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

APPLICATION OF PERMIAN RESOURCES OPERATING, LLC TO POOL ADDITIONAL INTERESTS UNDER ORDER NO. R-23598, LEA COUNTY, NEW MEXICO.

CASE NO. 25125 ORDER NO. R- 23598

HEARING EXHIBITS

Exhibit A	Self-Affirmed Statement of Travis Macha
A-1	Application & Proposed Notice
A-2	Order No. R-23598
A-3	Plat of Tracts, Tract Ownership, Pooled Parties, Unit Recapitulation
A-4	Sample Well Proposal Letter & AFEs
A-5	Summary of Communications
Exhibit B	Self-Affirmed Statement of Dana S. Hardy
B-1	Sample of Notice Letter Sent January 14, 2025
B-2	Notice Letter Chart
B-3	Copy of Certified Mail Receipts and Returns
B-4	Affidavit of Publication for January 17, 2025

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

APPLICATION OF PERMIAN RESOURCES OPERATING, LLC TO POOL ADDITIONAL INTERESTS UNDER ORDER NO. R-23598, LEA COUNTY, NEW MEXICO.

CASE NO. 25125 ORDER NO. R-23598

SELF-AFFIRMED STATEMENT OF TRAVIS MACHA

- 1. I am employed by Permian Resources Operating, LLC ("Permian Resources") ("Applicant") as the New Mexico Land Manager. 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. I am familiar with the land matters involved in the above-referenced case. Copies of Permian Resources' (OGRID No. 372165) 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. On December 12, 2024, the Division entered Order No. R-23598 ("Order") in Case No. 24863, which pooled uncommitted interests in the Third Bone Spring interval of the Bone Spring formation underlying a standard, overlapping, horizontal spacing unit comprised of the E/2 E/2 of Sections 23 and 26, Township 22 South, Range 34 East, Lea County, New Mexico ("Unit"). The Order further dedicated the Unit to the Tour Bus 23 Fed Com 604H well ("Well") and designated Permian Resources as operator of the Unit and Well.
 - 5. A copy of the Order is attached as **Exhibit A-2**.

- 6. Since the Order was entered, Applicant has identified additional uncommitted interests in the Unit that have not been pooled under the terms of the Order.
- 7. **Exhibit A-3** provides a plat of the tracts included in the Unit, identifies the interests in each tract, and identifies the additional uncommitted interests to be pooled under the terms of the Order, which are highlighted in yellow.
- 8. **Exhibit A-4** is a sample well proposal letter and AFEs that I sent to the additional parties to be pooled under the terms of the Order.
- 9. Applicant has conducted a diligent search of county public records, including phone directories, computer databases, and internet searches, to identify addresses and contact information for each interest owner it seeks to pool.
- 10. In my opinion, Applicant has made a good-faith effort to reach voluntary joinder as indicated by the chronology of contact described in **Exhibit A-5**.
- 11. Applicant requests the additional uncommitted interests be pooled under the terms of the Order.
- 12. In my opinion, the granting of Permian Resources' application would serve the interests of conservation and prevention of waste.
- 13. The attached exhibits were either prepared by me or under my supervision or were compiled from company business records.
- 14. 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 it 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 signature below.

Travis Macha

2/2/2025

Date

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

APPLICATION OF PERMIAN RESOURCES OPERATING, LLC TO POOL ADDITIONAL INTERESTS UNDER ORDER NO. R-23598, LEA COUNTY, NEW MEXICO.

CASE NO. 25125 ORDER NO. R-23598

APPLICATION

Pursuant to NMSA § 70-2-17, Permian Resources Operating, LLC ("Applicant") files this application with the Oil Conservation Division ("Division") for the limited purpose of pooling additional uncommitted interests under the terms of Division Order No. R-23598. Applicant states the following in support of its application.

- 1. On December 12, 2024, the Division entered Order No. R-23598 ("Order") in Case No. 24863, which pooled uncommitted interests in the Third Bone Spring interval of the Bone Spring formation underlying a standard, overlapping, horizontal spacing unit comprised of the E/2 E/2 of Sections 23 and 26, Township 22 South, Range 34 East, Lea County, New Mexico ("Unit"). The Order further dedicated the Unit to the Tour Bus 23 Fed Com 604H well ("Well") and designated Permian Resources Operating, LLC (OGRID No. 372165) as operator of the Unit and Well.
- 2. Since the Order was entered, Applicant has identified additional uncommitted interests in the Unit that have not been pooled under the terms of the Order.
- 3. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from the additional interest owners but has been unable to obtain voluntary agreements from the owners.
- 4. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the additional interests should be pooled into the Unit pursuant to the terms of the Order.

