

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

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

CASE NO. 24963

OPPOSE BRIEF IN SUPPORT OF MOTION TO STRIKE

AER BRIEF IN SUPPORT OF MOTION TO STRIKE AND REQUEST FOR DISMISSAL AND REQUEST FOR SANCTIONS

American Energy Resources LLC (“AER”) hereby submits this Oppose motion to strike, and AER brief in support of motion to strike and request for dismissal of the entirety of the applicants application and to further request for sanctions, for the following reasons:

- 1) Oppose, Oil Conservation Division records indicate that Permian Resources Operating LLC file compulsory pooling application November 04, 2024.
- 2) Oppose, American Energy Resources LLC, filed and entry of appearance on November 27, 2024 with notice of competing development plans and notice of objection to the Permian case.

- 3) In response to Paula Vance multiple statements in her specific brief support:

- (a) Oppose, Paul Vance statement that Permian response with a motion to strike the same day.

Permian Resources Operating LLC, attorney Paula Vance, in fact was instructed by the Hearing Examiner Gregory Chakilian, during the hearing, to file a motion to strike American Energy Resources LLC from the case by the end of the same day.

- (b) Oppose, Paula Vance statement that American Energy Resources does not own an interest in the proposed horizontal well spacing unit and therefore was not entitled to enter an appearance or object to the pooling proceedings.

Paula Vance statement is without merit, standing, or burden of proof and is nothing more than hearsay and not admissible evidence with no evidentiary proof to make such a claim withstanding to be considered or to be allowed into evidence.

- (c) Oppose, Paula Vance statement and lease index and certificate of merger from the state of New Mexico exhibit (a) and that Permian Resources Operating LLC responded to American Energy Resources LLC claim that Permian Resources Operating LLC did not own an interest in the proposed development, showing that it owned over 90% of the working interests.

Permian Resources Operating LLC, lease index and certificate of merger from the state of New Mexico exhibit (a) is willful sleight of hand to undermine the Division, with no factual burden of proof provided to show the merger in fact contained interests in the existing pool. Permian Resources Operating LLC owns no interest in the proposed pool.

- 4) Oppose, Paula Vance statement is too Vague stating American Energy had a variety of different claims. American Energy Resources LLC, third party landman Lindsey Sandoval at Mclind Land Services L.L.C., did attest to Jonathan Samaniego does own an interest in the proposed pool.

- 5) Oppose, Paula Vance statements, that the examiner set a hearing for December 5, 2024, to test evidence, and that Permian Resources landman Collin Christian reached out to American Energy Resources LLC to try to understand the bases of the interest claim and that Samaniego was uncooperative.

American Energy Resources LLC, requested from Paula Vance information on well heirs leases and Paula Vance was very uncooperative and in fact filed a malicious motion to strike with no burden of proof, standing, or merit.

Permian Resources Operating LLC, requested of the hearing examiner to have the hearing on December 5, 2024. The examiner accepted Jonathan Samaniego deed into evidence and requested if there was an existing oil and gas lease, The examiner set a new date December 19 to discuss whether the tract of land and interests owned by Jonathan Samaniego is leased or unleased,

Under the procedure of Discovery, it is not obligated of a party to provide the other party with readily available Public Information that is available for everyone to view, located at the Eddy County Clerk's Office, Carlsbad, NM 88220, For the Division, Permian Resources Operating LLC its employees, or (SEG) to not do the land work required and to rely on American Energy Resources LLC to provide evidence off the record while the two parties are both making separate determinations to present at hearing is unethical and unjust. American Energy Resources is only obligated with the duty and burden of proof of proving its case, and is in no way responsible for

providing readily available Public Information to an opposing party, especially when the hearing examiner directed Permian Resources LLC, to research and make its own summary.

Permian Resources Operating LLC violated the Hearing Examiners order to research and file a summary.

6) American Energy Resources LLC, landman Linsey Sandoval at McIand Land Services L.L.C. did provide the deed assigning all interests to Jonathan Samaniego.

7) Oppose, the hearing examiner instructed both parties to conduct research into whether Jonathan Samaniego interests are leased or unleased.

Permian Resources Operating LLC, has failed with the hearing examiners order and instead has acting malicious toward American Energy Resources LLC, in its second attempt to motion to strike American Energy Resources LLC, from the record with no legal basis, grounds, standing, or judicial merit.

Oppose to Paula Vance argument that there is no interest held by American Energy Resources LLC in this acreage and a gap in title appears to exist for the tax deed to Jonathan Samaniego.

Permian Resources Operating LLC, third party land man (SEG) to bring forth unfinished, inaccurate, incomplete land work to present as evidence to disqualify American Energy Resources interests is unjust and unethical and must be only heard as hearsay as it is not admissible evidence, under the procedure of law.

1)Permian Resources Operating LLC, third party landman David Schoeffler at Schoeffler Energy Group (SEG) has failed to follow procedure. Permian Resources Operating LLC, third party landman David Schoeffler at Schoeffler Energy Group (SEG) sworn statement was not notarized or signed by an attorney as required by 19.15.4.12(A)(1)(C) and NMRA 1-007.

Permian Resources Operating LLC, third party landman David Schoeffler at Schoeffler Energy Group (SEG), signed the sworn statement, and did not have the sworn statement notarized or signed by an attorney. Permian Resources Operating LLC continues to act in bad faith by not following proper procedure as required of 19.15.4.12(A)(1)(C) that applicants shall provide with all submittals, sworn and notarized statements.

Permian Resources Operating LLC, unnotarized sworn statement by David Schoeffler and Schoeffler Energy Group (SEG), was not signed by an attorney to justly allow the sworn statement of (SEG) to be admissible as evidence. NMRA 1-007

Permian Resources Operating LLC, third party landman (SEG) to bring forth unfinished, inaccurate, incomplete land work as its evidence to disqualify American Energy Resources LLC interest, is brought forth in bad faith efforts with great disrespect to American Energy Resources LLC the effected party whose correlative rights are being unethically effected, and for Permian Resources Operating LLC to continually make unethical unjustly willful attempts to cloud American Energy resources LLC title and the entire title in the proposed pool.

10)

American Energy Resources LLC, has in fact signed a lease with Jonathan Samaniego and recorded said oil and gas lease at the Eddy County, New Mexico assessor clerks' office. See Exhibit (C)

AMERICAN ENERGY RESOURCES BRIEF IN SUPPORT OF ITS MOTION TO STRIKE PERMIAN RESOURCES OPERATING LLC ENTIRETY OF THEIR APPLICATION AND CASE NO 24963 AND REQUEST FOR DISMISSAL OF CASE NO 24963 AND CONCLUSION

American Energy Resources LLC, motions to Strike the Ownership breakdown and Sworn statement that David Schoeffler at (SEG) provided along with all supporting documents and exhibits that were entered as evidence in this case by (SEG), to be denied and removed from the record and not be admitted as evidence, for being improper, incomplete, unfinished land work that in fact is unreliable, to be admitted as evidence, and is also in violation with procedure requirements of 19.15.4.12(A)(1)(C) and NMRA 1-007.

Permian Resources Operating LLC motion to strike be denied for being frivolous and not having standing or merit, and in fact (SEG) David Schoeffler provided unfinished, improper, and incomplete land work, that is unreliable to be admitted as evidence.

