications / SCADA           | -              | -                | -                | -           |
| 86 Instrumentation / Safety         | -              | -                | -                | -           |
| TOTAL TANGIBLES >                   | 1,021,209      | 0                | 306,000          | 1,327,209   |
| TOTAL COSTS >                       | 3,933,357      | 4,444,720        | 819,000          | 9,197,077   |

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 | VP - Geosciences |                 |
| PG        | 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, legal, curative, 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 billed proportionately for Operator's well control and general liability insurance unless participant provides Operator a certificate evidencing its own insurance in an amount acceptable to the Operator by the date of spud.



# **PERMIAN**

## **R E S O U R C E S**

### **Casa Bonita 8 State Com 124H – Chronology of Communication/Events**

August 3, 2023 – Well Proposals sent to WI parties

August 9, 2023 – Emails with Apache on development plans and WI/NRI

          Emails with Oxy on development plans

August 10, 2023 – Emails with Oxy on development plans

August 16, 2023 – Update Oxy on development plans

August 17, 2023 – Provide additional information to Oxy

September 1, 2023 – Emails with Apache on development plans

September 19, 2023 – Emails with Apache on development plans

October 3, 2023 – Follow up with Apache on wells

October 16, 2023 – Follow up with Apache on development plans

          Sent JOA's to Oxy for review.

October 25, 2023 – Follow up with Apache on development plans

October 27, 2023 – Phone tag and emails with Apache to discuss CTB

October 30, 2023 – Provide Apache additional information on surface development plans

October 31, 2023 – Provide Apache with updated timing information

November 15, 2023 – Discuss logistics of JOA contract areas with Apache

November 21, 2023 – letter agreement proposal from Apache

November 30, 2023 – Follow up with Oxy on JOA

**Permian Resources Operating, LLC**  
**Case No. 23957**  
**Exhibit A-5**

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

**APPLICATION OF PERMIAN RESOURCES  
OPERATING, LLC FOR COMPULSORY  
POOLING, LEA COUNTY, NEW MEXICO.**

**CASE NO. 23957**

**SELF-AFFIRMED STATEMENT  
OF IRA BRADFORD**

1. I am a geologist with Permian Resources Operating, LLC ("Permian Resources"). I am over 18 years of age, have personal knowledge of the matters addressed herein, and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division ("Division") and my credentials as an expert in petroleum geology were accepted and made a matter of record.

2. I am familiar with the geological matters that pertain to the above-referenced case.

3. **Exhibit B-1** is a regional locator map that identifies the Casa Bonita project area, in proximity to the Capitan Reef within the Delaware Basin, for the Bone Spring horizontal spacing unit that is the subject of this application.

4. **Exhibit B-2** is a cross section location map for the proposed horizontal spacing unit ("Unit") within the Bone Spring formation, which is highlighted with a blue box. The approximate wellbore path for the proposed **Casa Bonita 32 State Com 124H** well ("Well") is represented by a dashed black line. Existing producing wells in the targeted interval are represented by solid orange lines. This map identifies the cross-section running from A-A' with the cross-section wells name and a black line in proximity to the proposed Well.

5. **Exhibit B-3** is a Subsea Structure map on the Bone Spring formation in TVD subsea with a contour interval of 50 ft. The map identified the approximate wellbore path for the proposed Well with a dashed orange line. It also identifies the location of the cross-section running

**Permian Resources Operating, LLC  
Case No. 23957  
Exhibit B**

from A-A' in proximity to the proposed Well. The data points are indicated by red triangles. The map demonstrates the formation is gently dipping to the southwest in this area. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal wells.

6. **Exhibit B-4** identifies two wells penetrating the targeted interval I used to construct a stratigraphic cross-section from A to A'. It contains gamma ray, resistivity, and porosity logs. The cross section is oriented from north to south and is hung on the top of the Second Bone Spring formation. The proposed landing zone for the Well is labeled on the exhibit. The approximate well-path for the proposed Well is indicated by a dashed orange line to be drilled from south to north across the units. This cross-section demonstrates the target interval is continuous across the Unit.

7. **Exhibit B-5** is a gun barrel diagram that shows the wells in the Bone Spring formation. The individual spacing units are outlined in blue boxes and are identified with their respective case numbers.

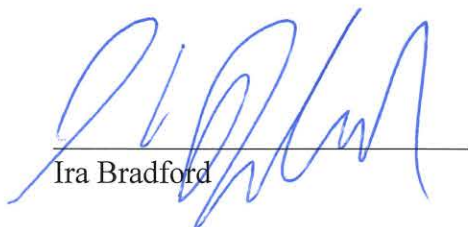
8. In my opinion, a stand-up orientation for the Well is appropriate to properly develop the subject acreage because of consistent rock properties throughout the Unit and is the preferred fracture orientation in this portion of the trend.

9. Based on my geologic study of the area, the targeted interval underlying the Unit is suitable for development by horizontal wells and the tracts comprising the Unit will contribute more or less equally to the production of the Well.

10. In my opinion, the granting of Permian Resources' application will serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

11. The exhibits attached hereto were either prepared by me or under my supervision or were compiled from company business records.

12. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date identified next to my signature below.