WHEREFORE, Applicant requests this application be set for hearing before an Examiner of the Division on February 13, 2025, and, after notice and hearing, the Division pool the additional uncommitted interests into the Unit pursuant to the terms of Division Order No. R-23598.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy Jaclyn M. McLean Dylan M. Villescas P.O. Box 2068

Santa Fe, NM 87504-2068 Phone: (505) 982-4554 Facsimile: (505) 982-8623 dhardy@hinklelawfirm.com jmclean@hinklelawfirm.com

dvillescas@hinklelawfirm.com

Counsel for Permian Resources Operating, LLC

Application of Permian Resources Operating, LLC to Pool Additional Interests Under Order No. R-23598, Lea County, New Mexico. Permian Resources Operating, LLC ("Applicant") seeks to pool additional uncommitted interests under the terms of Division Order No. R-23598 ("Order"). The Order: (1) pooled uncommitted interests in the Third Bone Spring interval of the Bone Spring formation underlying a standard, overlapping, horizontal spacing unit comprised of the E/2 E/2 of Sections 23 and 26, Township 22 South, Range 34 East, Lea County, New Mexico ("Unit"); (2) dedicated the Unit to the Tour Bus 23 Fed Com 604H well ("Well"); and (3) designated Permian Resources Operating, LLC (OGRID No. 372165) as operator of the Unit and Well. Since the Order was entered, Applicant has identified additional uncommitted interests in the Unit that should be pooled under the terms of the Order. The Well is located approximately 17 miles southwest of Eunice, New Mexico.

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

IN THE MATTER OF APPLICATION FOR COMPULSORY POOLING SUBMITTED BY PERMIAN RESOURCES OPERATING, LLC

CASE NO. 24863 ORDER NO. R-23598

<u>ORDER</u>

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on October 10, 2024, and after considering the testimony, evidence, and recommendation of the Hearing and Technical Examiners, issues the following Order.

FINDINGS OF FACT

- 1. Permian Resources Operating, LLC ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. Operator seeks to be designated the operator of the Unit.
- 2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
- 3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
- 4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
- 5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

- 6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
- 7. Operator is the owner of an oil and gas working interest within the Unit.
- 8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
- 9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
- 10. Operator has the right to drill the Well(s) to a common source of supply at the

- depth(s) and location(s) in the Unit described in Exhibit A.
- 11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
- 12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
- 13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
- 14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

<u>ORDER</u>

- 15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
- 16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
- 17. Operator is designated as operator of the Unit and the Well(s).
- 18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
- 19. If the Unit is a non-standard horizontal spacing unit which has not been approved under this Order, Operator shall obtain the OCD's approval for a non-standard horizontal spacing unit in accordance with 19.15.16.15(B)(5) NMAC.
- 20. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
- 21. This Order shall terminate automatically if the Operator fails to comply with the preceding paragraph unless the Operator requests an extension by notifying the OCD and all parties that required notice of the original compulsory pooling application in accordance with 19.15.4.12.B and 19.15.4.12.C NMAC. Upon no objection after twenty (20) days the extension is automatically granted up to one year. If a protest is received the extension is not granted and the Operator must set the case for a hearing.
- 22. Operator may propose reasonable deviations from the development plan via notice to the OCD and all parties that required notice of the original compulsory pooling application in accordance with 19.15.4.12.B and 19.15.4.12.C NMAC. Upon no objection after twenty (20) days the deviation is automatically granted. If a protest is received the deviation is not granted and the Operator must set the case for a hearing.

CASE NO. 24863 ORDER NO. R-23598

Page 2 of 5

- 23. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 24. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
- 25. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
- 26. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
- 27. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
- 28. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
- 29. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include

CASE NO. 24863 ORDER NO. R-23598

Page 3 of 5

the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.