Permian Resources Operating LLC, merger with SPC Resources LLC was a merger of a company containing "Wellbores" with no interests of any kind, with no entitlement to interest ownership or

claim to any interests of any sort or any kind, no rights to pool or otherwise, in this pool and all other pools in lands that SPC "Wellbores" that were sold to Permian in their merger, Permian Resources Operating LLC application Case No. 24963 to be dismissed in its entirety for acting in bad faith and in violation of rule 19.15.14.8 (B)(1)(A). Permian Resources Operating LLC owns Nothing, has no right to send proposals or file pooling or drilling applications, and has no grounds for filing an application to pool or drill or anything related to the subject lands. **see** "SPC wellbore assignment to Permian" **attached (Exhibit A)** were SPC Royalty LLC held back the mineral interests and only assigned to Permian Resources Operating LLC a shell of a company with only well bores, further more, Chevron USA assignment of well bores to Chevron Midcontinent, which then ended being acquired by SPC Resources LLC, that was sold to Permian Resources Operating LLC. **See exhibit(B)**

Permian Resources Operating LLC, application Case No. 24963 be dismissed for acting in bad faith and in violation with the Oil and Gas Act.70-1-11, 7-2-31, 70-2-10

Permian Resources Operating LLC, application Case No. 24963 must be dismissed on the merit and standing that American Energy Resources LLC has provided burden of proof that Permian Resources Operating LLC does not have standing or own an interest in the prosed pool, rule 19.15.4.8 (A).

Permian Resources Operating LLC, application Case No. 24963 must be dismissed on the merit and standing that it has acting in bad faith and in violation with rule 70-2-31, 70-2-10.

Permian Resources Operating LLC, and its hired thirty party landman David Schoeffler at (SEG) out of Louisiana, have not provided burden of proof to its sworn statements and has only provided hearsay with misleading evidence of unfinished, incomplete, improper land work, and is not admissible evidence. David Schoeffler at (SEG) sworn statement was improper without being notarized or signed by an attorney to validate the allowance of such sworn statements as admissible evidence.

Wherefore, American Energy Resources LLC, CONCLUSION:

Foremost, American Energy Resources LLC, has an executed oil and gas lease with Jonathan Samaniego, filed and recorded December 6, 2024. **See exhibit (C)**.

Even if the instrument provided by Permian Resources Operating LLC, merger is valid and conveys the company of SPC Resources LLC over to Permian Resources Operating LLC, the assignment, see **exhibit (D)**, and that the assignment is in fact assigning only well bores and in no way shape or form provides an assignment of any interest of any kind to the mineral estate of the existing pools or proposed pools.

Permian Resources Operating LLC owns nothing in the proposed development area. As a result, Permian's application should be dismissed, on the merit that its in violation of rule 19.15.14.8 (B)(1)(A), Permian Resources Operating LLC has no standing in their application to pool or drill and in fact Permian Resources Operating LLC application to pool and drill must be dismissed, rule 19.15.4.8 (A) for having no standing.

Permian Resources Operating LLC has no right to send proposals or file pooling or drilling applications and has no grounds for filing for a hearing or file filings whatsoever regarding pooling or drilling in the proposed pool or anything related to the subject lands.

Permian Resources Operating LLC has invalid leases filed at Eddy County Clerk's office, Permian Resources Operating LLC, used "sleight of hand" to take advantage of mineral estates in different sections such as Section 1 referenced in the Wells heirs leases and Section 12 referenced in the Wells heirs leases, **see Exhibit (E)**,

The Wells heirs lease to Permian Resources Operating LLC is invalid with no true valid claim to sign a lease of any sort in Sec. 12 tract S2 with the Wells heirs in this specific tract mentions in **Exhibit(E)**. Permian Resources Operating LLC was grossly negligent, unjust, and unethical in its practices and in their application to drill and pool.

Permian Resources Operating LLC, through there represented attorney Puala Vance and hired third party landman David Schoeffler at (SEG) have all in fact together conspired to undermine the Division with misleading, unfinished, improper, and incomplete evidence and land work as its basis, to illegally obtain permits and malicious attempt to invalidate a valid interest owner acting in good faith as American Energy Resources LLC.

Permian Resources Operating LLC, have invalid minerals owners sign invalid leases over to Permian Resources Operating LLC: **see exhibits (E)**

Bk: 1186/ 1110 Cameron Lynn Wells SW/4 of Sec. 12 -T22S – R26E

recorded: 7/23/2024 – Invalid lease.

Bk: 1186/ 1127 Beverly Sue Hayden Wells SW/4 of Sec. 12 – T22S – R26E

recorded: 8/16/2024 – Invalid lease

Bk: 1188/ 0176 Camie Lynn Wells aka Camela L. Wells SW/4 of Sec. 12 – T22S – R26E

recorded: 9/12/2024 – Invalid lease

Permian Resources Operating LLC, through there represented attorney Puala Vance have both in fact conspired to undermine the Division by providing misleading, unfinished, and incomplete land work as their evidence in brief of support.

American Energy Resources LLC, third party landman Lindsey Sandoval has provided her third party sworn statement, summary, and evidence of chain of title from patent up until Jonathan Samaniego obtain the property and leased to American Energy Resources LLC. **See Exhibit (E)**

Permian Resources Operating LLC further tactically maliciously burdened American Energy Resources LLC with short deadlines, frivolous motions to strike, false statements of Jonathan Samaniego having a gap in title. Permian Resources Operating LLC, acts were intended to continue to present a false cloud to further create burden on an effected party as American Energy Resources LLC who has acted in good faith by obtained a valid oil and gas lease with Jonathan Samaniego mineral interest in the specific tract of land mineral estate that sits in the pooled area.

Permian Resources Operating LLC application to pool and drill must be Dismissed, void, canceled, on the merit and standing that Permian Resources Operating LLC violated the Hearing Examiners order to research and file a summary on the tract owned by Jonathan Samaniego on whether it is leased or unleased, Permian instead responded with a second frivolous motion to strike American Energy Resources LLC from the case, when the hearing examiner had already accepted American Energy Resources LLC evidence into record. For Permian Resources Operating LLC to not provide a summary for review as requested by the hearing examiner on December 5, 2024, When in fact Jonathan Samaniego minerals in the specific tract are in fact leased to American Energy Resources LLC, and for Permian Resources operating LLC go further with malicious attempt to disquietly American Energy Resources LLC valid oil and gas lease, is in fact a violation of an order with malicious intent to harm an effected party as American Energy Resources LLC with its frivolous attempts to strike American Energy Resources LLC from the Case without standing, evidence, or legals basis.

REQUEST FOR SANCITONS

American Energy Resources LLC requests for Sanctions:

Permian Resources Operating LLC acted in bad faith efforts in the proposed pool and must be sanctioned from being allowed to pool the proposed pool ever again, because of the dense population of effected parties in the proposed pool that could be harmed by Permian Resources Operating LLC gross negligent with the current acts of Permian Resources Operating LLC now being brought to light, and to further impose penalties against Permian Resources Operating LLC for acting in bad faith, for committing numerous oil and gas act violations and numerous violations of not following proper procedure as required by our oil and gas regulations set in place by our legislation for all to follow.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Jonathan Samaniego', is written over a horizontal line.