  
Ira Bradford

12/1/2023  
Date

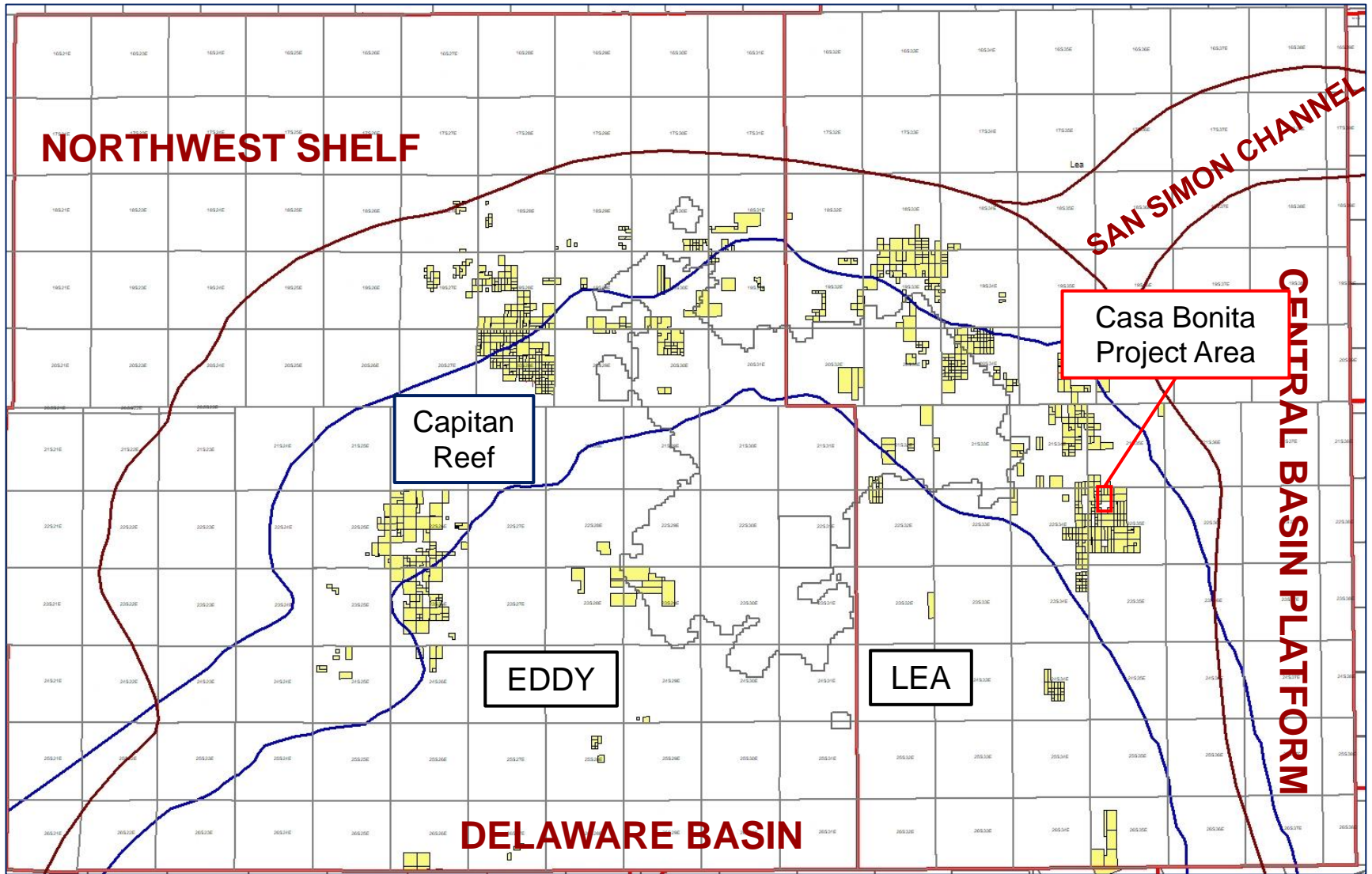


# Regional Locator Map

Casa Bonita 32 State Com

Permian Resources Operating, LLC  
Case No. 23957  
Exhibit B-1

Exhibit B-1



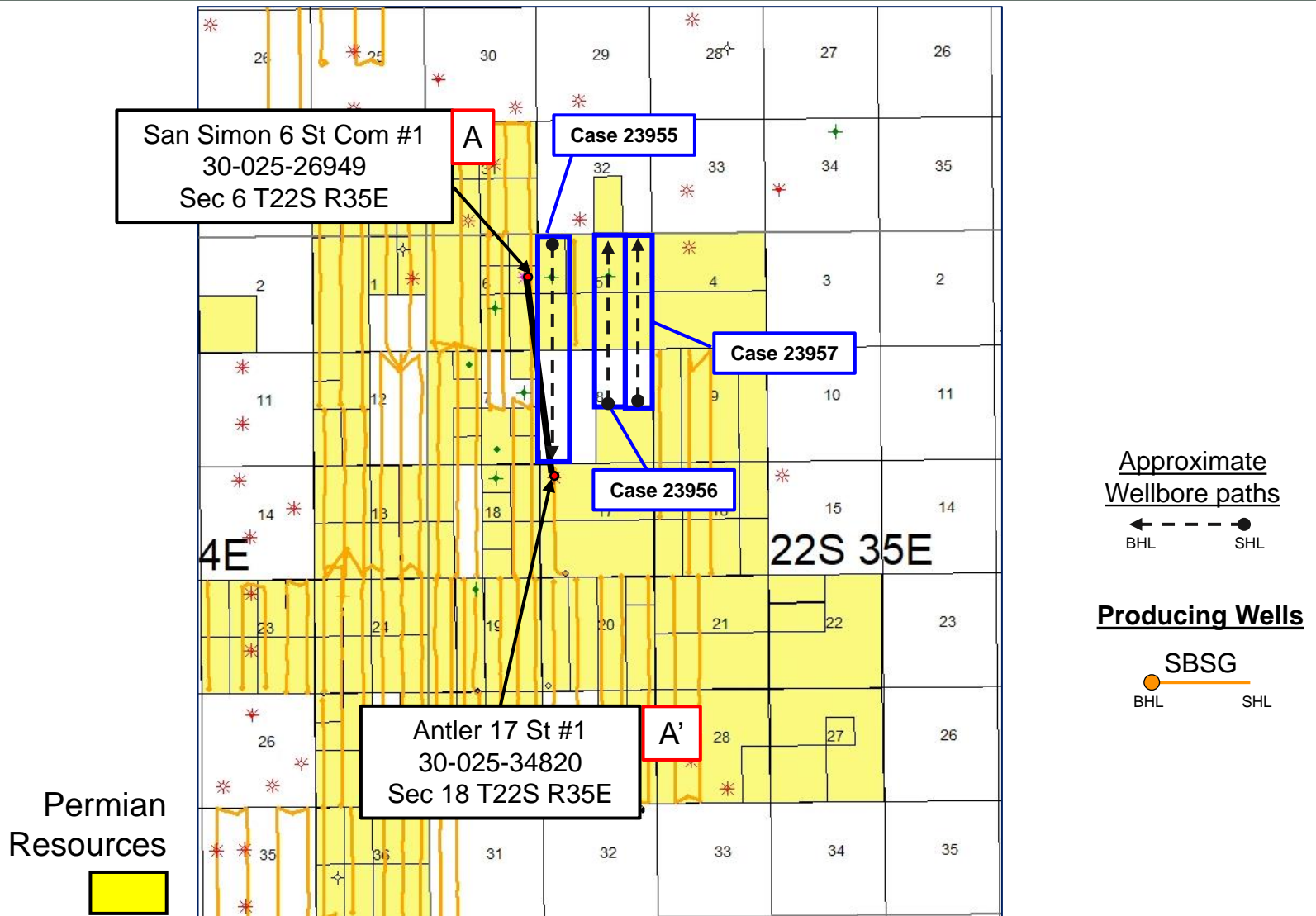
Permian Resources

# Cross-Section Locator Map

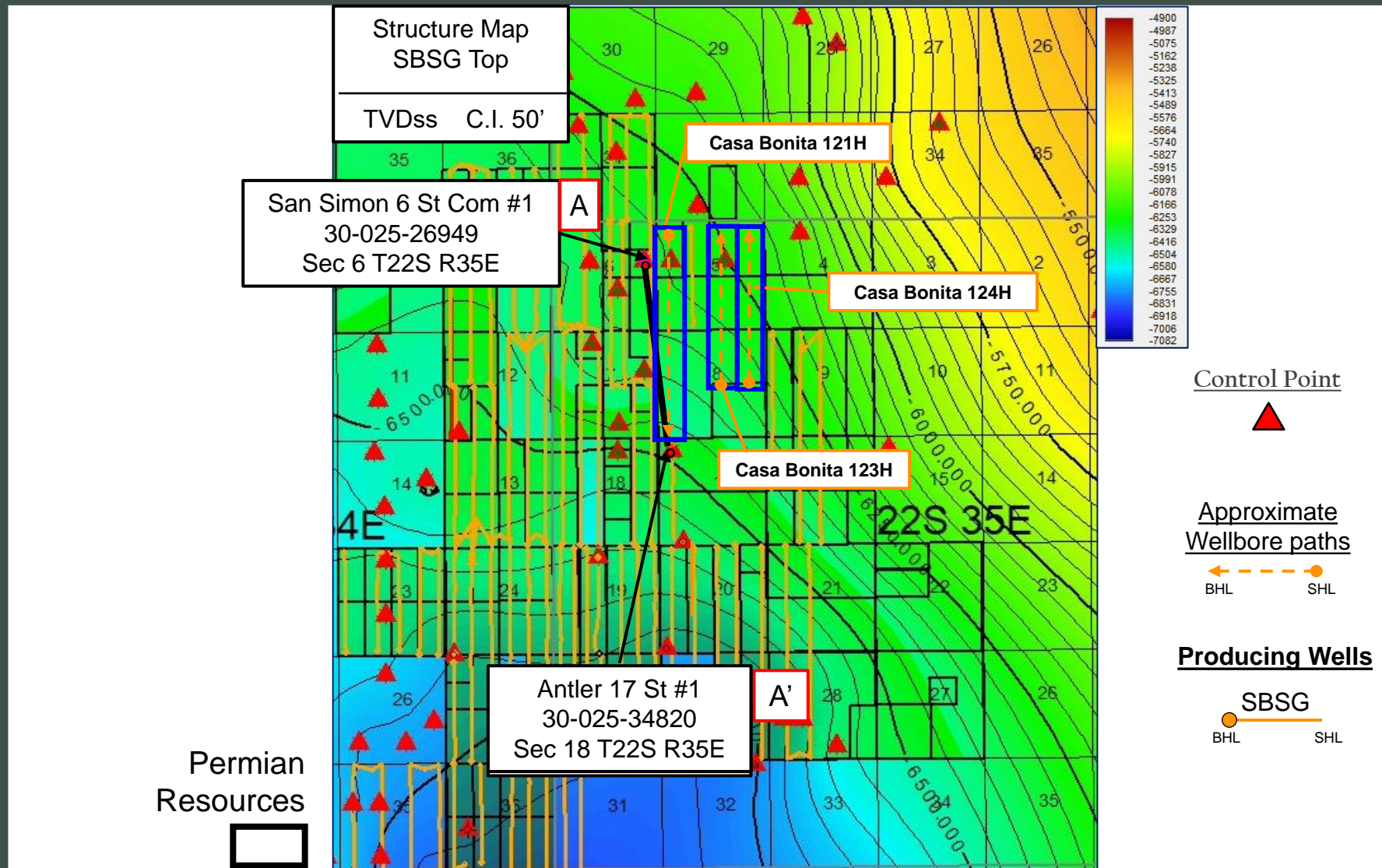
Casa Bonita 32 State Com

Permian Resources Operating, LLC  
Case No. 23957  
Exhibit B-2

Exhibit B-2



## Second Bone Spring – Structure Map

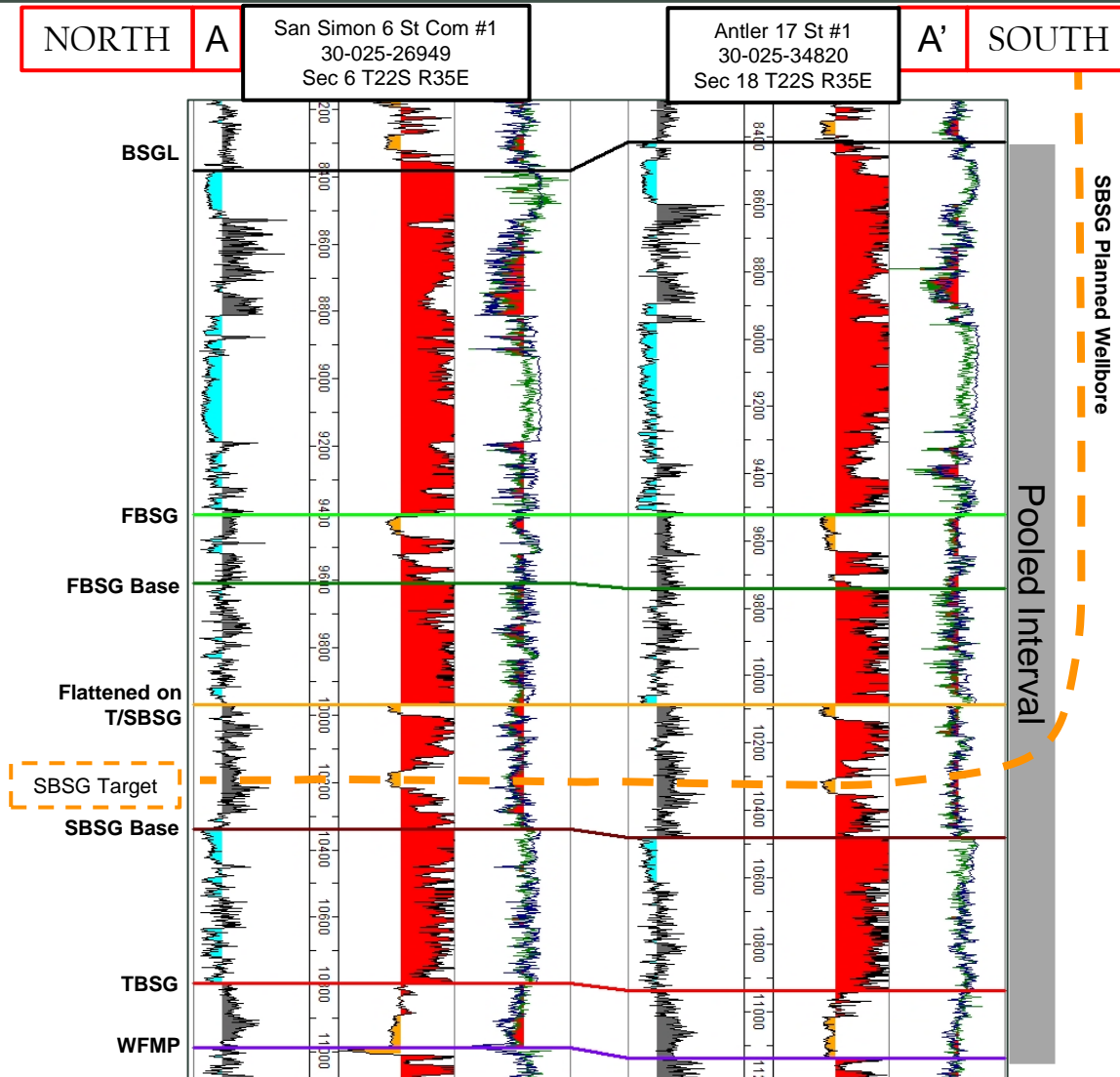


# Stratigraphic Cross-Section A-A'

Casa Bonita 32 State Com

Permian Resources Operating, LLC  
Case No. 23957  
Exhibit B-4

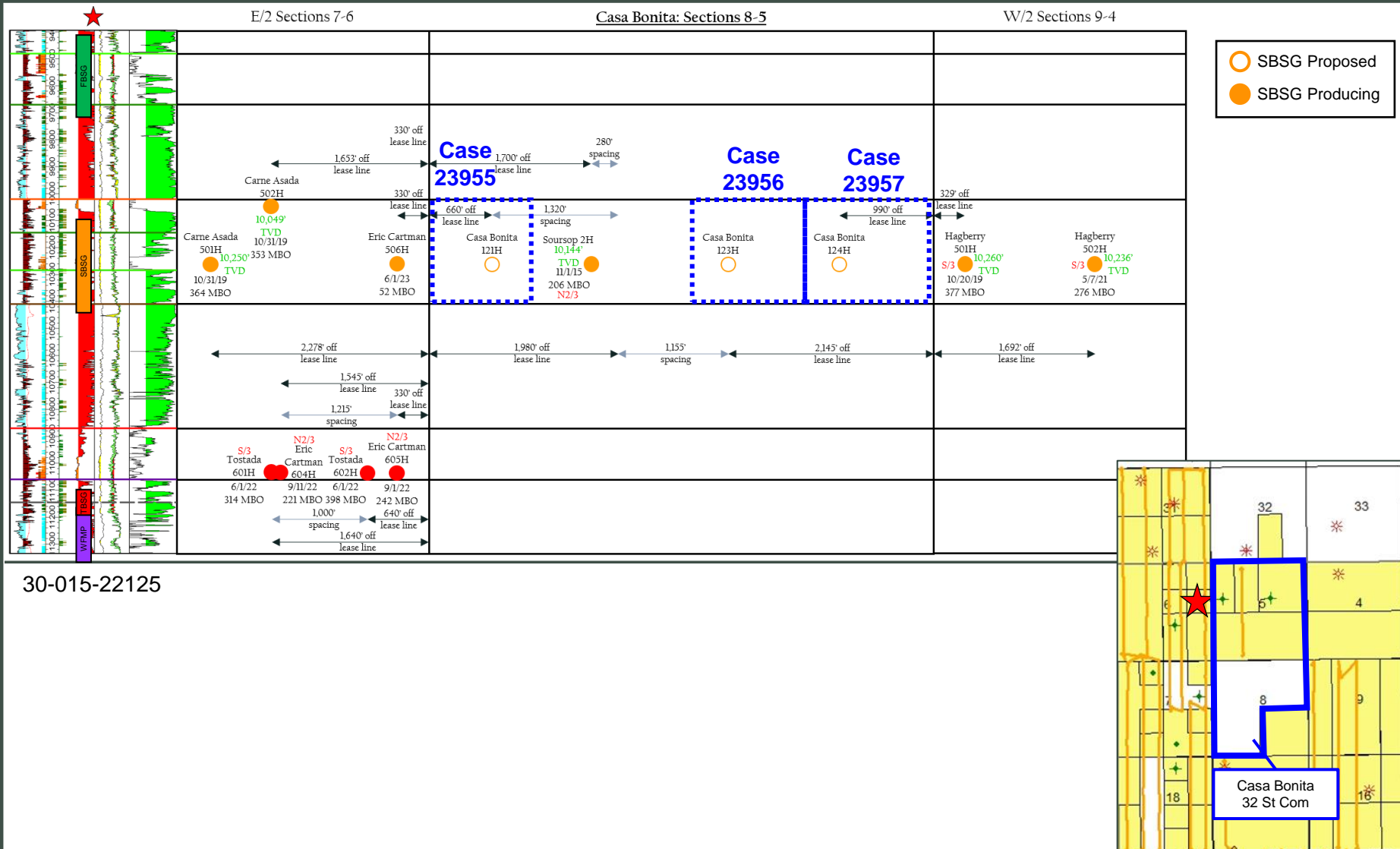
Exhibit B-4





Gun Barrel Development Plan  
Casa Bonita 32 State Com

Exhibit B-5



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

**APPLICATION OF PERMIAN RESOURCES  
OPERATING, LLC FOR COMPULSORY  
POOLING, LEA COUNTY, NEW MEXICO.**

