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

APPLICATIONS OF V-F PETROLEUM INC. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case Nos. 24994-24995 & 25115-25117

APPLICATIONS OF READ & STEVENS, INC. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case Nos. 24941-22942 & 25145-25148

NOTICE OF FILING: REVISED AND CONSOLIDATED HEARING PACKET

V-F Petroleum Inc., ("V-F") through its undersigned attorneys, hereby submits for filing the following Revised and Consolidated Hearing Packet.

Exhibit 1:	Amended Hearing Packet Case No. 24994
Exhibit 2:	Amended Hearing Packet Case No. 24995
Exhibit 3:	Amended Hearing Packet Case No. 25115
Exhibit 4:	Amended Hearing Packet Case No. 25116
Exhibit 5:	Amended Hearing Packet Case No. 25117
Exhibit 6:	Rebuttal Exhibits $-1A$, $1B$, $1C$, and $2-14$ and
	5 1 1 5 1 5 1 5 1 5

Rebuttal Exhibit 15

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

Darin C. Savage

Andrew D. Schill William E. Zimsky 214 McKenzie Street

Santa Fe, New Mexico 87501 Telephone: 970.385.4401 Facsimile: 970.385.4901 darin@abadieschill.com andrew@abadieschill.com bill@abadieschill.com

Attorneys for V-F Petroleum Inc.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was filed with the New Mexico Oil Conservation Division and was served on counsel of record via electronic mail on March 10, 2025:

Michael H. Feldewert – mfeldewert@hollandhart.com Adam G. Rankin – agrankin@hollandhart.com Paula M. Vance – pmvance@hollandhart.com Attorneys for Read & Stevens, Inc. and Permian Resources Operating, LLC

Kaitlyn A. Luck - luck.kaitlyn@gmail.com *Attorney for Carolyn Beall*

/s/ Darin C. Savage
Darin C. Savage

BEFORE THE OIL CONSERVATION DIVISION EXAMINER HEARING FEBRUARY 27, 2025

APPLICATION OF V-F PETROLEUM INC. FOR A COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

REVISED AND CONSOLIDATED HEARING PACKET FOR

Case Nos. 24994, 24995, 25115, 25116 and 25117

V-F PETROLEUM INC.

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TAB 6	Exhibit 6:	Rebuttal Exhibits $-1A$, $1B$, $1C$, and $2-14$ and Rebuttal Exhibit 15

TAB 1

Exhibit 1: Amended Hearing Packet Case No. 24994

BEFORE THE OIL CONSERVATION DIVISION EXAMINER HEARING FEBURARY 27, 2025

APPLICATION OF V-F PETROLEUM INC. FOR A COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

AMENDED HEARING PACKET FOR

Case No. 24994:

Rainier 16-15 Fed Com 221H

Rainier 16-15 Fed Com 231H

Consolidated for a Contested Hearing with: Case Nos. 24995, 25115, 25116 & 25117 (V-F Petroleum Inc. Cases) Case Nos. 24941-24942 & 25145-25148 (Read & Stevens, Inc. Cases)

V-F PETROLEUM INC.

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TAB 1

Reference for Case No. 24994 Application Case No. 24994: Rainier 16-15 Fed Com 221H 231H NMOCD Checklist Case No. 24994

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

APPLICATION OF V-F PETROLEUM INC. FOR A COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case No. 24994

APPLICATION

V-F Petroleum Inc. ("V-F Petroleum"), OGRID No. 24010, through its undersigned attorneys, hereby files this Application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, Section 70-2-17, for an order pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying a standard 320-acre, more or less, spacing unit comprised of the S/2 S/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. In support of its Application, V-F Petroleum states the following:

- 1. V-F Petroleum is a working interest owner in the proposed horizontal spacing and proration unit ("HSU") and has a right to drill a well thereon.
- 2. V-F Petroleum proposes and dedicates to the HSU the Rainier 16-15 Fed Com #221H Well, and the Rainier 16-15 Fed Com #231H Well, as initial wells, to be drilled to a sufficient depth to test the Bone Spring formation.
- 3. V-F Petroleum proposes the **Rainier 16-15 Fed Com #221H Well,** an oil well, to be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 16 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 15.

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- 4. V-F Petroleum proposes the **Rainier 16-15 Fed Com #231H Well,** an oil well, to be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 16 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 15.
- 5. All the wells proposed herein are orthodox in their location, and the take points and completed intervals comply with setback requirements under the statewide rules.
- 6. V-F Petroleum has sought in good faith, but has been unable to obtain, voluntary agreement from all interest owners to participate in the drilling of the wells or in the commitment of their interests to the wells for their development within the proposed HSU.
- 7. The pooling of all interests in the Bone Spring formation within the proposed HSU will avoid the drilling of unnecessary wells, prevent waste and protect correlative rights.
- 8. In order to provide for its just and fair share of the oil and gas underlying the subject lands, V-F Petroleum requests that all uncommitted interests in this HSU be pooled and that V-F Petroleum be designated the operator of the proposed horizontal wells and HSU.

WHEREFORE, V-F Petroleum requests that this Application be set for hearing on January 9, 2025, before an Examiner of the Oil Conservation Division, and after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying a standard 320-acre, more or less, spacing unit comprised of the S/2 S/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico.
- B. Approving the Rainier 16-15 Fed Com #221H Well and the Rainier 16-15 Fed Com #231H Well as the wells for the HSU.
- C. Designating V-F Petroleum as operator of this HSU and the horizontal wells to be drilled thereon;

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- D. Authorizing V-F Petroleum to recover its costs of drilling, equipping, and completing the wells;
- E. Approving actual operating charges and costs of supervision, to the maximum extent allowable, while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Setting a 200% charge for the risk assumed by V-F Petroleum in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

Darin C. Savage

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William E. Zimsky
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Attorneys for V-F Petroleum, Inc.

Application of V-F Petroleum Inc. for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying a standard 320-acre, more or less, spacing unit comprised of the S/2 S/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. The proposed wells to be dedicated to the horizontal spacing unit are the Rainier 16-15 Fed Com #221H Well, an oil well, to be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 16 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 15; and the Rainier 16-15 Fed Com #231H Well, an oil well, to be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 16 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 15. The proposed wells will be orthodox, and their take points and completed intervals will comply with the setback requirements under statewide Rules. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 31 miles southeast of Artesia, New Mexico.

COMPULSORY POOLING APPLICATION CHECKLIST								
ALL INFORMATION IN THE APPLICATION MUST BE SU	PPORTED BY SIGNED AFFIDAVITS							
Case: 24994	APPLICANT'S RESPONSE							
Date: January 28, 2025 (Scheduled Hearing)								
Applicant	V-F Petroleum Inc.							
Designated Operator & OGRID (affiliation if applicable)	24010							
Applicant's Counsel:	Darin C. Savage, Abadie & Schill, P.C.							
Case Title:	APPLICATION OF V-F PETROLUEM INC. FOR A COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO							
Entries of Appearance/Intervenors:	Read & Stevens, Inc. Permian Resources Operating, LLC							
Well Family	Rainier 16-15 Fed Com							
Formation/Pool								
Formation Name(s) or Vertical Extent:	Bone Spring Formation							
Primary Product (Oil or Gas):	Oil							
Pooling this vertical extent:	Bone Spring Formation							
Pool Name and Pool Code (Only if NSP is requested):								
Well Location Setback Rules (Only if NSP is Requested):								
Spacing Unit								
Type (Horizontal/Vertical)	Horizontal							
Size (Acres)	320-acre, more or less							
Building Blocks:	Quarter - Quarter Sections (40 Acre Blocks)							
Orientation:	West to East							
Description: TRS/County	S/2 S/2 of Sections 16 and 15, all in Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico							
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes, Standard Spacing Unit							
Other Situations								
Depth Severance: Y/N. If yes, description	No							
Proximity Tracts: If yes, description	No							
Proximity Defining Well: if yes, description								
Applicant's Ownership in Each Tract	See Exhibit A-3, breakdown of ownership							
Well(s)								
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	Rainier 16-15 Fed Com 221H Well (API No. Pending), SHL: Unit L, 1437.5' FSL, 797' FWL, Section 16, T18S-R31E; BHL: Unit P, 615' FSL, 100' FEL, Section 15, T18S-R31E, laydown, standard location							

hibit
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Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1, B-3
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-4
Well Orientation (with rationale)	Exhibit B, B-1, B-3
Target Formation	Exhibit B-2, B-4
HSU Cross Section	Exhibit B-2, B-4
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit A-1
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit A-2, A-3
Well Bore Location Map	Exhibit A-1, A-7, B-4
Structure Contour Map - Subsea Depth	Exhibit B-1
Cross Section Location Map (including wells)	Exhibit B-1, B-4
Cross Section (including Landing Zone)	Exhibit B-2, B-5
Additional Information	
Special Provisions/Stipulations	
CERTIFICATION: I hereby certify that the information provided i	n this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Darin C. Savage
Signed Name (Attorney or Party Representative):	/s/ Darin Savage
Date:	1/21/25

TAB 2

Evhibit A.	Self-Affirmed Statement of Jordan Shaw, Landman
	· · · · · · · · · · · · · · · · · · ·
Exhibit A-1:	C-102 Forms
Exhibit A-2:	Location Plat Map
Exhibit A-3:	Revised Tract Map and Ownership Breakdown
Exhibit A-4:	Chronology of Contacts with Uncommitted Owners
Exhibit A-5:	Well Proposal Letters and AFEs
Exhibit A-6:	Sample Well Proposal and AFE for Rainier 16-15 Fed Com #211H
	Well
Exhibit A-7:	Aerial View Map of Surrounding Development
Exhibit A-8:	Permian Resources Slim Jim Well Proposals
Exhibit A-9:	Plat for Tamano 15 AD Fed Com #1H Well

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

APPLICATION OF V-F PETROLEUM, INC. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case No. 24994

SELF-AFFIRMED STATEMENT OF JORDAN SHAW

I, Jordan Shaw, state and affirm the following:

- 1. I am over the age of eighteen years and have the capacity to execute this Self-Affirmed Statement, which is based on my personal knowledge.
- 2. I am a Landman/Attorney with V-F Petroleum Inc. ("V-F"), and I am familiar with the subject application and the lands involved.
- 3. I graduated in 2009 from the Indiana University of Pennsylvania with a bachelor's degree in Political Science, Pre-Law and graduated in 2013 from Texas Tech University, School of Law with a Juris Doctor and am licensed to practice law in the State of Texas. I have worked at V-F Petroleum Inc. for approximately three years and have been working as a Landman/Attorney for three years. I have previously testified before the New Mexico Oil Conservation Division ("Division") as an expert witness in petroleum land matters and my credentials have been accepted by the Division and made a matter of record.
- 4. This Self-Affirmed Statement is submitted in connection with the filing by V-F of the above-referenced spacing and compulsory pooling applications pursuant to 19.15.4.12.A(1).
- 5. V-F seeks an order pooling all uncommitted mineral interest in the Bone Spring formation in the Shugart; Bone Spring North, Pool Code 56405, from the top of the First Bone



Spring, at an approximate depth of 6,048' beneath the surface, to the base of the Third Bone Spring formation, which has an approximate depth of 9,450' beneath the surface, as shown in that certain Dual Lateralog, Micro Laterlog, Gamma Ray well log in the Tamano 15 Fed Com #2 well (API # 30-015-33398), located in Sec. 15, Township 18 South, Rage 31 East, Eddy County, New Mexico, underlying a standard 320-acre, more or less, spacing and proration unit comprised of the S/2 S/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico.

- 6. Under <u>Case No. 24994</u>, V-F seeks to dedicate the **Rainier 16-15 Fed Com #221H Well,** (API 30-015-pending) as an initial well, to be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 16 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 15; approximate TVD of 8,450'; approximate TMD of 19,811'; FTP in Section 16: 615' FSL, 100' FWL; LTP in Section 15: 615' FSL, 100' FEL.
- 7. Under <u>Case No. 24994</u>, V-F also seeks to dedicate the **Rainier 16-15 Fed Com** #231H Well, (API 30-015-pending) as an in-fill well, to be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 16 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 15; approximate TVD of 9,360'; approximate TMD of 19,390'; FTP in Section 16: 615' FSL, 100' FWL; LTP in Section 15: 615' FSL, 100' FEL.
 - 8. The proposed C-102 for each well is attached as **Exhibit A-1**.
- 9. A general location plat and a plat outlining the units being pooled is attached hereto as **Exhibit A-2**, which show the location of each proposed well within the unit. The location of each well is orthodox, and it meets the Division's offset requirements.
- 10. The parties being pooled, the nature of their interests, and their last known addresses are listed on **Exhibit A-3** attached hereto. **Exhibit A-3** includes information regarding working interest owners, overriding royalty interest owners and royalty interest owners.

- 11. I provided the law firm of Abadie & Schill P.C. a list of names and addresses for the uncommitted interest owners shown on **Exhibit A-3**. In compiling these addresses, I conducted a diligent search of the public records in Eddy County, New Mexico, where the wells are located, and of phone directories and did computer searches to locate the contact information for parties entitled to notification. All working interest owners were locatable and noticed. Notice to one overriding royalty interest owner, Francis Hill Hudson, Trustee of Lindy's Living Trust, is listed as To Be Returned. V-F published notice in the Carlsbad Current-Argus, a newspaper of general circulation in Eddy County, New Mexico to cover any contingencies regarding notice.
 - 12. There are no depth severances in the Bone Spring formation in this acreage.
- 13. V-F has made a good faith effort to negotiate with the interest owners, but has been unable to obtain, voluntary agreement from all interest owners to participate in the drilling of the well or in the commitment of their interests to the well for its development within the proposed horizontal spacing unit. **Exhibit A-4** provides a chronology and history of contacts with the owners.
- 14. The interest owners being pooled have been contacted regarding the proposed wells but have failed or refused to voluntarily commit their interest in the wells. However, VF-Petroleum has been in ongoing discussions with some of the interest owners to voluntarily enter into a Joint Operating Agreement. If a mutually agreeable Joint Operating Agreement is reached between VF-Petroleum and another interest owner or owners, VF-Petroleum requests that the voluntary agreement become operative and supersede the Division's order for said parties, except to the extent the Division deems it necessary to maintain spacing criteria for the purpose of conservation, the prevention of waste, and protection of correlative rights.

- 15. **Exhibit A-5** is a sample proposal letter, supplemental proposal letter and the AFEs for each proposed well. The estimated cost of the wells set forth in the AFEs attached as **Exhibit A-5** are fair, reasonable, and comparable to the costs of other wells of similar depths and lengths drilled in this area of New Mexico.
- 16. V-F requests overhead and administrative rates of \$8,500/month for drilling each well and \$850/month for producing each well. These rates are fair and comparable to the rates charged by other operators for wells of this type in this area of southeastern New Mexico. V-F requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.
- 17. V-F requests the maximum cost, plus 200% risk charge be assessed against nonconsenting working interest owners.
 - 18. V-F requests that it be designated operator of the units and wells.
- 19. Additionally, although not technically part of <u>Case No. 24994</u>, but in order for V-F to present this case to the best of its ability so that the Division has an opportunity to see the role <u>Case No. 24994 plays in V-F</u>'s future development plans underlying the S/2 S/2 Sec. 16 & 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico, I have provided as **Exhibit A-6** a sample well proposal letter and the AFE for the **Rainier 16-15 Fed Com #211H Well,** (API 30-015-pending) that has been proposed to all working interest owners in the Bone Spring formation. This shows future plans to develop the related lands in this area to optimize production and prevent waste.
- 20. **Exhibit A-7** is an aerial plat outlining the development pattern that has been established in this area by Permian Resources to the immediate south of Section 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico, and other Operators to the immediate west of Section 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy

County, New Mexico. Should the Division grant an order in V-F's favor in this Case, it would make efforts to continue the development pattern that are consistent with, and build upon, what has been successful with other Operators in this area; if V-F's plan is approved, it would not undermine or preempt Permian Resources opportunity for development because their subject lands are unbounded to the east, and Permian Resources could simply develop two mile horizontal Second Bone Spring and Third Bone Spring wells in Sections 14 and 13, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. V-F's geology in this area that Permian Resources expanding east is feasible, and this in turn would avoid stranding the State of New Mexico's minerals in Section 16, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico to one mile horizontal development in the Bone Spring formation.

- 21. **Exhibit A-8** are Permian Resources' well proposals both dated August 16, 2024, one proposal covering the Slim Jim 14-15 Fed COM 122H and 123H, both targeting the 2nd Bone Spring formation in the S/2 N/2 Sections 14 & 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico, and the other proposal covering the Slim Jim 14-15 Fed COM 124H, 125H and 126H, with all three wells also targeting the 2nd Bone Spring formation in the S/2 Sections 14 & 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico (collectively the "Slim Jim Second Bone Proposals").
- 22. Attached as **Exhibit A-9** is a plat of the Tamano 15 AD Fed Com #1H Well (API No. 30-015-40868), which is situated in the N/2 N/2 of Section 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico.
- 23. Assuming Permian Resources' actually drills and completes all five proposed Slim Jim Second Bone Proposals, this will result in a total of six horizontal wells situated in Section 14 (Slim Jim 14-15 Fed COM 121H has been proposed to Section 14 working interest owners only)

and Section 15, with spacing as close as 660' between wells. This spacing pattern is extremely aggressive when compared to Mewbourne Oil Company's Local Legend development to the west in Sections 18 and 17, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico, and Mewbourne Oil Company's Barrel Crusher development, also to the west in Sections 19 and 20, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico, both as depicted on **Exhibit A-7**, which shows four Second Bone Spring wells in each development, more or less evenly spaced. To propose a fifty percent (50%) increase to the conventional density pattern in this area, in V-F's opinion should require empirical longstanding production data to establish that the acreage justifies additional in-fill development otherwise such a proposal in V-F's respectful opinion should be viewed as wasteful and not protecting the correlative rights of the other working interest owners in Permian Resources' Slim Jim Second Bone Proposals, who collectively will own the majority of the working interest in the Slim Jim Second Bone Proposals.

- 24. The Exhibits to this Self-Affirmed Statement were prepared by me or compiled from V-F's company business records under my direct supervision.
- 25. The granting of this Application is in the best interests of conservation, the prevention of waste, and the protection of correlative rights, and will avoid the drilling of unnecessary wells.
 - 26. The foregoing is correct and complete to the best of my knowledge and belief.

[Signature page follows]

Signature page of Self-Affirmed Statement of Jordan Shaw:

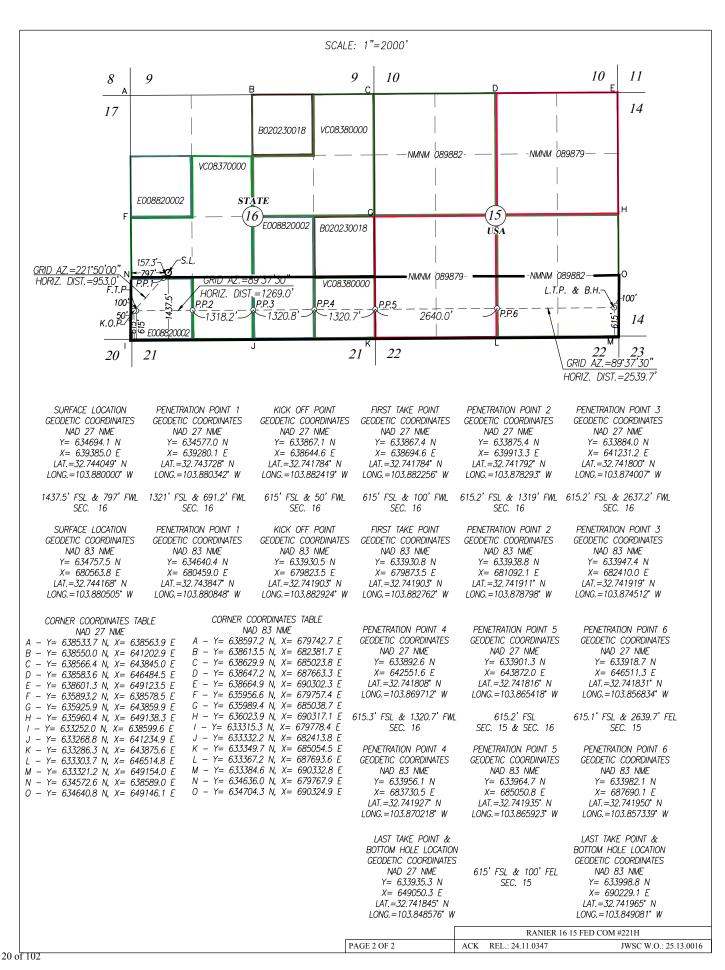
I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case No. 24994 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.

Jordan Shaw

01/21/2025

Date Signed

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	D Permitting			OIL C	ONSERVA	TION DIVISION		☐ Initial Sub	☐ Initial Submittal		
								Submitta Type:	al ☐ Amended	Report	
								1)pc.	☐ As Drilled	l	
				•	WELL LOCAT	TION INFORMATION	N				
API Nu	umber		Pool Code			Pool Name					
Propert	ty Code		Property N		RANIFR 1	6 15 FED COM			Well Number	221H	
OGRIE) No.		Operator N			ROLEUM INC.			Ground Leve		
Surface	e Owner: 🗆 :	State Fee] Tribal □ Fed	leral	V-1: 1 L) 1 I	Mineral Owner:	State	☐ Tribal 🗆		3033	
					C we	and Location					
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude		Longitude	County	
L	16	18-S	31-E	_	1437.5 FSI		32.744	168°	103.880505°	EDDY	
	10	10.5	31 E			Hole Location	32.744	100	103.000303	LDD1	
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude		Longitude	County	
P	15	18-S	31-E	-	615 FSL	100 FEL	32.741	965°	103.849081°	EDDY	
Dedicat	ted Acres	Infill or Defi	ning Well	Defining	Well API	Overlapping Spacing	Unit (Y/N)	Consolid	ation Code		
Order N	Numbers.					Well setbacks are unde	r Common Ov	mershin: \Box	IVes □No		
- Cruci i	varioers.					Well setbacks are under	r common ov	nersnip. \Box	1103 = 110		
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UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	0020	Longitude 103.882924°	County	
M	16	18-S	31-E	_	615 FSL	50 FWL	32.741	903	EDDY		
			1-	1.		ake Point (FTP)					
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W 100 FWL	Latitude	0020	Longitude	County	
M 16 18-S 31-E - 615 FSL						32.741	903~	103.882762°	EDDY		
M	16	18-S	31-E				32.771	103			
				Tat	Last Ta	nke Point (LTP)		703	T idea d -	Country	
UL	Section	Township	Range	Lot	Last Ta	rke Point (LTP) Ft. from E/W	Latitude		Longitude	County	
				Lot _	Last Ta	nke Point (LTP)			Longitude 103.849081°	County EDDY	
UL P	Section 15	Township	Range 31-E	-	Last Ta Ft. from N/S 615 FSL	rke Point (LTP) Ft. from E/W	Latitude 32.741		103.849081°	•	
UL P Unitized	Section 15	Township 18-S a of Uniform Int	Range 31-E	-	Last Ta Ft. from N/S 615 FSL	Ft. from E/W 100 FEL zontal □ Vertical	Latitude 32.741	965°	103.849081°	•	
UL P Unitized	Section 15 d Area or Area ATOR CERT	Township 18-S a of Uniform Int	Range 31-E	Spacing U	Last Ta Ft. from N/S 615 FSL Unit Type Hori	tke Point (LTP) Ft. from E/W 100 FEL zontal □ Vertical	Latitude 32.741 Groun	965°	103.849081°	•	
UL P Unitized OPERA I hereby best of that this interest drill this interest interest.	Section 15 d Area or Area ATOR CERT my knowledges organization in the land in se well at this I so well at this I so runEDDYs.	Township 18-S a of Uniform Int CIFICATIONS the information ce and belief, and either owns a well-duding the propocation pursuan.	Range 31-E erest ontained herein, if the well is a orking interest osed bottom ho to a contract west, or to a volument.	Spacing I sis true and of vertical or corruneDDYs le location of vertical or corrunet or unexperience of the state of the	Last Ta Ft. from N/S 615 FSL Unit Type Hori Hori	Ft. from E/W 100 FEL zontal □ Vertical	Latitude 32.741 Groun CATIONS ell location she els of actual su on, and that the	965°	103.849081°	•	
UL P Unitized OPERA I hereby best of that this interest compul If this v receive unEDD which a	Section 15 d Area or Area ATOR CERT y certify that the second of the land in in the land in second or unEDDYs sory pooling of the consent of the consent of the consent of the part of the second of the consent of	Township 18-S a of Uniform Interpretation of the information of the end belief, and either owns a woluding the propocation pursuamed mineral inters	Range 31-E erest ontained herein, if the well is a orking interest osed bottom ho it to a contract west, or to a volumentered by the deserver of the target in the target interval will it interval will it.	Spacing I sistrue and of vertical or cor unEDDYs de location ovith an owner of the state of the	Last Ta Ft. from N/S 615 FSL Unit Type Hori complete to the lirectional well, sed mineral r has a right to r of a working agreement or a tion has ing interest or or mation) in	ske Point (LTP) Ft. from E/W 100 FEL zontal □ Vertical SURVEYOR CERTIFICATION I hereby certify that the was plotted from field not me or under my supervision.	Latitude 32.741 Groun CATIONS ell location she els of actual su on, and that the	965°	evation:	•	
UL P Unitized OPERA I hereby best of that this interest drill this interest compul If this vereceived une DD which a compul	Section 15 d Area or Area ATOR CERT wy knowledges organization in the land in s well at this I or unEDDYs lsory pooling of well is a horized d the consent of year mineral any part of the lsory pooling of	Township 18-S a of Uniform Int CIFICATIONS the information of the information of the information of the information of the information pursuant ed mineral interest order heretofore ontal well, I furtle of at EDDYst or interest in each well's complete	Range 31-E erest ontained herein, if the well is a orking interest osed bottom ho it to a contract west, or to a volumentered by the deserver of the target in the target interval will it interval will it.	Spacing I sistrue and of vertical or cor unEDDYs de location ovith an owner of the state of the	Last Ta Ft. from N/S 615 FSL Unit Type Hori complete to the lirectional well, sed mineral r has a right to r of a working agreement or a tion has ing interest or or mation) in	ske Point (LTP) Ft. from E/W 100 FEL zontal □ Vertical SURVEYOR CERTIFICATION I hereby certify that the was plotted from field not me or under my supervision.	CATIONS ell location she so of actual su on, and that the my belief.	965° and Floor El bown on this rveys made e same is tru	103.849081°	•	
UL P Unitized OPERA I hereby best of that this interest compul If this v received un EDD which a compul Signature	Section 15 d Area or Area ATOR CERT wy knowledges organization in the land into swell at this 1 or unEDDYs sloory pooling of the consent of the consent of the sory pooling of the sory pooling of the consent of the sory pooling of the sory po	Township 18-S a of Uniform Int CIFICATIONS the information of the information of the information of the information of the information pursuant ed mineral interest order heretofore ontal well, I furtle of at EDDYst or interest in each well's complete	Range 31-E erest contained herein i, if the well is a orking interest osed bottom ho t to a contract w set, or to a volu- entered by the ener certify that the lessee or own tract (in the tary d interval will b vision.	Spacing I sistrue and of vertical or cor unEDDYs de location ovith an owner of the state of the	Last Ta Ft. from N/S 615 FSL Unit Type Hori complete to the lirectional well, sed mineral r has a right to r of a working agreement or a tion has ing interest or or mation) in	signature and Seal of Prof	CATIONS ell location she se of actual su them, belief.	965° and Floor El own on this rveys made e same is tru Ol/15 ryor SEPI	103.849081°	EDDY G. EIOSON MEXIC 2641	
UL P Unitized OPERA I hereby best of that this interest compul If this v received un EDD which a compul Signature	Section 15 d Area or Area ATOR CERT wy knowledges organization in the land into swell at this 1 or unEDDYs sloory pooling of the consent of the consent of the sory pooling of the sory pooling of the consent of the sory pooling of the sory po	Township 18-S a of Uniform Int CIFICATIONS the information of the information of the information of the information of the information pursuant ed mineral interest order heretofore ontal well, I furtle of at EDDYst or interest in each well's complete	Range 31-E erest contained herein i, if the well is a orking interest osed bottom ho t to a contract w set, or to a volu- entered by the ener certify that the lessee or own tract (in the tary d interval will b vision.	Spacing I sistrue and of vertical or cor unEDDYs de location ovith an owner of the state of the	Last Ta Ft. from N/S 615 FSL Unit Type Hori complete to the lirectional well, sed mineral r has a right to r of a working agreement or a tion has ing interest or or mation) in	signature and Seal of Prof	CATIONS ell location she so of actual su on, and that the my belief.	965° and Floor El own on this rveys made e same is tru Ol/15 ryor SEPI	levation:	EDDY G. EIDS MEXIC 2641	
UL P Unitized OPERA I hereby best of that this interest compul If this v receive unEDD which a	Section 15 ATOR CERT y certify that t my knowledge s or ganization in the land in s well at this 1 or unEDDYs story pooling of well is a horize of the consent by sed mineral any part of the lsory pooling of	Township 18-S a of Uniform Int CIFICATIONS the information of the information of the proposition pursuance or many and the proportion of the information pursuance on the information of the information	Range 31-E erest contained herein i, if the well is a orking interest osed bottom ho t to a contract w set, or to a volu- entered by the ener certify that the lessee or own tract (in the tary d interval will b vision.	Spacing I sistrue and of vertical or cor unEDDYs de location ovith an owner of the state of the	Last Ta Ft. from N/S 615 FSL Unit Type Hori complete to the lirectional well, sed mineral r has a right to r of a working agreement or a tion has ing interest or or mation) in	signature and Seal of Prof	CATIONS ell location she es of actual su on, and that the my belief.	965° and Floor El own on this rveys made e same is tru Ol/15 ryor SEPI	evation: Seplat by use 100 100 100 100 100 100 100 100 100 10	EDDY G. EIDSONNIA MEXIC 2641	



DISTRICT I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 DISTRICT II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720

DISTRICT III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

DISTRICT IV

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

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

□AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code					
Property Code	·	Prope	erty Name	Well Number			
		RANIER 16 15 FED COM					
OGRID No.		Elevation					
		V-F PETRO	OLEUM INC.	3653'			

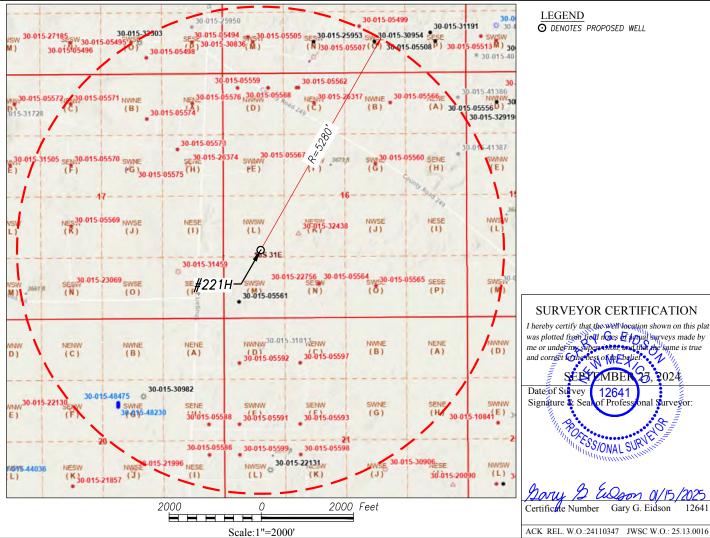
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	16	18-S	31-E		1437.5	SOUTH	797	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	15	18-S	31-E		615	SOUTH	100	EAST	EDDY
Dedicated Acres	Joint or	Infill C	onsolidation C	ode Ord	er No.				