- 30. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
- Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
- 32. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to the preceding paragraph to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 33. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
- 34. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
- 35. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
- 36. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 37. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

CASE NO. 24863 ORDER NO. R-23598 STATE OF NEW MEXICO OIL CONSERVATION DIVISION

Date: 12/12/2024

GERASIMOS RAZATOS DIRECTOR (Acting)

GR/dm

CASE NO. 24863 ORDER NO. R-23598

R-23598 EXHIBIT A

COMPULSORY POOLING APPLICATION CHECKLIST ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS Case: 24863 **APPLICANT'S RESPONSE** Hearing Date: October 10, 2024 Permian Resources Operating, LLC **Applicant** Designated Operator & OGRID (affiliation if applicable) Permian Resources Operating, LLC (OGRID No. 372165) Applicant's Counsel: Hinkle Shanor LLP Case Title: Application of Permian Resources Operating, LLC for Compulsory Pooling and Overlapping Spacing Unit, Lea County, New Mexico. Entries of Appearance/Intervenors: Northern Oil & Gas Inc. Well Family Tour Bus Formation/Pool Formation Name(s) or Vertical Extent: **Bone Spring** Primary Product (Oil or Gas): Oil Pooling this vertical extent: Third Bone Spring Pool Name and Pool Code: Ojo Chiso; Bone Spring pool (Code 96553) Well Location Setback Rules: Statewide **Spacing Unit** Type (Horizontal/Vertical) Horizontal Size (Acres) 320 acres **Building Blocks:** quarter-quarter Orientation: North to South E/2 E/2 of Sections 23 and 26, Township 22 South, Range 34 East, Lea County, New Mexico Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application? **Other Situations** Depth Severance: Y/N. If yes, description Yes. Applicant seeks to pool uncommitted interests from the top of the Third Bone Spring interval at a stratigraphic equivalent of approximately 10,983' TVD to the base of the Third Bone Spring interval at a stratigraphic equivalent of approximately 11,336' TVD as shown on the Ojo Chiso Federal #3 (API #30-025-30733). Proximity Tracts: If yes, description No. Proximity Defining Well: if yes, description N/A Applicant's Ownership in Each Tract Exhibit A-3 Well(s)

R-23598 EXHIBIT A

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	Tour Bus 23 Fed Com 604H (API # pending) SHL: 400' FNL & 1224' FEL (Unit A), Section 23, T22S, R34E BHL: 100' FNL & 989' FEL (Unit P), Section 26, T22S, R34E Completion Target: Bone Spring (Approx. TVD: 11,150')
Horizontal Well First and Last Take Points	Exhibit A-2
Completion Target (Formation, TVD and MD)	Exhibit A-4
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$10,000
Production Supervision/Month \$	\$1,000
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibits C-1, C-2, C-3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-4
Ownership Determination	
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)	Exhibit A-3
Joinder	
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
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-6
Well Orientation (with rationale)	Exhibit B

R-23598 EXHIBIT A

Target Formation	Exhibit B
HSU Cross Section	Exhibit B-2
Depth Severance Discussion	Exhibit B
Forms, Figures and Tables	
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-4
Cross Section Location Map (including wells)	Exhibit B-2
Cross Section (including Landing Zone)	Exhibit B-5
Additional Information	N/A
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information pro	vided in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Dana S. Hardy
Signed Name (Attorney or Party Representative):	/s/ Dana S. Hardy
Date:	10/3/2024

Case 25125 - Tour Bus 23-26 Federal Com 604H



Tract Capitulation				
Owner	Legal	WI		
Permian Resources Operating LLC	Sec 23: All	1		
BTA Oil Producers, LLC	Sec 26: All	0.628106		
COG Operating LLC	Sec 26: All	0.25		
Northern Oil and Gas, Inc.	Sec 26: All	0.100223		
Ryan A. Pace Management Trust	Sec 26: All	0.005417		
Clinton Pace (Estate)	Sec 26: All	0.005417		
Tara N. Pace	Sec 26: All	0.005417		
Aleyna N. Pace	Sec 26: All	0.005417		

Unit Capitulation (All Tour Bus Wells)			
Owner	WI		
Permian Resources Operating LLC	50.000%		
BTA Oil Producers, LLC	31.406%		
COG Operating LLC	12.500%		
Northern Oil and Gas, Inc.	5.011%		
Ryan A. Pace Management Trust	0.271%		
Clinton Pace	0.271%		
Tara N. Pace	0.271%		
Aleyna N. Pace	0.271%		
Total	100.000%		

Owner	Pooling?	Owner Type	Comments
Permian Resources Operating LLC	N/A	WI/RT	
BTA Oil Producers, LLC	N	WI	
COG Operating LLC	N	WI/RT	
Northern Oil and Gas, Inc.	N	WI	
Ryan A. Pace Management Trust	N	WI/RT	
Clinton Pace (Estate)	N	WI/RT	
Tara N. Pace	N	WI/RT	
Aleyna N. Pace	N	WI/RT	
Hunt Oil Co	Υ	RT	Seeking Com Signatures - expecting signature soon
Devon Energy Prod. Co LP	N	RT	Signed Com
Samson Resources Co	Υ	RT	Seeking Com Signatures
Axis Energy Corp	N	RT	Signed Com
Alpha Energy Partners, LLC	Υ	RT	Intentfully unresponsive to signature request