**CASE NO. 23957**

**SELF-AFFIRMED STATEMENT  
OF DANA S. HARDY**

1. I am attorney in fact and authorized representative of Permian Resources Operating, LLC, the Applicant herein.

2. I am familiar with the Notice Letters attached as **Exhibit C-1** and caused the Notice Letters, along with the Application in this case, to be sent to the parties set out in the chart attached as **Exhibit C-2**.

3. Exhibit C-2 also provides the date each Notice Letter was sent and the date each return was received.

4. Copies of the certified mail green cards and white slips are attached as **Exhibit C-3** as supporting documentation for proof of mailing and the information provided on Exhibit C-2.

5. On November 10, 2023, I caused a notice to be published to all interested parties in the Hobbs News-Sun. An Affidavit of Publication from the Legal Clerk of the Hobbs News-Sun, along with a copy of the notice publication, is attached as **Exhibit C-4**.

6. I understand this Self-Affirmed Statement will be used as written testimony in the subject cases. I affirm that my testimony above is true and correct and it made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

/s/ Dana S. Hardy  
Dana S. Hardy

December 5, 2023  
Date

**Permian Resources Operating, LLC  
Case No. 23957  
Exhibit C**



hinklelawfirm.com

## HINKLE SHANOR LLP

ATTORNEYS AT LAW

P.O. BOX 2068

SANTA FE, NEW MEXICO 87504

505-982-4554 (FAX) 505-982-8623

WRITER:  
Dana S. Hardy, Partner  
dhardy@hinklelawfirm.com

November 16, 2023

**VIA CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**TO ALL PARTIES ENTITLED TO NOTICE**

**Re: Case Nos. 23957 – Application of Permian Resources Operating, LLC for Compulsory Pooling, Lea County, New Mexico.**

To whom it may concern:

This letter is to advise you that the enclosed application was filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **December 7, 2023**, beginning at 8:15 a.m.

Hearings are currently conducted remotely. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>. You 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.

Pursuant to Division Rule 19.15.4.13.B, a party who intends to present evidence at the hearing shall file a pre-hearing statement and serve copies on other parties, or the attorneys of parties who are represented by counsel, at least four business days in advance of a scheduled hearing, but in no event later than 5:00 p.m. Mountain Time, on the Thursday preceding the scheduled hearing date. The statement must be submitted through the OCD E-Permitting system (<https://wwwapps.emnrd.nm.gov/ocd/ocdpermitting/>) or via e-mail to [ocd.hearings@emnrd.nm.gov](mailto:ocd.hearings@emnrd.nm.gov) 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.

Please contact Chris Astwood with Permian Resources at 432-315-0102 if you have questions regarding this matter.