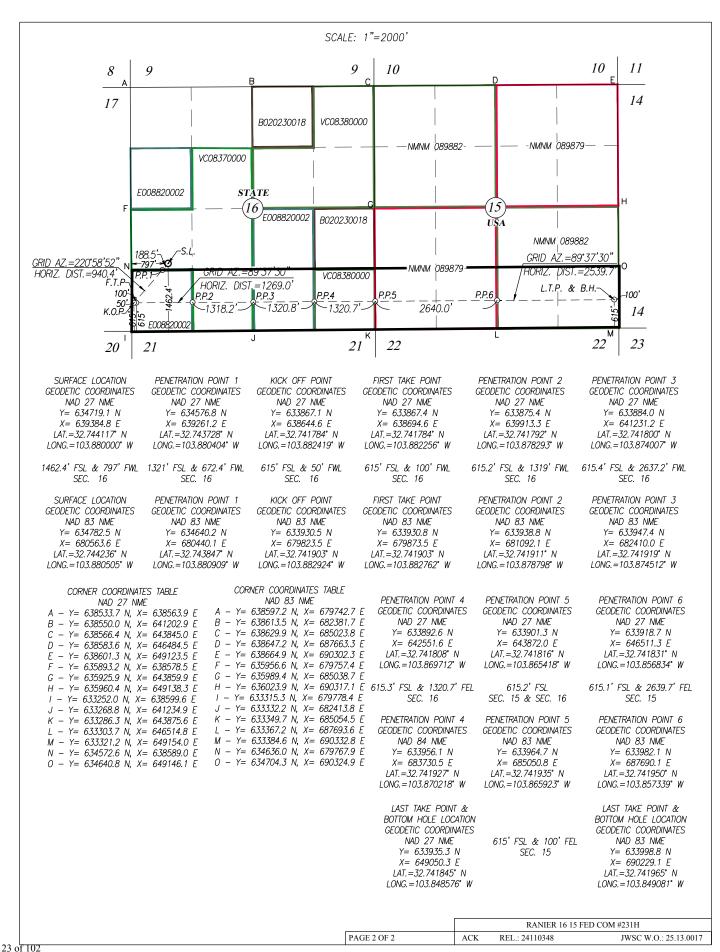
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



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	— Electronically	,	Ene			w Mexico al Resources Departi ΓΙΟΝ DIVISION	Revised July 9, 2024		Revised July 9, 2024		
Via OC	D Permitting			OIL C	ONSLICVA	TION DIVISION		Submittal	☐ Initial Sub	omittal	
							Report				
						☐ As Drilled					
					WELL LOCAT	ION INFORMATION	J				
API Nı	ımber		Pool Code			Pool Name					
Property Code Property Name RANIER 1						6 15 FED COM			Well Number	231H	
OGRII) No.		Operator Na	ame		OLEUM INC.			Ground Level		
Surface	Owner: 🗆 :	State □ Fee □	Tribal □ Fed	eral	V-F FEIN	Mineral Owner:	State □ Fee [☐ Tribal ☐	-	3653'	
Surrace	owner.	June - 100 -	7110u1 🗀 1 cc			Willietal Owner.	, tate 🗀 ree i		T Cuciui		
		T				ace Location	T				
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude		Longitude	County	
L	16	18-S	31-E	-	1462.4 FSL		32.744	236° 1	03.880505°	EDDY	
	T	T	T	T		Hole Location	T		1		
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude		Longitude	County	
Р	15	18-S	31-E	-	615 FSL	100 FEL	32.741	965	03.849081°	EDDY	
Dedica	ted Acres	Infill or Defin	ning Well	Defining	g Well API	Overlapping Spacing	acing Unit (Y/N) Consolidation Code				
Order N	Numbers.					Well setbacks are under Common Ownership: □Yes □No					
					***	ee n (Y/On)					
UL	Section	Township	Range	Lot	Ft. from N/S	ff Point (KOP) Ft. from E/W	Latitude		Longitude	County	
M	16	18-S	31-E	Lot	615 FSL	50 FWL	32.741		03.882924°	EDDY	
IVI	10	10-3	31-E	_			32.741	903 1	03.002324	EDD1	
UL	Section	Township	Range	Lot	First 1a	Ft. from E/W	Latitude		Longitude	County	
M	16	18-S	31-E	_	615 FSL	100 FWL	32.741		03.882762°	EDDY	
IVI	10	16-5	31-E	_		ke Point (LTP)	32.741	103	03.882702	LDD1	
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude		Longitude	County	
P	15	18-S	31-E	_	615 FSL	100 FEL	32.741		03.849081°	EDDY	
	10	10.5	J1 L		010 1 02	TOUTEE	32.711	700 1	03.019001	LDD I	
Unitize	d Area or Area	a of Uniform Into	erest	Spacing	Unit Type □ Horiz	zontal Vertical	Grou	nd Floor Ele	vation:		
OPER/	ATOR CERT	TIFICATIONS				SURVEYOR CERTIFIC	CATIONS				
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unEDDYsed mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unEDDYsed mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.						I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. MEX. 12641					
If this well is a horizontal well, I further certify that this organization has received the consent of at EDDYst one lessee or owner of a working interest or unEDDYsed mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.					Dary DE	(uQson	01/15)	/2025	WAL SURVEY		
Signatu	re		Date			Signature and Seal of Prof	essional Surve	eyor			
						Gary G. Eidson 12641		SEPTI	EMBER 27, 2	024	
Printed	Name					Certificate Number	Date of Surv				
E-mail	Address					PAGE 1 OF 2	ACK RI	EL.: 24110348	:	JWSC W.O.: 25.13.0017	

22 of 102 Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division Page 27 of 600



DISTRICT I 1625 N, French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 DISTRICT II 811 S, First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720

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

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

□AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name	
Property Code	Pro	perty Name	Well Number
Troperty Code		6 15 FED COM	231H
OGRID No.	Ope	Operator Name	
	V-F PETF	3653'	

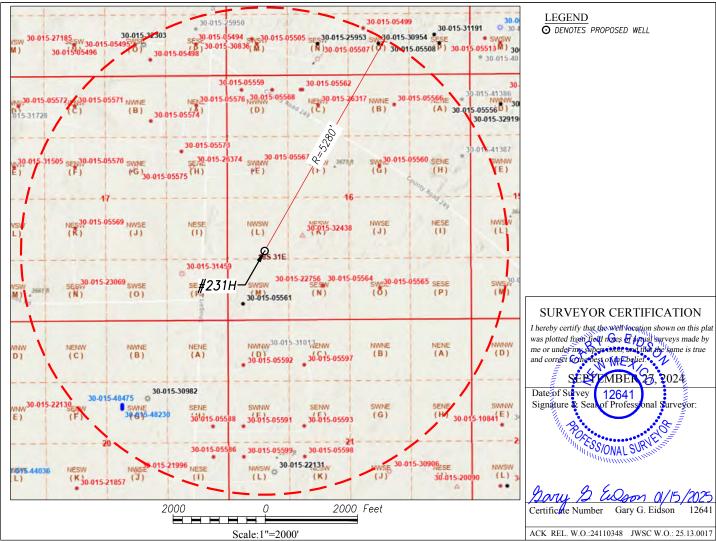
Surface Location

UL or le	ot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	,	16	18-S	31-E		1462.4	SOUTH	797	WEST	EDDY

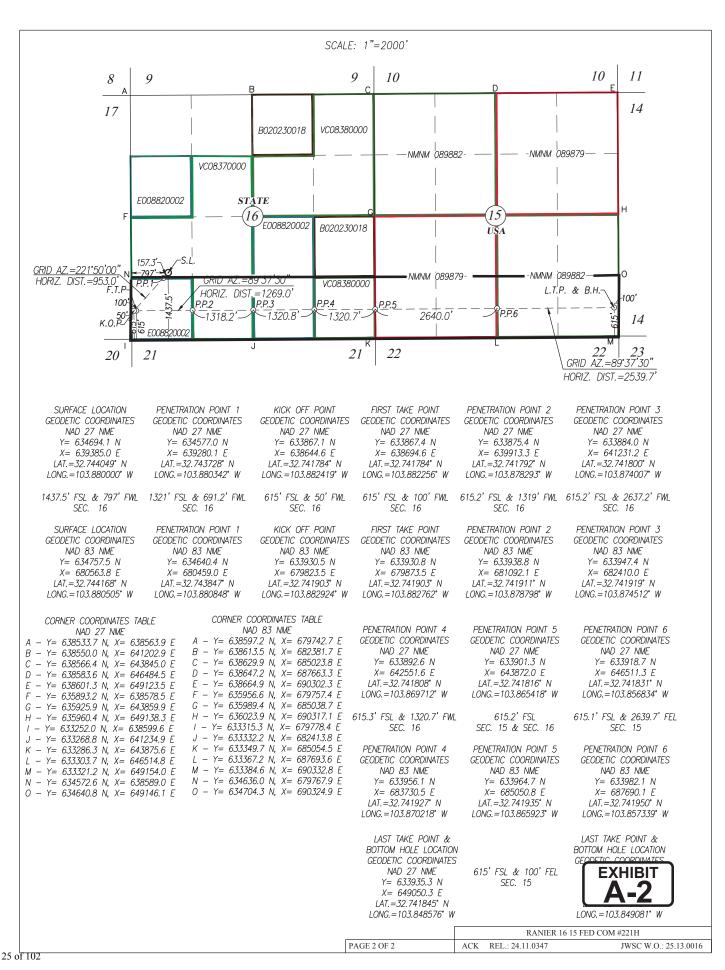
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	15	18-S	31-E		615	SOUTH	100	EAST	EDDY
Dedicated Acre	s Joint or	Infill C	Consolidation C	ode Ord	er No.				

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



24 of 102



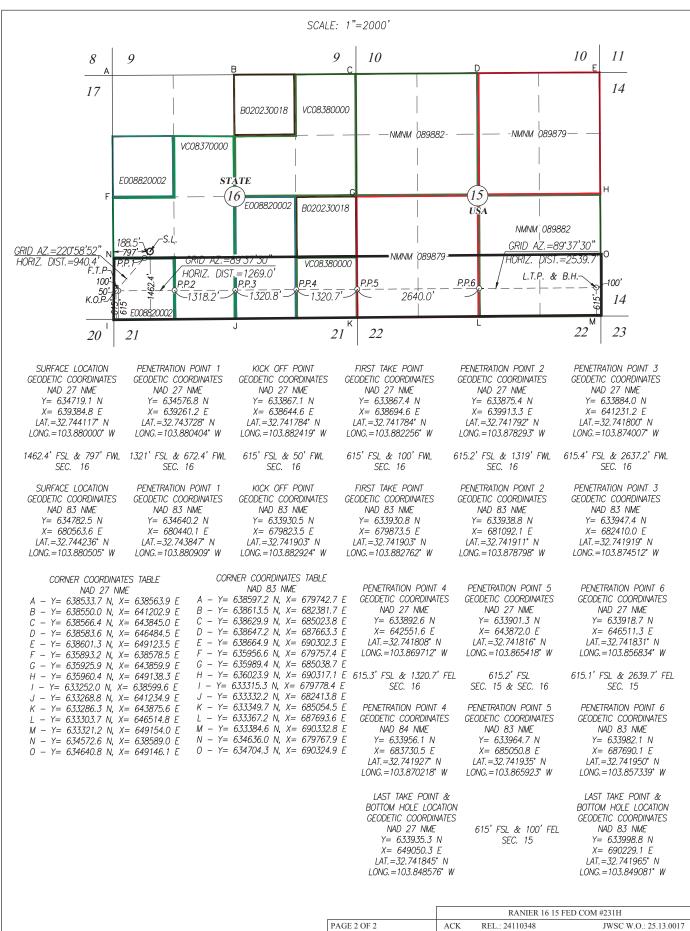
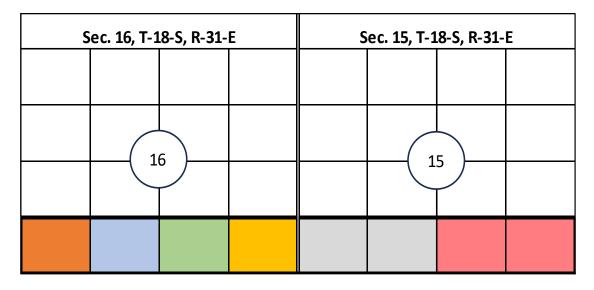


EXHIBIT A-3



SW/4SW/4 Sec. 16 (State Lease E-882)

Working Interest Owner	Decimal
XTO Holdings, LLC	1.00000000
TOTAL	1.00000000

Royalty Interest Owner	Decimal
State of New Mexico	0.12500000

SE/4SW/4 Sec. 16 (State Lease VC-837)

Working Interest Owner	Decimal
V-F Petroleum Inc.	1.00000000
TOTAL	1.00000000

Overriding Royalty Interest Owners	Decimal
V-F Petroleum Inc.	0.00050000
Gahr Ranch & Investments Partnership, Ltd.	0.02343750
Thomas M. Beall	0.02343750
Jason J. Lodge	0.00125000
Sarah M. Loudenback	0.00125000
Mid-Western Energy, L.L.C.	0.00012500

A-3

EXHIBIT A-3

Royalty Interest Owner	Decimal
State of New Mexico	0.20000000

SW/4SE/4 Sec. 16 (State Lease E-882)

Working Interest Owner	Decimal
XTO Holdings, LLC	1.00000000
TOTAL	1.00000000

Royalty Interest Owner	Decimal
State of New Mexico	0.12500000

SE/4SE/4 Sec. 16 (State Lease VC-838)

Working Interest Owner	Decimal
V-F Petroleum Inc.	1.00000000
TOTAL	1.00000000

Overriding Royalty Interest Owners	Decimal
V-F Petroleum Inc.	0.00050000
Gahr Ranch & Investments Partnership, Ltd.	0.02343750
Thomas M. Beall	0.02343750
Jason J. Lodge	0.00125000
Sarah M. Loudenback	0.00125000
Mid-Western Energy, L.L.C.	0.00012500

Royalty Interest Owner	Decimal
State of New Mexico	0.20000000

S/2SW/4 Sec. 15 (Federal Lease NMNM 089879)

Working Interest Owner	Decimal
V-F Petroleum Inc.	0.09916668
Permian Resources Operating, LLC	0.85125000
Ard Oil, LTD	0.03718750

EXHIBIT A-3

Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J.	
Terrell Ard.	0.01239582
TOTAL	1.00000000

Overriding Royalty Interest Owners	Decimal
Zorro Partners, Ltd.	0.00371875
Javelina Partners	0.00371875
Hudson, Francis Hill, Trustee of Lindy's Living Trust created by Trust Agreement dated July 8, 1994	0.00557813
Ralph A. Shugart Jr. Trust dated 5/26/1983	0.05000000
Moore and Shelton Co. Ltd.	0.00236250
Mewbourne, Curtis W., Trustee	0.02107500
Marathon Oil Permian LLC	0.04875000

Royalty Interest Owner	Decimal
United States of America	0.12500000

S/2SE/4 Sec. 15 (Federal Lease NMNM 089882 (Out of NMLC 029388-D))

Working Interest Owners	Decimal
V-F Petroleum Inc.	0.21666667
Permian Resources Operating, LLC	0.10625000
Bank of America, N.A., Trustee of the Delmar Hudson Lewis Living Trust created by Trust Agreement dated September 9, 2002	0.10625000
Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J.	
Terrell Ard.	0.01770833
Mary T. Ard	0.05312500
Marathon Oil Permian LLC	0.50000000
TOTAL	1.00000000

Overriding Royalty Interest Owners	Decimal
Zorro Partners, Ltd.	0.00885416
Javelina Partners	0.00885416
Hudson, Francis Hill, Trustee of Lindy's Living Trust created by Trust Agreement dated July 8, 1994	0.01328125
Moore and Shelton Co. Ltd.	0.00937500

EXHIBIT A-3

Royalty Interest Owner	Decimal
United States of America	0.12500000

UNIT RECAPITULATION

(Yellow denotes Parties to be Pooled)

Working Interest Owners	Decimal
XTO Holdings, LLC (uncommitted)	0.25000000
V-F Petroleum Inc. (committed)	0.32895834
Permian Resources Operating, LLC (uncommitted)	0.23937500
Bank of America, N.A., Trustee of the Delmar Hudson Lewis Living Trust	
created by Trust Agreement dated September 9, 2002 (uncommitted)	0.02656250
Ard Oil, LTD (committed)	0.00929688
Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J.	
Terrell Ard. (uncommitted)	0.00752604
Mary T. Ard (committed)	0.01328125
Marathon Oil Permian LLC (uncommitted)	0.12500000
TOTAL	1.00000000

Overriding Royalty Interest Owners	Decimal
V-F Petroleum Inc. (committed)	0.00012500
Zorro Partners, Ltd. (committed)	0.00314323
Javelina Partners (committed)	0.00314323
Hudson, Francis Hill, Trustee of Lindy's Living Trust created by Trust	
Agreement dated July 8, 1994 (uncommitted)	0.00471485
Gahr Ranch & Investments Partnership, Ltd. (committed)	0.00585938
Thomas M. Beall (committed)	0.00585938
Jason J. Lodge (committed)	0.00031250
Sarah M. Loudenback (committed)	0.00031250
Mid-Western Energy, L.L.C. (committed)	0.00003125
Ralph A. Shugart Jr. Trust dated 5/26/1983 (uncommitted)	0.01250000
Moore and Shelton Co. Ltd. (committed)	0.00293438
Mewbourne, Curtis W., Trustee (uncommitted)	0.00526875
Marathon Oil Permian LLC (uncommitted)	0.01218750

Royalty Interest Owner	Decimal
United States of America	0.06250000
State of New Mexico	0.08125000

EXHIBIT A-3

LIST OF ALL UNCOMMITTED WORKING INTEREST OWNERS TO BE POOLED

Working Interest Owners
XTO Holdings, LLC
Permian Resources Operating, LLC
Bank of America, N.A., Trustee of the Delmar Hudson Lewis Living Trust created by Trust Agreement dated September 9, 2002
Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard.
Marathon Oil Permian LLC

LIST OF ALL UNCOMMITTED OVERRIDING ROYALTY INTEREST OWNERS TO BE POOLED

Overriding Royalty Interest Owners
Hudson, Francis Hill, Trustee of Lindy's Living Trust created by Trust Agreement dated July 8, 1994
Ralph A. Shugart Jr. Trust dated 5/26/1983
Mewbourne, Curtis W., Trustee
Marathon Oil Permian LLC

Lindy's Living Trust created by Trust Agreement Hudson, Francis Hill, Trustee 4200 Sou	Mewbourne, Curtis W., Trustee P.O. Box	Ralph A. Shugart Jr. Trust dated 5/26/1983 Elizabeth Duncan, Trustee 1960 For	Marathon Oil Permian LLC Chase Rice, Permian Land Supervisor 990 Tow	Josephine T. Hudson Testamentary Trust FBO J. Frost Bank, Trustee P.O. Box Terrell Ard	Delmar Hudson Lewis Living Trust created by Trust Agreement dated September 9, 2002 Bank of America, N.A., Trustee P.O. Box	Permian Resources Operating, LLC Delaware Basin Land Department 300 N. N	XTO Holdings, LLC Delaware Basin Land Manager 22777 Sp.	Owner Attn Address 1
4200 South Hulen Street, Suite 302	P.O. Box 7698	1960 Forest Parkway	990 Town and Country Boulevard	P.O. Box 1600	P.O. Box 830308	300 N. Marienfeld St., Suite 1000	22777 Springwoods Village Pkwy.	ddress 1
02 Fort Worth	Tyler	Denver	d Houston	San Antonio	Dallas) Midland	,. Spring	City
	Τ _έ	C			Те	Te	T _t	St
Texas	Texas	Colorado	Гехаѕ	Texas	Texas	Texas	Texas	State
76109	75711	80220-1337	77024	78296	75283-0308	79701	77389	Zip Code

Rainier 16 15 Fed COM #221H & #231H

Chronological Contracts with Uncommitted Owners

XTO Holdings, LLC

- 9/8/23: Proposed Joint Operating Agreement by mail;
- 9/13/23: Emailed Chad Smith, Landman and extended an offer extended offer for an Assignment, Bill of Sale for all working interest in Sec. 16;
- 9/20/23: Received email from Chad Smith requesting additional information and sent requested information that same day;
- 6/27/24: Received email from Chad Smith requesting certain additional information and Jordan Shaw with V-F called Chad Smith to provide requested information and verbally extended offer to acquire interest by either Term Assignment or Assignment, Bill of Sale for all working interest in Sec. 16; and
- 1/14/25: Received a call from Chad Smith requesting certain additional information and parties continue to negotiate.

Permian Resources Operating, LLC

- 9/26/23: Proposed Joint Operating Agreement by mail (to predecessors in title);
- **8/28/24**: Sent email to Travis Macha, NM Land Lead to see if he was available to discuss Permian's Slim Jim proposals;
- 8/30/24: Jordan Shaw with V-F met Travis Macha with Permian for lunch and V-F proposed Permian and V-F split Sec. 15 down the middle wherein V-F would drill 1.5 mile wells in Sec. 16 & W/2 Sec. 15 and Permian would drill 1.5 mile wells in Sec. 14 & E/2 Sec. 15;
- 9/5/24: V-F sent Travis Macha at Permian what V-F owns in the E/2 Sec. 15;
- 9/9/24: Travis Macha sent Jordan Shaw with V-F an email of potential deal points to consider:
- 9/11/24: Jumped on a call with Travis to discuss deal points Travis sent on 9/9/24;
- 9/24/24: Received email stating that reservoir and geology can't justify shortened laterals based on the deal points discussed;
- 1/17/25: Jordan Shaw with V-F met Travis Macha with Permian for beers and V-F proposed 3-mile development covering all Sec. 16, 15 & 14; and
- 1/20/25: V-F sent Permian a Letter Agreement based on proposal extended 1/17/25 and Permian responded with email stating that they are considering the proposal.

Bank of America, N.A., Trustee of the Delmar Hudson Lewis Living Trust created by Trust Agreement dated September 9, 2002

- 9/8/23: Proposed Joint Operating Agreement by mail;
- 9/13/23: Responded two emails from Jeff Adams, Trustee asking about ownership which V-F answered and V-F extended offer for an Assignment, Bill of Sale for entire interest in Section 15;
- 9/29/23: V-F extended by email to Jeff Adams a Term Assignment offer; and
- 11/1/23: V-F re-extended by email to Jeff Adams a Term Assignment offer.

Ard Oil, LTD

- 9/8/23: Proposed Joint Operating Agreement by mail;
- 9/14/23: Ried Marley, Landman emailed V-F asking about ownership and V-F responded answering his questions and extended an offer for a Term Assignment; and

EXHIBIT

• 11/7/23: Obtained signed Joint Operating Agreement.

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

- 9/8/23: Proposed Joint Operating Agreement by mail;
- 9/18/23: Called Brad Ince, Trustee and left message and followed up with an email containing an offer for an Assignment, Bill of Sale for all of Section 15;
- 10/2/23: Debbie Dorsett, Geologist with Frost reached out and I extended offer verbally to her and added Term Assignment offer; and
- 10/31/23: Email Brad Ince and re-extended both offers;

Marathon Oil Permian LLC

- 9/8/23: Proposed Joint Operating Agreement by mail;
- 9/8/23: Emailed Chase Rise, Permian Land Supervisor an offer for an Assignment, Bill of Sale for all of Section 15;
- 9/14/23: Followed up by email. Chase responded and said Farley Duvall was overseeing this project;
- 9/18/23: Emailed Farley Duvall and re-extended offer and extended Term Assignment offer; and
- 10/2/23: Followed up by email to see if Marathon would consider either offer.

Mary T. Ard

- 9/8/23: Proposed Joint Operating Agreement by mail;
- 9/18/23: Called and left a message for Mary Ard; and
- 10/2/23: Called and left a message for Mary Ard.

V-F Petroleum Inc.