Jonathan Samaniego

P.O. Box 114 Hagerman, NM 88232

Representative for American Energy Resources LLC

CERTIFICATE OF SERVICE

I hereby certify that a true a 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 December 16, 2024:

Michael H. Feldewert

Adam G. Rankin

Paula M. Vance

Post Office Box 2208

Santa Fe, New Mexico 87504

(505) 988-4421

(505) 983-6043 Facsimile

mfeldewert@hollandhart.com

agrankin@hollandhart.com

pmvance@hollandhart.com

ATTORNEYS FOR PERMIAN RESOURCES OPERATING, LLC

SELF-AFFIRMED STATEMENT OF LINDSEY SANDOVAL

1. My name is Lindsey Sandoval. I am the owner of MacLind Land Services, LLC, a brokerage company located locally in Artesia, Eddy County, New Mexico.
2. I have testified before the New Mexico Oil Conservation Division (“Division”) witness in petroleum land matters.
3. I conducted a title examination of the interest owned by Mr. Jonathan Samaniego.
4. I have reviewed the documents from the Eddy County Clerk’s Office, Eddy County Assessor’s Office, Guaranty Title Company and Fifth Judicial District Court. The examination of documents includes:
 - a. A/202 Patent – US, BLM into Fred Nymeyer
 - b. A/601 Deed – Fred Nymeyer to B.A. Nymeyer
 - c. 35/422 Deed – B.A. Nymeyer to F.L. Dearborne
 - d. 48/640 Deed – Fred L. Dearborne to A.C. Bindel
 - e. Phenix Subdivision Plats
 - f. 61/239 Deed – Easement from A.C. Bindel to State of New Mexico for Highway
 - g. PB-1991-40 – A.C. Bindel, Sr. probate
 - h. Quitclaim Deeds from A.C. Bindel, Sr.’s heirs into Bradley T. Light, recorded at:
171/843 ECR, 171/844 ECR, 171/845 ECR, 171/846 ECR, 171/847 ECR, 171/848 ECR,
171/849 ECR
 - i. 184/1069 ECR – Quitclaim Deed from Bradley T. Light to Cavern City Cinemas, Inc.
 - j. Documents regarding the Tax Sale to Mr. Samaniego recorded at 1174/1196 ECR,
1172/670 ECR, 1172/161 ECR
 - k. 1184/1149 ECR – OGL from Jonathan Samaniego to American Energy Resources
5. It is my sworn testimony that based on the title examination, Mr. Jonathan Samaniego AND American Energy Resources owns an interest in the subject lands that Permian seeks to pool.

6. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.



Lindsey Sandoval
MacLind Land Services, LLC

12/16/2024
Date

SHORT FORM QUITCLAIM DEED—New Mexico Statutory Form
Approved by State Comptroller as Standard Form, Oct. 6, 1947

Recorded By:
Guaranty Title Co.

BOOK 184 PAGE 1069
Printed and For Sale By
Hall-Poorbaugh Press, Inc., Roswell, New Mexico
Form 316—(Rev. 12-75)

QUITCLAIM DEED

BRADLEY T. LIGHT, a married man

for consideration paid, quit claim to

CAVERN CITY CINEMAS, INC.

, whose address is

P. O. BOX 1133, CARLSBAD, N.M. 88221-1133

the following described real estate in Eddy County, New Mexico:

A triangular tract of land in the City of Carlsbad, Eddy County, New Mexico described as follows;

Beginning at a point where the east right-of-way line of U. S. Highway 285 intersects with the south line of Fiesta Drive (aka Fiesta Street); thence easterly along the south line of Fiesta Drive a distance of approximately 41 feet to the intersection of Fiesta Drive and the A.T. & S. F. Railway Company right-of-way; thence southerly to a point where the A.T. & S. F. Railway Company right-of-way intersects with the east right-of-way line of U.S. Highway 285; thence northwesterly along the curve of the east right-of-way line of said U. S. Highway 285 to the point of beginning, containing one-tenth of an acre more or less, all in Section 7, Township 22 South, Range 27 East, N.M.P.M.

SUBJECT TO RESERVATIONS, RESTRICTIONS AND EASEMENTS OF RECORD

WITNESS my hand and seal this 6th day of April, 1994.

(SEAL)

Bradley T. Light

(SEAL)

(SEAL)

(SEAL)

ACKNOWLEDGMENT—Individual (Short Form)

STATE OF NEW MEXICO,

County of EDDY } ss.

The foregoing instrument was acknowledged before me this 6th day of April,

19 94 by BRADLEY T. LIGHT, a married man

My Commission expires March 29, 1995.

Willis Plummer
Notary Public

ACKNOWLEDGMENT—Corporation (Short Form)

STATE OF NEW MEXICO

County of _____ } ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 19____

by _____, President

of _____ a _____ corporation

on behalf of said corporation.

My Commission Expires: _____ Notary Public

STATE OF NEW MEXICO,

County of Eddy } ss.

Records of said County.

Karen Davis

County Clerk

I hereby certify that this instrument was filed for record on the 6 day of

April, A. D., 19 94

By R. J. Jaramilla White, Deputy

Rec. No. _____ Fees, \$ _____

at 4:15 o'clock P. M., and duly recorded in

Return to _____

RECEPTION
943713

BOOK 184 PAGE 1069

of

Producers 88 Rev. (5 Year Lease) 7-16

(FIVE YEAR PAID UP LEASE)
OIL AND GAS LEASE

MODIFIED Form 345
Hall-Poorbaugh Press, Inc.
Roswell, New Mexico

THIS AGREEMENT made this 23RD day of July, 2024, between **BEVERLEY SUE HAYDEN WELLS, A/K/A BEVERLEY S. WELLS**, widow of Gary William Wells, dealing herein with her sole and separate property, whose address is 3824 West Spurgeon, Fort Worth, Texas 76133, as Lessor, (whether one or more), and **PERMIAN RESOURCES OPERATING, LLC**, whose address is 300 N. Marienfeld Street, Suite 1000, Midland, Texas 79701, as Lessee.

WITNESSETH:

1. Lessor, in consideration of Ten and No/100 Dollars (\$10.00) in hand paid, of the royalties herein provided and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil and gas, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take care of, treat, transport, and own said products, and housing its employees, the following described land in Eddy County, New Mexico:

Township 22 South, Range 26 East, N.M.P.M.

Section 12: Those certain tracts or parcels of land containing 2.0 acres, more or less, being more particularly described as Lots A and B, Block 4, Hoose Acres, situated in the Southwest Quarter (SW/4) of Section 12, Township 22 South, Range 26 East, Eddy County, New Mexico, and being further depicted on that certain Map of Hoose Acres, dedicated October 31, 1939 and recorded in Map Cabinet 1, Slide 266 of the Map Records of and for Eddy County, New Mexico.

NO SURFACE USE: LESSEE SHALL HAVE NO RIGHT TO USE THE SURFACE OF THE LEASED PREMISES IN ITS CONDUCT OF OPERATIONS UNDER THIS LEASE.

This lease covers all of the land described above, including any interests therein that Lessor has the right or power to lease, and in addition it covers, and there is hereby granted, leased and let, upon the same terms and conditions as herein set forth, all lands, now owned or claimed by Lessor, which are adjacent, contiguous or a part of the tract or tracts described above, whether such additional lands be owned or claimed by deed, limitation, or otherwise and whether such lands are in the named survey or surveys. The bonus money paid for this lease shall be effective to cover all such land irrespective of the number of acres contained therein. The land included within this lease is estimated to comprise 2.0 acres, whether it actually comprises more or less. All such land covered by this lease is referred to herein as the "Land" or the "Leased Premises".

2. Without reference to the commencement, prosecution or cessation at any time of drilling or other development operations and/or to the discovery, development or cessation at any time of production of oil or gas and without further payments than the royalties herein provided, and notwithstanding anything else herein contained to the contrary, this lease shall be for a term of five (5) years from this date (called "primary term") and as long thereafter as oil or gas is produced from the Land or land with which the Land is pooled hereunder.