6	D	C	B	A
	NWNW	NENW	NWNE	NENE
0 \0 \0 \0	E	F	G	H
	SWNW	SENW	SWNE	SENE
\00 \00 \00 \00 \00 \00 \00 \00 \00 \00	L	K	J	i
	NWSW	NESW	NWSE	NESE
	M SWSW	N SESW 22S-	swse	sese 23
╛				
	D	C	B	A
	NWNW	NENW	NWNE	NENE
	D	C	B	A
	NWNW	NEWW	NWNE	NENE
	E	F	G	H
	SWNW	SENW	SWNE	SENE
	NWNW	NENW F	NWNE G	н

Tour Bus 23-26 Fed Com 302H & 602H Spacing	Tour Bus 23-26 Fed Com 303H & 603H Spacing	Tour Bus 23-26 Fed Com 304H & 604H Spacing
Tour Bus 23	Tour Bus 23	Tour Bus 23-

^{*}Parties to be pooled are highlighted in yellow.



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

OFFICE 432.695.4222 **FAX** 432.695.4063

August 7, 2024 Via Certified Mail

Northern Oil & Gas, Inc 4350 Baker Rd., Suite 400 Minnetonka, MN 55343

Tour Bus 23-26 Federal Com - Well Proposals

All of Sections 23 and 26, T22S-R34E Lea County, New Mexico

To Whom It May Concern:

Permian Resources Operating, LLC ("Permian"), hereby proposes the drilling and completion of the following six (6) wells, the Tour Bus 23-26 Federal Com wells at the following approximate location within Township 22 South, Range 34 East:

1. Tour Bus 23-26 Federal Com 302H - Existing Pad

SHL: 527' FNL & 1,295' FEL of Section 23 (or at a legal location in Unit A)

BHL: 100' FSL & 1,656' FWL of Section 26 FTP: 100' FNL & 1,656' FWL of Section 23 LTP: 100' FSL & 1,656' FWL of Section 26

TVD: Approximately 9,600' TMD: Approximately 19,960'

Proration Unit: E2W2 of Sections 23 & 26, T22S-R34E

Targeted Interval: 1st Bone Spring Total Cost: See attached AFE

2. Tour Bus 23-26 Federal Com 303H - Existing Pad

SHL: 529' FNL & 1,262' FEL of Section 23 (or at a legal location in Unit A)

BHL: 100' FSL & 2,296' FEL of Section 26 FTP: 100' FNL & 2,296' FEL of Section 23 LTP: 100' FSL & 2,296' FEL of Section 26

TVD: Approximately 9,600' TMD: Approximately 19,960'

Proration Unit: W2E2 of Sections 23 & 26, T22S-R34E

Targeted Interval: 1st Bone Spring Total Cost: See attached AFE

3. Tour Bus 23-26 Federal Com 304H - Existing Pad

SHL: 530' FNL & 1,229' FEL of Section 23 (or at a legal location in Unit A)

BHL: 100' FSL & 990' FEL of Section 26 FTP: 100' FNL & 989' FEL of Section 23

LTP: 100' FSL & 990' FEL of Section 26

TVD: Approximately 9,600' TMD: Approximately 19,960'

Proration Unit: E2E2 of Sections 23 & 26, T22S-R34E

Targeted Interval: 1st Bone Spring Total Cost: See attached AFE

4. Tour Bus 23-26 Federal Com 602H - Existing Pad

SHL: 397' FNL & 1,290' FEL of Section 23 (or at a legal location in Unit A)

BHL: 100' FSL & 1,986' FWL of Section 26 FTP: 100' FNL & 1,986' FWL of Section 23 LTP: 100' FSL & 1,986' FWL of Section 26

TVD: Approximately 11,150' TMD: Approximately 21,685'

Proration Unit: E2W2 of Sections 23 & 26, T22S-R34E

Targeted Interval: 3rd Bone Spring Total Cost: See attached AFE

5. Tour Bus 23-26 Federal Com 603H - Existing Pad

SHL: 399' FNL & 1,257' FEL of Section 23 (or at a legal location in Unit A)

BHL: 100' FSL & 2,194' FEL of Section 26 FTP: 100' FNL & 2,194' FEL of Section 23 LTP: 100' FSL & 2,194' FEL of Section 26