Physical Address: 500 W. Texas, Suite 350, Midland, Texas, 79701; Phone 432-269-0569; Mailing Address: P.O. Box 1889, Midland, Texas, 79702; e-mail: jordan@yfpetroleum.com

September 6, 2023

Transmitted Via United States Postal System - Certified Mail - Return Receipt Requested

Marathon Oil Permian LLC 990 Town and Country Boulevard Houston, Texas 77024 Attention: Chase Rice, Permian Land Supervisor

RE: <u>Horizontal Well Proposals – 2nd & 3rd Bone Spring Formation;</u>

<u>Standard Horizontal Spacing Unit – S/2S/2 Sections 16 & 15, Township 18 South, Range 31 East, Eddy County, New Mexico</u>

Rainier 16 15 Fed Com #221H; 2nd Bone Spring

SHL: 1,440 FSL, 250 FWL of Section 16 (Unit L), T-18 South, R-31 East, Eddy County, NM FTP: 615 FSL, 100' FWL of Section 16 (Unit M), T-18 South, R-31 East, Eddy County, NM 615 FSL, 100 FEL of Section 15 (Unit P), T-18 South, R-31 East, Eddy County, NM

Rainier 16 15 Fed Com #231H; 3nd Bone Spring

SHL: 1,465 FSL, 250 FWL of Section 16 (Unit L), T-18 South, R-31 East, Eddy County, NM FTP: 615 FSL, 100' FWL of Section 16 (Unit M), T-18 South, R-31 East, Eddy County, NM 615 FSL, 100 FEL of Section 15 (Unit P), T-18 South, R-31 East, Eddy County, NM

Ladies and/or Gentlemen:

Please be advised that V-F Petroleum Inc. ("V-F") hereby proposes to drill, complete and equip each of the above referenced horizontal wells at the locations so indicated, to respectively test the 2nd and 3rd Bone Spring formations as more or less articulated herein.

The projected total vertical depth of the above stated <u>Rainier 16 15 Fed Com #221H</u> in order to test the 2nd Bone Spring formation is estimated to be 8,450 feet (TVD) with an approximate total measured depth of 19,175 feet. The costs to drill, complete and equip said well are estimated at <u>\$13,149,650.00</u> as indicated on the enclosed AFE.

The projected total vertical depth of the above stated <u>Rainier 16 15 Fed Com #231H</u> in order to test the 3rd Bone Spring formation is estimated to be 9,360 feet (TVD) with an approximate total measured depth of 20,110 feet. The costs to drill, complete and equip said well are estimated at <u>\$13,708,400.00</u> as indicated on the enclosed AFE.

For those who elect to participate in the captioned horizontal wells, V-F has enclosed an A.A.P.L. Form 610 – 1989 Model Form Operating Agreement, Horizontal Modifications ("Operating Agreement"), designating V-F Petroleum Inc. as Operator, covering the South Half of the South Half (S/2S/2) of Sections 16 & 15, Township 18 South, Range 31 East, Eddy County, New Mexico, containing approximately 320 acres, more or less, covering the Bone Spring formation ("Contract Area") with the following general provisions:

- 100/300/300 Non-Consenting Penalty;
- \$8,500/\$850 Drilling and Producing Rate; and
- V-F Petroleum Inc. named as Operator.



Rainier 16 15 Fed Com #221H & #231H Marathon Oil Permian LLC September 6, 2023

In the interest of time, if we do not reach an agreement within 30 days of the date of this letter, V-F will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a standard horizontal spacing unit for the proposed wells.

Please indicate your intention to either <u>participate or not participate</u> in the drilling, completion and equipping of each of the above referenced wells by placing an "X" in the appropriate spaces provided below, and return one (1) executed copy of this letter, one (1) executed AFE for each well you have elected <u>to participate</u>, one original (1) Joint Operating Agreement body signature page, and one (1) original executed and notarized Memorandum of Operating Agreement signature page. If you should desire not to participate in the drilling and completion of the wells herein proposed, V-F is willing to discuss an alternative proposal to acquire your oil and gas interests in this area. Should you have any questions regarding this matter, please do not hesitate in contacting Jordan Shaw, Landman/Attorney for V-F Petroleum Inc. by phone at (432) 269-0569 or by email at jordan@vfpetroleum.com.

Best Regards,

Jordan Shaw Landman/Attorney

Enclosures

Elections set forth on the following pages

Rainier 16 15 Fed Com #221H & #231H Marathon Oil Permian LLC September 6, 2023

ELECTIONS Rainier 16 15 Fed Com #221H Well & Rainier 16 15 Fed Com #231H Well

Marathon Oil Permian LLC

Elect to Partic	ripate in the Rainier 16 15 Fed Com #221H Well	
Elect Not to P	Participate in the Rainier 16 15 Fed Com #221H W	<u>'ell</u>
Marathon Oil Permi	ian LLC	
Ву:	Title:	Date:
Elect to Partic	sipate in the Rainier 16 15 Fed Com #231H Well	
Elect Not to P	Participate in the Rainier 16 15 Fed Com #231H W	<u>'ell</u>
Marathon Oil Permi	ian LLC	
D ₁₇ .	Title	Date

V-F Petroleum Inc.

Physical Address: 500 W. Texas, Suite 350, Midland, Texas, 79701; Phone 432-269-0569; Mailing Address: P.O. Box 1889, Midland, Texas, 79702; e-mail: jordan@yfpetroleum.com

January 21, 2025

Transmitted Via United States Postal System - Certified Mail - Return Receipt Requested

Marathon Oil Permian LLC 990 Town and Country Boulevard Houston, Texas 77024

RE: Supplemental Horizontal Well Proposals – 2nd & 3rd Bone Spring Formation;

Standard Horizontal Spacing Unit - S/2S/2 Sections 16 & 15, Township 18 South, Range 31 East,

Eddy County, New Mexico

Rainier 16 15 Fed Com #221H; 2nd Bone Spring

SHL: 1,438 FSL, 797 FWL of Section 16 (Unit L), T-18 South, R-31 East, Eddy County, NM FTP: 615 FSL, 100' FWL of Section 16 (Unit M), T-18 South, R-31 East, Eddy County, NM BHL/LTP: 615 FSL, 100 FEL of Section 15 (Unit P), T-18 South, R-31 East, Eddy County, NM

Rainier 16 15 Fed Com #231H; 3nd Bone Spring

SHL: 1,462 FSL, 797 FWL of Section 16 (Unit L), T-18 South, R-31 East, Eddy County, NM FTP: 615 FSL, 100' FWL of Section 16 (Unit M), T-18 South, R-31 East, Eddy County, NM 615 FSL, 100 FEL of Section 15 (Unit P), T-18 South, R-31 East, Eddy County, NM

Ladies and/or Gentlemen:

Please be advised that due to the passage of time, V-F Petroleum Inc. ("V-F") is providing you with this Supplement Horizontal Well Proposal to update certain information as it pertains to the following wells:

The projected total vertical depth of the above stated <u>Rainier 16 15 Fed Com #221H</u> in order to test the 2nd Bone Spring formation is estimated to be 8,450 feet (TVD) with an approximate total measured depth of 19,811 feet. The costs to drill, complete and equip said well is estimated at <u>\$8,317,908.00</u> as indicated on the enclosed AFE.

The projected total vertical depth of the above stated <u>Rainier 16 15 Fed Com #231H</u> in order to test the 3rd Bone Spring formation is estimated to be 9,360 feet (TVD) with an approximate total measured depth of 19,390 feet. The costs to drill, complete and equip said well are estimated at <u>\$8,481,650.00</u> as indicated on the enclosed AFE.

The rest and the remainder of the original Horizontal Well Proposal not in conflict with anything listed above remains in full force and effect and this Supplemental Horizontal Well Proposal and its accompanying AFEs shall be deemed to be retroactively effective for all purposes as of the date the original Horizontal Well Proposal was sent.

Should you have any questions regarding this matter, please do not hesitate in contacting Jordan Shaw, Landman/Attorney for V-F Petroleum Inc. by phone at (432) 269-0569 or by email at jordan@vfpetroleum.com.

Jordan Shaw

						m Inc			API No.	
			AUTH		N FOR EXPE ry 14, 2025	ENDITURE			AFE Number Well Type	Second BS Horizontal Oil Well
Х	Original		Supplement	Janua	ry 14, 2025	Revision		Re-Entry	Projected TD:	8,450' TVD 19,811' MD
X	Drill Well		Workover			Facilities		Plug & Abandon	Proposal	Two Mile Horizontal Lateral
Lease Name/We			County / State	;	Formation		Basin	Field or Prospect		L, Section 16, T-18-S, R-31-E
	ederal Com #221	Н	Eddy	NM	2nd Bone S	pring	Permian	Shugart; Bone Spring N.	BHL: 615' FSL & 100' FEL	., Section 15, T-18-S, R-31-E
Acct			INTANG	IBLE DESCI	RIPTION			COST BEFORE	COMPLETION	TOTAL
Code								CASING POINT	COST	WELL COST
501	PERMITS & EN							\$10,000	\$5,000	\$15,000
516	TITLE OPINION							\$22,000		\$22,000
501	SURVEYING S		TION					\$7,500		\$7,500
501	DAMAGES & F							\$35,000		\$35,000
502/711	ROADS, LOCA							\$155,000	\$10,000	\$165,000
503	DRILLING RIG DRILLING - DA		ION COST	26	4 (2)	622 500		\$91,500		\$91,500
503 503	RIG HOUSING				days @ days @	\$23,500 \$3,000		\$611,000 \$78,000	\$19,800	\$611,000 \$97,800
503	STEERING			20	days @	\$7,000		370,000	\$17,000	377,000
503	MUD MOTORS	& DIRECTIC	ONAL		unys m	\$7,000		\$250,000		\$250,000
517	CLOSED LOOP			28	days @	\$6,500		\$147,000		\$147,000
505	MUD & FRAC							\$112,000	\$75,000	\$187,000
505/716	WATER (Brine &							\$58,000	\$525,000	\$583,000
503	BITS, REAMER	S, ETC.						\$69,000		\$69,000
503	FUEL			42000	gallons @	\$3		\$126,000		\$126,000
504	CEMENTING S							\$26,000		\$26,000
504	CEMENTING I							\$42,000		\$42,000
701	CEMENTING P							\$79,000		\$79,000
509/705	TUBULAR SER	VICES AND	TOOLS					\$56,000		\$56,000
509/705	CASING CREW							\$35,000		\$35,000
513/708	FLOAT EQUIP!			CP'S, DV TO	OLS			\$30,500		\$30,500
507	TESTING; COM		LOWBACK						\$62,000	\$62,000
508	OPEN HOLE LO									
508	MUD LOGGIN				days @	\$1,850		\$37,000		\$37,000
509/705	WELDING, HO EOUIPMENT R		R, ROUSTAE	OUT CREW	S, SAFETY I	PAY		\$21,000 \$214,000	#05 000	6300.000
509/713 509/714	TRUCKING, TR		TION FORKI	IET				\$214,000 \$50,000	\$95,000	\$309,000 \$50,000
715	COMPLETION							\$30,000	\$135,000	\$135,000 \$135,000
704	FORMATION S								\$2,350,000	\$2,350,000
702/03	CASED HOLE I				UGS				\$187,000	\$187,000
510/11/706	GEOLOGIC / EX			i a i kac i i	.003			\$40,000	\$45,000	\$85,000
509/705	CONTRACT CO			28	days @	\$3.500		\$136,800	\$100,800	\$237,600
514	DRILLING WEI				days @	\$500		\$7,000	\$5,000	\$12,000
515/705	INSURANCE		,		,- ()			\$40,000	\$15,000	\$55,000
513/708	MISCELLANEO	OUS						\$75,000	\$208,000	\$283,000
509/705	CONTINGENC	Y (10%)						\$131,000	\$382,000	\$513,000
TOTAL INTA	ANGIBLE ESTIM	IATED COST						\$2,792,300	\$4,219,600	\$7,011,900
Acct			TANGII	BLE DESCRI	PTION			COST BEFORE	COMPLETION	TOTAL
Code								CASING POINT	COST	WELL COST
620/820			Length	Grade	Size	Weight	Price/Ft.			
620/820	CONDUCTOR		120'	K-55	20		\$200.00	\$24,000		\$24,000
620/820	SURFACE		450'	J-55	13 3/8"	48	\$40.00	\$18,000		\$18,000
620/820	INTERMEDIAT		3,500'	J-55	9 5/8"	40	\$35.00	\$122,500		\$122,500
620/820 820	INTERMEDIAT PRODUCTION	E	19,175'	P110	5 1/2"	20	\$21.00	\$402,675		\$402,675
820	PRODUCTION	LIMED	19,173	F110	3 1/2	20	\$21.00	3402,073		3402,073
821	TUBING (Coate		8,000'	L-80	2.875	6.5	\$5.68		\$45,440	\$45,440
621/824	WELLHEAD EQ		0,000	2.00	2.073	0.5	\$5.00	\$28,000	\$7,893	\$35,893
825	PRODUCTION		NCLOSURE					\$28,000	\$150,000	\$150,000
825	POWER SOURCE								\$50,000	\$50,000
822	RODS AND PU	MP (FG & ST	EEL)							
823	PACKERS, BP'S	S, ESP, DOWN	NHOLE EQUI	PMENT					\$105,000	\$105,000
827	HEATER TREA								\$5,500	\$5,500
831	GAS SALES LI								\$55,000	\$55,000
830	FLOWLINES, V								\$70,000	\$70,000
827	TANKS (WATE		DUCTION)						\$46,000	\$46,000
830	MISCELLANEO							\$30,000	\$27,000	\$57,000
622/820	CONTINGENC							\$63,000	\$56,000	\$119,000
	GIBLE ESTIMA) () ()					\$688,175	\$617,833	\$1,306,008
	P&A Costs, Rig, DRY HOLE CO		, Misc., Service	es				\$50,000		
	ESTIMATED CO							\$3,530,475 \$3,480,475	\$4,837,433	\$8,317,908
	AND ACCEPTA					-	AUTHORIZ	GNIZED THAT AMOUNTS HER	EIN ARE ESTIMATES ON E ACTUAL COSTS INCU	NLY AND APPROVAL OF THIS RRED IN CONDUCTING THE OPERATION
W.I.						_				
Title						-	Prepared by:	Bill Pierce		Date: 1/14/2025
Signature						-				
Date						=				

					m Inc	C.		API No.	
		AUTH		N FOR EXPE ary 14, 2025	INDITURE			AFE Number Well Type	Third BS Horizontal Oil Well
X	Original	Supplement			Revision		Re-Entry	Projected TD:	9,360' TVD 19,390' MD
X	Drill Well	Workover			Facilities		Plug & Abandon	Proposal	Two Mile Horizontal Lateral
Lease Name/We		County / Stat		Formation		Basin	Field or Prospect		VL, Section 16, T-18-S, R-31-E
	Federal Com #231H	Eddy	NM	3rd Bone S	pring	Permian	Shugart; Bone Spring N.		, Section 15, T-18-S, R-31-E
Acct Code		INTANO	IBLE DESC	RIPTION			COST BEFORE CASING POINT	COMPLETION COST	TOTAL WELL COST
501	PERMITS & ENVIROMENT	AL SERVICES	:				\$10.000	\$5,000	\$15,000
516	TITLE OPINION, CURATIV						\$22,000	\$5,000	\$22,000
501	SURVEYING STAKE LOCA	TION					\$7,500		\$7,500
501	DAMAGES & R-O-WS						\$35,000		\$35,000
502/711	ROADS, LOCATION, PITS,						\$155,000	\$10,000	\$165,000
503	DRILLING RIG MOBILIZAT	HON COST					\$91,500		\$91,500
503 503	DRILLING - DAYS RIG HOUSING			days @	\$23,000 \$3,000		\$621,000 \$81,000	\$19,800	\$621,000 \$100,800
503	STEFRING			days @ days @	\$7,000		381,000	\$19,800	3100,800
503	MUD MOTORS & DIRECTION	ONAL			**,,***		\$250,000		\$250,000
517	CLOSED LOOP & DISPOSA	ıL.	29	days @	\$6,500		\$188,500		\$188,500
505	MUD & FRAC CHEMICALS	3					\$112,000	\$75,000	\$187,000
505/716	WATER (Brine & Fresh); FRA	AC WATER					\$58,000	\$525,000	\$583,000
503	BITS, REAMERS, ETC.						\$69,000		\$69,000
503 504	FUEL CEMENTING SURFACE		75600	gallons @	\$3		\$126,000 \$26,000		\$126,000
504	CEMENTING SURFACE CEMENTING INTERMEDIA	TE					\$26,000		\$26,000 \$42,000
701	CEMENTING PRODUCTION						\$79,000		\$79,000
509/705	TUBULAR SERVICES AND	TOOLS					\$56,000		\$56,000
509/705	CASING CREWS PU LD MA	ACHINE					\$35,000		\$35,000
513/708	FLOAT EQUIPMENT, CENT	RALIZERS, E	CP'S, DV TO	OOLS			\$30,500		\$30,500
507	TESTING; COMPLETION, F	LOWBACK						\$62,000	\$62,000
508	OPEN HOLE LOGGING								
508 509/705	MUD LOGGING	OB BOUGTAI		days @	\$3,500		\$37,000 \$21,000		\$37,000
509/705	WELDING, HOURLY LABO EQUIPMENT RENTAL	JR, KOUSTAI	SOUT CREW	S, SAFEIY I	'A Y		\$21,000 \$214,000	\$95,000	\$309.000
509/714	TRUCKING, TRANSPORTA	TION. FORK	LIFT				\$50,000	\$75,000	\$50,000
715	COMPLETION UNIT; COIL						323,000	\$135,000	\$135,000
704	FORMATION STIMULATIO	ON (60 STAGE	S)					\$2,350,000	\$2,350,000
702/03	CASED HOLE LOGGING, P	ERFORATING	3 & FRAC P	LUGS				\$187,000	\$187,000
510/11/706	GEOLOGIC / ENGINEERING						\$40,000	\$45,000	\$85,000
509/705	CONTRACT CONSULTANT			days @	\$3,500		\$136,800	\$100,800	\$237,600
514 515/705	DRILLING WELL RATE (A/ INSURANCE	0)	28	days @	\$500		\$7,000 \$40,000	\$5,000 \$15,000	\$12,000 \$55,000
513/708	MISCELLANEOUS						\$75,000	\$208,000	\$283,000
509/705	CONTINGENCY (10%)						\$134,000	\$382,000	\$516,000
TOTAL INTA	ANGIBLE ESTIMATED COST						\$2,849,800	\$4,219,600	\$7,069,400
Acct		TANGI	BLE DESCR	IPTION			COST BEFORE	COMPLETION	TOTAL
Code				e.	******	n i m	CASING POINT	COST	WELL COST
620/820 620/820	CONDUCTOR	Length 120'	Grade K-55	Size 20	Weight	Price/Ft. \$200.00	\$24,000		\$24,000
620/820	SURFACE	1,600'	J-55	13 3/8"	48	\$40.00	\$64,000		\$64,000
620/820	INTERMEDIATE	4,000'	J-55	9 5/8"	40	\$35.00	\$140,000		\$140,000
620/820	INTERMEDIATE								
820	PRODUCTION	20,110'	P110	5 1/2"	20	\$21.00	\$422,310		\$422,310
820	PRODUCTION LINER								
821	TUBING (Coated)	8,000'	L-80	2.875	6.5	\$5.68	620.000	\$45,440	\$45,440
621/824 825	WELLHEAD EQUIPMENT PRODUCTION FACILITY E	NCLOSUDE					\$28,000	\$18,000 \$150,000	\$46,000 \$150,000
825 825	POWER SOURCE	CLUSURE						\$50,000	\$150,000
822	RODS AND PUMP (FG & S'	TEEL)						423,000	350,000
823	PACKERS, BP'S, ESP, DOW	NHOLE EQUI	PMENT					\$105,000	\$105,000
827	HEATER TREATER, SEPER.							\$5,500	\$5,500
831	GAS SALES LINE & METER							\$55,000	\$55,000
830	FLOWLINES, VALVES, COL							\$70,000	\$70,000
827 830	TANKS (WATER AND PRO MISCELLANEOUS	DUCTION)					\$34,000	\$46,000 \$27,000	\$46,000 \$61,000
622/820	CONTINGENCY (10%)						\$71,000	\$57,000	\$128,000
	IGIBLE ESTIMATED COST						\$783,310	\$628,940	\$1,412,250
941-945	P&A Costs, Rig, Cmt, Cleanup	, Misc., Servic	es				\$50,000		
	DRY HOLE COST						\$3,683,110		
	ESTIMATED COST						\$3,633,110	\$4,848,540	\$8,481,650
WIOWNER	AND ACCEPTANCE:				_	AUTHORIZ	GNIZED THAT AMOUNTS HER ATION SHALL EXTEND TO TH , WHETHER MORE OR LESS TO	E ACTUAL COSTS INCUI	RRED IN CONDUCTING THE OPERATION
wı									
W.I.					-	Prepared by:	Bill Pierce		Date: 1/14/2025
	3				-	Prepared by:	Bill Pierce		Date: 1/14/2025
Title	÷				- - -	Prepared by:	Bill Pierce		Date: 1/14/2025

V-F Petroleum Inc.

Physical Address: 500 W. Texas, Suite 350, Midland, Texas, 79701; Phone 432-269-0569; Mailing Address: P.O. Box 1889, Midland, Texas, 79702; e-mail: jordan@yfpetroleum.com

January 20, 2025

<u>Transmitted Via United States Postal System – Certified Mail – Return Receipt Requested</u>

Marathon Oil Permian LLC 990 Town and Country Boulevard Houston, Texas 77024

RE: <u>Horizontal Well Proposals – 1st Bone Spring Formation;</u>

Standard Horizontal Spacing Unit – S/2S/2 Sections 16 & 15, Township 18 South, Range 31 East,

Eddy County, New Mexico

Rainier 16 15 Fed Com #211H; 1st Bone Spring

SHL: 1,413 FSL, 797 FWL of Section 16 (Unit L), T-18 South, R-31 East, Eddy County, NM FTP: 615 FSL, 100' FWL of Section 16 (Unit M), T-18 South, R-31 East, Eddy County, NM 615 FSL, 100 FEL of Section 15 (Unit P), T-18 South, R-31 East, Eddy County, NM

Ladies and/or Gentlemen:

Please be advised that V-F Petroleum Inc. ("V-F") hereby proposes to drill, complete and equip each of the above referenced horizontal wells at the locations so indicated, to respectively test the 2nd and 3rd Bone Spring formations as more or less articulated herein.

The projected total vertical depth of the above stated <u>Rainier 16 15 Fed Com #211H</u> in order to test the 1st Bone Spring formation is estimated to be 7,750 feet (TVD) with an approximate total measured depth of 18,799 feet. The costs to drill, complete and equip said well are estimated at <u>\$8,116,121.00</u> as indicated on the enclosed AFE.

For those who elect to participate in the captioned horizontal wells, V-F has enclosed an A.A.P.L. Form 610 – 1989 Model Form Operating Agreement, Horizontal Modifications ("Operating Agreement"), designating V-F Petroleum Inc. as Operator, covering the South Half of the South Half (S/2S/2) of Sections 16 & 15, Township 18 South, Range 31 East, Eddy County, New Mexico, containing approximately 320 acres, more or less, covering the Bone Spring formation ("Contract Area") with the following general provisions:

- 100/300/300 Non-Consenting Penalty;
- \$8,500/\$850 Drilling and Producing Rate; and
- V-F Petroleum Inc. named as Operator.

In the interest of time, if we do not reach an agreement within 30 days of the date of this letter, V-F will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a standard horizontal spacing unit for the proposed wells.

Please indicate your intention to either <u>participate</u> or <u>not participate</u> in the drilling, completion and equipping of each of the above referenced wells by placing an "X" in the appropriate spaces provided below, and return one (1) executed copy of this letter, one (1) executed AFE for each well you have elected <u>to participate</u>, one original (1) Joint Operating Agreement body signature page, and one (1) original executed and notarized Memorandum of Operating Agreement signature page. If you should departicipate in the drilling and completion of the wells herein proposed, V-F is willing to discuss an

40 of 102

proposal to acquire your oil and gas interests in this area. Should you have any questions regard

Rainier 16 15 Fed Com #211H Marathon Oil Permian LLC January 20, 2025

matter, please do not hesitate in contacting Jordan Shaw, Landman/Attorney for V-F Petroleum Inc. by phone at (432) 269-0569 or by email at jordan@vfpetroleum.com.