3. The royalties to be paid by Lessee are: (a) on oil, 3/16th of that produced and saved from the Land, the same to be delivered at the wells or to the credit of Lessor into the pipe line to which the wells may be connected; Lessee may from time to time purchase any royalty oil in its possession, paying the market price therefore prevailing for the field where produced on the date of purchase; (b) on gas, including casinghead gas or other gaseous substance, produced from the Land, and sold, or used off the premises or for the extraction of gasoline or other product therefrom, the market value at the well of 3/16th of the gas so sold or used, provided that on gas sold at the wells the royalty shall be 3/16th of the amount realized from such sale; while there is a gas well on this lease or on acreage pooled therewith but gas is not being sold or used, Lessee may pay or tender as royalty, on or before ninety (90) days after the date on which said well is shut-in and thereafter at annual intervals the sum of \$1.00 per acre, and if such payment is made or tendered, this lease shall not terminate and it will be considered that gas is being produced from this lease in paying quantities. Payment or tender of said shut-in gas royalty may be made by check or draft of Lessee mailed or delivered to the parties entitled thereto on or before the date said payment is due. Any timely payment or tender of shut-in royalty which is made in a bona fide attempt to make proper payment, but which is erroneous in whole or in part as to parties or amounts, shall nevertheless be sufficient to prevent termination of this lease in the same manner as though a proper payment had been made if Lessee shall correct such error within 30 days after Lessee has received written notice thereof by certified mail from the party or parties entitled to receive payment together with such written instruments (or certified copies thereof) as are necessary to enable Lessee to make proper payment. The amount realized from the sale of gas on or off the premises shall be the price established by the gas sales contract entered into in good faith by Lessee and gas purchaser for such term and under such conditions as are customary in the industry. "Price" shall mean the net amount received by Lessee after giving effect to applicable regulatory orders and after application of any applicable price adjustments specified in such contract or regulatory orders. In the event Lessee compresses, treats, purifies, or dehydrates such gas (whether on or off the Leased Premises) or transports gas off the Leased Premises, Lessee in computing royalty hereunder may deduct from such price a reasonable charge for each of such functions performed. Lessee shall have free use of oil, gas, coal and water from the Land, except water from Lessor's wells, for all operations hereunder, and the royalty on oil and gas shall be computed after deducting any so used.

4. Lessee is hereby granted the right and power, from time to time, to pool or combine this lease, the acreage covered by it, or any part or horizon thereof, with other land, lease, leases, mineral estates or parts thereof, for the production of oil or gas. Units pooled hereunder shall not exceed: (i) for a vertical well, the standard spacing unit fixed by law or by the New Mexico Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department (the "NMOCD"), or other lawful authority for the pool or area in which the land is situated, plus a tolerance of 10%, or (ii) for a horizontal well, the acreage dedicated to a "Project Area" approved by the NMOCD or other lawful authority. Notwithstanding the foregoing, should any governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, units thereafter created may conform substantially in size with those prescribed by governmental regulations. Lessee shall file in the appropriate records of the county in which the Leased Premises are situated an instrument describing and designating the pooled acreage as a pooled unit and/or Project Area. The designation may be made either before or after the completion of the well or wells. Operations for drilling on or production of oil or gas from any part of the pooled unit or Project Area shall be considered for all purposes, except the payment of royalty, as operations for drilling on or production of oil and gas from land covered by this lease whether or not the well or wells are located on the Leased Premises, and the entire acreage constituting such unit or units and/or Project Area, as to oil and gas, or either of them, as herein provided, shall be treated for all purposes, except the payment of royalties on production from the pooled unit and/or Project Area, as if the same were included in this lease. There shall be allocated to the land covered by this lease included in any such pooled unit or Project Area that portion of the total production of pooled minerals from wells in the unit and/or Project Area, after deducting any used in lease or unit operations, which the number of surface acres in the land covered by this lease included in the unit and/or Project Area bears to the total number of surface acres in the unit and/or Project Area, except any portion of a Project Area that is utilized solely for surface drilling operations and is not included as a productive portion of the Project Area (no perforations). The production so allocated will be considered for all purposes, including the payment or delivery of royalty, to be the entire production of pooled minerals from the portion of the Land covered hereby and included in said unit and/or Project Area in the same manner as though produced from the Land under the terms of this lease. Any pooled unit or Project Area designated by Lessee, as provided herein, may be dissolved by Lessee by recording an appropriate instrument in the county where the land is situated at any time after the completion of a dry hole or the cessation of production on said unit and/or Project Area. In addition to the foregoing, Lessee at its option is hereby given the right and power from time to time to commit the Land or any part or formation or mineral substance covered hereby to any cooperative or unit agreement or plan of development and operation, and to any modifications thereof, which have been approved by the NMOCD or other lawful governmental authority. In such event, the royalty payable to Lessor hereunder shall be computed and paid on the basis of the oil or gas allocated to such land under the terms of any such agreement or plan of operation, which basis shall be the same by which the royalty due the United States or the State of New Mexico is computed and paid. This lease shall not expire during the life of such agreement or plan and shall be subject to the terms thereof and said agreement or plan of operation shall be filed with the NMOCD, or other lawful authority, and Lessee shall record in the county in which the Leased Premises are situated, an instrument describing such agreement or plan of operation and reflecting the commitment thereto, and the same may be recorded either before or after the completion of wells.

5. If at the expiration of the primary term oil or gas is not being produced on the Land, or from land pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon, or shall have completed a dry hole thereon within 90 days prior to the end of the primary term, the lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted with no cessation of more than 90 consecutive days, and if they result in the production of oil or gas so long thereafter as oil or gas is produced from the Land or from land pooled therewith. If, after the expiration of the primary term of this lease and after oil or gas is produced from the Land, or from land pooled therewith, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within 180 days after the cessation of such production, but shall remain in force and effect so long as such operations are prosecuted with no cessation of more than 180 consecutive days, and if they result in the production of oil and gas, so long thereafter as oil or gas is produced from the Land, or from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof, may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the Leased Premises are situated at any time after the completion of a dry hole or the cessation of production on said unit. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.



6. — Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on the Land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipe lines below ordinary plow depth, and no well shall be drilled within two hundred feet of any residence or barn now on the Land without Lessor's consent.

7. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns but no change or division in ownership of the land or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee; and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished by registered U.S. mail at Lessee's principal place of business with a certified copy of recorded instrument or instruments evidencing same. In the event of assignment hereof in whole or in part liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payment for all.

8. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or revision of the estate created hereby nor be grounds for cancellation hereof in whole or in part. In the event Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have sixty (60) days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument. After the discovery of oil or gas in paying quantities on or attributed to said premises, Lessee shall develop the acreage retained hereunder as a reasonably prudent operator but in discharging this obligation it shall in no event be required to drill more than one well per forty (40) acres of the area retained hereunder and capable of producing oil in paying quantities and one well per 640 acres plus an acreage tolerance not to exceed 10% of 640 acres of the area retained hereunder and capable of producing gas in paying quantities. A horizontal well shall be deemed to be a well for each 40 acre tract for oil and 640 acre tract for gas included within an NMOCD approved Project Area.

9. Lessor hereby warrants and agrees to defend the title to the Land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon the Land either in whole or in part, and in event Lessee does so, it shall be subrogated to such lien with the right to enforce same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's right under the warranty in event of failure of title, it is agreed that if Lessor owns an interest in the oil or gas on, in or under the Land less than the entire fee simple estate, then the royalties to be paid Lessor shall be reduced proportionately. Should any one or more of the parties named as Lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.


10. Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling or reworking operations thereon or from producing oil or gas therefrom by reason of scarcity of or inability to obtain or to use equipment or material, or by operation of force majeure, any Federal or state law or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended, and Lessee shall not be liable in damages for failure to comply therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting drilling or reworking operations on or from producing oil or gas from the Leased Premises; and the time while Lessee is so prevented shall not be counted against Lessee, anything in this lease to the contrary notwithstanding.