TVD: Approximately 11,150' TMD: Approximately 21,685'

Proration Unit: W2E2 of Sections 23 & 26, T22S-R34E

Targeted Interval: 3rd Bone Spring Total Cost: See attached AFE

6. Tour Bus 23-26 Federal Com 604H - Existing Pad

SHL: 400' FNL & 1,224' FEL of Section 23 (or at a legal location in Unit A)

BHL: 100' FSL & 990' FEL of Section 26 FTP: 100' FNL & 990' FEL of Section 23 BHL: 100' FSL & 990' FEL of Section 26

TVD: Approximately 11,150' TMD: Approximately 21,685'

Proration Unit: E2E2 of Sections 23 & 26, T22S-R34E

Targeted Interval: 3rd Bone Spring Total Cost: See attached AFE

The locations, TVDs, and targets are approximate and subject to change dependent on surface or subsurface issues encountered. These locations do fall within an approved potash drill island, so any surface changes remain subject to BLM approval. Permian is proposing to drill these wells under the modified terms of the 1989 AAPL Operating Agreement and a form of said Operating Agreement is enclosed. The Operating Agreement has the following general provisions:

- -100%/300%/300% non-consent provisions
- \$8,000/\$800 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 wells 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 432.400.0188 or by email at mason.maxwell@permianres.com

Respectfully,

Mason Maxwell

May Mounel

Landman

Enclosures

Elections on page to follow.

Tour Bus 23-26 Federal Com Elections:

Well Elections:				
(Please indicate your responses in the spaces below)				
Well(s)	Elect to Participate	Elect to <u>NOT</u> Participate		
Tour Bus 23-26 Federal Com 302H				
Tour Bus 23-26 Federal Com 303H				
Tour Bus 23-26 Federal Com 304H				
Tour Bus 23-26 Federal Com 602H				
Tour Bus 23-26 Federal Com 603H				
Tour Bus 23-26 Federal Com 604H				

Company Name	(If Applicable):	
By:		
Printed Name: _		
Date:		