Best Regards,

Jordan Shaw Landman/Attorney

Enclosures

Election set forth on the following page

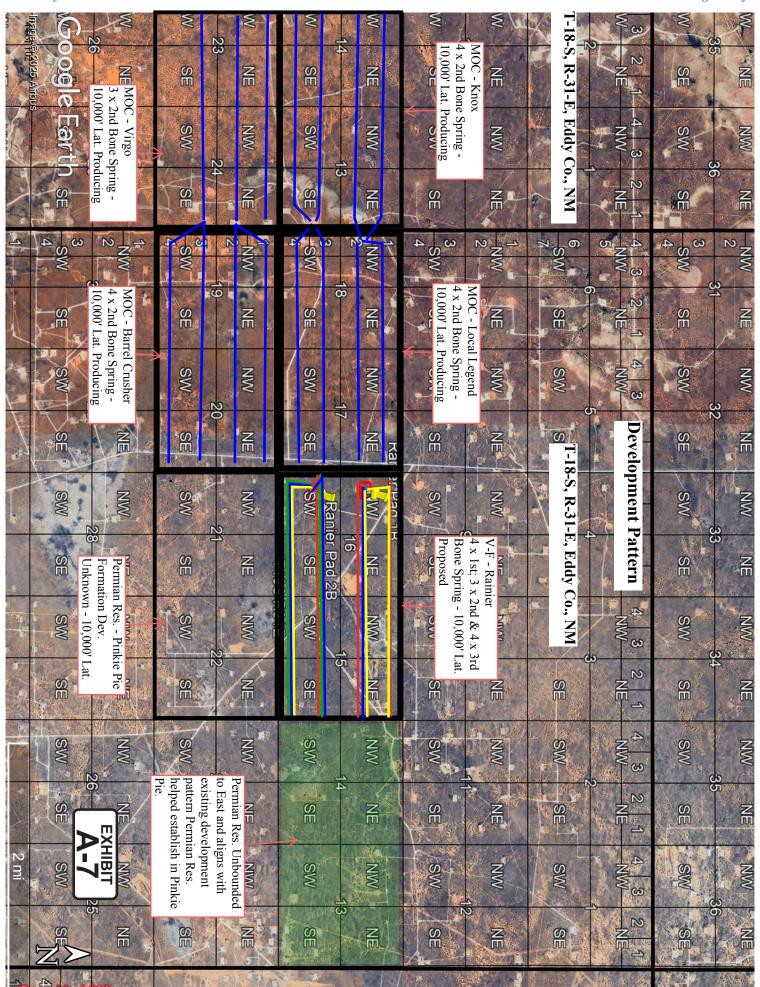
Rainier 16 15 Fed Com #211H Marathon Oil Permian LLC January 20, 2025

ELECTION Rainier 16 15 Fed Com #211H Well

Marathon Oil Permian LLC

	Elect to Participate in the Rainier 16 15 Fed Com #211H Well		
	_ Elect Not to Participate in the Rainier 16 15 Fed Com #211H Well		
Bv·	Title·	Date:	

			V-F P				<i>c</i> .		API No.		
	AUTHORIZATION FOR EXPENDITURE October 14, 2024								AFE Number Well Type First BS Hesigental Oil Well		
X	Original		Supplement	October	14, 2024	Revision		Re-Entry	Well Type Projected TD:	First BS Horizontal Oil Well 7,750' TVD 18,799' MD	
X	Drill Well		Workover			Facilities		Plug & Abandon	Proposal	Two Mile Horizontal Lateral	
Lease Name/We			County / State	Fc	rmation		Basin	Field or Prospect		L, Section 16, T-18-S, R-31-E	
Ranier 16-15 F	ederal Com #	211H	Eddy NM	15	st Bone S	pring	Permian	Shugart; Bone Spring N.	BHL: 615 FSL & 100 FEL,	Section 15, T-18-S, R-31-E	
Acct			INTANGIBLE	E DESCRIP	TION			COST BEFORE	COMPLETION	TOTAL	
Code								CASING POINT	COST	WELL COST	
501		ENVIROMENT						\$15,000	\$10,000	\$25,000	
516		ION, CURATIV						\$15,000		\$15,000	
501 501	DAMAGES	G STAKE LOCA	ATION					\$7,500 \$15,000		\$7,500 \$15,000	
502/711		CATION, PITS,	LINERS ETC					\$60,000	\$25,000	\$15,000	
503		RIG MOBILIZA						\$10,000	\$23,000	\$10,000	
503	DRILLING			17 da	vs @	\$19,000		\$323,000		\$323,000	
503		ORS & DIRECTI	ONAL		,- 0	,		\$150,000		\$150,000	
517	CLOSED LO	OOP & DISPOSA	AL	17 da	ys @	\$5,500		\$93,500		\$93,500	
505	MUD & FR.	AC CHEMICALS	S					\$125,000	\$150,000	\$275,000	
505/716	WATER (Br	ine & Fresh); FR	AC WATER					\$40,000	\$400,000	\$440,000	
503	BITS, REAM	IERS, ETC.						\$65,000		\$65,000	
503	FUEL			50000 ga	llons @	\$6		\$300,000		\$300,000	
504		G SURFACE						\$25,000		\$25,000	
504 701		G INTERMEDIA G PRODUCTIO						\$45,000	\$126,000	\$45,000 \$126,000	
509/705		SERVICES AND						\$45,000	\$65,000	\$126,000	
509/705		REWS PU LD MA						\$35,000	\$45,000	\$80,000	
513/708			TRALIZERS, ECP'S	. DV TOOL	S			\$10,000	\$18,000	\$28,000	
507		OMPLETION, F		,				313,000	\$175,000	\$175,000	
508		E LOGGING									
508	MUD LOGO	GING		16 da	ys @	\$3,500		\$56,000		\$56,000	
509/705	WELDING,	HOURLY LAB	OR, ROUSTABOUT	CREWS, S	SAFETY	PAY		\$26,000	\$250,000		
509/713	EQUIPMEN	T RENTAL						\$42,000	\$105,000	\$147,000	
509/714			ATION, FORKLIFT					\$57,000	\$35,000	\$92,000	
715		ON UNIT; COIL							\$550,000	\$550,000	
704	-		ON (60 STAGES)	.n nr r .	7.0				\$2,085,566	\$2,085,566	
702/03		/ENGINEERIN	PERFORATING & F	RAC PLUC	iS			\$55,000	\$260,000 \$80,000	\$260,000	
510/11/706 509/705		CONSULTAN		17 da	ve @	\$3,500		\$55,000 \$59,500	\$52,000	\$135,000 \$111,500	
		CONSULTAIN	1.5								
514	DRILLING	WELL RATE (A)	(0)					\$8,500			
514 515/705		WELL RATE (A/	(O)	17 da		\$500		\$8,500 \$10,000	\$5,000 \$10,000	\$13,500 \$20,000	
514 515/705 509/705	DRILLING INSURANC CONTINGE	E	(O)						\$5,000	\$13,500	
515/705 509/705	INSURANC CONTINGE	E	· 					\$10,000	\$5,000 \$10,000	\$13,500 \$20,000	
515/705 509/705 TOTAL INTA Acct	INSURANC CONTINGE	E NCY (8%)	· 	17 da	ys @			\$10,000 \$84,000 \$1,777,000 COST BEFORE	\$5,000 \$10,000 \$355,000 \$4,801,566 COMPLETION	\$13,500 \$20,000 \$439,000 \$6,578,566 TOTAL	
515/705 509/705 TOTAL INTA Acet Code	INSURANC CONTINGE	E NCY (8%)	г	17 da	ys @			\$10,000 \$84,000 \$1,777,000	\$5,000 \$10,000 \$355,000 \$4,801,566	\$13,500 \$20,000 \$439,000 \$6,578,566	
515/705 509/705 TOTAL INTA Acet Code 620/820	INSURANC CONTINGE ANGIBLE ES	E NCY (8%) IIMATED COST	г	17 da	ys @			\$10,000 \$84,000 \$1,777,000 COST BEFORE CASING POINT	\$5,000 \$10,000 \$355,000 \$4,801,566 COMPLETION	\$13,500 \$20,000 \$439,000 \$6,578,566 TOTAL WELL COST	
515/705 509/705 TOTAL INTA Acet Code 620/820 620/820	INSURANC CONTINGE ANGIBLE ES CONDUCTO	E NCY (8%) IIMATED COST	г	17 da	ys @			\$10,000 \$84,000 \$1,777,000 COST BEFORE CASING POINT	\$5,000 \$10,000 \$355,000 \$4,801,566 COMPLETION	\$13,500 \$20,000 \$439,000 \$6,578,566 TOTAL WELL COST	
515/705 509/705 TOTAL INTA Acet Code 620/820 620/820 620/820	INSURANC CONTINGE ANGIBLE ES CONDUCTO SURFACE	E NCY (8%) TIMATED COST	г	17 da	ys @			\$10,000 \$84,000 \$1,777,000 COST BEFORE CASING POINT \$42,000 \$96,000	\$5,000 \$10,000 \$355,000 \$4,801,566 COMPLETION	\$13,500 \$20,000 \$439,000 \$6,578,566 TOTAL WELL COST \$42,000 \$96,000	
515/705 509/705 TOTAL INTA Acet Code 620/820 620/820	INSURANC CONTINGE ANGIBLE ES CONDUCTO	E NCY (8%) HMATED COST	г	17 da	ys @			\$10,000 \$84,000 \$1,777,000 COST BEFORE CASING POINT	\$5,000 \$10,000 \$355,000 \$4,801,566 COMPLETION	\$13,500 \$20,000 \$439,000 \$6,578,566 TOTAL WELL COST	
515/705 509/705 TOTAL INTA Acet Code 620/820 620/820 620/820 620/820	INSURANC CONTINGE ANGIBLE ES CONDUCTO SURFACE INTERMED	E NCY (8%) IIMATED COST DR IATE IATE	г	17 da	ys @			\$10,000 \$84,000 \$1,777,000 COST BEFORE CASING POINT \$42,000 \$96,000	\$5,000 \$10,000 \$355,000 \$4,801,566 COMPLETION	\$13,500 \$20,000 \$439,000 \$6,578,566 TOTAL WELL COST \$42,000 \$96,000	
515/705 509/705 TOTAL INTA Acct Code 620/820 620/820 620/820 620/820 620/820	CONDUCTO SURFACE INTERMED	E NCY (8%) IIMATED COST OR IATE IATE ON	г	17 da	ys @			\$10,000 \$84,000 \$1,777,000 COST BEFORE CASING POINT \$42,000 \$96,000	\$5,000 \$10,000 \$355,000 \$4,801,566 COMPLETION COST	\$13,500 \$20,000 \$439,000 \$6,578,566 TOTAL WELL COST \$42,000 \$96,000 \$120,000	
515/705 509/705 TOTAL INTA Acct Code 620/820 620/820 620/820 620/820 820 820	CONDUCTO SURFACE INTERMED PRODUCTI	E NCY (8%) IIMATED COST OR IATE IATE ON ON LINER	г	17 da	ys @			\$10,000 \$84,000 \$1,777,000 COST BEFORE CASING POINT \$42,000 \$96,000	\$5,000 \$10,000 \$355,000 \$4,801,566 COMPLETION COST	\$13,500 \$20,000 \$439,000 \$6,578,566 TOTAL WELL COST \$42,000 \$96,000 \$120,000	
515/705 509/705 TOTAL INTA Acct Code 620/820 620/820 620/820 620/820 620/820 820/820 820 820	CONDUCTO SURFACE INTERMED PRODUCTI TUBING (C	E NCY (8%) IIMATED COST OR IATE IATE ON ON LINER	г	17 da	ys @			\$10,000 \$84,000 \$1,777,000 COST BEFORE CASING POINT \$42,000 \$96,000	\$5,000 \$10,000 \$355,000 \$4,801,566 COMPLETION COST	\$13,500 \$20,000 \$439,000 \$6,578,566 TOTAL WELL COST \$42,000 \$96,000 \$120,000	
515/705 509/705 TOTAL INTA Acet Code 620/820 620/820 620/820 620/820 820 820 820 821 621/824	CONDUCTO SURFACE INTERMED PRODUCTI TUBING (C WELLHEAI PRODUCTI PRODUCTI PRODUCTI TUBING (C WELLHEAI PRODUCTI TUBIN	DR IATE IATE ON ON LINER OST ON EQUIPMENT ON FACILITY F	TANGIBLE	17 da	ys @			\$10,000 \$84,000 \$1,777,000 COST BEFORE CASING POINT \$42,000 \$96,000 \$120,000	\$5,000 \$110,000 \$355,000 \$4,801,566 COMPLETION COST \$330,055 \$128,000 \$18,000 \$25,000	\$13,500 \$20,000 \$439,000 \$6,578,566 TOTAL WELL COST \$42,000 \$120,000 \$120,000 \$120,000 \$120,000 \$25,000 \$25,000	
515/705 509/705 TOTAL INTA Acet Code 620/820 620/820 620/820 620/820 820 820 820 821 621/824 825 825	CONDUCTO SURFACE INTERMED INTERMED PRODUCTI TUBING (C WELLHEAT PRODUCTI POWER SO	E NCY (8%) IMATED COST DR IATE IATE ON ON LINER coated) D EQUIPMENT ON FACILITY F	TANGIBLE TANGIBLE	17 da	ys @			\$10,000 \$84,000 \$1,777,000 COST BEFORE CASING POINT \$42,000 \$96,000 \$120,000	\$5,000 \$10,000 \$355,000 \$4,801,566 COMPLETION COST \$330,055	\$13,500 \$20,000 \$439,000 \$6,578,566 TOTAL WELL COST \$42,000 \$120,000 \$120,000 \$330,055	
\$15/705 \$69/705 TOTAL INTA Act Code 620/820 620/820 620/820 620/820 820 820 821 621/824 825 825 825	INSURANC CONTINGE CONDUCTO SURFACE INTERMED INTERMED PRODUCTI TUBING (C WELLHEAI PRODUCTI PRODUCTI PRODUCTI OWER SO RODS AND	E NCY (8%) IIMATED COST DR IATE IATE ON ON ON LINER oated) DEQUIPMENT ON FACILITY E URCE PUMP (FG & S	TANGIBLE TANGIBLE ENCLOSURE TEEL)	17 da	ys @			\$10,000 \$84,000 \$1,777,000 COST BEFORE CASING POINT \$42,000 \$96,000 \$120,000	\$5,000 \$10,000 \$355,000 \$4,801,566 COMPLETION COST \$330,055 \$128,000 \$18,000 \$25,000	\$13,500 \$20,000 \$439,000 \$6,578,566 TOTAL WELL COST \$42,000 \$120,000 \$120,000 \$330,055 \$128,000 \$46,000 \$25,000	
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\$15/705 \$69/705 TOTALINTA Acet Code 620/820 620/820 620/820 620/820 820 820 820 821 821 825 825 825 825 827	CONDUCTI CONDUCTI INTERMED INT	E NCY (8%) IIMA TED COSI DR IATE IATE IATE ON ON LINER oated) DE QUIPMENT ON FACILITY F URCE PUMP (FG & S BPS, ESP, DOW	TANGIBLE TANGIBLE ENCLOSURE TEEL) TIELL ATOR, FWKO	17 da	ys @			\$10,000 \$84,000 \$1,777,000 COST BEFORE CASING POINT \$42,000 \$96,000 \$120,000	\$5,000 \$110,000 \$355,000 \$4,801,566 COMPLETION COST \$330,055 \$128,000 \$18,000 \$25,000 \$25,000 \$265,000 \$175,000	\$13,500 \$20,000 \$439,000 \$6,578,566 TOTAL WELL COST \$42,000 \$120,000 \$120,000 \$120,000 \$25,000 \$25,000 \$25,000	
\$15/705 \$99/705 TOTAL INTA Acet Code 620/820 620/820 620/820 620/820 820 820 821 621/825 825 825 825 827 831	CONDUCTO SURFACE INTERMED PRODUCTI TUBING (C WELLHEAI PRODUCTI TUBING AND PRODUCTI POWER SO RODS AND PACKERS, HEATER TI GAS SALES	E NCY (8%) IIMATED COSI IIMATED COSI IATE IATE IATE ON ON ON LINER oated) ON FACILITY E URCE PUMP (FG & S BPS, ESP, DOW LEATER, SEPER S LINE & METEL S LINE & METEL	TANGIBLE TANGIBLE ENCLOSURE TEEL) INHOLE EQUIPME ATOR, FWKO R RUN	17 da	ys @			\$10,000 \$84,000 \$1,777,000 COST BEFORE CASING POINT \$42,000 \$96,000 \$120,000	\$5,000 \$10,000 \$355,000 \$4,801,566 COMPLETION COST \$330,055 \$128,000 \$18,000 \$25,000 \$25,000 \$25,000 \$15,000 \$55,500	\$13,500 \$20,000 \$439,000 \$439,000 \$56,578,566 TOTAL WELL COST \$42,000 \$56,000 \$120,000 \$120,000 \$120,000 \$25,000 \$25,000 \$25,000 \$175,000 \$575,000 \$575,000	
\$15/705 \$69/705 TOTALINTA Acet Code 620/820 620/820 620/820 620/820 820 820 820 821 821 825 825 825 825 827	CONDUCTO SURFACE INTERMED PRODUCTI TUBING (C WELLHEAI PROWER SO RODS AND PACKERS, HEATER TI GAS SALE: FLOWLINE	E NCY (8%) IIMA TED COSI DR IATE IATE IATE ON ON LINER oated) DE QUIPMENT ON FACILITY F URCE PUMP (FG & S BPS, ESP, DOW	TANGIBLE TANGIBLE ENCLOSURE TEEL) INHOLE EQUIPME ATOR, FWKO R RUN NNECTIONS	17 da	ys @			\$10,000 \$84,000 \$1,777,000 COST BEFORE CASING POINT \$42,000 \$96,000 \$120,000	\$5,000 \$110,000 \$355,000 \$4,801,566 COMPLETION COST \$330,055 \$128,000 \$18,000 \$25,000 \$25,000 \$265,000 \$175,000	\$13,500 \$20,000 \$439,000 \$6,578,566 TOTAL WELL COST \$42,000 \$120,000 \$120,000 \$120,000 \$25,000 \$25,000 \$25,000	
\$15/705 \$69/705 TOTALINTA Acet Code 620/820 620/820 620/820 820 820 820 821 621/824 825 825 822 823 827 833 827 833	CONDUCTO SURFACE INTERMED PRODUCTI TUBING (C WELLHEAI PROWER SO RODS AND PACKERS, HEATER TI GAS SALE: FLOWLINE	E NCY (8%) IIMATED COS) DR IATE IATE ON ON LINER oated) OF ACILITY F URCE PUMP (FG & S EVALVES, EO VATER AND PRES, LINE, EMETER S VALVES, CO VITER AND PRES, AND POWER OF THE SEPTER S VALVES, CO VITER AND PRES VITER AND	TANGIBLE TANGIBLE ENCLOSURE TEEL) INHOLE EQUIPME ATOR, FWKO R RUN NNECTIONS	17 da	ys @			\$10,000 \$84,000 \$1,777,000 COST BEFORE CASING POINT \$42,000 \$96,000 \$120,000	\$5,000 \$10,000 \$355,000 \$4,801,566 COMPLETION COST \$330,055 \$128,000 \$18,000 \$25,000 \$25,000 \$175,000 \$15,000 \$15,000	\$13,500 \$20,000 \$439,000 \$439,000 \$5,578,566 TOTAL WELL COST \$42,000 \$56,000 \$120,000 \$120,000 \$128,000 \$25,000 \$25,000 \$25,000 \$175,000 \$175,000 \$5175,000 \$5175,000 \$51,000	
\$15/705 \$599705 TOTAL INTA Acet Code 620820 620820 620820 820 820 820 821 621824 825 822 823 827 833 827 833 830 827 707AL TAN	CONDUCTO SURFACE INTERMED INTERMED PRODUCTI TUBING (C WELLHEAI PRODUCTI POWER SO RODS AND PACKERS, HEATER TI GAS SALE: FLOWLINE TANKS (W. CONTINGE GIBLE ENTIL	E NCY (8%) IIMATED COSI IATE IATE ON ON LINER oasded) E QUIPMENT ON FACILITY E PUMP (FG & S BPS, ESP, DOW EATER, SPERS, LURE & MERCE S, VALVES, CO ATER AND PRC NCY (8%) MATED COST	TANGIBLE TANGIBLE ENCLOSURE TEEL) INHOLE EQUIPME ATOR, FWKO R RUN NNECTIONS DUCTION)	17 da	ys @			\$10,000 \$84,000 \$1,777,000 COST BEFORE CASING POINT \$42,000 \$96,000 \$120,000	\$5,000 \$110,000 \$355,000 \$4,801,566 COMPLETION COST \$330,055 \$128,000 \$18,000 \$25,000 \$25,000 \$175,000 \$5,500 \$110,000	\$13,500 \$20,000 \$439,000 \$6,578,566 TOTAL WELL COST \$42,000 \$96,000 \$120,000 \$120,000 \$25,000 \$25,000 \$25,000 \$175,000 \$5,500 \$175,000 \$5,500 \$15,0000	
515/705 509/705 TOTALINTA Acet Code 620/820 620/820 620/820 620/820 820 820 820 820 821 825 825 825 827 831 827 831 830 827 622/820 TOTALTAN	CONDUCTI SURFACE INTERMED INTERMED INTERMED INTERMED PRODUCTI TUBING (C WELLHEAL PRODU	E NCY (8%) IIMATED COSI IMATED COSI IATE IATE ON ON LINER OOIL OF COULTEN OF ACILITY FOR URCE URCE URCE URCE SPENS, ESP, DOW LEATER, SPERS ACILITY SE S, VALVES, CO ATER AND PRO NCY (8%) MATED COST Re, Cnt. Cleanup Re, Cnt. Cleanup	TANGIBLE TANGIBLE ENCLOSURE TEEL) INHOLE EQUIPME ATOR, FWKO R RUN NNECTIONS	17 da	ys @			\$10,000 \$84,000 \$1,777,000 COST BEFORE CASING POINT \$42,000 \$120,000 \$120,000 \$28,000 \$28,000 \$28,000 \$315,000 \$315,000 \$315,000	\$5,000 \$10,000 \$3355,000 \$4,801,566 COMPLETION COST \$330,055 \$128,000 \$18,000 \$25,000 \$25,000 \$15,000 \$175,000 \$1,000 \$15,000 \$15,000	\$13,500 \$20,000 \$439,000 \$439,000 \$6,578,566 TOTAL WELL COST \$42,000 \$96,000 \$120,000 \$120,000 \$25,000 \$25,000 \$175,000 \$175,000 \$150,000 \$150,000 \$150,000 \$150,000 \$150,000 \$150,000 \$150,000 \$150,000 \$150,000	
\$15/705 \$509/705 TOTALINTA Acet Code 620/820 620/820 620/820 820 820 820 821 621/824 825 825 827 831 830 827 622/820 TOTALITAN 941-945 ESTIMATED	CONDUCTI SURFACE INTERMED PRODUCTI PRODUCTI TUBING (C WELLHEAL PRODUCTI TUBING (C WELLHEAL PRODUCTI TOWN SO RODS AND PACKERS, HEATER TI GAS SALES FLOWLINE TANKS (W. CONTINGE GIBLE ESTIL P&A COSTS,	E NCY (8%) IIMATED COST IATE IATE IATE IATE IATE ON ON LINER outed) DE QUIPMENT ON FACILITY F URCE PUMP (FG & S BPS, SEP, DOW ALEATER, SEPER LINE & METEL S VALVES, CO ATTER AND PRG MATED COST ING. (8%) MATED COST	TANGIBLE TANGIBLE ENCLOSURE TEEL) INHOLE EQUIPME ATOR, FWKO R RUN NNECTIONS DUCTION)	17 da	ys @			\$10,000 \$84,000 \$1,777,000 \$1,777,000 COST BEFORE CASING POINT \$42,000 \$120,000 \$120,000 \$28,000 \$28,000 \$315,000 \$315,000 \$315,000 \$321,42,000	\$5,000 \$10,000 \$3355,000 \$4,801,566 COMPLETION COST \$128,000 \$118,000 \$25,000 \$25,000 \$175,000 \$175,000 \$110,000 \$110,000 \$110,000 \$110,000	\$13,500 \$20,000 \$439,000 \$439,000 \$65,578,566 TOTAL WELL COST \$42,000 \$120,000 \$120,000 \$120,000 \$125,000 \$25,000 \$25,000 \$1575,000 \$1575,000 \$150,000 \$150,000 \$150,000 \$150,000 \$150,000 \$150,000 \$150,000 \$150,000 \$150,000 \$150,000 \$150,000 \$150,000 \$150,000 \$150,000 \$150,000	
515/705 509/705 TOTAL INTA Act Code 620/820 620/820 620/820 620/820 820 820 820 820 821 621/824 825 825 827 831 830 827 622/820 TOTAL TAN 9414-945 ESTIMATED TOTAL AFE	INSURANC CONTINGE NGIBLE ES CONDUCT SURFACE INTERMED PRODUCTI TUBING (C WELLHEAI PRODUCTI POWER SO RODS AND PACKERS, HEATER TI GAS SALES FLOWLINE TANKS (W CONTINGE GIBLE ESTII P&A COSES, DRY HOLE ESTIMATEL	E NCY (8%) IIMA TED COST	TANGIBLE TANGIBLE ENCLOSURE TEEL) INHOLE EQUIPME ATOR, FWKO R RUN NNECTIONS DUCTION)	17 da	ys @			\$10,000 \$84,000 \$1,777,000 COST BEFORE CASING POINT \$42,000 \$120,000 \$120,000 \$28,000 \$28,000 \$28,000 \$315,000 \$315,000 \$315,000	\$5,000 \$10,000 \$3355,000 \$4,801,566 COMPLETION COST \$330,055 \$128,000 \$18,000 \$25,000 \$25,000 \$15,000 \$175,000 \$1,000 \$15,000 \$15,000	\$13,500 \$20,000 \$439,000 \$439,000 \$6,578,566 TOTAL WELL COST \$42,000 \$96,000 \$120,000 \$120,000 \$25,000 \$25,000 \$175,000 \$175,000 \$150,000 \$150,000 \$150,000 \$150,000 \$150,000 \$150,000 \$150,000 \$150,000 \$150,000	
\$15/705 \$509/705 TOTALINTA Acet Code 620/820 620/820 620/820 820 820 820 821 621/824 825 825 827 831 830 827 622/820 TOTALITAN 941-945 ESTIMATED	CONDUCTO SURFACE INTERMED INTERMED PRODUCTI TUBING (C WELLHEAT PRODUCTI POWER SO RODS AND PACKERS, HEATER TI GAS SALE: FLOWLING GIBLE ESTIT PACKERS, HEATER THE TANKS (W. CONTINGE GIBLE ESTIMATEL ESTIMATEL AND ACCE	E NCY (8%) IIMATED COSI IIMATED	TANGIBLE TANGIBLE ENCLOSURE TEEL) INHOLE EQUIPME ATOR, FWKO R RUN NNECTIONS DUCTION)	DESCRIPTI	ys @		AUTHORI	\$10,000 \$84,000 \$1,777,000 COST BEFORE CASING POINT \$42,000 \$120,000 \$120,000 \$228,000 \$228,000 \$2115,000 \$2115,000 \$22,000 \$2112,000 \$20,000 \$20,000	\$5,000 \$10,000 \$3355,000 \$4,801,506 COMPLETION COST \$330,055 \$128,000 \$18,000 \$25,000 \$25,000 \$175,000 \$15,000 \$110,000 \$1,222,555 \$6,024,121 S6,024,121 SEEIN ARE ESTIMATES ON	\$13,500 \$20,000 \$439,000 \$5,578,566 TOTAL WELL COST \$42,000 \$540,000 \$120,000 \$120,000 \$128,000 \$25,000 \$25,000 \$175,000	
\$15/705 \$599/705 \$599/705 TOTALINTA Act Code 620820 620820 620820 820 820 820 820 821 621/824 825 823 827 821 831 830 827 TOTAL TAN 941-945 ESTIMATED TOTAL TAN WI OWNER	CONDUCTI SURFACE INTERMED INTERMED INTERMED PRODUCTI TUBING (C WELLHEAL PRODUCTI TUBING (C C WELLHEAL PRODUCTI TUBING (C C C T T T T T T T T T T T T T T T T	E NCY (8%) IIMATED COSI IIMATED	TANGIBLE TANGIBLE ENCLOSURE TEEL) INHOLE EQUIPME ATOR, FWKO R RUN NNECTIONS DUCTION) p, Misc., Services	DESCRIPTI	ys @		AUTHORI SPECIFIE	\$10,000 \$84,000 \$1,777,000 COST BEFORE CASING POINT \$42,000 \$54,000 \$120,000 \$120,000 \$28,000 \$28,000 \$21,142,000	\$5,000 \$10,000 \$310,000 \$3355,000 \$4,801,566 COMPLETION COST \$330,055 \$128,000 \$118,000 \$25,000 \$25,000 \$15,000 \$5,500 \$1175,000 \$5,500 \$110,000 \$1,100,0	\$13,500 \$20,000 \$439,000 \$5,578,566 TOTAL WELL COST \$42,000 \$540,000 \$120,000 \$120,000 \$128,000 \$25,000 \$25,000 \$175,000	
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515/705 509/705 509/705 509/705 Act TOTAL INTA Act Code 620/820 620/820 620/820 620/820 820 820 820 821 621/824 825 825 827 831 830 827 831 830 827 TOTAL TAN 941-945 ESTIMATED TOTAL AEE APPROVAL WI OWNER W.I.	CONDUCTI SURFACE INTERMED INTERMED PRODUCTI TUBING (C WELLHEAI PRODUCTI TUBING INTERMED PROPULTI TUBING INTERMED PROPULTI TUBING INTERMED PROPULTI TUBING INTERMED PROPULTI POWER SO RODS AND PACKERS, HEATER TI GAS SALES FLOWLINE TANKS (W. CONTINGE GIBLE ESTIL P&A COSTAN PRACTICAL PRACTICAL PARTICAL P	E NCY (8%) IIMATED COSI IIMATED	TANGIBLE TANGIBLE ENCLOSURE TEEL) INHOLE EQUIPME ATOR, FWKO R RUN NNECTIONS DUCTION) p, Misc., Services	DESCRIPTI	ys @		AUTHORI SPECIFIE	\$10,000 \$84,000 \$1,777,000 \$1,777,000 COST BEFORE CASING POINT \$42,000 \$120,000 \$120,000 \$120,000 \$28,000 \$28,000 \$21,142,000	\$5,000 \$10,000 \$310,000 \$3355,000 \$4,801,566 COMPLETION COST \$330,055 \$128,000 \$118,000 \$25,000 \$25,000 \$15,000 \$5,500 \$1175,000 \$5,500 \$110,000 \$1,100,0	\$13,500 \$20,000 \$439,000 \$439,000 \$6,578,566 TOTAL WELL COST \$42,000 \$120,000 \$120,000 \$120,000 \$128,000 \$525,000 \$255,000 \$255,000 \$175,000 \$55,000 \$175,000 \$110,000	







OFFICE 432.695.4222 **FAX** 432.695.4063

August 16, 2024

Via Certified Mail & Email

V-F Petroleum, Inc. Attn: Land Dept. P.O. Box 1889 Midland, TX 79702

RE: Slim Jim 14-15 Fed Com – Well Proposals

S/2N/2 of Sections 14 & 15, T18S-R31E

Eddy County, New Mexico

To Whom It May Concern:

Permian Resources Operating, LLC, as Operator for Read & Stevens, Inc. ("Permian"), hereby proposes the drilling and completion of the following two (2) Bone Spring wells, the Slim Jim 14-15 Fed Com at the following approximate locations within Township 18 South, Range 31 East:

1. Slim Jim 14-15 Fed Com 122H

SHL: 300' FEL & 2024' FNL, or at a legal location within the NE4 of Section 14

BHL: 100' FWL & 1650' FNL of Section 15 FTP: 100' FEL & 1650' FNL of Section 14 LTP: 100' FWL & 1650' FNL of Section 15

TVD: Approximately 8,595' TMD: Approximately 18,880'

Proration Unit: S/2N/2 of Sections 14 & 15, T18S-R31E

Targeted Interval: 2nd Bone Spring Total Cost: See attached AFE

2. Slim Jim 14-15 Fed Com 123H

SHL: 330' FEL & 2024' FNL, or at a legal location within the NE4 of Section 14

BHL: 100' FWL & 2310' FNL of Section 15 FTP: 100' FEL & 2310' FNL of Section 14 LTP: 100' FWL & 2310' FNL of Section 15

TVD: Approximately 8,810' TMD: Approximately 19,095'

Proration Unit: S/2N/2 of Sections 14 & 15, T18S-R31E

Targeted Interval: 2nd Bone Spring Total Cost: See attached AFE

[Continued on Next Page]

EXHIBIT A-8



OFFICE 432.695.4222 **FAX** 432.695.4063

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 available upon request. The Operating Agreement has the following general provisions:

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

Please indicate your election to participate in the drilling and completion of the proposed wells on the enclosed ballot. Please sign and return one copy of this letter, signed copies of the proposed AFEs, a signed copy of the enclosed insurance declaration, 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 spacing units for the proposed wells. 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 by email at Travis.Macha@permianres.com

Respectfully,

Travis Macha Permian Resources

NM Land Lead

Enclosures



OFFICE 432.695.4222 FAX 432.695.4063

Slim Jim 14-15 Fed Com Elections:

Well El (Please indicate your resp	ections: oonses in the spac	ce below)
Well(s)	Elect to Participate	Elect <u>NOT</u> to Participate
Slim Jim 14-15 Fed Com 122H		
Slim Jim 14-15 Fed Com 123H		

Company Name (If Appli	cable):
Ву:	
Printed Name:	
Date:	



OFFICE 432.695.4222 **FAX** 432.695.4063

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.