11. Notwithstanding any provision of this Lease to the contrary, Lessee is hereby granted the exclusive option, to be exercised prior to the date on which this lease or any portion thereof would expire in accordance with its terms and provisions, of extending this lease for an additional period of two (2) years as to all or any portion of the acreage described herein. The only action required by Lessee to exercise this option being the payment for all or any portion of the acreage to Lessor or to Lessor's credit of an additional per net mineral acre consideration equal to the original bonus paid per net mineral acre by Lessee herein for the first five (5) year primary term period, which payment shall cover the entire additional two (2) year extended primary term. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a primary term of seven (7) years. If this lease is extended as to only a portion of the acreage then covered hereby, Lessee shall designate such portion by a recordable instrument.

12. If at any time during the primary term of this lease or the continuation thereof, Lessor receives any bona fide offer, acceptable to Lessor, to grant an additional lease ("Top Lease") covering all or any part of the Leasehold, Lessee shall have the continuing option by meeting any such offer to acquire a Top Lease on equivalent terms and conditions. Any offer must be in writing and must set forth the proposed Lessee's name, bonus consideration and royalty consideration to be paid for such Top Lease, and include a copy of the lease form to be utilized reflecting all pertinent and relevant terms and conditions of the Top Lease. Lessee shall have fifteen (15) days after receipt from Lessor of a complete copy of any such offer to advise Lessor in writing of its election to enter into an oil and gas lease with Lessor on equivalent terms and conditions. If Lessee fails to notify Lessor within the aforesaid fifteen (15) day period of its election to meet any such bona fide offer, Lessor shall have the right to accept said offer. Any Top Lease granted by Lessor in violation of this provision shall be null and void.

IN WITNESS WHEREOF, this instrument is executed on the date first above written.

LESSOR(S)



BEVERLEY SUE HAYDEN WELLS,
A/K/A BEVERLEY S. WELLS

INDIVIDUAL ACKNOWLEDGMENT

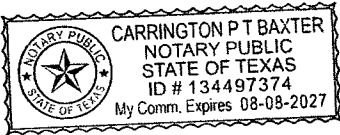
STATE OF TEXAS §
COUNTY OF Tarrant §

This instrument was acknowledged before me this 16th day of August, 2024, by BEVERLEY SUE HAYDEN WELLS, A/K/A BEVERLEY S. WELLS.

My commission expires 08/08/2027


Notary Public

MUST INCLUDE NOTARY STAMP
& NOTARY SIGNATURE



Producers 88 Rev. (5 Year Lease) 7-16

(FIVE YEAR PAID UP LEASE)
OIL AND GAS LEASE

MODIFIED Form 345
Hall-Poorbaugh Press, Inc.
Roswell, New Mexico

THIS AGREEMENT made this 23RD day of July, 2024, between CAMELA LYNN WELLS, A/K/A CAMIE LYNN WELLS, A/K/A CAMELA L. WELLS, a single woman, dealing herein with her sole and separate property, whose address is 909 Albert Street, Carlsbad, New Mexico 88220, as Lessor, (whether one or more), and PERMIAN RESOURCES OPERATING, LLC, whose address is 300 N. Marienfeld Street, Suite 1000, Midland, Texas 79701, as Lessee.

WITNESSETH:

1. Lessor, in consideration of Ten and No/100 Dollars (\$10.00) in hand paid, of the royalties herein provided and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil and gas, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take care of, treat, transport, and own said products, and housing its employees, the following described land in Eddy County, New Mexico:

Township 22 South, Range 26 East, N.M.P.M.

Tract 1: Those certain tracts or parcels of land containing 2.00 acres, more or less, being more particularly described as Lots A and B, Block 4, Hoose Acres, situated in the Southwest Quarter (SW/4) of Section 12, Township 22 South, Range 26 East, Eddy County, New Mexico, and being further depicted on that certain Map of Hoose Acres, dedicated October 31, 1939 and recorded in Map Cabinet 1, Slide 266 of the Map Records of and for Eddy County, New Mexico.

Township 22 South, Range 26 East, N.M.P.M.

Tract 2: Those certain tracts or parcels of land containing 0.1768 acres, more or less, being more particularly described as the North 1/3 of Lots 8 and 10, Block 20, Gibson's Addition, situated in the Southeast Quarter (SE/4) of Section 1, Township 22 South, Range 26 East, Eddy County, New Mexico, and being further depicted on that certain Map of Gibson's Addition to Eddy New Mexico, dedicated December 16, 1891 and recorded in Map Cabinet 2, Slide 77 of the Map Records of and for Eddy County, New Mexico.

Said tracts 1 and 2 above contain a total of 2.1768 acres, more or less.

NO SURFACE USE: LESSEE SHALL HAVE NO RIGHT TO USE THE SURFACE OF THE LEASED PREMISES IN ITS CONDUCT OF OPERATIONS UNDER THIS LEASE.

This lease covers all of the land described above, including any interests therein that Lessor has the right or power to lease, and in addition it covers, and there is hereby granted, leased and let, upon the same terms and conditions as herein set forth, all lands, now owned or claimed by Lessor, which are adjacent, contiguous or a part of the tract or tracts described above, whether such additional lands be owned or claimed by deed, limitation, or otherwise and whether such lands are in the named survey or surveys. The bonus money paid for this lease shall be effective to cover all such land irrespective of the number of acres contained therein. The land included within this lease is estimated to comprise 2.1768 acres, whether it actually comprises more or less. All such land covered by this lease is referred to herein as the "Land" or the "Leased Premises".

2. Without reference to the commencement, prosecution or cessation at any time of drilling or other development operations and/or to the discovery, development or cessation at any time of production of oil or gas and without further payments than the royalties herein provided, and notwithstanding anything else herein contained to the contrary, this lease shall be for a term of five (5) years from this date (called "primary term") and as long thereafter as oil or gas is produced from the Land or land with which the Land is pooled hereunder.

3. The royalties to be paid by Lessee are: (a) on oil, 3/16th of that produced and saved from the Land, the same to be delivered at the wells or to the credit of Lessor into the pipe line to which the wells may be connected; Lessee may from time to time purchase any royalty oil in its possession, paying the market price therefore prevailing for the field where produced on the date of purchase; (b) on gas, including casinghead gas or other gaseous substance, produced from the Land, and sold, or used off the premises or for the extraction of gasoline or other product therefrom, the market value at the well of 3/16th of the gas so sold or used, provided that on gas sold at the wells the royalty shall be 3/16th of the amount realized from such sale; while there is a gas well on this lease or on acreage pooled therewith but gas is not being sold or used, Lessee may pay or tender as royalty, on or before ninety (90) days after the date on which said well is shut-in and thereafter at annual intervals the sum of \$1.00 per acre, and if such payment is made or tendered, this lease shall not terminate and it will be considered that gas is being produced from this lease in paying quantities. Payment or tender of said shut-in gas royalty may be made by check or draft of Lessee mailed or delivered to the parties entitled thereto on or before the date said payment is due. Any timely payment or tender of shut-in royalty which is made in a bona fide attempt to make proper payment, but which is erroneous in whole or in part as to parties or amounts, shall nevertheless be sufficient to prevent termination of this lease in the same manner as though a proper payment had been made if Lessee shall correct such error within 30 days after Lessee has received written notice thereof by certified mail from the party or parties entitled to receive payment together with such written instruments (or certified copies thereof) as are necessary to enable Lessee to make proper payment. The amount realized from the sale of gas on or off the premises shall be the price established by the gas sales contract entered into in good faith by Lessee and gas purchaser for such term and under such conditions as are customary in the industry. "Price" shall mean the net amount received by Lessee after giving effect to applicable regulatory orders and after application of any applicable price adjustments specified in such contract or regulatory orders. In the event Lessee compresses, treats, purifies, or dehydrates such gas (whether on or off the Leased Premises) or transports gas off the Leased Premises, Lessee in computing royalty hereunder may deduct from such price a reasonable charge for each of such functions performed. Lessee shall have free use of oil, gas, coal and water from the Land, except water from Lessor's wells, for all operations hereunder, and the royalty on oil and gas shall be computed after deducting any so used.