Sincerely,

/s/ Dana S. Hardy

Dana S. Hardy

Enclosure

PO BOX 10  
ROSWELL, NEW MEXICO 88202  
(575) 622-6510  
FAX (575) 623-9332

7601 JEFFERSON ST NE · SUITE 180  
ALBUQUERQUE, NEW MEXICO 87109  
505-858-8320  
(FAX) 505-858-8321

PO BOX 2068  
SANTA FE, NEW MEXICO 87504  
(505) 982-4554  
FAX (505) 982-8623

**Permian Resources Operating, LLC**  
**Case No. 23957**  
**Exhibit C-1**

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

**APPLICATION OF PERMIAN RESOURCES  
OPERATING, LLC FOR COMPULSORY  
POOLING, LEA COUNTY, NEW MEXICO.**

**CASE NO. 23957**

**NOTICE LETTER CHART**

| <b>PARTY</b>  | <b>NOTICE LETTER SENT</b> | <b>RETURN RECEIVED</b>   |
|---|---------------------------|--|
| Apache Corporation<br>Attn: Leslie Mullin<br>2000 Post Oak Blvd., Ste 100<br>Houston, TX 77056      | 11/16/23                  | 11/27/23   |
| Chevron USA, Inc.<br>6301 Deauville Blvd.<br>Midland, TX 79706                                      | 11/16/23                  | 11/27/23   |
| GMT New Mexico Royalty Company,<br>LLC<br>1560 Broadway, Suite 2000<br>Denver, CO 80202             | 11/16/23                  | Per USPS Tracking<br>(Last Checked 12/04/23):<br><br>12/03/23 – Item in transit<br>to next facility. |
| OXY Y-1 Company<br>Attn: New Mexico Land Manager<br>5 Greenway Plaza, Ste. 110<br>Houston, TX 77046 | 11/16/23                  | 11/27/23   |
| State of New Mexico<br>310 Old Santa Fe Trl<br>Santa Fe, NM 87501                                   | 11/16/23                  | 11/27/23   |

**Permian Resources Operating, LLC  
Case No. 23957  
Exhibit C-2**

7022 1670 0002 1189 7308

| CERTIFIED MAIL® RECEIPT  |   |
|--|---|
| Domestic Mail Only   |   |
| For delivery information, visit our website at <a href="http://www.usps.com">www.usps.com</a> ®. |   |
| <b>OFFICIAL USE</b>  |   |
| Certified Mail Fee   |   |
| Extra Services & Fees (check box, add fee as appropriate)  |   |
| <input type="checkbox"/> Return Receipt (hardcopy)   | \$  |
| <input type="checkbox"/> Return Receipt (electronic)   | \$  |
| <input type="checkbox"/> Certified Mail Restricted Delivery                                      | \$  |
| <input type="checkbox"/> Adult Signature Required  | \$  |
| <input type="checkbox"/> Adult Signature Restricted Delivery                                     | \$  |
| Postage  | \$  |
| Total Postage and Fees   | \$  |
| Sent To  |   |
| Street and Apt. No.,   | Apache Corporation<br>Attn: Leslie Mullin<br>2000 Post Oak Blvd., Ste 100<br>Houston, TX 77056<br>23957 - Permian Casa Bonita |
| City, State, ZIP+4®  |   |
| PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions                       |   |

| SENDER: COMPLETE THIS SECTION  | COMPLETE THIS SECTION ON DELIVERY  |
|--|--|
| <ul style="list-style-type: none"> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul> | <p>A. Signature</p> <p><b>X</b> </p> <p><input type="checkbox"/> Agent<br/><input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name)</p> <p>C. Date of Delivery<br/>11-27-23</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes<br/>If YES, enter delivery address below: <input type="checkbox"/> No</p>   |
| <p>1. Article Addressed to:</p> <p>Apache Corporation<br/>Attn: Leslie Mullin<br/>2000 Post Oak Blvd., Ste 100<br/>Houston, TX 77056<br/>23957 - Permian Casa Bonita</p>   | <p>RECEIVED</p> <p>NOV 27 2023</p>   |
| <p>2. Article Number (Transfer from service label)</p> <p>7022 1670 0002 1189 7308</p>   | <p>3. Service Type <b>Hinkle Shanor LLP</b></p> <p><input type="checkbox"/> Adult Signature <b>Santa Fe NM 87504</b> <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p> |
| PS Form 3811, July 2020 PSN 7530-02-000-9053   | Domestic Return Receipt  |

Permian Resources Operating, LLC  
Case No. 23957  
Exhibit C-3



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**OFFICIAL USE**

Certified Mail Fee  
\$

Extra Services & Fees (check box, add fee as appropriate)

|  |    |
|--|----|
| <input type="checkbox"/> Return Receipt (hardcopy)           | \$ |
| <input type="checkbox"/> Return Receipt (electronic)         | \$ |
| <input type="checkbox"/> Certified Mail Restricted Delivery  | \$ |
| <input type="checkbox"/> Adult Signature Required            | \$ |
| <input type="checkbox"/> Adult Signature Restricted Delivery | \$ |

Postage  
\$

**Total Postage and Fees**  
\$

Sent To

Street and: Chevron USA, Inc.  
6301 Deauville Blvd.  
City, State: Midland, TX 79706  
23957 - Permian Casa Bonita