Company Name (If A	pplicable):	
		7
Ву:		_
Printed Name:		
Date:		



Cost Estimate

Printed Date: Aug 13, 2024

AFE Number: Description: SLIM JIM 14-15 FED COM 122H

AFE Name: SLIM JIM 14-15 FED COM 122H AFE TYPE: Drill and Complete
Well Operator: PERMIAN RESOURCES

Operator AFE #:

Account	Description		Gross Est. (\$)
Drilling Tangible			
8020.1400	TDC - CASING - PRODUCTION		\$350,952.83
8020.1500	TDC - WELLHEAD EQUIPMENT		\$53,125.00
8020.1100	TDC - CASING - SURFACE		\$18,253.75
8020.1200	TDC - CASING - INTERMEDIATE - 1		\$82,972.75
		Sub-total	\$505,304.33
Artificial Lift Tangible			
8065.2000	TAL - WELLHEAD EQUIPMENT		\$50,000.00
8065.1100	TAL - TUBING		\$125,000.00
8065.1310	TAL - ESP EQUIPMENT/INSTALL		\$100,000.00
8065.1300	TAL - DOWNHOLE ARTIFICIAL LIFT EQPT		\$15,000.00
8065.2100	TAL - WELL SITE POWER EQUIPMENT/INSTALL		\$75,000.00
8065.2200	TAL - OHP INFRASTRUCTURE EQUIPMENT/INSTALL		\$50,000.00
8065.2500	TAL - VALVES/CONNECTIONS/FTGS		\$15,000.00
8065.3100	TAL - MEASUREMENT EQUIPMENT		\$5,000.00
8065.3200	TAL - COMM, TELEMETRY & AUTOMA		\$5,000.00
		Sub-total	\$440,000.00
Facilities			
8035.3000	FAC - HEATER TREATER/SEPARATOR		\$101,429.00
8035.3800	FAC - FLARE/COMBUSTER		\$15,714.00
8035.4500	FAC - CONTINGENCY		\$13,969.00
8035.3400	FAC - METER & LACT		\$61,286.00
8035.3300	FAC - CIRCULATING TRNSFER PUMP		\$10,000.00
8035.1400	FAC - ROAD LOCATIONS PITS		\$25,000.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL		\$571.00
8035.1900	FAC - WATER DISPOSAL / SWD		\$286.00
8035.2900	FAC - TANK BATTERY		\$51,429.00
8035.3700	FAC - AUTOMATION MATERIAL		\$17,857.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB		\$28,571.00
8035.1600	FAC - TRANSPORTATION TRUCKING		\$2,143.00
8035.2500	FAC - CONSULTING SERVICES		\$714.00
8035.1310	FAC - PEMANENT EASEMENT		\$3,571.00
8035.2100	FAC - INSPECTION & TESTING		\$357.00
8035.1500	FAC - MATERIALS & SUPPLIES		\$714.00
8035.1700	FAC - RENTAL EQUIPMENT		\$11,429.00
8035.2400	FAC - SUPERVISION		\$8,571.00
8035.3200	FAC - VALVES FITTINGS & PIPE		\$85,714.00
8035.1300	FAC - SURFACE DAMAGE / ROW		\$286.00
8035.4400	FAC - COMPANY LABOR		\$714.00
8035.3600	FAC - ELECTRICAL		\$39,286.00
		Sub-total	\$479,611.00

300 N Marienfeld Street, Suite 1000, Midland, TX 79701 TEL (432) 695-4222 www.permianres.com

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PERMIAN RESOURCES

Cost Estimate

Printed Date: Aug 13, 2024

Account	<u>Description</u>		Gross Est. (\$)
-			
Completion Intangible	3		
8025.3050	ICC - SOURCE WATER		\$173,069.00
8025.1600	ICC - COILED TUBING		\$184,906.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT		\$15,000.00
8025.3100	ICC - WELLHEAD/FRACTREE REPAIR		\$40,000.00
8025.3000	ICC - WATER HANDLING		\$175,070.00
8025.3500	ICC - WELLSITE SUPERVISION		\$51,300.00
8025.1500	ICC - FUEL / POWER		\$505,363.00
8025.3600	ICC - SUPERVISION/ENGINEERING		\$5,000.00
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK		\$16,748.00
8025.2300	ICC - COMPLETION FLUIDS		\$10,000.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL		\$15,000.00
8025.1100	ICC - ROAD, LOCATIONS, PITS		\$10,500.00
8025.2500	ICC - WELL STIMULATION/FRACTUR		\$2,088,688.00
8025.3800	ICC - OVERHEAD		\$10,000.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING		\$397,992.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE		\$40,000.00
8025.3400	ICC - RENTAL EQUIPMENT		\$168,408.00
8025.2000	ICC - TRUCKING		\$14,375.00
		Sub-total	\$3,921,419.00
Drilling Intangible			\$40.40F.00
8015.2400	IDC - RIG WATER		\$13,125.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE		\$42,500.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP		\$143,200.00
8015.1700	IDC - DAYWORK CONTRACT		\$391,584.38
8015.5000	IDC - WELL CONTROL INSURANCE		\$5,775.00
8015.1200	IDC - LEGAL, TITLE SERVICES		\$13,000.00
8015.1310	IDC - PERMANENT EASEMENT		\$12,000.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP		\$15,750.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING		\$174,332.52
8015.1600	IDC - RIG MOB / STANDBY RATE		\$35,100.00
8015.1400	IDC - ROAD, LOCATIONS, PITS		\$95,625.00
8015.3400	IDC - MATERIALS & SUPPLIES		\$5,000.00
8015.3100	IDC - CASING CREW & TOOLS		\$47,500.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR		\$12,500.00
8015.4100	IDC - RENTAL EQUIPMENT		\$57,750.00
8015.4200	IDC - MANCAMP		\$27,300.00
8015.1300	IDC - SURFACE DAMAGE / ROW		\$35,000.00
8015.1500	IDC - RIG MOB / TRUCKING		\$127,500.00
8015.1100	IDC - STAKING & SURVEYING		\$15,000.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY		\$172,921.88
8015.2350	IDC - FUEL/MUD		\$64,500.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS		\$50,046.00
8015.5200	IDC - CONTINGENCY		\$93,085.83
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM		\$41,278.13
8015.4300	IDC - WELLSITE SUPERVISION		\$60,900.00

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Printed Date: Aug 13, 2024

\$8,291,484.42

Grand Total

PERMIAN

Cost Estimate

Gross Est. (\$) Description **Account** \$122,661.00 IDC - DISPOSAL 8015.3700 \$98,175.00 8015.2300 IDC - FUEL / POWER \$15,000.00 IDC - PERMITS, LICENSES, ETC 8015,1000 \$27,000.00 IDC - CONTRACT LABOR/ROUSTABOUT 8015.3200 \$98,000.00 IDC - DRILL BIT 8015.2150 \$11,550.00 8015.4600 IDC - SAFETY / ENVIRONMENTAL \$37,000.00 IDC - INSPECTION, TESTING & REPAIR 8015.2700 \$2,161,659.74 Sub-total Artificial Lift Intangible \$25,000.00 IAL - ACID 8060.3810 \$9,000.00 IAL - WELLSITE SUPERVISION 8060.3500 \$10,000.00 IAL - CONTRACT LABOR/ROUSTABOUT 8060.2600 \$5,000.00 IAL - COMPLETION FLUIDS 8060.2300 \$5,000.00 IAL - KILL TRUCK 8060.2010 \$5,000.00 IAL - WIRELINE OPEN/CASED HOLE 8060,1400 \$10,000.00 8060.3400 IAL - RENTAL EQUIPMENT \$7,000.00 IAL - TRUCKING/VACUUM/TRANSP 8060.2000 \$5,000.00 IAL - LAYDOWN MACHINE 8060.3410 \$5,000.00 IAL - REVERSE UNIT RENTAL 8060.3420 \$3,000.00 8060.1900 IAL - INSPECTION & TESTING \$15,000.00 IAL - WORKOVER RIG 8060.1200 \$6,000.00 IAL - SPOOLING SERVICES 8060.1210 \$110,000.00 Sub-total Flowback Intangible \$196,240.35 IFC - FRAC WATER RECOVERY 8040.1899 \$20,000.00 IFC - SURFACE PUMP RENTAL 8040.3430 \$10,000.00 **IFC - WELLSITE SUPERVISION** 8040.3500 \$20,000.00 8040.3420 **IFC - TANK RENTALS** \$15,000.00 IFC - CHEMICALS 8040.4000 \$20,000.00 IFC - TRUCKING/VACUUM/TRANSP 8040.2000 \$125,000.00 8040.2900 IFC - WELL TESTING / FLOWBACK \$406,240.35 Sub-total Pipeline \$66,000.00 PLN - FLOWLINE MATERIAL 8036.2800 \$66,000.00 PLN - CONTRACT LABOR 8036.2200 \$28,000.00 8036.1310 PLN - PEMANENT EASEMENT \$10,000.00 PLN - VALVES FITTINGS & PIPE 8036.3200 \$12,500.00 PLN - POWER DISTRIBUTION LABOR 8036.3620 \$37,500.00 PLN - POWER DISTRIBUTION MATERIAL 8036.3610 \$220,000.00 Sub-total **Completion Tangible** \$47,250.00 TCC - WELLHEAD EQUIPMENT 8030.2000 Sub-total \$47,250.00

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Cost Estimate

Printed Date: Aug 13, 2024

AFE Number: Description: SLIM JIM 14-15 FED COM 123H

AFE Name: SLIM JIM 14-15 FED COM 123H AFE TYPE: Drill and Complete
Well Operator: PERMIAN RESOURCES

Well Operator: Operator AFE #:

Account	Description		Gross Est. (\$)
Drilling Tangible			6250 052 92
8020.1400	TDC - CASING - PRODUCTION		\$350,952.83
8020.1500	TDC - WELLHEAD EQUIPMENT		\$53,125.00
8020.1100	TDC - CASING - SURFACE		\$18,253.75
8020.1200	TDC - CASING - INTERMEDIATE - 1	Sub-total	\$82,972.75 \$505,304.33
Artificial Lift Tangible			
8065.2000	TAL - WELLHEAD EQUIPMENT		\$50,000.00
8065.1100	TAL - TUBING		\$125,000.00
8065.1310	TAL - ESP EQUIPMENT/INSTALL		\$100,000.00
8065.1300	TAL - DOWNHOLE ARTIFICIAL LIFT EQPT		\$15,000.00
8065.2100	TAL - WELL SITE POWER EQUIPMENT/INSTALL		\$75,000.00
8065.2200	TAL - OHP INFRASTRUCTURE EQUIPMENT/INSTALL		\$50,000.00
8065.2500	TAL - VALVES/CONNECTIONS/FTGS		\$15,000.00
8065.3100	TAL - MEASUREMENT EQUIPMENT		\$5,000.00
8065.3200	TAL - COMM, TELEMETRY & AUTOMA		\$5,000.00
		Sub-total	\$440,000.00
acilities			
3035.3000	FAC - HEATER TREATER/SEPARATOR		\$101,429.00
3035.3800	FAC - FLARE/COMBUSTER		\$15,714.00
8035.4500	FAC - CONTINGENCY		\$13,969.00
3035.3400	FAC - METER & LACT		\$61,286.00
3035.3300	FAC - CIRCULATING TRNSFER PUMP		\$10,000.00
3035.1400	FAC - ROAD LOCATIONS PITS		\$25,000.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL		\$571.00
3035.1900	FAC - WATER DISPOSAL / SWD		\$286.00
3035.2900	FAC - TANK BATTERY		\$51,429.00
3035.3700	FAC - AUTOMATION MATERIAL		\$17,857.00
3035.2200	FAC - CONTRACT LABOR / ROUSTAB		\$28,571.00
3035.1600	FAC - TRANSPORTATION TRUCKING		\$2,143.00
3035.2500	FAC - CONSULTING SERVICES		\$714.00
035.1310	FAC - PEMANENT EASEMENT		\$3,571.00
3035.2100	FAC - INSPECTION & TESTING		\$357.00
3035.1500	FAC - MATERIALS & SUPPLIES		\$714.00
8035.1700	FAC - RENTAL EQUIPMENT		\$11,429.00
3035.2400	FAC - SUPERVISION		\$8,571.00
8035.3200	FAC - VALVES FITTINGS & PIPE		\$85,714.00
3035.1300	FAC - SURFACE DAMAGE / ROW		\$286.00
035.4400	FAC - COMPANY LABOR		\$714.00
035.3600	FAC - ELECTRICAL		\$39,286.00
		Sub-total	\$479,611.00

300 N Marienfeld Street, Suite 1000, Midland, TX 79701 TEL (432) 695-4222 www.permianres.com

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PERMIAN RESOURCES

Cost Estimate

Printed Date: Aug 13, 2024

Account	Description		Gross Est. (\$)
Completion Intangible			
8025.3050	ICC - SOURCE WATER		\$173,069.00
8025.1600	ICC - COILED TUBING		\$184,906.00
8025,2600	ICC - CONTRACT LABOR/ROUSTABOUT		\$15,000.00
8025.3100	ICC - WELLHEAD/FRACTREE REPAIR		\$40,000.00
8025.3000	ICC - WATER HANDLING		\$175,070.00
8025.3500	ICC - WELLSITE SUPERVISION		\$51,300.00
8025.1500	ICC - FUEL / POWER		\$505,363.00
8025.3600	ICC - SUPERVISION/ENGINEERING		\$5,000.00
8025,1800	ICC - WATER DISPOSALIVACUUM TRUCK		\$16,748.00
8025,2300	ICC - COMPLETION FLUIDS		\$10,000.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL		\$15,000.00
8025.1100	ICC - ROAD, LOCATIONS, PITS		\$10,500.00
8025.2500	ICC - WELL STIMULATION/FRACTUR		\$2,088,688.00
8025.3800	ICC - OVERHEAD		\$10,000.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING		\$397,992.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE		\$40,000.00
8025.3400	ICC - RENTAL EQUIPMENT		\$168,408.00
8025.2000	ICC - TRUCKING		\$14,375.00
		Sub-total	\$3,921,419.00
Drilling Intangible			
8015.2400	IDC - RIG WATER		\$13,125.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE		\$42,500.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP		\$143,200.00
8015.1700	IDC - DAYWORK CONTRACT		\$391,584.38
8015.5000	IDC - WELL CONTROL INSURANCE		\$5,775.00
8015.1200	IDC - LEGAL, TITLE SERVICES		\$13,000.00
8015.1310	IDC - PERMANENT EASEMENT		\$12,000.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP		\$15,750.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING		\$174,332.52
8015.1600	IDC - RIG MOB / STANDBY RATE		\$35,100.00
8015.1400	IDC - ROAD, LOCATIONS, PITS		\$95,625.00
8015.3400	IDC - MATERIALS & SUPPLIES		\$5,000.00
8015.3100	IDC - CASING CREW & TOOLS		\$47,500.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR		\$12,500.00
8015.4100	IDC - RENTAL EQUIPMENT		\$57,750.00
8015.4200	IDC - MANCAMP		\$27,300.00
8015.1300	IDC - SURFACE DAMAGE / ROW		\$35,000.00
8015.1500	IDC - RIG MOB / TRUCKING		\$127,500.00
8015.1100	IDC - STAKING & SURVEYING		\$15,000.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY		\$172,921.88
8015.2350	IDC - FUEL/MUD		\$64,500.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS		\$50,046.00
8015.5200	IDC - CONTINGENCY		\$93,085.83
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM		\$41,278.13
8015.4300	IDC - WELLSITE SUPERVISION		\$60,900.00

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Printed Date: Aug 13, 2024

PERMIAN

Cost Estimate

Gross Est. (\$) Description **Account** \$122,661.00 IDC - DISPOSAL 8015.3700 \$98,175.00 IDC - FUEL / POWER 8015.2300 \$15,000.00 8015.1000 IDC - PERMITS, LICENSES, ETC \$27,000.00 IDC - CONTRACT LABOR/ROUSTABOUT 8015.3200 \$98,000.00 IDC - DRILL BIT 8015.2150 \$11,550.00 IDC - SAFETY / ENVIRONMENTAL 8015.4600 \$37,000.00 IDC - INSPECTION, TESTING & REPAIR 8015.2700 \$2,161,659.74 Sub-total Artificial Lift Intangible \$25,000.00 IAL - ACID 8060.3810 \$9,000.00 IAL - WELLSITE SUPERVISION 8060.3500 \$10,000.00 IAL - CONTRACT LABOR/ROUSTABOUT 8060.2600 \$5,000.00 IAL - COMPLETION FLUIDS 8060.2300 \$5,000.00 IAL - KILL TRUCK 8060.2010 \$5,000.00 IAL - WIRELINE OPEN/CASED HOLE 8060.1400 \$10,000.00 8060.3400 IAL - RENTAL EQUIPMENT \$7,000.00 IAL - TRUCKING/VACUUM/TRANSP 8060.2000 \$5,000.00 IAL - LAYDOWN MACHINE 8060.3410 \$5,000.00 IAL - REVERSE UNIT RENTAL 8060.3420 \$3,000.00 8060.1900 IAL - INSPECTION & TESTING \$15,000.00 IAL - WORKOVER RIG 8060.1200 \$6,000.00 IAL - SPOOLING SERVICES 8060.1210 Sub-total \$110,000.00 Flowback Intangible \$196,240.35 IFC - FRAC WATER RECOVERY 8040.1899 \$20,000.00 IFC - SURFACE PUMP RENTAL 8040.3430 \$10,000.00 IFC - WELLSITE SUPERVISION 8040.3500 \$20,000.00 8040.3420 **IFC - TANK RENTALS** \$15,000.00 **IFC - CHEMICALS** 8040.4000 \$20,000.00 IFC - TRUCKING/VACUUM/TRANSP 8040.2000 \$125,000.00 IFC - WELL TESTING / FLOWBACK 8040.2900 \$406,240.35 Sub-total Pipeline \$66,000.00 PLN - FLOWLINE MATERIAL 8036.2800 \$66,000.00 PLN - CONTRACT LABOR 8036.2200 \$28,000.00 8036.1310 PLN - PEMANENT EASEMENT \$10,000.00 PLN - VALVES FITTINGS & PIPE 8036.3200 \$12,500.00 PLN - POWER DISTRIBUTION LABOR 8036.3620 \$37,500.00 PLN - POWER DISTRIBUTION MATERIAL 8036,3610 Sub-total \$220,000.00 **Completion Tangible** \$47,250.00 TCC - WELLHEAD EQUIPMENT 8030.2000 \$47,250.00 Sub-total \$8,291,484.42 **Grand Total**

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OFFICE 432.695.4222 FAX 432.695.4063

August 16, 2024

Via Certified Mail & Email

V-F Petroleum, Inc. P.O. Box 1889 Midland, TX 79702

RE: Slim Jim 14-15 Fed Com – Well Proposals

S/2 of Sections 14 & 15, T18S-R31E

Eddy County, New Mexico

To Whom It May Concern:

Permian Resources Operating, LLC, as Operator for Read & Stevens, Inc. ("Permian"), hereby proposes the drilling and completion of the following three (3) Bone Spring wells, the Slim Jim 14-15 Fed Com at the following approximate locations within Township 18 South, Range 31 East:

1. Slim Jim 14-15 Fed Com 124H (Infill)

SHL: 300' FEL & 1400' FSL, or at a legal location within the SW4 of Section 15

BHL: 100' FWL & 2200' FSL of Section 14 FTP: 100' FWL & 2200' FSL of Section 15 LTP: 100' FWL & 2200' FSL of Section 14

TVD: Approximately 8,510' TMD: Approximately 18,795'

Proration Unit: S/2 of Sections 14 & 15, T18S-R31E

Targeted Interval: 2nd Bone Spring Total Cost: See attached AFE

2. Slim Jim 14-15 Fed Com 125H (Defining Well)

SHL: 330' FEL & 1400' FSL, or at a legal location within the SW4 of Section 15

BHL: 100' FWL & 1430' FSL of Section 14 FTP: 100' FWL & 1430' FSL of Section 15 LTP: 100' FWL & 1430' FSL of Section 14

TVD: Approximately 8,670' TMD: Approximately 18,955'

Proration Unit: S/2 of Sections 14 & 15, T18S-R31E

Targeted Interval: 2nd Bone Spring Total Cost: See attached AFE

[Continued on Next Page]

Well Proposal: Slim Jim 14-15 Fed Com Bone Spring Wells

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3. Slim Jim 14-15 Fed Com 126H (Infill)

SHL: 330' FEL & 1370' FSL, or at a legal location within the SW4 of Section 15

BHL: 100' FWL & 660' FSL of Section 14 FTP: 100' FWL & 660' FSL of Section 15 LTP: 100' FWL & 660' FSL of Section 14

TVD: Approximately 8,510' TMD: Approximately 18,795'

Proration Unit: S/2 of Sections 14 & 15, T18S-R31E

Targeted Interval: 2nd 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 available upon request. The Operating Agreement has the following general provisions:

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

Please indicate your election to participate in the drilling and completion of the proposed wells on the enclosed ballot. Please sign and return one copy of this letter, signed copies of the proposed AFEs, a signed copy of the enclosed insurance declaration, 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 spacing units for the proposed wells. 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 by email at Travis.Macha@permianres.com

Respectfully,

Travis Macha Permian Resources

NM Land Lead

Enclosures

Well Proposal: Slim Jim 14-15 Fed Com Bone Spring Wells

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OFFICE 432.695.4222 FAX 432.695.4063

Slim Jim 14-15 Fed Com Elections:

Well El (Please indicate your resp		ce below)
Well(s)	Elect to Participate	Elect <u>NOT</u> to Participate
Slim Jim 14-15 Fed Com 124H		
Slim Jim 14-15 Fed Com 125H		
Slim Jim 14-15 Fed Com 126H		

Company Name (If Applica	able):
By:	
Printed Name:	
Date:	



OFFICE 432.695.4222 **FAX** 432.695.4063

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.