4. Lessee is hereby granted the right and power, from time to time, to pool or combine this lease, the acreage covered by it, or any part or horizon thereof, with other land, lease, leases, mineral estates or parts thereof, for the production of oil or gas. Units pooled hereunder shall not exceed: (i) for a vertical well, the standard spacing unit fixed by law or by the New Mexico Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department (the "NMOCD"), or other lawful authority for the pool or area in which the land is situated, plus a tolerance of 10%, or (ii) for a horizontal well, the acreage dedicated to a "Project Area" approved by the NMOCD or other lawful authority. Notwithstanding the foregoing, should any governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, units thereafter created may conform substantially in size with those prescribed by governmental regulations. Lessee shall file in the appropriate records of the county in which the Leased Premises are situated an instrument describing and designating the pooled acreage as a pooled unit and/or Project Area. The designation may be made either before or after the completion of the well or wells. Operations for drilling on or production of oil or gas from any part of the pooled unit or Project Area shall be considered for all purposes, except the payment of royalty, as operations for drilling on or production of oil and gas from land covered by this lease whether or not the well or wells are located on the Leased Premises, and the entire acreage constituting such unit or units and/or Project Area, as to oil and gas, or either of them, as herein provided, shall be treated for all purposes, except the payment of royalties on production from the pooled unit and/or Project Area, as if the same were included in this lease. There shall be allocated to the land covered by this lease included in any such pooled unit or Project Area that portion of the total production of pooled minerals from wells in the unit and/or Project Area, after deducting any used in lease or unit operations, which the number of surface acres in the land covered by this lease included in the unit and/or Project Area bears to the total number of surface acres in the unit and/or Project Area, except any portion of a Project Area that is utilized solely for surface drilling operations and is not included as a productive portion of the Project Area (no perforations). The production so allocated will be considered for all purposes, including the payment or delivery of royalty, to be the entire production of pooled minerals from the portion of the Land covered hereby and included in said unit and/or Project Area in the same manner as though produced from the Land under the terms of this lease. Any pooled unit or Project Area designated by Lessee, as provided herein, may be dissolved by Lessee by recording an appropriate instrument in the county where the land is situated at any time after the completion of a dry hole or the cessation of production on said unit and/or Project Area. In addition to the foregoing, Lessee at its option is hereby given the right and power from time to time to commit the Land or any part or formation or mineral substance covered hereby to any cooperative or unit agreement or plan of development and operation, and to any modifications thereof, which have been approved by the NMOCD or other lawful governmental authority. In such event, the royalty payable to Lessor hereunder shall be computed and paid on the basis of the oil or gas allocated to such land under the terms of any such agreement or plan of operation, which basis shall be the same by which the royalty due the United States or the State of New Mexico is computed and paid. This lease shall not expire during the life of such agreement or plan and shall be subject to the terms thereof and said agreement or plan of operation shall be filed with the NMOCD, or other lawful authority, and Lessee shall record in the county in which the Leased Premises are situated, an instrument describing such agreement or plan of operation and reflecting the commitment thereto, and the same may be recorded either before or after the completion of wells.

Reception: 2412810 Book: 1188 Page: 0176 Pages: 2
Recorded: 10/17/2024 03:54 PM Fee: \$25.00
Eddy County, New Mexico ~ Cara Cooke, County Clerk
eRecorded Document



Released to Imaging: 12/17/2024 1:19:13 PM

OIL AND GAS LEASE

Agreement, made and entered into the 6 day of December 2024 by and between

Jonathan Samaniego, whose mailing address is P.O. BOX 114 Hagerman, NM 88232, herein after called Lessor (whether one or more), and AMERICAN ENERGY RESOURCES LLC, whose address is P.O. BOX 114 Hagerman, NM 88232, herein after called Lessee:

WITNESSETH: That the said Lessor for and in consideration of Ten and No/100 Dollars cash in hand paid, the receipt of which of which is hereby, acknowledged, and of the covenants and agreements hereinafter contained on part of lessee to be paid, kept and performed, has granted, demised, leased and let and by these presents does grant, demise, lease, and let unto the said lessee for the sole and only purpose of exploring by geophysical and other methods, mining and operating, for oil and gas, and of laying of pipe lines, and of building tanks, power stations and structures thereon to produce, save and take care of said products, all that certain tract of land situated in the County of Eddy, State of New Mexico, described as follows, to-wit:

Township 22 South – Range 27 East

Quarter: SE S:7 T:22S R:27E BEG WHERE E ROW US HWY 285 INTERSECTS S LINE

FIESTA DR, ELY ON S LINE FIESTA DR 41' TO INTERSECTION FIESTA DR & AT&SF RR CO ROW,

SLY TO INTERSECTION OF AT&SF RR CO ROW & E ROW US HWY 285, NWLY ON CURVE OF

E ROW US HWY 285 TO POB MAP #254-RR-A LOC 1802 S CANAL ST

Of Section 7 Township 22 South Range 27 East and containing .12 acres, more or less, of surface land and between 140 acres to .12 acres of minerals, more or less.

It is agreed that this lease shall remain in force for a term of 5 years from this date, and as long there after as oil or gas or either of them is produced from said land by lessee, or from land pooled herewith.

In consideration of the premises the said lessee covenants and agrees:

1. To deliver to the credit of lessor, free of cost, in the pipe line to which lessee may connect wells on said land, the equal part **25%** of all oil produced and saved from the leased premises.
2. To pay lessee for gas, oil, of whatsoever nature of kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, **25%**, at the market price at the well for the gas or oil sold, used off the premises, or in the manufacture of products, there from, provided that on gas or oil sold at the well the royalty shall be **25%** of the amount realized from such sale, said payments to be paid monthly.

Where gas or oil from a well producing gas or oil only is not sold or used, Lessee may pay or tender as royalty (\$1.00) dollar per month per net mineral acre retained hereunder, and if such payment or

JONATHAN SAMANIEGO
SAME DAY PICKUP

Reception: 2415070 Book: 1189 Page: 1149 Pages: 3

Recorded: 12/06/2024 11:20 AM Fee: \$25.00

Eddy County, New Mexico – Cara Cooke, County Clerk



AC

tender is made it will be considered that gas or oil is being produced within the meaning of the preceding paragraph.

The term "gas from a well producing gas only" shall be construed as a well capable of producing gas and/ or condensate and/ or other gaseous substance in commercial quantities and the term "gas" shall be construed include any such substances.

This lease may be maintained during the primary term hereof without further payment or drilling operations. If the lessee shall commence to drill a well within the term of this lease or any extension thereof, the lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, this lease shall continue and be in force with like effect as if such well had been completed within the terms of years first mentioned.

If said lessor owns less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid the said lessor only in the proportion which lessor's interest bears to the whole and undivided fee.

Lessor interest estate in this tract is between 140 acres and .12 acres minerals.

Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for lessee's operation thereon, except water from the wells of lessor.

When requested by lessor, lessee shall bury lessee's pipe lines below plow depth.

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

If the estate of either party hereto is assigned – and the privilege of assigning in whole or in part is expressly allowed – the covenants here shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land, or assignments of royalties shall be binding on the lessee until after the lessee has been furnished with certified copies of muniments of title derailing title from lessor.

Lessee may at anytime execute and deliver to lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

All express or implied covenants of this lease shall be subject to all Federal and State laws, Executive orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor lease held liable in damages, for failure to comply therewith, if compliance is prevented by or if such failure is the result of, any such law, Order, Rule or Regulation.