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

Postmark Here  
NOV 16 2023

| SENDER: COMPLETE THIS SECTION   |   | COMPLETE THIS SECTION ON DELIVERY  |  |  |   |  |   |   |  |  |  |  |   |                                       |  |  |  |
|---|---|--|--|--|---|--|---|---|--|--|--|--|---|---------------------------------------|--|--|--|
| <p>■ Complete items 1, 2, and 3.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p> |   | <p>A. Signature<br/><i>[Signature]</i> <input type="checkbox"/> Agent<br/><input type="checkbox"/> Addressee</p>   |  |  |   |  |   |   |  |  |  |  |   |                                       |  |  |  |
| <p>1. Article Addressed to:</p> <p>Chevron USA, Inc.<br/>6301 Deauville Blvd.<br/>Midland, TX 79706<br/>23957 - Permian Casa Bonita</p> <p>9590 9402 7635 2122 6669 32</p>  |   | <p>B. Received by (Printed Name)<br/><i>Ashland Mason</i></p> <p>C. Date of Delivery<br/><i>11/20/23</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes<br/>If YES, enter delivery address below: <input type="checkbox"/> No</p>   |  |  |   |  |   |   |  |  |  |  |   |                                       |  |  |  |
| <p>2. Article Number (Transfer from service label)<br/>7022 1670 0002 1189 7315</p>   |   | <p>3. Service Type</p> <table border="0"> <tr> <td><input type="checkbox"/> Adult Signature Restricted Delivery</td> <td><input type="checkbox"/> Priority Mail Express®</td> </tr> <tr> <td><input type="checkbox"/> Certified Mail®</td> <td><input type="checkbox"/> Registered Mail™</td> </tr> <tr> <td><input type="checkbox"/> Certified Mail Restricted Delivery</td> <td><input type="checkbox"/> Registered Mail Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery</td> <td><input type="checkbox"/> Signature Confirmation™</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery Restricted Delivery</td> <td><input type="checkbox"/> Signature Confirmation Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Insured Mail</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</td> <td></td> </tr> </table> |  | <input type="checkbox"/> Adult Signature Restricted Delivery | <input type="checkbox"/> Priority Mail Express® | <input type="checkbox"/> Certified Mail® | <input type="checkbox"/> Registered Mail™ | <input type="checkbox"/> Certified Mail Restricted Delivery | <input type="checkbox"/> Registered Mail Restricted Delivery | <input type="checkbox"/> Collect on Delivery | <input type="checkbox"/> Signature Confirmation™ | <input type="checkbox"/> Collect on Delivery Restricted Delivery | <input type="checkbox"/> Signature Confirmation Restricted Delivery | <input type="checkbox"/> Insured Mail |  | <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500) |  |
| <input type="checkbox"/> Adult Signature Restricted Delivery  | <input type="checkbox"/> Priority Mail Express®                     |  |  |  |   |  |   |   |  |  |  |  |   |                                       |  |  |  |
| <input type="checkbox"/> Certified Mail®  | <input type="checkbox"/> Registered Mail™                           |  |  |  |   |  |   |   |  |  |  |  |   |                                       |  |  |  |
| <input type="checkbox"/> Certified Mail Restricted Delivery   | <input type="checkbox"/> Registered Mail Restricted Delivery        |  |  |  |   |  |   |   |  |  |  |  |   |                                       |  |  |  |
| <input type="checkbox"/> Collect on Delivery  | <input type="checkbox"/> Signature Confirmation™                    |  |  |  |   |  |   |   |  |  |  |  |   |                                       |  |  |  |
| <input type="checkbox"/> Collect on Delivery Restricted Delivery  | <input type="checkbox"/> Signature Confirmation Restricted Delivery |  |  |  |   |  |   |   |  |  |  |  |   |                                       |  |  |  |
| <input type="checkbox"/> Insured Mail   |   |  |  |  |   |  |   |   |  |  |  |  |   |                                       |  |  |  |
| <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)  |   |  |  |  |   |  |   |   |  |  |  |  |   |                                       |  |  |  |
| PS Form 3811, July 2020 PSN 7530-02-000-9053  |   | Domestic Return Receipt  |  |  |   |  |   |   |  |  |  |  |   |                                       |  |  |  |



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Certified Mail Fee

\$

Extra Services &amp; Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy) \$☐ Return Receipt (electronic) \$☐ Certified Mail Restricted Delivery \$☐ Adult Signature Required \$☐ Adult Signature Restricted Delivery \$

Postage

\$

Total Postage and Fees

\$

Sent To

Street and

City, State,

OXY Y-1 Company  
Attn: New Mexico Land Manager  
5 Greenway Plaza, Ste. 110  
Houston, TX 77046

23957 - Permian Casa Bonita

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

OXY Y-1 Company  
Attn: New Mexico Land Manager  
5 Greenway Plaza, Ste. 110  
Houston, TX 77046

23957 - Permian Casa Bonita



9590 9402 7635 2122 6669 56

2. Article Number (Transfer from service label)

7022 1670 0002 1189 7339

PS Form 3811, July 2020 PSN 7530-02-000-9053

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X

☒ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☒ No

**RECEIVED**

NOV 27 2023

3. Service Type

☐ Adult Signature☐ Adult Signature Restricted Delivery☐ Certified Mail®☐ Certified Mail Restricted Delivery☐ Collect on Delivery☐ Collect on Delivery Restricted Delivery☐ Insured Mail☐ Insured Mail Restricted Delivery (over \$500)☐ Priority Mail Express®☐ Registered Mail™☐ Registered Mail Restricted Delivery☐ Signature Confirmation™☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt



7015 1520 0000 6842 1455

| CERTIFIED MAIL® RECEIPT  |   |
|--|---|
| Domestic Mail Only   |   |
| For delivery information, visit our website at <a href="http://www.usps.com">www.usps.com</a> ®. |   |
| <b>OFFICIAL USE</b>  |   |
| Certified Mail Fee   | \$  |
| Extra Services & Fees (check box, add fee as appropriate)  |   |
| <input type="checkbox"/> Return Receipt (hardcopy)   | \$  |
| <input type="checkbox"/> Return Receipt (electronic)   | \$  |
| <input type="checkbox"/> Certified Mail Restricted Delivery                                      | \$  |
| <input type="checkbox"/> Adult Signature Required  | \$  |
| <input type="checkbox"/> Adult Signature Restricted Delivery                                     | \$  |
| Postage  | \$  |
| Total Postage and Fees   | \$  |
| Sent To  |   |
| Street and Apt.  | State of New Mexico<br>310 Old Santa Fe Trl<br>Santa Fe, NM 87501 |
| City, State, Zip   | 23957 - Permian Casa Bonita                                       |
| PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions                       |   |

| SENDER: COMPLETE THIS SECTION  | COMPLETE THIS SECTION ON DELIVERY  |
|--|--|
| <ul style="list-style-type: none"> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul> | <p>A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery</p> <p>D. Is delivery address different from Item 1? <input type="checkbox"/> Yes<br/>If YES, enter delivery address below: <input type="checkbox"/> No</p>  |
| <p>1. Article Addressed to:</p> <p>State of New Mexico<br/>310 Old Santa Fe Trl<br/>Santa Fe, NM 87501</p> <p>23957 - Permian Casa Bonita</p> <p>9590 9402 7635 2122 6669 63</p>   | <p><b>RECEIVED</b></p> <p>NOV 27 2023</p>  |
| <p>2. Article Number (Transfer from service label)</p> <p>7015 1520 0000 6842 1455</p>   | <p>3. Service Type <input checked="" type="checkbox"/> Hinkle Shanor LLP <input type="checkbox"/> Priority Mail Express®<br/>Santa Fe NM 87501 <input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Certified Mail® <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p> <p><input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> |
| PS Form 3811, July 2020 PSN 7530-02-000-9053   | Domestic Return Receipt  |



7022 1670 0002 1189 7322

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Extra Services & Fees (check box, add fee as appropriate)  
☐ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$

Postage  
\$

Total Postage and Fees  
\$

Sent To

Street and Ap

City, State, Zi

GMT New Mexico Royalty Company, LLC  
1560 Broadway, Suite 2000  
Denver, CO 80202  
23957 - Permian Casa Bonita

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

SANTA FE, NM 87501

Postmark Here

NOV 16 2023

Released to Imaging: 12/5/2023 4:10:13 PM

# USPS Tracking®

FAQs >

Tracking Number:

Remove X

**70221670000211897322**

Copy

Add to Informed Delivery (<https://informedelivery.usps.com/>)

## Latest Update

Your package is moving within the USPS network and is on track to be delivered to its final destination. It is currently in transit to the next facility.

Get More Out of USPS Tracking:

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Feedback

### Moving Through Network In Transit to Next Facility

December 3, 2023

### Arrived at USPS Regional Facility

COLORADO SPRINGS CO DISTRIBUTION CENTER

December 2, 2023, 9:56 am

### Addressee Unknown

DENVER, CO 80202

November 28, 2023, 11:34 am

### Departed USPS Regional Facility

DENVER CO DISTRIBUTION CENTER

November 28, 2023, 9:51 am

### Arrived at USPS Regional Facility

DENVER CO DISTRIBUTION CENTER

November 27, 2023, 2:32 pm

### Arrived at USPS Regional Facility

COLORADO SPRINGS CO DISTRIBUTION CENTER  
November 25, 2023, 11:41 am

**Forward Expired**

DENVER, CO 80202  
November 20, 2023, 4:58 pm

**Arrived at USPS Regional Facility**

DENVER CO DISTRIBUTION CENTER  
November 19, 2023, 9:53 am

**Departed USPS Facility**

ALBUQUERQUE, NM 87101  
November 17, 2023, 8:30 am

**Arrived at USPS Facility**

ALBUQUERQUE, NM 87101  
November 16, 2023, 10:07 pm

**Hide Tracking History**

**What Do USPS Tracking Statuses Mean?** (<https://faq.usps.com/s/article/Where-is-my-package>)

**Text & Email Updates**



**USPS Tracking Plus®**



**Product Information**



**See Less** ^

Track Another Package

Enter tracking or barcode numbers

## Need More Help?

Contact USPS Tracking support for further assistance.

**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  
November 10, 2023  
and ending with the issue dated  
November 10, 2023.



Publisher

Sworn and subscribed to before me this  
10th day of November 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 publication has been made.

**LEGAL NOTICE**  
**November 10, 2023**

This is to notify all interested parties, including GMT New Mexico Royalties, OXY Y-1, the State of New Mexico, Apache Corporation, Chevron US, Inc.; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Permian Resources Operating, LLC (Case No. 23957). The hearing will be conducted remotely on December 7, 2023, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website for that date: <https://www.emnrd.nm.gov/ocd/hearing-info/>. Applicant applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 242.04-acre, more or less, standard horizontal spacing unit comprised of the E/2 E/2 of Section 5 and the E/2 NE/4 of Section 8, Township 22 South, Range 35 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the **Casa Bonita 8 State Com 124H** well ("Well"), which will be drilled from a surface hole location in the SE/4 NE/4 (Unit H) of Section 8 to a bottom hole location in the NE/4 NE/4 (Lot 1) of Section 5. The completed interval of the Well will be orthodox. Also to be considered will be the cost of drilling and completing the Well and the allocation of the costs, the designation of Applicant as operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 13 miles west of Eunice, New Mexico. #00284802

02107475

00284802

GILBERT  
HINKLE, SHANOR LLP  
PO BOX 2068  
SANTA FE, NM 87504

**Permian Resources Operating, LLC**  
**Case No. 23957**  
**Exhibit C-4**