Company Name (If Applicable):		
Ву:		
Printed Name:		
Date:		



Cost Estimate

Printed Date: Aug 13, 2024

AFE Number: Description: SLIM JIM 14-15 FED COM 124H

AFE Name: SLIM JIM 14-15 FED COM 124H AFE TYPE: Drill and Complete

PERMIAN RESOURCES

Well Operator: Operator AFE #:

Account	Description		Gross Est. (\$)
Drilling Tangible			2050 050 00
8020.1400	, TDC - CASING - PRODUCTION		\$350,952.83
8020.1500	TDC - WELLHEAD EQUIPMENT		\$53,125.00
3020.1100	TDC - CASING - SURFACE		\$18,253.75
8020.1200	TDC - CASING - INTERMEDIATE - 1		\$82,972.75
		Sub-total	\$505,304.33
Artificial Lift Tangib	ole		\$50,000.00
8065.2000	TAL - WELLHEAD EQUIPMENT		\$35,000.00 \$125,000.00
8065,1100	TAL - TUBING		
8065.1310	TAL - ESP EQUIPMENT/INSTALL		\$100,000.00
8065.1300	TAL - DOWNHOLE ARTIFICIAL LIFT EQPT		\$15,000.00
8065.2100	TAL - WELL SITE POWER EQUIPMENT/INSTALL		\$75,000.00
8065.2200	TAL - OHP INFRASTRUCTURE EQUIPMENT/INSTALL		\$50,000.00
8065.2500	TAL - VALVES/CONNECTIONS/FTGS		\$15,000.00
8065.3100	TAL - MEASUREMENT EQUIPMENT		\$5,000.00
8065.3200	TAL - COMM, TELEMETRY & AUTOMA		\$5,000.00
		Sub-total	\$440,000.00
Facilities			
3035.3000	FAC - HEATER TREATER/SEPARATOR		\$101,429.00
8035.3800	FAC - FLARE/COMBUSTER		\$15,714.00
8035.4500	FAC - CONTINGENCY		\$13,969.00
8035.3400	FAC - METER & LACT		\$61,286.00
8035.3300	FAC - CIRCULATING TRNSFER PUMP		\$10,000.00
8035.1400	FAC - ROAD LOCATIONS PITS		\$25,000.00
3035.4000	FAC - SAFETY / ENVIRONMENTAL		\$571.00
8035.1900	FAC - WATER DISPOSAL / SWD		\$286.00
3035.2900	FAC - TANK BATTERY		\$51,429.00
3035.3700	FAC - AUTOMATION MATERIAL		\$17,857.00
3035.2200	FAC - CONTRACT LABOR / ROUSTAB		\$28,571.00
3035.1600	FAC - TRANSPORTATION TRUCKING		\$2,143.00
3035.2500	FAC - CONSULTING SERVICES		\$714.00
3035.1310	FAC - PEMANENT EASEMENT		\$3,571.00
8035.2100	FAC - INSPECTION & TESTING		\$357.00
3035.1500	FAC - MATERIALS & SUPPLIES		\$714.00
3035.1700	FAC - RENTAL EQUIPMENT		\$11,429.00
3035.2400	FAC - SUPERVISION		\$8,571.00
3035.3200	FAC - VALVES FITTINGS & PIPE		\$85,714.00
3035.1300	FAC - SURFACE DAMAGE / ROW		\$286.00
3035.4400	FAC - COMPANY LABOR		\$714.00
3035.3600	FAC - ELECTRICAL		\$39,286.00
,000.000		Sub-total	\$479,611.00

300 N Marienfeld Street, Suite 1000, Midland, TX 79701 TEL (432) 695-4222 www.permianres.com

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PERMIAN RESOURCES

Cost Estimate

Printed Date: Aug 13, 2024

Account	Description		Gross Est. (\$)
Completion Intangib	ole		
8025.3050	ICC - SOURCE WATER		\$173,069.00
8025.1600	ICC - COILED TUBING		\$184,906.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT		\$15,000.00
8025.3100	ICC - WELLHEAD/FRACTREE REPAIR		\$40,000.00
8025.3000	ICC - WATER HANDLING		\$175,070.00
8025.3500	ICC - WELLSITE SUPERVISION		\$51,300.00
8025.1500	ICC - FUEL / POWER		\$505,363.00
8025.3600	ICC - SUPERVISION/ENGINEERING		\$5,000.00
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK		\$16,748.00
8025.2300	ICC - COMPLETION FLUIDS		\$10,000.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL		\$15,000.00
8025.1100	ICC - ROAD, LOCATIONS, PITS		\$10,500.00
8025.2500	ICC - WELL STIMULATION/FRACTUR		\$2,088,688.00
8025.3800	ICC - OVERHEAD		\$10,000.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING		\$397,992.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE		\$40,000.00
8025.3400	ICC - RENTAL EQUIPMENT		\$168,408.00
8025.2000	ICC - TRUCKING		\$14,375.00
		Sub-total	\$3,921,419.00
Drilling Intangible			642 425 00
8015.2400	IDC - RIG WATER		\$13,125.00 \$42,500.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE		\$42,500.00 \$143,200.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP		\$391,584.38
8015.1700	IDC - DAYWORK CONTRACT		\$5,775.00
8015.5000	IDC - WELL CONTROL INSURANCE		\$13,000.00
8015.1200	IDC - LEGAL, TITLE SERVICES		\$12,000.00
8015.1310	IDC - PERMANENT EASEMENT		\$15,750.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP		\$174,332.52
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING		\$35,100.00
8015.1600	IDC - RIG MOB / STANDBY RATE		\$95,625.00
8015.1400	IDC - ROAD, LOCATIONS, PITS		\$5,000.00
8015.3400	IDC - MATERIALS & SUPPLIES		\$47,500.00
8015.3100	IDC - CASING CREW & TOOLS		\$12,500.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR		\$57,750.00
8015.4100	IDC - RENTAL EQUIPMENT		\$27,300.00
8015.4200	IDC - MANCAMP IDC - SURFACE DAMAGE / ROW		\$35,000.00
8015.1300			\$127,500.00
8015.1500	IDC - RIG MOB / TRUCKING		\$15,000.00
8015.1100	IDC - STAKING & SURVEYING		\$172,921.88
8015.1900	IDC - DIRECTNL DRILL & SURVEY		\$64,500.00
8015.2350	IDC - FUEL/MUD		\$50,046.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS		\$93,085.83
8015.5200	IDC - CONTINGENCY IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM		\$41,278.13
8015.3600			\$60,900.00
8015.4300	IDC - WELLSITE SUPERVISION		,

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PERMIAN

Cost Estimate

Printed Date: Aug 13, 2024

Account	Description		Gross Est. (\$)
	(DO DISPOSAL		\$122,661.00
8015.3700	IDC - DISPOSAL		\$98,175.00
8015.2300	IDC - FUEL / POWER		\$15,000.00
8015.1000	IDC - PERMITS, LICENSES, ETC		\$27,000.00
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT		\$98,000.00
8015.2150	IDC - DRILL BIT		\$11,550.00
8015.4600	IDC - SAFETY / ENVIRONMENTAL IDC - INSPECTION, TESTING & REPAIR		\$37,000.00
8015.2700	IDC - INSPECTION, TESTING & REPAIR	Sub-total	\$2,161,659.74
Artificial Lift Intang	nible		
8060.3810	IAL - ACID		\$25,000.00
8060.3500	IAL - WELLSITE SUPERVISION		\$9,000.00
8060.2600	IAL - CONTRACT LABOR/ROUSTABOUT		\$10,000.00
8060.2300	IAL - COMPLETION FLUIDS		\$5,000.00
8060.2010	IAL - KILL TRUCK		\$5,000.00
8060.1400	IAL - WIRELINE OPEN/CASED HOLE		\$5,000.00
8060.3400	IAL - RENTAL EQUIPMENT		\$10,000.00
8060.2000	IAL - TRUCKING/VACUUM/TRANSP		\$7,000.00
8060.3410	IAL - LAYDOWN MACHINE		\$5,000.00
8060.3420	IAL - REVERSE UNIT RENTAL		\$5,000.00
8060.1900	IAL - INSPECTION & TESTING		\$3,000.00
8060.1200	IAL - WORKOVER RIG		\$15,000.00
8060,1210	IAL - SPOOLING SERVICES		\$6,000.00
		Sub-total	\$110,000.00
Flowback Intangible	le		E400 040 25
8040.1899	IFC - FRAC WATER RECOVERY		\$196,240.35
8040.3430	IFC - SURFACE PUMP RENTAL		\$20,000.00
8040.3500	IFC - WELLSITE SUPERVISION		\$10,000.00
8040.3420	IFC - TANK RENTALS		\$20,000.00
8040.4000	IFC - CHEMICALS		\$15,000.00
8040.2000	IFC - TRUCKING/VACUUM/TRANSP		\$20,000.00
8040.2900	IFC - WELL TESTING / FLOWBACK		\$125,000.00 \$406,240.35
		Sub-total	\$400,240.35
Pipeline			\$66,000.00
8036.2800	PLN - FLOWLINE MATERIAL		\$66,000.00
8036.2200	PLN - CONTRACT LABOR		\$28,000.00
8036.1310	PLN - PEMANENT EASEMENT		\$10,000.00
8036.3200	PLN - VALVES FITTINGS & PIPE		\$12,500.00
8036.3620	PLN - POWER DISTRIBUTION LABOR		\$37,500.00
8036.3610	PLN - POWER DISTRIBUTION MATERIAL	Sub-total	\$220,000.00
Completion Tangib	ole		
8030.2000	TCC - WELLHEAD EQUIPMENT		\$47,250.00
		Sub-total	\$47,250.00
		Grand Total	\$8,291,484.42

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Cost Estimate

Printed Date: Aug 13, 2024

AFE Number: Description: SLIM JIM 14-15 FED COM 125H

AFE Name: SLIM JIM 14-15 FED COM 125H AFE TYPE: Drill and Complete

Well Operator: PER
Operator AFE #:

PERMIAN RESOURCES

Account	<u>Description</u>		Gross Est. (\$)
Drilling Tangible			6250 052 82
8020.1400	TDC - CASING - PRODUCTION		\$350,952.83
8020.1500	TDC - WELLHEAD EQUIPMENT		\$53,125.00
8020.1100	TDC - CASING - SURFACE		\$18,253.75
8020.1200	TDC - CASING - INTERMEDIATE - 1	Sub-total	\$82,972.75 \$505,304.33
Artificial Lift Tangible			050 000 00
8065.2000	TAL - WELLHEAD EQUIPMENT		\$50,000.00
8065.1100	TAL - TUBING		\$125,000.00
8065.1310	TAL - ESP EQUIPMENT/INSTALL		\$100,000.00
8065.1300	TAL - DOWNHOLE ARTIFICIAL LIFT EQPT		\$15,000.00
8065.2100	TAL - WELL SITE POWER EQUIPMENT/INSTALL		\$75,000.00
8065.2200	TAL - OHP INFRASTRUCTURE EQUIPMENT/INSTALL		\$50,000.00
8065.2500	TAL - VALVES/CONNECTIONS/FTGS		\$15,000.00
8065.3100	TAL - MEASUREMENT EQUIPMENT		\$5,000.00
8065.3200	TAL - COMM, TELEMETRY & AUTOMA		\$5,000.00
		Sub-total	\$440,000.00
Facilities .			
3035.3000	FAC - HEATER TREATER/SEPARATOR		\$101,429.00
3035.3800	FAC - FLARE/COMBUSTER		\$15,714.00
3035.4500	FAC - CONTINGENCY		\$13,969.00
3035.3400	FAC - METER & LACT		\$61,286.00
8035.3300	FAC - CIRCULATING TRNSFER PUMP		\$10,000.00
8035.1400	FAC - ROAD LOCATIONS PITS		\$25,000.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL		\$571.00
8035.1900	FAC - WATER DISPOSAL / SWD		\$286.00
3035.2900	FAC - TANK BATTERY		\$51,429.00
3035.3700	FAC - AUTOMATION MATERIAL		\$17,857.00
3035.2200	FAC - CONTRACT LABOR / ROUSTAB		\$28,571.00
3035.1600	FAC - TRANSPORTATION TRUCKING		\$2,143.00
3035.2500	FAC - CONSULTING SERVICES		\$714.00
3035.1310	FAC - PEMANENT EASEMENT		\$3,571.00
8035.2100	FAC - INSPECTION & TESTING		\$357.00
3035.1500	FAC - MATERIALS & SUPPLIES		\$714.00
3035.1700	FAC - RENTAL EQUIPMENT		\$11,429.00
3035.2400	FAC - SUPERVISION		\$8,571.00
3035.3200	FAC - VALVES FITTINGS & PIPE		\$85,714.00
3035.1300	FAC - SURFACE DAMAGE / ROW		\$286.00
3035.4400	FAC - COMPANY LABOR		\$714.00
3035.3600	FAC - ELECTRICAL		\$39,286.00

300 N Marienfeld Street, Suite 1000, Midland, TX 79701 TEL (432) 695-4222 www.permianres.com

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PERMIAN RESOURCES

Cost Estimate

Printed Date: Aug 13, 2024

Account	Description		Gross Est. (\$)
Completion Intangib	ole		
8025.3050	ICC - SOURCE WATER		\$173,069.00
8025.1600	ICC - COILED TUBING		\$184,906.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT		\$15,000.00
8025.3100	ICC - WELLHEAD/FRACTREE REPAIR		\$40,000.00
8025.3000	ICC - WATER HANDLING		\$175,070.00
8025.3500	ICC - WELLSITE SUPERVISION		\$51,300.00
8025,1500	ICC - FUEL / POWER		\$505,363.00
8025.3600	ICC - SUPERVISION/ENGINEERING		\$5,000.00
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK		\$16,748.00
8025.2300	ICC - COMPLETION FLUIDS		\$10,000.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL		\$15,000.00
8025.1100	ICC - ROAD, LOCATIONS, PITS		\$10,500.00
8025.2500	ICC - WELL STIMULATION/FRACTUR		\$2,088,688.00
8025.3800	ICC - OVERHEAD		\$10,000.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING		\$397,992.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE		\$40,000.00
8025.3400	ICC - RENTAL EQUIPMENT		\$168,408.00
8025.2000	ICC - TRUCKING		\$14,375.00
		Sub-total	\$3,921,419.00
Drilling Intangible			
8015.2400	IDC - RIG WATER		\$13,125.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE		\$42,500.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	100	\$143,200.00
8015.1700	IDC - DAYWORK CONTRACT		\$391,584.38
8015.5000	IDC - WELL CONTROL INSURANCE		\$5,775.00
8015.1200	IDC - LEGAL, TITLE SERVICES		\$13,000.00
8015.1310	IDC - PERMANENT EASEMENT		\$12,000.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP		\$15,750.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING		\$174,332.52
8015.1600	IDC - RIG MOB / STANDBY RATE		\$35,100.00
8015.1400	IDC - ROAD, LOCATIONS, PITS		\$95,625.00
8015.3400	IDC - MATERIALS & SUPPLIES		\$5,000.00
8015.3100	IDC - CASING CREW & TOOLS		\$47,500.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR		\$12,500.00
8015.4100	IDC - RENTAL EQUIPMENT		\$57,750.00
8015.4200	IDC - MANCAMP		\$27,300.00
8015.1300	IDC - SURFACE DAMAGE / ROW		\$35,000.00
8015.1500	IDC - RIG MOB / TRUCKING		\$127,500.00 \$15,000.00
8015.1100	IDC - STAKING & SURVEYING		\$15,000.00 \$172.021.88
8015.1900	IDC - DIRECTNL DRILL & SURVEY		\$172,921.88
8015.2350	IDC - FUEL/MUD		\$64,500.00 \$50.046.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS		\$50,046.00 \$03.085.83
8015.5200	IDC - CONTINGENCY		\$93,085.83 \$41,278,13
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM		\$41,278.13 \$60,900.00
8015.4300	IDC - WELLSITE SUPERVISION		Ψυυ,συυ.υυ

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Printed Date: Aug 13, 2024

\$8,291,484.42

Grand Total

PERMIAN

Cost Estimate

Gross Est. (\$) Description Account \$122,661.00 IDC - DISPOSAL 8015.3700 \$98,175.00 IDC - FUEL / POWER 8015.2300 \$15,000.00 IDC - PERMITS, LICENSES, ETC 8015.1000 \$27,000.00 IDC - CONTRACT LABOR/ROUSTABOUT 8015,3200 \$98,000.00 8015.2150 IDC - DRILL BIT \$11,550.00 IDC - SAFETY / ENVIRONMENTAL 8015.4600 \$37,000.00 IDC - INSPECTION, TESTING & REPAIR 8015.2700 \$2,161,659.74 Sub-total Artificial Lift Intangible \$25,000.00 8060.3810 IAL - ACID \$9,000.00 IAL - WELLSITE SUPERVISION 8060.3500 \$10,000.00 IAL - CONTRACT LABOR/ROUSTABOUT 8060.2600 \$5,000.00 IAL - COMPLETION FLUIDS 8060.2300 \$5,000.00 8060.2010 IAL - KILL TRUCK \$5,000.00 IAL - WIRELINE OPEN/CASED HOLE 8060.1400 \$10,000.00 IAL - RENTAL EQUIPMENT 8060.3400 \$7,000.00 IAL - TRUCKING/VACUUM/TRANSP 8060.2000 \$5,000.00 **JAL - LAYDOWN MACHINE** 8060.3410 \$5,000.00 IAL - REVERSE UNIT RENTAL 8060.3420 \$3,000.00 IAL - INSPECTION & TESTING 8060.1900 \$15,000.00 IAL - WORKOVER RIG 8060.1200 \$6,000.00 IAL - SPOOLING SERVICES 8060.1210 \$110,000.00 Sub-total Flowback Intangible \$196,240.35 8040.1899 IFC - FRAC WATER RECOVERY \$20,000.00 IFC - SURFACE PUMP RENTAL 8040.3430 \$10,000.00 8040.3500 IFC - WELLSITE SUPERVISION \$20,000.00 **IFC - TANK RENTALS** 8040.3420 \$15,000.00 **IFC - CHEMICALS** 8040,4000 \$20,000.00 IFC - TRUCKING/VACUUM/TRANSP 8040.2000 \$125,000.00 IFC - WELL TESTING / FLOWBACK 8040.2900 \$406,240.35 Sub-total Pipeline \$66,000.00 PLN - FLOWLINE MATERIAL 8036.2800 \$66,000.00 8036.2200 PLN - CONTRACT LABOR \$28,000.00 PLN - PEMANENT EASEMENT 8036.1310 \$10,000.00 PLN - VALVES FITTINGS & PIPE 8036.3200 \$12,500.00 PLN - POWER DISTRIBUTION LABOR 8036.3620 \$37,500.00 PLN - POWER DISTRIBUTION MATERIAL 8036,3610 \$220,000.00 Sub-total **Completion Tangible** \$47,250.00 8030.2000 TCC - WELLHEAD EQUIPMENT Sub-total \$47,250.00

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Cost Estimate

Printed Date: Aug 13, 2024

AFE Number: Description: SLIM JIM 14-15 FED COM 126H

AFE Name: SLIM JIM 14-15 FED COM 126H AFE TYPE: Drill and Complete

PERMIAN RESOURCES

Well Operator: Operator AFE #:

Account	Description		Gross Est. (\$)
Drilling Tangible			\$350,952.83
3020.1400	TDC - CASING - PRODUCTION		\$53,125.00
3020.1500	TDC - WELLHEAD EQUIPMENT		\$18,253.75
3020.1100	TDC - CASING - SURFACE		\$10,253.75
3020.1200	TDC - CASING - INTERMEDIATE - 1	Sub-total	\$505,304.33
Artificial Lift Tangible	}		
3065.2000	TAL - WELLHEAD EQUIPMENT		\$50,000.00
3065.1100	TAL - TUBING		\$125,000.00
3065.1310	TAL - ESP EQUIPMENT/INSTALL		\$100,000.00
3065.1300	TAL - DOWNHOLE ARTIFICIAL LIFT EQPT		\$15,000.00
3065.2100	TAL - WELL SITE POWER EQUIPMENT/INSTALL		\$75,000.00
3065.2200	TAL - OHP INFRASTRUCTURE EQUIPMENT/INSTALL		\$50,000.00
3065.2500	TAL - VALVES/CONNECTIONS/FTGS		\$15,000.00
3065.3100	TAL - MEASUREMENT EQUIPMENT		\$5,000.00
3065.3200	TAL - COMM, TELEMETRY & AUTOMA		\$5,000.00
		Sub-total	\$440,000.00
acilities			\$101,429.00
035.3000	FAC - HEATER TREATER/SEPARATOR		\$15,714.00
035,3800	FAC - FLARE/COMBUSTER		•
035.4500	FAC - CONTINGENCY		\$13,969.00
035.3400	FAC - METER & LACT		\$61,286.00
8035.3300	FAC - CIRCULATING TRNSFER PUMP		\$10,000.00
3035.1400	FAC - ROAD LOCATIONS PITS		\$25,000.00
3035.4000	FAC - SAFETY / ENVIRONMENTAL		\$571.00
8035.1900	FAC - WATER DISPOSAL / SWD		\$286.00
035.2900	FAC - TANK BATTERY		\$51,429.00
035.3700	FAC - AUTOMATION MATERIAL		\$17,857.00
3035.2200	FAC - CONTRACT LABOR / ROUSTAB		\$28,571.00
035.1600	FAC - TRANSPORTATION TRUCKING		\$2,143.00
3035.2500	FAC - CONSULTING SERVICES		\$714.00
035.1310	FAC - PEMANENT EASEMENT		\$3,571.00
035.2100	FAC - INSPECTION & TESTING		\$357.00
035.1500	FAC - MATERIALS & SUPPLIES		\$714.00
035.1700	FAC - RENTAL EQUIPMENT		\$11,429.00
035.2400	FAC - SUPERVISION		\$8,571.00
035.3200	FAC - VALVES FITTINGS & PIPE		\$85,714.00
035.1300	FAC - SURFACE DAMAGE / ROW		\$286.00
3035.4400	FAC - COMPANY LABOR		\$714.00
035.3600	FAC - ELECTRICAL		\$39,286.00
		Sub-total	\$479,611.00

300 N Marienfeld Street, Suite 1000, Midland, TX 79701 TEL (432) 695-4222 www.permianres.com

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PERMIAN

Cost Estimate

Printed Date: Aug 13, 2024

Account	Description		Gross Est. (\$)
Completion Intangit	ole		
8025,3050	ICC - SOURCE WATER		\$173,069.00
8025.1600	ICC - COILED TUBING		\$184,906.00
8025,2600	ICC - CONTRACT LABOR/ROUSTABOUT		\$15,000.00
8025.3100	ICC - WELLHEAD/FRACTREE REPAIR		\$40,000.00
8025.3000	ICC - WATER HANDLING		\$175,070.00
8025.3500	ICC - WELLSITE SUPERVISION		\$51,300.00
8025.1500	ICC - FUEL / POWER		\$505,363.00
8025,3600	ICC - SUPERVISION/ENGINEERING		\$5,000.00
8025,1800	ICC - WATER DISPOSAL/VACUUM TRUCK		\$16,748.00
8025.2300	ICC - COMPLETION FLUIDS		\$10,000.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL		\$15,000.00
8025.1100	ICC - ROAD, LOCATIONS, PITS		\$10,500.00
8025.2500	ICC - WELL STIMULATION/FRACTUR		\$2,088,688.00
8025.3800	ICC - OVERHEAD		\$10,000.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING		\$397,992.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE		\$40,000.00
8025.3400	ICC - RENTAL EQUIPMENT		\$168,408.00
8025,2000	ICC - TRUCKING		\$14,375.00
		Sub-total	\$3,921,419.00
Drilling Intangible			
8015.2400	IDC - RIG WATER		\$13,125.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE		\$42,500.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP		\$143,200.00
8015.1700	IDC - DAYWORK CONTRACT		\$391,584.38
8015.5000	IDC - WELL CONTROL INSURANCE		\$5,775.00
8015.1200	IDC - LEGAL, TITLE SERVICES		\$13,000.00
8015.1310	IDC - PERMANENT EASEMENT		\$12,000.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP		\$15,750.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING		\$174,332.52
8015.1600	IDC - RIG MOB / STANDBY RATE		\$35,100.00
8015.1400	IDC - ROAD, LOCATIONS, PITS		\$95,625.00
8015.3400	IDC - MATERIALS & SUPPLIES		\$5,000.00
8015.3100	IDC - CASING CREW & TOOLS		\$47,500.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR		\$12,500.00
8015.4100	IDC - RENTAL EQUIPMENT		\$57,750.00
8015.4200	IDC - MANCAMP		\$27,300.00
8015.1300	IDC - SURFACE DAMAGE / ROW		\$35,000.00
8015.1500	IDC - RIG MOB / TRUCKING		\$127,500.00
8015.1100	IDC - STAKING & SURVEYING		\$15,000.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY		\$172,921.88
8015.2350	IDC - FUEL/MUD		\$64,500.00
8015.2200	JDC - BITS, TOOLS, STABILIZERS		\$50,046.00 \$03.085.83
8015.5200	IDC - CONTINGENCY		\$93,085.83
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM		\$41,278.13 \$60,900,00
8015.4300	IDC - WELLSITE SUPERVISION		\$60,900.00

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Cost Estimate

Printed Date: Aug 13, 2024

		Grand Total	\$8,291,484.42
		Sub-total	\$47,250.00
Completion Tangible 8030.2000	TCC - WELLHEAD EQUIPMENT		\$47,250.00
		Sub-total	\$220,000.00
8036.3610	PLN - POWER DISTRIBUTION MATERIAL		\$37,500.00
8036.3620	PLN - POWER DISTRIBUTION LABOR		\$12,500.00
8036.3200	PLN - VALVES FITTINGS & PIPE		\$10,000.00
8036.1310	PLN - PEMANENT EASEMENT		\$28,000.00
8036.2200	PLN - CONTRACT LABOR		\$66,000.00
8036.2800	PLN - FLOWLINE MATERIAL		\$66,000.00
Pipeline		Sub-total	\$406,240.35
8040.2900	IFC - WELL TESTING / FLOWBACK		\$125,000.00
8040.2000	IFC - TRUCKING/VACUUM/TRANSP		\$20,000.00
8040.4000	IFC - CHEMICALS		\$15,000.00
8040.3420	IFC - TANK RENTALS		\$20,000.00
8040.3500	IFC - WELLSITE SUPERVISION		\$10,000.00
8040.3430	IFC - SURFACE PUMP RENTAL		\$20,000.00
8040.1899	IFC - FRAC WATER RECOVERY		\$196,240.35
Flowback Intangible		Sub-totai	\$110,000.00
8060.1210	IAL - SPOOLING SERVICES	Sub-total	\$110,000.00
8060.1200	IAL - WORKOVER RIG		\$6,000.00
8060.1900	IAL - INSPECTION & TESTING		\$3,000.00 \$15,000.00
8060.3420	IAL - REVERSE UNIT RENTAL		\$5,000.00
8060.3410	IAL - LAYDOWN MACHINE		\$5,000.00
8060.2000	IAL - TRUCKING/VACUUM/TRANSP		\$7,000.00
8060.3400	IAL - RENTAL EQUIPMENT		\$10,000.00
8060.1400	IAL - WIRELINE OPEN/CASED HOLE		\$5,000.00
8060.2010	IAL - KILL TRUCK		\$5,000.00
8060.2300	IAL - COMPLETION FLUIDS		\$5,000.00
8060.2600	IAL - CONTRACT LABOR/ROUSTABOUT		\$10,000.00
8060.3500	IAL - WELLSITE SUPERVISION		\$9,000.00
8060.3810	IAL - ACID		\$25,000.00
Artificial Lift Intangible	3		. ,
8015.2700	IDC - INSPECTION, TESTING & REPAIR	Sub-total	\$37,000.00 \$2,161,659.74
8015.4600	IDC - SAFETY / ENVIRONMENTAL		\$11,550.00
8015.2150	IDC - DRILL BIT		\$98,000.00
8015,3200	IDC - CONTRACT LABOR/ROUSTABOUT		\$27,000.00
8015.1000	IDC - PERMITS,LICENSES,ETC		\$15,000.0
8015.2300	IDC - FUEL / POWER		\$98,175.0
8015.3700	IDC - DISPOSAL		\$122,661.0

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DISTRICT I 1625 N. French Dr., Hobbs, NM 68240

DISTRICT II 1301 W. Grand Avenue, Artesia, NM 88210 State of New Mexico Energy, Minerals and Natural Resources Department

Form C-102 Revised October 15, 2009

Submit one copy to appropriate District Office

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410 DISTRICT IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

OIL CONSERVATION DIVISION

1220 South St. Francis Dr. Santa Fe, New Mexico 87505

☐ AMENDED REPORT

	WELL LOCATION AND	ACREAGE DEDICATION PLAT	☐ AMENDED REPORT	
API Number	Pool Code	Pool Name		
30-015-40861	58040	Tamano Bone Spring		
Property Code	Prop	erty Name	Well Number	
39575	TAMANO 15	TAMANO 15 AD FEDERAL		
OGRID No.	Oper	ator Name	Elevation	
14744	MEWBOURNE	OIL COMPANY	3707'	

Surface Location East/West line UL or lot No. Section Township Range Lot Idn Feet from the North/South line Feet from the County 15 **NORTH EAST EDDY** 18 S 31 E 680 180 Α

Bottom Hole Location If Different From Surface

	UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
	D	15	18 S	31 E		9.72	NORTH ,	338	WEST	EDDY
Γ	Dedicated Acres	Joint o	r Infill C	onsolidation	Code Or	der No.				
L	160									

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	22.7%s5.7	l .	10.50	OPERATOR CERTIFICATION
724	Well F	ath «	End 56 71	I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working
338 BH.			S.L. 180'	interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an
Endol Well Bore	[Producing	Avea		orner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.
	2	Project Area	SURFACE LOCATION Lat - N 32*45'10.08" Long - W 103*50'55.86"	Signature HAVON 5,13
	 	 	NMSPCE- N 637920.385 E 648947.807 (NAD-27)	NM Young Printed Name
6.0	 	 		SURVEYOR CERTIFICATION
			 	I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervison, and that the same is true and correct to the best of my belief.
	 	 	 	Date Surfeyed MEXIC
			 	Professional Sarveyor
	 	 		Certificate No. CALL EXHIBIT BASIN SI A 9

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Released to Imaging: 3/10/2025 3:20:34 PM

TAB 3

Exhibit B: Self-Affirmed Statement of Stephen Burke, Geologist

Exhibit B-1: Structure Maps

Exhibit B-2: Stratigraphic Cross Section

Exhibit B-3: Gross Isopach Exhibit B-4: Gun Barrel View

Exhibit B-5: Structural Cross-Section

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

APPLICATION OF V-F PETROLEUM INC., FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case No. 24994

SELF-AFFIRMED STATEMENT OF STEPHEN BURKE

- I, Stephen Burke, being duly sworn on oath, state the following:
- 1. I am over the age of 18, and I have personal knowledge of the matters stated herein.
- 2. I am employed as a petroleum geologist for V-F Petroleum Inc., and I am familiar with the subject application and the geology involved.
- 3. I graduated in 1980 from Stephen F. Austin State University with a bachelor's degree in Geology. I have worked at V-F Petroleum Inc. for under a year, and I have been working in New Mexico for 25 years. My credentials as a petroleum geologist have been accepted by the New Mexico Oil Conservation Division ("Division") and made a matter of record.
- 4. This affidavit is submitted in connection with the filing by V-F Petroleum Inc. of the above-referenced compulsory pooling application pursuant to 19.15.4.12.A(1) NMAC.
- 5. **Exhibit B-1** is a pair of structure maps: one of the top of 2nd Bone Spring Sand with contour interval of 50', and one of the top of 3rd Bone Spring Sand with contour interval of 50'. The unit being pooled is outlined by red rectangle. The structure maps **EXHIBIT**

show that there is a regional down-dip to the southeast. I do not observe any faulting, pinchouts, or other geologic impediments to developing this targeted interval

- 6. **Exhibit B-2** is a pair of stratigraphic cross-sections: one flattened on the top of the 2nd Bone Spring Sand and one flattened on the top of the 3rd Bone Spring Sand. Each well in the cross-sections contain a gamma ray, resistivity, and porosity log. The cross-sections demonstrate continuity and slight thinning to north of the target zone. The well logs on the cross-sections give a representative sample of the 2nd Bone Spring Sand and the 3rd Bone Spring Sand. The landing zone is highlighted by light, brown shading.
- 7. **Exhibit B-3** is a pair of gross isopach maps: one of the 2nd Bone Spring Sand, and one of the 3rd Bone Spring Sand. These maps demonstrate the continuity of the target zone across this vicinity.
- 8. **Exhibits B-4** is a pair of gun barrel diagrams of the unit demonstrating the vertical and lateral location of the wellbores.
- 9. **Exhibit B-5** is a pair of structural cross sections built along the wellbore trajectories. Exhibits B-1 through B-5 are the same for the 2nd Bone Spring Sand's applications in Cases No's. 25116 and 24995.
 - 10. I conclude from the attached exhibits that:
 - a. The horizontal spacing and proration unit is justified from a geologic standpoint.
 - b. There are no structural impediments or faulting that will interfere with horizontal development.
 - c. Each quarter-quarter section in the unit will contribute more or less equally to production.