Lessor hereby warrants and agrees to defend the title to the lands herein described.

Lessee, as its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases. When in lessee's judgment it is

necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas, and other minerals in and under and that may be produced from said premises, such pooling to be of tracts contiguous to one another and to be into a unit or units. The entire acreage so pooled into a tract or until shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if were included in the lease. If production is found on the pooled acreage, it shall be treated as if production is had from the lease, whether the well or wells be located on the premises covered by the lease or not. In lieu of the royalties elsewhere herein specified, lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

The surface of the land covered by this lease shall not be used by Lessee for drilling operations under the provisions of this lease with-out the prior written consent of the Lessor.

In witness whereof, the undersigned execute this instrument as of the day and year first above written.

WITNESS MY HAND AND SEAL THIS 6 DAY OF DECEMBER 2024.


JONATHAN R. SAMANIEGO

ACKNOWLEDGMENT

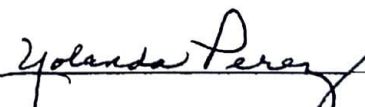
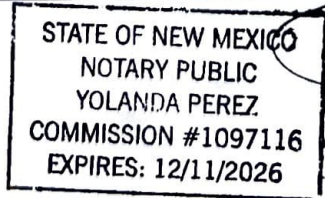
STATE OF NEW MEXICO)
) ss:
COUNTY OF CHAVES)

THE FORGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS 6 DAY OF December 2024, BY Jonathan Samaniego, a single man.

MY COMMISSION EXPIRES:

NOTARY PUBLIC:

12-11-2026



STATE OF NEW MEXICO
NOTARY PUBLIC
YOLANDA PEREZ
COMMISSION #1097116
EXPIRES: 12/11/2026

Producers 88 Rev. (5 Year Lease) 7-16

(FIVE YEAR PAID UP LEASE)
OIL AND GAS LEASEMODIFIED Form 345
Hall-Poorbaugh Press, Inc.
Roswell, New Mexico

THIS AGREEMENT made this 23RD day of July, 2024, between CAMERON LYNN WELLS, A/K/A CAMERON L. WELLS, husband of Deana Phillips Wells, dealing herein with his sole and separate property, whose address is 909 Albert Street, Carlsbad, New Mexico 88220, as Lessor, (whether one or more), and PERMIAN RESOURCES OPERATING, LLC, whose address is 300 N. Marienfeld Street, Suite 1000, Midland, Texas 79701, as Lessee.

WITNESSETH:

1. Lessor, in consideration of Ten and No/100 Dollars (\$10.00) in hand paid, of the royalties herein provided and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil and gas, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take care of, treat, transport, and own said products, and housing its employees, the following described land in Eddy County, New Mexico:

Township 22 South, Range 26 East, N.M.P.M.

Tract 1: Those certain tracts or parcels of land containing 2.00 acres, more or less, being more particularly described as Lots A and B, Block 4, Hoose Acres, situated in the Southwest Quarter (SW/4) of Section 12, Township 22 South, Range 26 East, Eddy County, New Mexico, and being further depicted on that certain Map of Hoose Acres, dedicated October 31, 1939 and recorded in Map Cabinet 1, Slide 266 of the Map Records of and for Eddy County, New Mexico.

Township 22 South, Range 26 East, N.M.P.M.

Tract 2: Those certain tracts or parcels of land containing 0.1768 acres, more or less, being more particularly described as the North 1/3 of Lots 8 and 10, Block 20, Gibson's Addition, situated in the Southeast Quarter (SE/4) of Section 1, Township 22 South, Range 26 East, Eddy County, New Mexico, and being further depicted on that certain Map of Gibson's Addition to Eddy New Mexico, dedicated December 16, 1891 and recorded in Map Cabinet 2, Slide 77 of the Map Records of and for Eddy County, New Mexico.

Said tracts 1 and 2 above contain a total of 2.1768 acres, more or less.

**NO SURFACE USE: LESSEE SHALL HAVE NO RIGHT TO USE THE SURFACE OF THE
LEASED PREMISES IN ITS CONDUCT OF OPERATIONS UNDER THIS LEASE.**

This lease covers all of the land described above, including any interests therein that Lessor has the right or power to lease, and in addition it covers, and there is hereby granted, leased and let, upon the same terms and conditions as herein set forth, all lands, now owned or claimed by Lessor, which are adjacent, contiguous or a part of the tract or tracts described above, whether such additional lands be owned or claimed by deed, limitation, or otherwise and whether such lands are in the named survey or surveys. The bonus money paid for this lease shall be effective to cover all such land irrespective of the number of acres contained therein. The land included within this lease is estimated to comprise 2.1768 acres, whether it actually comprises more or less. All such land covered by this lease is referred to herein as the "Land" or the "Leased Premises".

2. Without reference to the commencement, prosecution or cessation at any time of drilling or other development operations and/or to the discovery, development or cessation at any time of production of oil or gas and without further payments than the royalties herein provided, and notwithstanding anything else herein contained to the contrary, this lease shall be for a term of five (5) years from this date (called "primary term") and as long thereafter as oil or gas is produced from the Land or land with which the Land is pooled hereunder.

3. The royalties to be paid by Lessee are: (a) on oil, 3/16th of that produced and saved from the Land, the same to be delivered at the wells or to the credit of Lessor into the pipe line to which the wells may be connected; Lessee may from time to time purchase any royalty oil in its possession, paying the market price therefore prevailing for the field where produced on the date of purchase; (b) on gas, including casinghead gas or other gaseous substance, produced from the Land, and sold, or used off the premises or for the extraction of gasoline or other product therefrom, the market value at the well of 3/16th of the gas so sold or used, provided that on gas sold at the wells the royalty shall be 3/16th of the amount realized from such sale; while there is a gas well on this lease or on acreage pooled therewith but gas is not being sold or used, Lessee may pay or tender as royalty, on or before ninety (90) days after the date on which said well is shut-in and thereafter at annual intervals the sum of \$1.00 per acre, and if such payment is made or tendered, this lease shall not terminate and it will be considered that gas is being produced from this lease in paying quantities. Payment or tender of said shut-in gas royalty may be made by check or draft of Lessee mailed or delivered to the parties entitled thereto on or before the date said payment is due. Any timely payment or tender of shut-in royalty which is made in a bona fide attempt to make proper payment, but which is erroneous in whole or in part as to parties or amounts, shall nevertheless be sufficient to prevent termination of this lease in the same manner as though a proper payment had been made if Lessee shall correct such error within 30 days after Lessee has received written notice thereof by certified mail from the party or parties entitled to receive payment together with such written instruments (or certified copies thereof) as are necessary to enable Lessee to make proper payment. The amount realized from the sale of gas on or off the premises shall be the price established by the gas sales contract entered into in good faith by Lessee and gas purchaser for such term and under such conditions as are customary in the industry. "Price" shall mean the net amount received by Lessee after giving effect to applicable regulatory orders and after application of any applicable price adjustments specified in such contract or regulatory orders. In the event Lessee compresses, treats, purifies, or dehydrates such gas (whether on or off the Leased Premises) or transports gas off the Leased Premises, Lessee in computing royalty hereunder may deduct from such price a reasonable charge for each of such functions performed. Lessee shall have free use of oil, gas, coal and water from the Land, except water from Lessor's wells, for all operations hereunder, and the royalty on oil and gas shall be computed after deducting any so used.