Participate / Rejection Declaration

Please return this page to Permian Resources Operating, LLC ("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, 2024 by:
Compan	ny Name (If Applicable)
Bv·	
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 AUTHO	ORIZATION FOR EXPENDI	TURE	
DATE:	8.7.2024			AFE NO.:	1
WELL NAME:	Tour Bus 23-26 Federal C	Com 604H		FIELD:	Bone Spring
LOCATION:	Section 23 & 26, T22S-R3	4E		MD/TVD:	21,685'/11,150'
COUNTY/STATE:	Lea County, New Mexico)		LATERAL LENGTH:	10,000'
Permian WI:				DRILLING DAYS:	19.6
GEOLOGIC TARGET:	TBSG			COMPLETION DAYS:	18.6
DEMARKS.	Drill a horizontal TBSG v install cost	well and complete with	1 44 stages. AFE includes	drilling, completions, flo	wback and Initial AL
REMARKS:	ilistali cost				
INTANGIBLE	COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
l Land / Legal / Regulatory 2 Location, Surveys & Dama	ages	48,916 250,966	15,740	-	\$ 48,916 266,706
Freight / Transportation	-8	41,492	38,138	18,935	98,565
Rental - Surface Equipme		108,309	187,665	89,941	385,915
Rental - Downhole Equip	ment	178,959	52,101	-	231,060
' Rental - Living Quarters 0 Directional Drilling, Sur	vevs	41,888 374,205	47,461		89,349 374,205
1 Drilling	,, -	656,705			656,705
2 Drill Bits		87,270			87,270
3 Fuel & Power	_	164,594	631,651	-	796,245
4 Cementing & Float Equip 5 Completion Unit, Swab,		211,952		14,201	211,952 14,201
6 Perforating, Wireline, Sli		-	342,488	-	342,488
7 High Pressure Pump Tru		-	107,393	-	107,393
8 Completion Unit, Swab,		-	127,612	-	127,612
0 Mud Circulation System		91,655	-	-	91,655
1 Mud Logging 2 Logging / Formation Eval	luation	15,271 6,333	7,264	-	15,271 13,598
3 Mud & Chemicals		315,219	381,733	9,467	706,420
4 Water		37,860	576,387	236,686	850,932
5 Stimulation		-	709,161	-	709,161
6 Stimulation Flowback &	-	168,226	105,940	142,011	247,951 221,499
8 Mud / Wastewater Dispo 0 Rig Supervision / Engine		105,582	53,273	14,201	236,014
2 Drlg & Completion Over		9,081	-		9,081
5 Labor		133,600	60,537	14,201	208,339
4 Proppant		-	1,093,515		1,093,515
5 Insurance 7 Contingency		12,771	21,2/5		12,771 21,275
9 Plugging & Abandonme	nt	-	-		-
00 0	TOTAL INTANGIBLES >	3,060,855	4,675,564	539,643	8,276,062
		DRILLING	COMPLETION	PRODUCTION	TOTAL
TANGIBLE	COSTS	COSTS	COSTS	COSTS	COSTS
0 Surface Casing	S S	106,487			\$ 106,487
1 Intermediate Casing	*	317,382			317,382
2 Drilling Liner		-	-	-	-
3 Production Casing		598,528	-	-	598,528
4 Production Liner		-	-	7223.44	7221-44
5 Tubing 6 Wellhead		56,469		132,544 37,870	132,544 94,339
7 Packers, Liner Hangers		12,834		18,935	31,769
8 Tanks		-	-	-	-
9 Production Vessels		-	-	-	-
0 Flow Lines			-		-
'1 Rod string '2 Artificial Lift Equipment	:			85,207	85,207
3 Compressor				-	-
4 Installation Costs		-	-	52,597	52,597
5 Surface Pumps		-	-	-	-
'6 Downhole Pumps '7 Measurement & Meter Ir	estallation			28,402	28,402
8 Gas Conditioning / Dehy				20,402	20,402
9 Interconnecting Facility I		-	-	18,935	18,935
0 Gathering / Bulk Lines		-	-	-	-
1 Valves, Dumps, Controll		-	-	-	-
2 Tank / Facility Containm 3 Flare Stack	ent			15,779	15,779
4 Electrical / Grounding			-	36,818	36,818
5 Communications / SCAD	OA .	-	-	10,519	10,519
6 Instrumentation / Safety		-	-	5,260	5,260
	TOTAL TANGIBLES >	1,091,699	0	442,865	1,534,564
	TOTAL COSTS >	4,152,553	4,675,564	982,509	9,810,626
'ARED BY Permian Res	sources Operating, LLC:				
Drilling Enginee	<u> </u>				
Completions Enginee					
Production Enginee					
	50				
ian Resources Operatin	g, LLC APPROVAL:				
Co-CEO		Co-C		VP - Opera	tions
	WH		JW		CRM
VP - Land & Leg		VP - Geoscien			
	BG		SO		
OPERATING PARTN	ER APPROVAL:				
Company Nam	e:		Working Interest (%):	Ta	x ID:
Signed b	y:		Date:		
m. a				1	

Tour Bus – Re-Open – Contact Chronology



December 2024: Original Orders issued (Record Title only owners went un-pooled)

December 2024-Present:

Hunt – Actively engaged, expecting Com Signatures soon

Samson – Seems like general disinterest/confusion on what is needed, Samson sold most NM assets

years ago

Alpha – Actively ignoring Com Signature requests

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

APPLICATION OF PERMIAN RESOURCES OPERATING, LLC TO POOL ADDITIONAL INTERESTS UNDER ORDER NO. R-23598, LEA COUNTY, NEW MEXICO.

CASE NO. 25125 ORDER NO. R-23598

SELF-AFFIRMED STATEMENT OF DANA S. HARDY

- I am attorney in fact and authorized representative of Permian Resources Operating,
 LLC, the Applicant herein.
- 2. I am familiar with the Notice Letter attached as **Exhibit B-1** and caused the Notice Letter, along with the Application in this case, to be sent to the parties set out in the chart attached as **Exhibit B-2**.
- 3. Exhibit B-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 B-3** as supporting documentation for proof of mailing and the information provided on Exhibit B-2.
- 5. On January 17, 2025, 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 B-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 is 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

February 3, 2025

Date



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

January 14, 2025

<u>VIA CERTIFIED MAIL</u> RETURN RECEIPT REQUESTED

TO ALL PARTIES ENTITLED TO NOTICE

Re: Case Nos. 25125, 25127, 25128, 25129, 25130 & 25131 – Applications of Permian Resources Operating, LLC to Extend Time to Pool Additional Interests Under Order Nos. R-23598, R-23597, R-23596, R-23595, R-23594 & R-23593, Lea County, New Mexico.

To whom it may concern:

This letter is to advise you that the enclosed applications were filed with the New Mexico Oil Conservation Division. The hearing on these applications will be conducted on **February 13**, **2025**, beginning at 9:00 a.m.