- 11. The preferred well orientation in this area is west to east so that the wells run sub-perpendicular to the inferred orientation of the maximum horizontal stress.
- 12. The Exhibits to this Affidavit were prepared by me or compiled from V-F Petroleum Inc.'s company business records under my direct supervision.
- 13. The granting of this Application is in the interests of conservation, the prevention of waste and the drilling of unnecessary wells, and the protection of correlative rights.
- 14. The foregoing is correct and complete to the best of my knowledge and belief.

[Signature page follows]

Signature page of Self-Affirmed Statement of Stephen Burke:

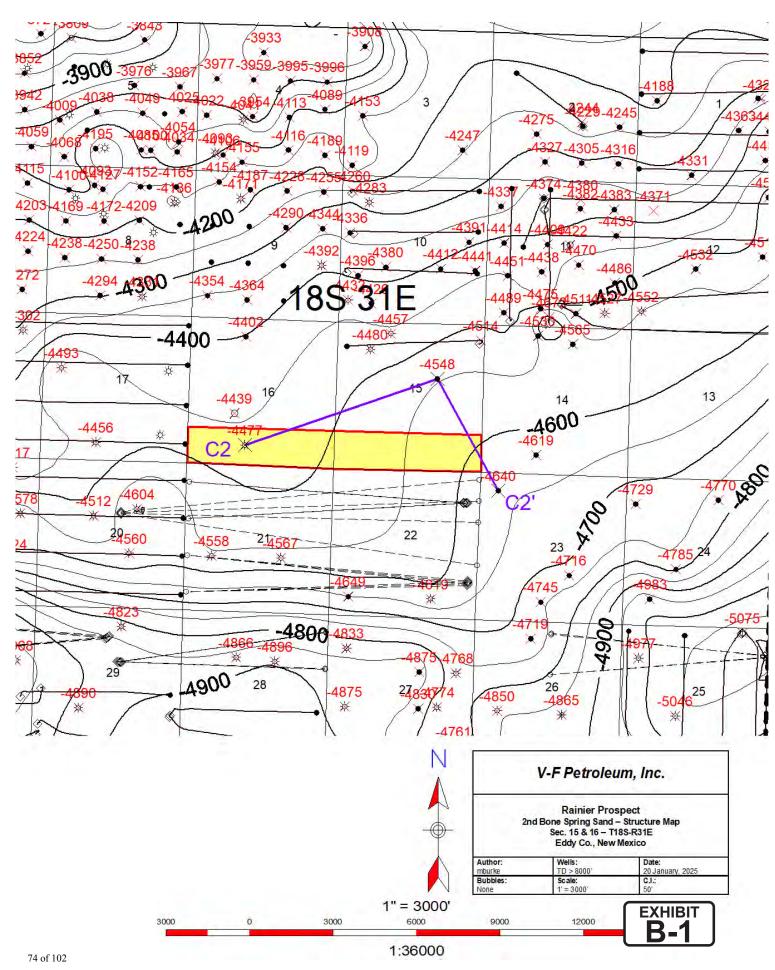
I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case No. 24994 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.

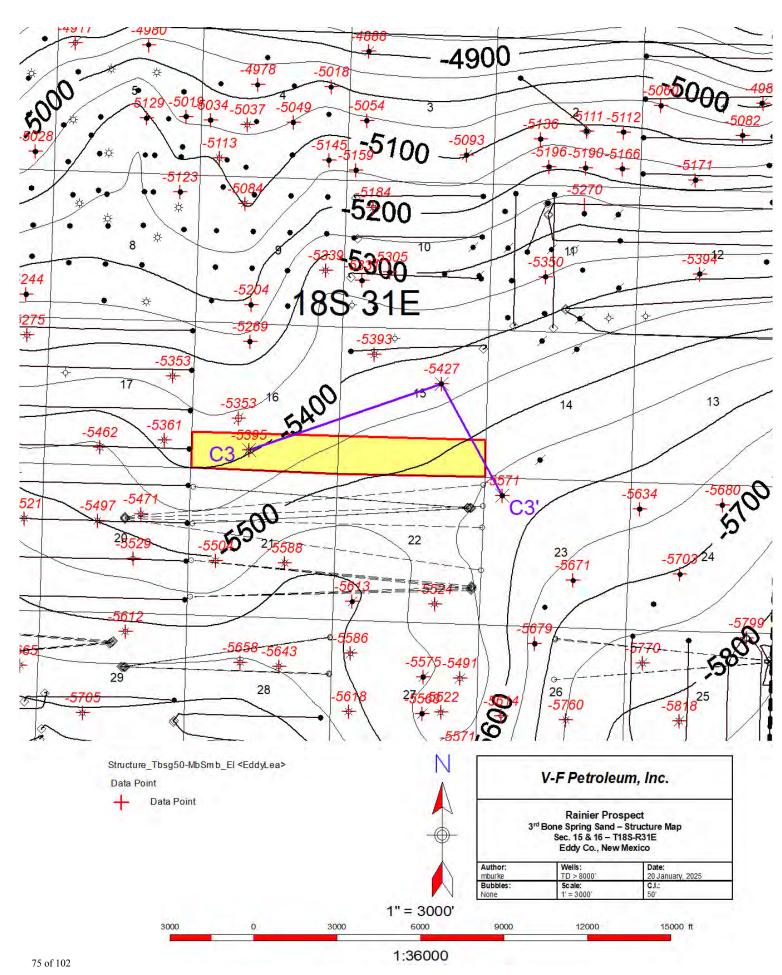
Stephen Burke

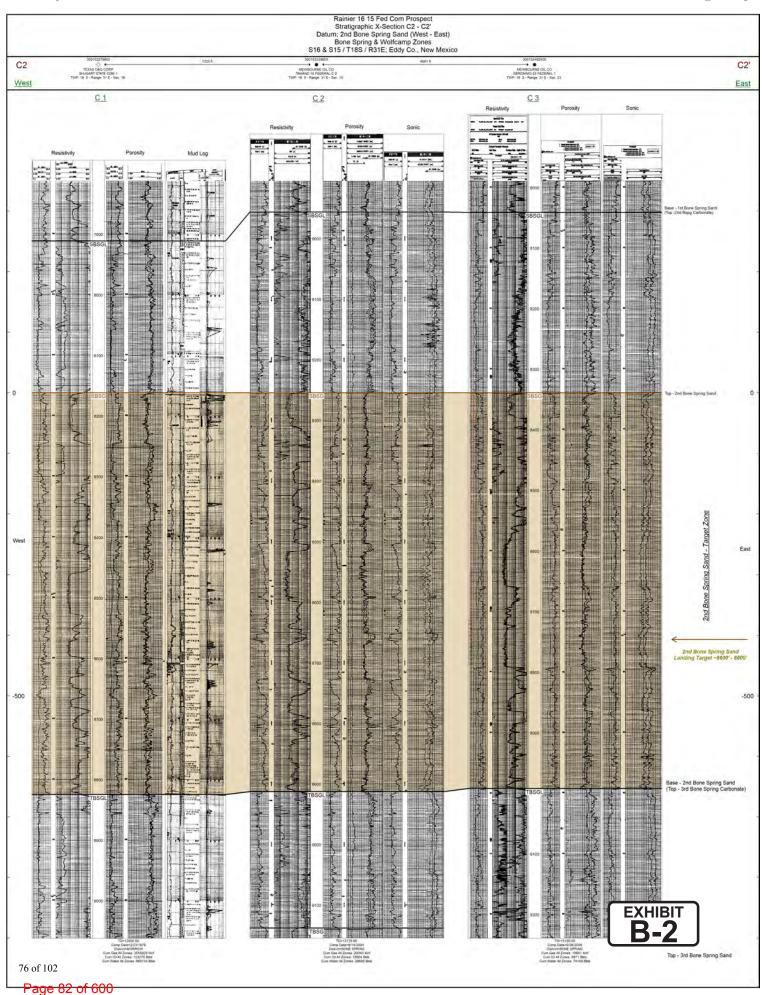
Arphu M. Bure

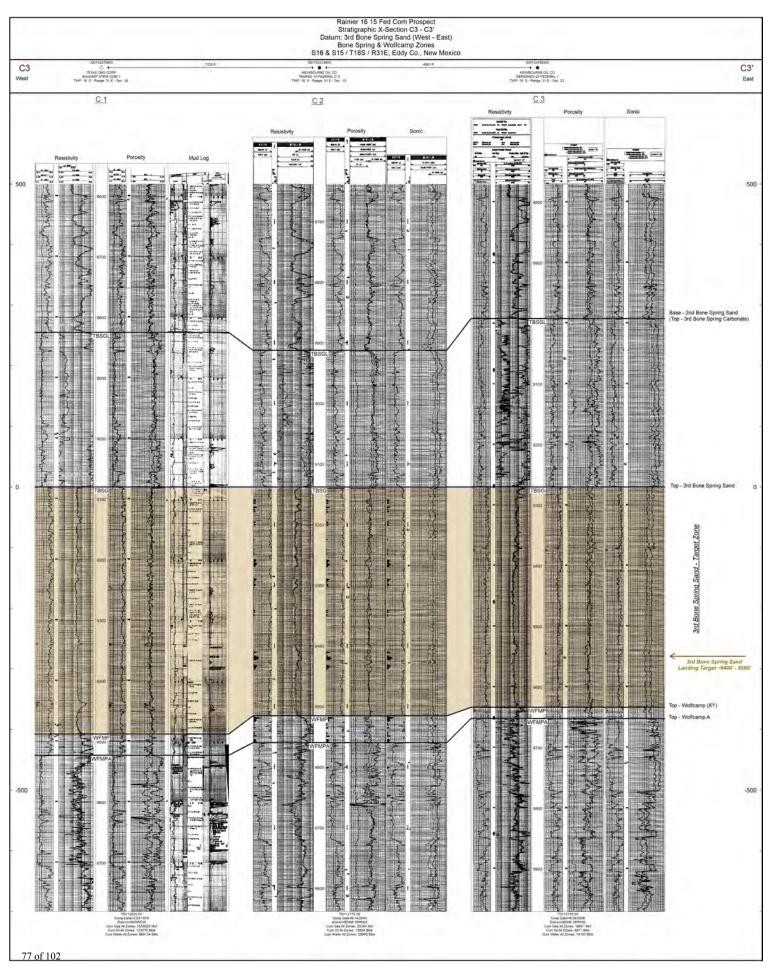
1/21/202

Date Signed

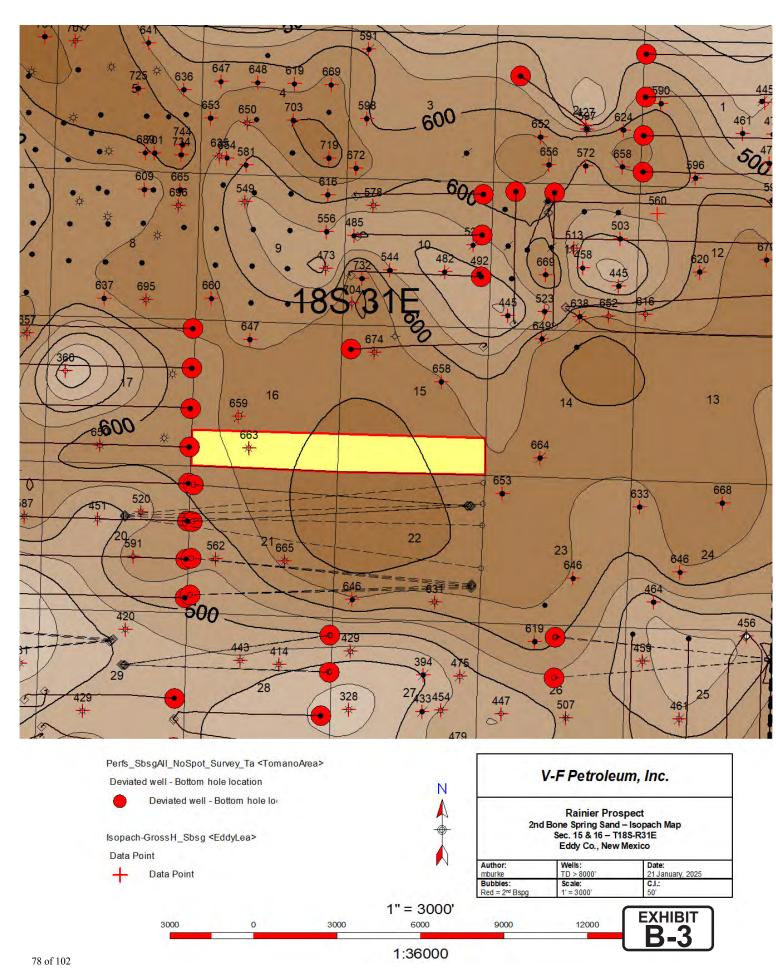


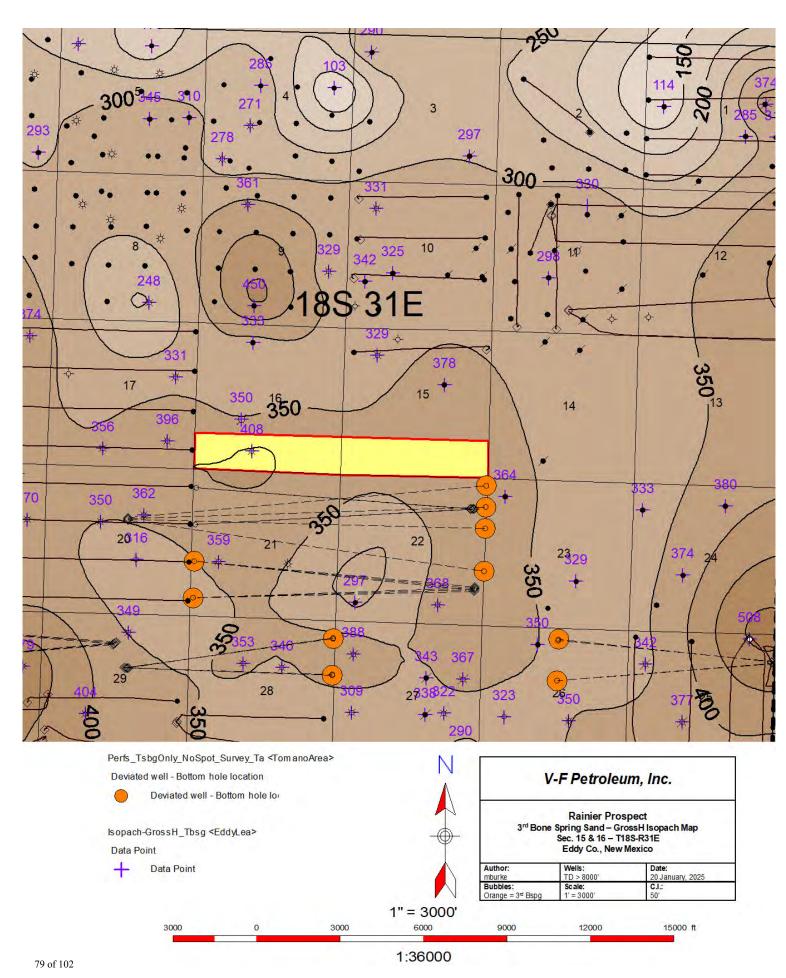






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V-F Petroleum Inc.

Rainier 16 15 Fed Com #221H

T18S - R32E / Eddy Co., New Mexico

Zone &	Well &	Well &	Well &	Well &
Vertical	Operator	Operator	Operator	Operator
Depth	N/2 - N/2	S/2 - N/2	N/2 - S/2	S/2-S/2
	D16-A15	E16-H15	L16-I15	M16 - P16
Bspg1	XXX-MOC	XXX-VF	XXX-VF	XXX-VF
Bspg2	Tomano 1H MOC	Rainier 223H-VE	Rainier 222H-VE	Rainier 221H-VE
Bspg3	Rainier 234H-VF	Rainier 233H-VF	Rainier 232H-VF	Rainier 231H-VF
WfmpXy	XXX-VF	XXX-VF	XXX-VF	XXX-VF
	North			South

	R	ange 31 Eas	t / Section 1	6	R	ange 31 Eas	t / Section 1	5
	D	С	В	А	D	С	В	A
Township 18 South	E	Æ	G	н	E	F	G	н
Township	Ĺ	К	J	4	L	К	Ų	- 4
	м	N	0	Р	м	N	0	Р

B-4

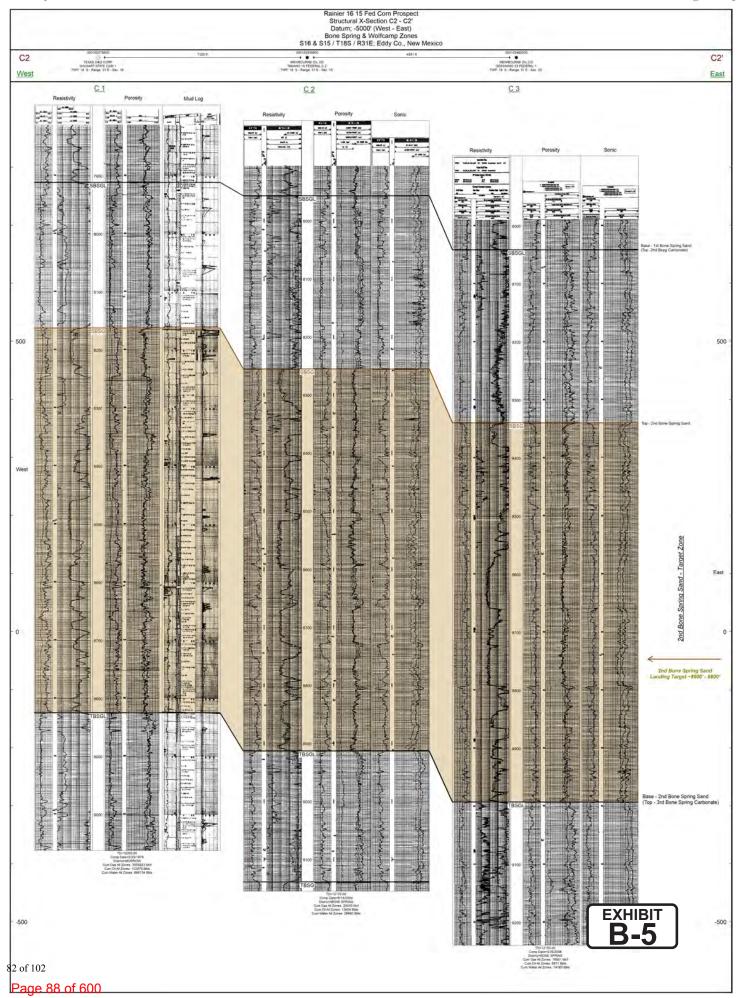
V-F Petroleum Inc.

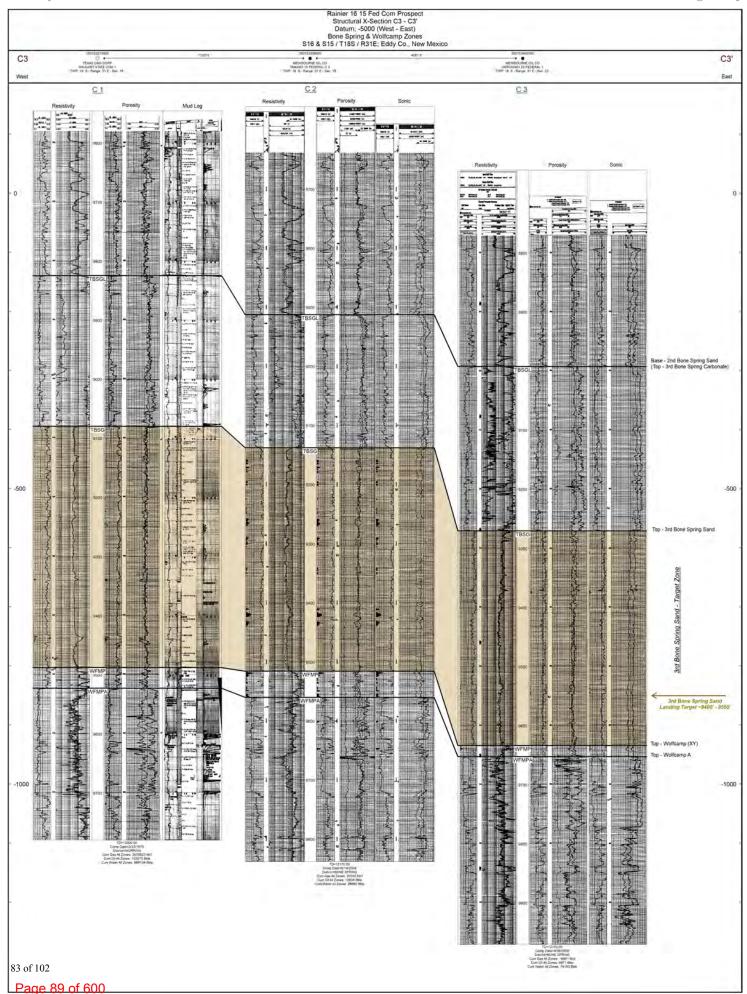
Rainier 16 15 Fed Com #231H

T18S - R32E / Eddy Co., New Mexico

Zone &	Well &	Well &	Well &	Well &
Vertical	Operator	Operator	Operator	Operator
Depth	N/2 - N/2	S/2 - N/2	N/2-S/2	S/2-S/2
	D16-A15	E16 - H15	L16 - I15	M16 - P16
Bspg1	XXX-MOC	XXX-VE	XXX-VE	XXX-VE
Bspg2	Tomano 1H	Rainier	Rainier	Rainier
psh8z	MOC	223H-VE	222H-VE	221H-VF
Bspg3	Rainier	Rainier	Rainier	Rainier
pshgo	234H-VE	233H-VF	232H-VF	231H-VF
WfmpXy	XXX-VF	XXX-VF	XXX-VF	XXX-VF
	North		1	South

	Range 31 East / Section 16			Range 31 East / Section 15			5	
	D	c	В	Α	D.	С	В	Α
Township 18 South	E	F	G	н	E	F	G	Ĥ
Township	L.	к	1	J	L	к	L	1
	м	N	0	Р	M	N	0	Р





TAB 4

Self-Affirmed Statement of Notice, Darin C. Savage Exhibit C:

Exhibit C-1: Notice Letter Exhibit C-2: Mailing List Exhibit C-3: Affidavits of Publication

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

APPLICATION OF V-F PETROLEUM INC. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case No. 24994

SELF-AFFIRMED STATEMENT OF NOTICE

- I, Darin C. Savage, attorney and authorized representative of V-F Petroleum Inc. ("V-F"), the Applicant herein, states and affirms the following:
- 1. Notice of the application and hearing in the above-referenced case was timely sent by certified mail, return receipt requested, through the United States Postal Service on December 18, 2024, to all uncommitted interest owners sought to be pooled in this proceeding. *See* Exhibit C-2, attached hereto. Copies of the notice letters and evidence of mailing to parties are attached hereto as Exhibits C-1 and C-2.
- 2. Notice for the above-referenced case was sent to the Carlsbad Current-Argus, a newspaper of general circulation in Eddy County, New Mexico, and timely published in said newspaper on December 21, 2024. *See* Exhibit C-3.



Signature page of Self-Affirmed Statement of Darin C. Savage:

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case No. 24994 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.

Darin Savage

Date Signed



ABADIE I SCHILL PC

Colorado New Mexico
Louisiana Texas
Nebraska Kansas
Montana Wyoming
Oklahoma California
North Dakota

December 18, 2024

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of V-F Petroleum Inc., for Compulsory Pooling, Eddy

County, New Mexico

Rainier 16-15 Fed Com #221H Well Rainier 16-15 Fed Com #231H Well

Case No. 24994:

Dear Interest Owners:

This letter is to advise you that V-F Petroleum Inc., ("V-F" or "Applicant"), has filed the enclosed application, Case No. 24994, with the New Mexico Oil Conservation Division ("Division") for an order pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying a standard 320-acre, more or less, spacing unit comprised of the S/2 S/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico ("Subject Lands").

V-F requested that this Application be set for hearing before an Examiner of the Oil Conservation Division on January 9, 2025. The status of the hearing, including any continuances, can be monitored through the Division's website. Division hearings will commence at 9:00 a.m., in the Wendell Chino Building, Pecos Hall located on the 1st Floor, at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. If so desired, you can attend the hearing in person at Pecos Hall or you can attend virtually through remote online access. For information about attending by remote access and reviewing the status of the case, you can visit the Division's website at: https://www.emnrd.nm.gov/ocd/hearing-info/ or call (505) 476-3441.

abadieschill.com

214 McKenzie Street, Santa Fe, New Mexico, 87501

O: 970.385.4401 • F: 970.385.4901



You are being notified as an interest owner (subject to title examination) and are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 19.15.4.13.B NMAC to file a Prehearing Statement at least four business days in advance of a scheduled hearing, but in no event later than 5 p.m. Mountain Time on the Thursday preceding the scheduled hearing date. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: The names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Jordan Shaw at (432) 269-0569 or at jordan@vfpetroleum.com.

Sincerely,

Darin C. Savage

Attorney for V-F Petroleum, Inc.

		M	Mail Activity Report - RAINIER 221H 231H 24994 Mailed 12/18/2024 to 12/18/2024 Generated: 01/20/2025 8:10:17 AM	:21H 231H 24994 /18/2024 10:17 AM				
USPS Article Number	Reference Number	Date Mailed Name 1	Name 2	Address 1	City	ate Zip	State Zip Mailing Status	us Service Options
9314869904300129537481	9314869904300129537481 4217.10 - Rainier 221H 231H	12/18/24 XTO Holdings, LLC		22777 Springwoods Village Pkwy. Spring TX 77389	Spring TX	77389	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129537498	9314869904300129537498 4217.10 - Rainier 221H 231H	12/18/24 Francis Hill Hudson	Trustee of Lindy's Living Trust	4200 South Hulen Street, Suite 302 Fort Worth TX 76109	Fort Worth TX	76109	To be Return	To be Returned Return Receipt - Electronic, Certified Mail
9314869904300129537504	9314869904300129537504 4217.10 - Rainier 221H 231H	12/18/24 Bank of America, N.A.	Trustee of the Delmar Hudson Lewis Living Trus P.O. Box 830308	us P.O. Box 830308	Dallas TX	75283-03	TX 75283-0308 Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129537511	9314869904300129537511 4217.10 - Rainier 221H 231H	12/18/24 Ard Oil, LTD		P.O. Box 101027	Fort Worth TX	76185	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129537535	9314869904300129537535 4217.10 - Rainier 221H 231H	12/18/24 Zorro Partners, Ltd.		616 Texas Street	Fort Worth TX	76102	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129537559	9314869904300129537559 4217.10 - Rainier 221H 231H	12/18/24 Javelina Partners		616 Texas Street	Fort Worth TX	76102	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129537573	4217.10 - Rainier 221H 231H	12/18/24 Frost Bank,	TTR of Josephine T. Hudson Testamentary Trus! P.O. Box 1600	usi P.O. Box 1600	San Antonio TX	78296	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129537597	4217.10 - Rainier 221H 231H	12/18/24 Marathon Oil Permian LLC		990 Town and Country Boulevard Houston TX	Houston TX	77024	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129537603	4217.10 - Rainier 221H 231H	12/18/24 Moore & Shelton Company, Ltd.		P.O. Box 3070	Galveston TX	77552	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129537627	4217.10 - Rainier 221H 231H	12/18/24 Mary T. Ard		P.O. Box 101027	Fort Worth TX	76185	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129537641	9314869904300129537641 4217.10 - Rainier 221H 231H	12/18/24 Bureau of Land Management		620 E. Greene Street	Carlsbad NM 88220-6292 Delivered	M 88220-62	32 Delivered	Return Receipt - Electronic, Certified Mail



89 of 102



Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0129 5376 41.