4. Lessee is hereby granted the right and power, from time to time, to pool or combine this lease, the acreage covered by it, or any part or horizon thereof, with other land, lease, leases, mineral estates or parts thereof, for the production of oil or gas. Units pooled hereunder shall not exceed: (i) for a vertical well, the standard spacing unit fixed by law or by the New Mexico Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department (the "NMOCD"), or other lawful authority for the pool or area in which the land is situated, plus a tolerance of 10%, or (ii) for a horizontal well, the acreage dedicated to a "Project Area" approved by the NMOCD or other lawful authority. Notwithstanding the foregoing, should any governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, units thereafter created may conform substantially in size with those prescribed by governmental regulations. Lessee shall file in the appropriate records of the county in which the Leased Premises are situated an instrument describing and designating the pooled acreage as a pooled unit and/or Project Area. The designation may be made either before or after the completion of the well or wells. Operations for drilling on or production of oil or gas from any part of the pooled unit or Project Area shall be considered for all purposes, except the payment of royalty, as operations for drilling on or production of oil and gas from land covered by this lease whether or not the well or wells are located on the Leased Premises, and the entire acreage constituting such unit or units and/or Project Area, as to oil and gas, or either of them, as herein provided, shall be treated for all purposes, except the payment of royalties on production from the pooled unit and/or Project Area, as if the same were included in this lease. There shall be allocated to the land covered by this lease included in any such pooled unit or Project Area that portion of the total production of pooled minerals from wells in the unit and/or Project Area, after deducting any used in lease or unit operations, which the number of surface acres in the land covered by this lease included in the unit and/or Project Area bears to the total number of surface acres in the unit and/or Project Area, except any portion of a Project Area that is utilized solely for surface drilling operations and is not included as a productive portion of the Project Area (no perforations). The production so allocated will be considered for all purposes, including the payment or delivery of royalty, to be the entire production of pooled minerals from the portion of the Land covered hereby and included in said unit and/or Project Area in the same manner as though produced from the Land under the terms of this lease. Any pooled unit or Project Area designated by Lessee, as provided herein, may be dissolved by Lessee by recording an appropriate instrument in the county where the land is situated at any time after the completion of a dry hole or the cessation of production on said unit and/or Project Area. In addition to the foregoing, Lessee at its option is hereby given the right and power from time to time to commit the Land or any part or formation or mineral substance covered hereby to any cooperative or unit agreement or plan of development and operation, and to any modifications thereof, which have been approved by the NMOCD or other lawful governmental authority. In such event, the royalty payable to Lessor hereunder shall be computed and paid on the basis of the oil or gas allocated to such land under the terms of any such agreement or plan of operation, which basis shall be the same by which the royalty due the United States or the State of New Mexico is computed and paid. This lease shall not expire during the life of such agreement or plan and shall be subject to the terms thereof and said agreement or plan of operation shall be filed with the NMOCD, or other lawful authority, and Lessee shall record in the county in which the Leased Premises are situated, an instrument describing such agreement or plan of operation and reflecting the commitment thereto, and the same may be recorded either before or after the completion of wells.

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Eddy County, New Mexico ~ Cara Cooke, County Clerk



5. If at the expiration of the primary term oil or gas is not being produced on the Land, or from land pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon, or shall have completed a dry hole thereon within 90 days prior to the end of the primary term, the lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted with no cessation of more than 90 consecutive days, and if they result in the production of oil or gas so long thereafter as oil or gas is produced from the Land or from land pooled therewith. If, after the expiration of the primary term of this lease and after oil or gas is produced from the Land, or from land pooled therewith, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within 180 days after the cessation of such production, but shall remain in force and effect so long as such operations are prosecuted with no cessation of more than 180 consecutive days, and if they result in the production of oil and gas, so long thereafter as oil or gas is produced from the Land, or from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof, may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the Leased Premises are situated at any time after the completion of a dry hole or the cessation of production on said unit. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

6. ~~Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on the Land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipe lines below ordinary plow depth, and no well shall be drilled within two hundred feet of any residence or barn now on the Land without Lessor's consent.~~

7. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns but no change or division in ownership of the land or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee; and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished by registered U.S. mail at Lessee's principal place of business with a certified copy of recorded instrument or instruments evidencing same. In the event of assignment hereof in whole or in part liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payment for all.

8. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or revision of the estate created hereby nor be grounds for cancellation hereof in whole or in part. In the event Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have sixty (60) days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument. After the discovery of oil or gas in paying quantities on or attributed to said premises, Lessee shall develop the acreage retained hereunder as a reasonably prudent operator but in discharging this obligation it shall in no event be required to drill more than one well per forty (40) acres of the area retained hereunder and capable of producing oil in paying quantities and one well per 640 acres plus an acreage tolerance not to exceed 10% of 640 acres of the area retained hereunder and capable of producing gas in paying quantities. A horizontal well shall be deemed to be a well for each 40 acre tract for oil and 640 acre tract for gas included within an NMOC approved Project Area.

9. Lessor hereby warrants and agrees to defend the title to the Land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon the Land either in whole or in part, and in event Lessee does so, it shall be subrogated to such lien with the right to enforce same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's right under the warranty in event of failure of title, it is agreed that if Lessor owns an interest in the oil or gas on, in or under the Land less than the entire fee simple estate, then the royalties to be paid Lessor shall be reduced proportionately. Should any one or more of the parties named as Lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.


10. Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling or reworking operations thereon or from producing oil or gas therefrom by reason of scarcity of or inability to obtain or to use equipment or material, or by operation of force majeure, any Federal or state law or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended, and Lessee shall not be liable in damages for failure to comply therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting drilling or reworking operations on or from producing oil or gas from the Leased Premises; and the time while Lessee is so prevented shall not be counted against Lessee, anything in this lease to the contrary notwithstanding.

11. Notwithstanding any provision of this Lease to the contrary, Lessee is hereby granted the exclusive option, to be exercised prior to the date on which this lease or any portion thereof would expire in accordance with its terms and provisions, of extending this lease for an additional period of two (2) years as to all or any portion of the acreage described herein. The only action required by Lessee to exercise this option being the payment for all or any portion of the acreage to Lessor or to Lessor's credit of an additional per net mineral acre consideration equal to the original bonus paid per net mineral acre by Lessee herein for the first five (5) year primary term period, which payment shall cover the entire additional two (2) year extended primary term. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a primary term of seven (7) years. If this lease is extended as to only a portion of the acreage then covered hereby, Lessee shall designate such portion by a recordable instrument.

12. If at any time during the primary term of this lease or the continuation thereof, Lessor receives any bona fide offer, acceptable to Lessor, to grant an additional lease ("Top Lease") covering all or any part of the Leasehold, Lessee shall have the continuing option by meeting any such offer to acquire a Top Lease on equivalent terms and conditions. Any offer must be in writing and must set forth the proposed Lessee's name, bonus consideration and royalty consideration to be paid for such Top Lease, and include a copy of the lease form to be utilized reflecting all pertinent and relevant terms and conditions of the Top Lease. Lessee shall have fifteen (15) days after receipt from Lessor of a complete copy of any such offer to advise Lessor in writing of its election to enter into an oil and gas lease with Lessor on equivalent terms and conditions. If Lessee fails to notify Lessor within the aforesaid fifteen (15) day period of its election to meet any such bona fide offer, Lessor shall have the right to accept said offer. Any Top Lease granted by Lessor in violation of this provision shall be null and void.

IN WITNESS WHEREOF, this instrument is executed on the date first above written.

LESSOR(S)



CAMERON LYNN WELLS
AKA CAMERON L. WELLS

INDIVIDUAL ACKNOWLEDGMENT

STATE OF NEW MEXICO §

COUNTY OF Eddy §

This instrument was acknowledged before me this 23rd day of July, 2024, by CAMERON LYNN WELLS,
AKA CAMERON L. WELLS.

My commission expires 6/20/25



Eleanor J. Nelson
Notary Public

MUST INCLUDE NOTARY STAMP
& NOTARY SIGNATURE