The hearings will be conducted in a hybrid fashion, both virtually and in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505. To participate virtually, 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://www.apps.emnrd.nm.gov/ocd/ocdpermitting/) or via e-mail to 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.

If you have any questions about this application, please contact Travis Macha, Land Manager at Permian Resources Operating, LLC, via e-mail at Travis.Macha@permianres.com.

Sincerely,
/s/ Dana S. Hardy
Dana S. Hardy

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

APPLICATION OF PERMIAN RESOURCES OPERATING, LLC TO POOL ADDITIONAL INTERESTS UNDER ORDER NO. R-23597, LEA COUNTY, NEW MEXICO. CASE NOS. 25125, 25127, 25128, 25129, 25130 & 25131 ORDER NOS. R-23598, R-23597, R-23596, R-23595, R-23594, & R-23593

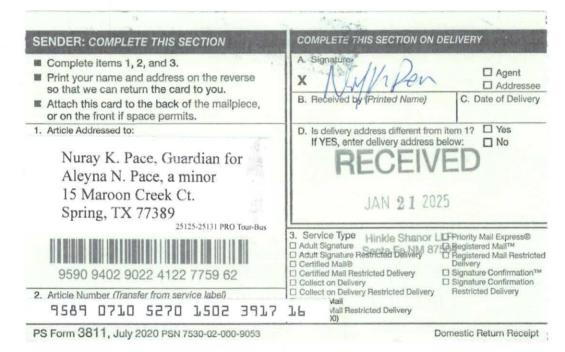
NOTICE LETTER CHART

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
Alpha Energy Partners LLC	1-14-2025	Per USPS Tracking
PO Box 10701	9589071052701502391686	2-3-2025: Item in
Midland, TX 79702-7701		transit.
Hunt Oil Co.	1-14-2025	1-21-2025
1900 N. Akard St.	9589071052701502391716	
Dallas, TX 75201		
Samson Resources Co.	1-14-2025	Per USPS Tracking
2 W 2nd St.	9589071052701502391709	2-3-2025:
Tulsa, OK 74103-3123		Forward Expired/
		Return to Sender.
Nuray K. Pace, Guardian for Aleyna	1-14-2025	1-21-2025
N. Pace, a minor	9589071052701502391693	
15 Maroon Creek Ct.		
Spring, TX 77389		
Nuray K. Pace, Guardian for Tara N.	1-14-2025	1-21-2025
Pace, a minor	9589071052701502391723	
15 Maroon Creek Ct.		
Spring, TX 77389		















ALERT: WILDFIRES AND EMERGENCY EVENTS IN THE LOS ANGELES METRO AREA U.S. MAY ...

USPS Tracking®

FAQs >

Tracking Number:

Remove X

9589071052701502391686

Copy Add to Informed Delivery (https://informeddelivery.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:

USPS Tracking Plus®

Delivered

Out for Delivery

Preparing for Delivery

Moving Through Network

In Transit to Next Facility

January 18, 2025

Departed USPS Facility

ALBUQUERQUE, NM 87101 January 14, 2025, 11:24 pm

See All Tracking History

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

Text & Email Updates





ALERT: WILDFIRES AND EMERGENCY EVENTS IN THE LOS ANGELES METRO AREA U.S. MAY ...

USPS Tracking®

FAQs >

Tracking Number:

Remove X

9589071052701502391709

Copy Add to Informed Delivery (https://informeddelivery.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:

USPS Tracking Plus®

Moving Through Network

In Transit to Next Facility

February 2, 2025

Departed USPS Regional Facility

OKLAHOMA CITY OK DISTRIBUTION CENTER January 28, 2025, 8:41 am

Arrived at USPS Regional Facility

OKLAHOMA CITY OK DISTRIBUTION CENTER January 27, 2025, 10:51 am

Forward Expired

TULSA, OK 74103 January 18, 2025, 6:17 am

Departed USPS Regional Facility

TULSA OK DISTRIBUTION CENTER January 16, 2025, 8:31 pm

Feedback

Affidavit of Publication

STATE OF NEW MEXICO COUNTY OF LEA

I, Wade Cavitt, Owner 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 January 17, 2025 and ending with the issue dated January 17, 2025.

Owner

Sworn and subscribed to before me this 17th day of January 2025.

Business Manager

My commission expires

January PAREZOF NEW MEXICO
(Seal) 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 January 17, 2025

This is to notify all interested parties, including Alpha Energy Partners LLC; Hunt Oil Co.; Samson Resources Co.; Nuray K. Pace, Guardian for Aleyna N. Pace, a minor; Nuray K. Pace, Guardian for Tara N. Pace, a minor; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on the applications submitted by Permian Resources Operating, LLC (Case Numbers 25125, 25127, 25128, 25129, 25130 and 25131). The hearing will be conducted on February 13, 2025, in a hybrid fashion, both virtually and inperson at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505, To participate virtually, see the instructions posted on the OCD Hearings website: https://www.emnrd.nm.gov/ocd/hearing-info/.

In Case No. 25125, Permian Resources Operating, LLC ("Applicant") (OGRID No. 372165) seeks to pool additional uncommitted interests under the terms of Division Order No. R-23598. The Order: (1) pooled uncommitted interests in the Third Bone Spring interval of the Bone Spring formation underlying a standard, overlapping, horizontal spacing unit comprised of the E/2 E/2 of Sections 23 and 26, Township 22 South, Range 34 East, Lea County, New Mexico; (2) dedicated the Unit to the Tour Bus 23 Fed Com 604H well; and (3) designated Applicant as operator of the Unit and Well. Since the Order was entered, Applicant has identified additional uncommitted interests in the Unit that should be pooled under the terms of the Order.

In Case No. 25127, Applicant seeks to pool additional uncommitted interests under the terms of Division Order No. R-23597. The Order: (1) pooled uncommitted interests in the Third Bone Spring interval of the Bone Spring formation underlying a standard, overlapping, horizontal spacing unit comprised of the W/2 E/2 of Sections 23 and 26, Township 22 South, Range 34 East, Lea County, New Mexico; (2) dedicated the Unit to the Tour Bus 23 Fed Com 603H well; and (3) designated Applicant as operator of the Unit and Well. Since the Order was entered, Applicant has identified additional uncommitted interests in the Unit that should be pooled under the terms of the Order.

In Case No. 25128, Applicant seeks to pool additional uncommitted interests under the terms of Division Order No. R-23596. The Order: (1) pooled uncommitted interests in the Third Bone Spring interval of the Bone Spring formation underlying a standard, overlapping, horizontal spacing unit comprised of the E/2 W/2 of Sections 23 and 26, Township 22 South, Range 34 East, Lea County, New Mexico; (2) dedicated the Unit to the Tour Bus 23 Fed Com 602H well; and (3) designated Applicant as operator of the Unit and Well. Since the Order was entered, Applicant has identified additional uncommitted interests in the Unit that should be pooled under the terms of the Order.

In Case No. 25129, Applicant seeks to pool additional uncommitted interests under the terms of Division Order No. R-23595. The Order: (1) pooled uncommitted interests in the First Bone Spring interval of the Bone Spring formation underlying a standard, overlapping, horizontal spacing unit comprised of the E/2 E/2 of Sections 23 and 26, Township 22 South, Range 34 East, Lea County, New Mexico; (2) dedicated the Unit to the Tour Bus 23 Fed Com 304H well; and (3) designated Applicant as operator of the Unit and Well. Since the Order was entered, Applicant has identified additional uncommitted interests in the Unit that should be pooled under the terms of the Order. In Case No. 25130, Applicant seeks to pool additional uncommitted interests under the terms of Division Order No. R-23594. The Order: (1) pooled uncommitted interests in the First Bone Spring interval of the Bone Spring formation underlying a standard, overlapping, horizontal spacing unit comprised of the W/2 E/2 of Sections 23 and 26, Township 22 South, Range 34 East, Lea County, New Mexico; (2) dedicated the Unit to the Tour Bus 23 Fed Com 303H well; and (3) designated Applicant has identified additional uncommitted interests in the Unit that should be pooled under the terms of the Order.

In Case No. 25131, Applicant seeks to pool additional uncommitted interests under the terms of Division Order No. R-23593. The Order: (1) pooled uncommitted interests in the First Bone Spring interval of the Bone Spring formation underlying a standard, overlapping, horizontal spacing unit comprised of the E/2 W/2 of Sections 23 and 26, Township 22 South, Range 34 East, Lea County, New Mexico; (2) dedicated the Unit to the Tour Bus 23 Fed Com 302H well; and (3) designated Applicant as operator of the Unit and Well. Since the Order was entered, Applicant has identified additional uncommitted interests in the Unit that should be pooled under the terms of the Order. The Wells are located approximately 17 miles southwest of Eunice, New Mexico.

02107475

00297575

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