Item Details

Status: Delivered, Left with Individual Status Date / Time: December 23, 2024, 01:44 p.m.

Location: CARLSBAD, NM 88220

Postal Product: First-Class Mail®
Extra Services: Certified Mail™

Return Receipt Electronic

Recipient Name: Bureau of Land Management

Shipment Details

Weight: 3.0oz

Destination Delivery Address

Street Address: 620 E GREENE ST

City, State ZIP Code: CARLSBAD, NM 88220-6292

Recipient Signature

Signature of Recipient:

Address of Recipient:

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The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0129 5376 27.

Item Details

Status: Delivered, PO Box

Status Date / Time: December 24, 2024, 10:24 a.m. Location: FORT WORTH, TX 76185

Postal Product: First-Class Mail®
Extra Services: Certified Mail™

Return Receipt Electronic

Recipient Name: Mary T Ard

Shipment Details

Weight: 3.0oz

Destination Delivery Address

Street Address: PO BOX 101027

City, State ZIP Code: FORT WORTH, TX 76185-1027

Recipient Signature

Signature of Recipient:

Address of Recipient:



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December 30, 2024

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Item Details

Status: Delivered, Individual Picked Up at Post Office

Status Date / Time: December 28, 2024, 11:50 a.m.

Location: GALVESTON, TX 77551

Postal Product: First-Class Mail®
Extra Services: Certified Mail™

Return Receipt Electronic

Recipient Name: Moore Shelton Company Ltd

Shipment Details

Weight: 3.0oz

Recipient Signature

Signature of Recipient:

SHEVE NIELSEN

Address of Recipient:

POBOK 307C

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Item Details

Status: Delivered, Front Desk/Reception/Mail Room

Status Date / Time: December 23, 2024, 03:07 p.m.

Location: HOUSTON, TX 77024

Postal Product: First-Class Mail®
Extra Services: Certified Mail™

Return Receipt Electronic

Recipient Name: Marathon Oil Permian LLC

Shipment Details

Weight: 3.0oz

Destination Delivery Address

Street Address: 990 TOWN AND COUNTRY BLVD

City, State ZIP Code: HOUSTON, TX 77024-2217

Recipient Signature

Signature of Recipient:

Address of Recipient:

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Item Details

Status: Delivered, PO Box

Status Date / Time:December 23, 2024, 11:18 a.m.Location:SAN ANTONIO, TX 78205

Postal Product: First-Class Mail®
Extra Services: Certified Mail™

Return Receipt Electronic

Recipient Name: Frost Bank TTR of Josephine T Hudson Testamen

Shipment Details

Weight: 3.0oz

Recipient Signature

Signature of Recipient:

Delay

Address of Recipient:

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Item Details

Status:Delivered, Left with IndividualStatus Date / Time:December 23, 2024, 01:18 p.m.Location:FORT WORTH, TX 76102

Postal Product: First-Class Mail®
Extra Services: Certified Mail™

Return Receipt Electronic

Recipient Name: Javelina Partners

Shipment Details

Weight: 3.0oz

Destination Delivery Address

City, State ZIP Code: FORT WORTH, TX 76102-4662

Recipient Signature

Signature of Recipient:

Address of Recipient:

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Item Details

Status:Delivered, Left with IndividualStatus Date / Time:December 23, 2024, 01:18 p.m.Location:FORT WORTH, TX 76102

Postal Product: First-Class Mail®
Extra Services: Certified Mail™

Return Receipt Electronic

Recipient Name: Zorro Partners Ltd

Shipment Details

Weight: 3.0oz

Destination Delivery Address

City, State ZIP Code: FORT WORTH, TX 76102-4662

Recipient Signature

Signature of Recipient:

Address of Recipient:

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Item Details

Status: Delivered, PO Box

Status Date / Time: December 24, 2024, 10:23 a.m.
Location: FORT WORTH, TX 76185

Postal Product: First-Class Mail®
Extra Services: Certified Mail™

Return Receipt Electronic

Recipient Name: Ard Oil LTD

Shipment Details

Weight: 3.0oz

Destination Delivery Address

Street Address: PO BOX 101027

City, State ZIP Code: FORT WORTH, TX 76185-1027

Recipient Signature

Signature of Recipient:

Address of Recipient:



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Item Details

Status: Delivered, Individual Picked Up at Postal Facility

Status Date / Time: December 24, 2024, 08:54 a.m.

Location:DALLAS, TX 75260Postal Product:First-Class Mail®Extra Services:Certified Mail™

Return Receipt Electronic

Recipient Name: Bank of America N A Trustee of the Delmar Huds

Shipment Details

Weight: 3.0oz

Recipient Signature

Signature of Recipient:

Address of Recipient:

X Samua Cultar

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Albara

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Item Details

Status: Delivered, Left with Individual

Status Date / Time: December 26, 2024, 09:39 a.m.

Location:SPRING, TX 77389Postal Product:First-Class Mail®Extra Services:Certified Mail™

Return Receipt Electronic

Recipient Name: XTO Holdings LLC

Shipment Details

Weight: 3.0oz

Destination Delivery Address

Street Address: 22777 SPRINGWOODS VILLAGE PKWY

City, State ZIP Code: SPRING, TX 77389-1425

Recipient Signature

Signature of Recipient:

Address of Recipient:

12m

CATICLESOLULE

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Proof of Acceptance (Electronic)

Date: 12/19/2024

Company Name : Abadie & Schill PC

Certified Mail Article Number 9314869904300129537498 addressed to Francis Hill Hudson Trustee of Lindy's Living Trust

USPS Event Date/Time	USPS Event Description	USPS Event Location
12/19/2024 10:30 PM	ORIGIN ACCEPTANCE	DURANGO, CO 81301

The article number and United States Postal Service (USPS®) tracking event details provided above is a true extract of information provided by the USPS to CertifiedPro.net, a solution provided by Covius Document Services, LLC.

Recipient Mailing Address:

Francis Hill Hudson Trustee of Lindy's Living Trust 4200 South Hulen Street, Suite 302 Fort Worth, TX 76109

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AFFIDAVIT OF PUBLICATION

CARLSBAD CURRENT-ARGUS PO BOX 507 HUTCHINSON, KS 67504-0507

STATE OF NEW MEXICO } SS

Account Number: 1227 Ad Number: 27190

Description: 24994 - Rainer 221H,231H

Ad Cost: \$134.03

Sherry Groves, being first duly sworn, says:

That she is the Agent of the the Carlsbad Current-Argus, a Weekly newspaper of general circulation, printed and published in Carlsbad, Eddy County, New Mexico; that the publication, a copy of which is attached hereto, was published in said newspaper on the following dates:

December 21, 2024

Sperry Sprice

That said newspaper was regularly issued and circulated on those dates.

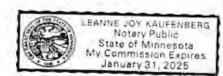
SIGNED:

Agent

Subscribed to and sworn to me this 21th day of December 2024.

Leanne Kaufenberg, Note Public Redwood County Minnesota

> KAIYA TOOP ABADIE SCHILL 555 RIVERGATE LANE, SUITE B-4-180 DURANGO, CO 81301 kaiya@abadieschill.com



C-3

PUBLIC NOTICE

CASE No. 24994: Notice -- to all parties and persons having any right, title, interest or claim in this case, including owners of working interest, overriding royalty interest, and record title, among others, whether such parties or persons are listed herein or not, as well as notice to all known and unknown heirs, devisees, assigns and successors of such affected parties and persons, which based on reasonable diligence include, XTO HOLDINGS, LLC; FRANCIS HILL HUDSON, TTE OF LINDY'S LIVING TRUST; BANK OF AMERICA, TTE OF DELMAR HUDSON LEWIS LIVING TRUST; ARD OIL, LTD; ZORRO PARTNERS, LTD; JAVELINA PARTNERS; FROST BANK, TTE OF JOSEPHINE T. HUDSON TESTAMENTARY TR; MARATHON OIL PERMIAN LLC; MOORE & SHELTON COMPANY, LTD; MEWBOURNE, CURTIS W., TRUSTEE; RALPH A. SHUGART JR. TRUST, ELIZABETH DUNCAN, TRUSTEE; MARATHON OIL. COMPANY; AND MARY T. ARD of V-F Petroleum, Ioc. application for approval of a compulsory pooling, Eddy County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division Examiner will conduct a public hearing at 9:00 a.m. on January 9, 2025, in the Wendell Chino Building, Pecos Hall located on the 1st Floor, at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You can attend the hearing in person at Pecos Hall or you can attend virtually through remote online access. For information about attending by remote access and reviewing the status of the case, you can visit the Division's website at: https://www.emnrd.nm.gov/ocd/hearing-info) or call (505) 476-3441. It is recommended that you check with the Division to determine the best option for attendance, V-F Petroleum Inc., at 550 W. Texas Avc., Suite 300, Milland, TX. 79701, seeks an order from the Division's website at: https://www.emnrd.nm.gov/ocd/hearing-info) or call (505) 476-3441. It is recommended that you check with the Division to determine the best option for attendance, V-F Petroleum Inc., at 550 W. Texas Avc., Suite 300, Milland, TX. 79701, seeks an order from the Division poo

Published in the Curlshad Current-Argus December 21, 2024.

TAB 2

Exhibit 2: Amended Hearing Packet Case No. 24995

BEFORE THE OIL CONSERVATION DIVISION EXAMINER HEARING FEBRUARY 27, 2025

APPLICATION OF V-F PETROLEUM INC. FOR A COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

AMENDED HEARING PACKET FOR

Case No. 24995:

Rainier 16-15 Fed Com 222H

Rainier 16-15 Fed Com 233H

Consolidated for a Contested Hearing with: Case Nos. 24994, 25115, 25116 & 25117 (V-F Petroleum Inc. Cases) Case Nos. 24941-24942 & 25145-25148 (Read & Stevens, Inc. Cases)

V-F PETROLEUM INC.

EXHIBIT 2

TABLE OF CONTENTS

TAB 1	Application	Reference for Case No. 24995 Application Case No. 24995: Rainier 16-15 Fed Com 222H 232H NMOCD Checklist Case No. 24995						
TAB 2	Exhibit A-3: Exhibit A-4: Exhibit A-5: Exhibit A-6: Exhibit A-7: Exhibit A-8:	Location Plat Map Revised Tract Map and Ownership Breakdown Chronology of Contacts with Uncommitted Owners Well Proposal Letters and AFEs Sample Well Proposal for Rainier 16-15 Fed Com #212H Well Aerial View Map of Surrounding Development Permian Resources Slim Jim Well Proposals						
TAB 3	Exhibit A-9: Exhibit B: Exhibit B-1: Exhibit B-2: Exhibit B-3: Exhibit B-4: Exhibit B-5:	Gun Barrel View						
TAB 4	Exhibit C: Exhibit C-1: Exhibit C-2: Exhibit C-3:	Self-Affirmed Statement of Notice, Darin C. Savage Notice Letters Mailing List Affidavits of Publication						

TAB 1

Reference for Case No. 24995 Application Case No. 24995: Rainier 16-15 Fed Com 222H 232H NMOCD Checklist Case No. 24995

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

APPLICATION OF V-F PETROLEUM INC. FOR A COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case No. 24995

APPLICATION

V-F Petroleum Inc. ("V-F Petroleum"), OGRID No. 24010, through its undersigned attorneys, hereby files this Application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, Section 70-2-17, for an order pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying a standard 320-acre, more or less, spacing unit comprised of the N/2 S/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. In support of its Application, V-F Petroleum states the following:

- 1. V-F Petroleum is a working interest owner in the proposed horizontal spacing and proration unit ("HSU") and has a right to drill a well thereon.
- 2. V-F Petroleum proposes and dedicates to the HSU the Rainier 16-15 Fed Com #222H Well, and the Rainier 16-15 Fed Com #232H Well, as initial wells, to be drilled to a sufficient depth to test the Bone Spring formation.
- 3. V-F Petroleum proposes the **Rainier 16-15 Fed Com #222H Well,** an oil well, to be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 16 to a bottom hole location in the NE/4 SE/4 (Unit I) of Section 15.

Received by OCD: 3/10/2025 2:34:36 PM

Received by OCD: 11/19/2024 12:11:18 PM

Page 114 of 600 Page 2 of 4

4. V-F Petroleum proposes the **Rainier 16-15 Fed Com #232H Well,** an oil well, to be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 16 to a bottom

hole location in the NE/4 SE/4 (Unit I) of Section 15.

5. All the wells proposed herein are orthodox in their location, and the take points and

completed intervals comply with setback requirements under the statewide rules.

6. V-F Petroleum has sought in good faith, but has been unable to obtain, voluntary

agreement from all interest owners to participate in the drilling of the wells or in the commitment

of their interests to the wells for their development within the proposed HSU.

7. The pooling of all interests in the Bone Spring formation within the proposed HSU

will avoid the drilling of unnecessary wells, prevent waste and protect correlative rights.

8. In order to provide for its just and fair share of the oil and gas underlying the subject

lands, V-F Petroleum requests that all uncommitted interests in this HSU be pooled and that V-F

Petroleum be designated the operator of the proposed horizontal wells and HSU.

WHEREFORE, V-F Petroleum requests that this Application be set for hearing on January

9, 2025, before an Examiner of the Oil Conservation Division, and after notice and hearing as

required by law, the Division enter an order:

A. Pooling all uncommitted mineral interests in the Bone Spring formation, designated

as an oil pool, underlying a standard 320-acre, more or less, spacing unit comprised of the N/2

S/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New

Mexico.

B. Approving the Rainier 16-15 Fed Com #222H Well and the Rainier 16-15 Fed

Com #232H Well as the wells for the HSU.

Received by OCD: 3/10/2025 2:34:36 PM Received by OCD: 11/19/2024 12:11:18 PM Page 115 of 600
Page 3 of 4

- C. Designating V-F Petroleum as operator of this HSU and the horizontal wells to be drilled thereon;
- D. Authorizing V-F Petroleum to recover its costs of drilling, equipping, and completing the wells;
- E. Approving actual operating charges and costs of supervision, to the maximum extent allowable, while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Setting a 200% charge for the risk assumed by V-F Petroleum in drilling and completing the wells in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

Darin C. Savage

Andrew D. Schill William E. Zimsky 214 McKenzie Street Santa Fe, New Mexico 87501 Telephone: 970.385.4401 Facsimile: 970.385.4901 darin@abadieschill.com andrew@abadieschill.com bill@abadieschill.com

Attorneys for V-F Petroleum, Inc.

Application of V-F Petroleum Inc. for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying a standard 320-acre, more or less, spacing unit comprised of the N/2 S/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. The proposed wells to be dedicated to the horizontal spacing unit are the Rainier 16-15 Fed Com #222H Well, an oil well, to be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 16 to a bottom hole location in the NE/4 SE/4 (Unit I) of Section 15; and the Rainier 16-15 Fed Com #232H Well, an oil well, to be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 16 to a bottom hole location in the NE/4 SE/4 (Unit I) of Section 15. The proposed wells will be orthodox, and their take points and completed intervals will comply with the setback requirements under statewide Rules. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 31 miles southeast of Artesia, New Mexico.

COMPULSORY POOLING APPLICATION CHECKLIST								
ALL INFORMATION IN THE APPLICATION MUST BE SU	PPORTED BY SIGNED AFFIDAVITS							
Case: 24995	APPLICANT'S RESPONSE							
Date: January 28, 2025 (Scheduled Hearing)								
Applicant	V-F Petroleum Inc.							
Designated Operator & OGRID (affiliation if applicable)	24010							
Applicant's Counsel:	Darin C. Savage, Abadie & Schill, P.C.							
Case Title:	APPLICATION OF V-F PETROLUEM INC. FOR A COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO							
Entries of Appearance/Intervenors:	Read & Stevens, Inc. Permian Resources Operating, LLC							
Well Family	Rainier 16-15 Fed Com							
Formation/Pool								
Formation Name(s) or Vertical Extent:	Bone Spring Formation							
Primary Product (Oil or Gas):	Oil							
Pooling this vertical extent:	Bone Spring Formation							
Pool Name and Pool Code (Only if NSP is requested):								
Well Location Setback Rules (Only if NSP is Requested):								
Spacing Unit								
Type (Horizontal/Vertical)	Horizontal							
Size (Acres)	320-acre, more or less							
Building Blocks:	Quarter - Quarter Sections (40 Acre Blocks)							
Orientation:	West to East							
Description: TRS/County	N/2 S/2 of Sections 16 and 15, all in Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico							
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes, Standard Spacing Unit							
Other Situations	N. 21/2							
Depth Severance: Y/N. If yes, description	No, N/A							
Proximity Tracts: If yes, description Proximity Defining Well: if yes, description	No, N/A							
Applicant's Ownership in Each Tract	See Exhibit A-3, breakdown of ownership							
Well(s)								
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	Rainier 16-15 Fed Com 222H Well (API No. Pending), SHL: Unit L, 1512.4' FSL, 797' FWL, Section 16, T18S-R31E; BHL: Unit I, 1905' FSL, 100' FEL, Section 15, T18S-R31E, laydown, standard location							

Horizontal Well First and Last Take Points	Rainier 16-15 Fed Com 222H Well:
Horizontal Well First and Last Take Points	FTP 1905' FSL, 100' FWL, Section 16;
	LTP 1905' FSL, 100' FEL, Section 15
Completion Target (Formation, TVD and MD)	Rainier 16-15 Fed Com 222H Well: TVD approx. 8,405';
Completion Target (Formation, TVD and MD)	TMD 19,705'; 2nd Bone Spring formation, See Exhibit A-5
Well #2	Rainier 16-15 Fed Com 232H Well (API No. Pending), SHL: Unit L, 1537.5' FSL, 797' FWL, Section 16, T18S-R31E; BHL: Unit I, 1905' FSL, 100' FEL, Section 15, T18S-R31E, laydown, standard location
	laydown, standard location
Horizontal Well First and Last Take Points	Rainier 16-15 Fed Com 232H Well: FTP 1905' FSL, 100' FWL, Section 16; LTP 1905' FSL, 100' FEL, Section 15
Completion Target (Formation, TVD and MD)	Rainier 16-15 Fed Com 232H Well: TVD approx. 9,295"; TMD 20,539'; 3rd Bone Spring formation, See Exhibit A-5
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,500, Exhibit A, A-5
Production Supervision/Month \$	\$850, Exhibit A, A-5
Justification for Supervision Costs	Exhibit A, A-5
Requested Risk Charge	200%, Exhibit A
Notice of Hearing	
Proposed Notice of Hearing	Exhibit C, C-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-2
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-3
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, includes Working Interest owners and ORRI owners
Unlocatable Parties to be Pooled	Exhibit A, Para. 11
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-4
Overhead Rates In Proposal Letter	Exhibit A-5
Cost Estimate to Drill and Complete	Exhibit A-5
Cost Estimate to Equip Well	Exhibit A-5
Gast୍ୟ କ୍ରି stimate for Production Facilities	Exhibit A-5
	1

Geology				
Summary (including special considerations)	Exhibit B			
Spacing Unit Schematic	Exhibit B-1, B-3			
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-4			
Well Orientation (with rationale)	Exhibit B, B-1, B-3			
Target Formation	Exhibit B-2, B-4			
HSU Cross Section	Exhibit B-2, B-4			
Depth Severance Discussion	N/A			
Forms, Figures and Tables				
C-102	Exhibit A-1			
Tracts	Exhibit A-3			
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3			
General Location Map (including basin)	Exhibit A-2			
Well Bore Location Map	Exhibit A-1, B-1, B-2, B-4			
Structure Contour Map - Subsea Depth	Exhibit B-1			
Cross Section Location Map (including wells)	Exhibit B-2, B-4			
Cross Section (including Landing Zone)	Exhibit B-2, B-4			
Additional Information				
Special Provisions/Stipulations				
CERTIFICATION: I hereby certify that the information provide	ed in this checklist is complete and accurate.			
Printed Name (Attorney or Party Representative):	Darin C. Savage			
Signed Name (Attorney or Party Representative):	/s/ Darin Savage			
Date:	1/21/25			

TAB 2

Exhibit A:	Self-Affirmed Statement of Jordan Shaw, Landman
Exhibit A-1:	C-102 Forms
Exhibit A-2:	Location Plat Map
Exhibit A-3:	Revised Tract Map and Ownership Breakdown
Exhibit A-4:	Chronology of Contacts with Uncommitted Owners
Exhibit A-5:	Well Proposal Letters and AFEs
Exhibit A-6:	Sample Well Proposal for Rainier 16-15 Fed Com #212H Well
Exhibit A-7:	Aerial View Map of Surrounding Development
Exhibit A-8:	Permian Resources Slim Jim Well Proposals
Exhibit A-9:	Plat for Tamano 15 AD Fed Com #1H Well

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

APPLICATION OF V-F PETROLEUM, INC. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case No. 24995

SELF-AFFIRMED STATEMENT OF JORDAN SHAW

I, Jordan Shaw, state and affirm the following:

- 1. I am over the age of eighteen years and have the capacity to execute this Self-Affirmed Statement, which is based on my personal knowledge.
- 2. I am a Landman/Attorney with V-F Petroleum Inc. ("V-F"), and I am familiar with the subject application and the lands involved.
- 3. I graduated in 2009 from the Indiana University of Pennsylvania with a bachelor's degree in Political Science, Pre-Law and graduated in 2013 from Texas Tech University, School of Law with a Juris Doctor and am licensed to practice law in the State of Texas. I have worked at V-F Petroleum Inc. for approximately three years and have been working as a Landman/Attorney for three years. I have previously testified before the New Mexico Oil Conservation Division ("Division") as an expert witness in petroleum land matters and my credentials have been accepted by the Division and made a matter of record.
- 4. This Self-Affirmed Statement is submitted in connection with the filing by V-F of the above-referenced spacing and compulsory pooling applications pursuant to 19.15.4.12.A(1).
- 5. V-F seeks an order pooling all uncommitted mineral interest in the Bone Spring formation in the Shugart; Bone Spring North, Pool Code 56405, from the top of the First Bone



Spring, at an approximate depth of 6,048' beneath the surface, to the base of the Third Bone Spring formation, which has an approximate depth of 9,450' beneath the surface, as shown in that certain Dual Lateralog, Micro Laterlog, Gamma Ray well log in the Tamano 15 Fed Com #2 well (API # 30-015-33398), located in Sec. 15, Township 18 South, Rage 31 East, Eddy County, New Mexico, underlying a standard 320-acre, more or less, spacing and proration unit comprised of the N/2 S/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico.

- 6. Under <u>Case No. 24995</u>, V-F seeks to dedicate the **Rainier 16-15 Fed Com #222H Well,** (API 30-015-pending) as an initial well, to be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 16 to a bottom hole location in the NE/4 SE/4 (Unit I) of Section 15; approximate TVD of 8,450'; approximate TMD of 19,705'; FTP in Section 16: 1,905' FSL, 100' FWL; LTP in Section 15: 1,905' FSL, 100' FEL.
- 7. Under <u>Case No. 24995</u>, V-F also seeks to dedicate the **Rainier 16-15 Fed Com** #232H Well, (API 30-015-pending) as an in-fill well, to be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 16 to a bottom hole location in the NE/4 SE/4 (Unit I) of Section 15; approximate TVD of 9,295'; approximate TMD of 20,539'; FTP in Section 16: 1,905' FSL, 100' FWL; LTP in Section 15: 1,905' FSL, 100' FEL.
 - 8. The proposed C-102 for each well is attached as **Exhibit A-1**.
- 9. A general location plat and a plat outlining the units being pooled is attached hereto as **Exhibit A-2**, which show the location of each proposed well within the unit. The location of each well is orthodox, and it meets the Division's offset requirements.
- 10. The parties being pooled, the nature of their interests, and their last known addresses are listed on **Exhibit A-3** attached hereto. **Exhibit A-3** includes information regarding working interest owners, overriding royalty interest owners and royalty interest owners.

- 11. I provided the law firm of Abadie & Schill P.C. a list of names and addresses for the uncommitted interest owners shown on **Exhibit A-3**. In compiling these addresses, I conducted a diligent search of the public records in Eddy County, New Mexico, where the wells are located, and of phone directories and did computer searches to locate the contact information for parties entitled to notification. All working interest owners were locatable and noticed. Notice to one overriding royalty interest owner, Francis Hill Hudson, Trustee of Lindy's Living Trust, is listed as To Be Returned. V-F published notice in the Carlsbad Current-Argus, a newspaper of general circulation in Eddy County, New Mexico to cover any contingencies regarding notice.
 - 12. There are no depth severances in the Bone Spring formation in this acreage.
- 13. V-F has made a good faith effort to negotiate with the interest owners, but has been unable to obtain, voluntary agreement from all interest owners to participate in the drilling of the well or in the commitment of their interests to the well for its development within the proposed horizontal spacing unit. **Exhibit A-4** provides a chronology and history of contacts with the owners.
- 14. The interest owners being pooled have been contacted regarding the proposed wells but have failed or refused to voluntarily commit their interest in the wells. However, VF-Petroleum has been in ongoing discussions with some of the interest owners to voluntarily enter into a Joint Operating Agreement. If a mutually agreeable Joint Operating Agreement is reached between VF-Petroleum and another interest owner or owners, VF-Petroleum requests that the voluntary agreement become operative and supersede the Division's order for said parties, except to the extent the Division deems it necessary to maintain spacing criteria for the purpose of conservation, the prevention of waste, and protection of correlative rights.

- 15. **Exhibit A-5** is a sample proposal letter, supplemental proposal and the AFEs for each proposed well. The estimated cost of the wells set forth in the AFEs attached as **Exhibit A-5** are fair, reasonable, and comparable to the costs of other wells of similar depths and lengths drilled in this area of New Mexico.
- 16. V-F requests overhead and administrative rates of \$8,500/month for drilling each well and \$850/month for producing each well. These rates are fair and comparable to the rates charged by other operators for wells of this type in this area of southeastern New Mexico. V-F requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.
- 17. V-F requests the maximum cost, plus 200% risk charge be assessed against non-consenting working interest owners.
 - 18. V-F requests that it be designated operator of the units and wells.
- 19. Additionally, although not technically part of <u>Case No. 24995</u>, but in order for V-F to present this case to the best of its ability so that the Division has an opportunity to see the role <u>Case No. 24995</u> plays in V-F's future development plans underlying the N/2 S/2 Sec. 16 & 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico, I have provided as **Exhibit A-6** a sample well proposal letter and the AFE for the **Rainier 16-15 Fed Com #212H Well,** (API 30-015-pending) that has been proposed to all working interest owners in the Bone Spring formation. This shows future plans to develop the related lands in this area to optimize production and prevent waste.
- 20. **Exhibit A-7** is an aerial plat outlining the development pattern that has been established in this area by Permian Resources to the immediate south of Section 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico, and other Operators to the immediate west of Section 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy

County, New Mexico. Should the Division grant an order in V-F's favor in this Case, it would make efforts to continue the development pattern that are consistent with, and build upon, what has been successful with other Operators in this area; if V-F's plan is approved, it would not undermine or preempt Permian Resources opportunity for development because their subject lands are unbounded to the east, and Permian Resources could simply develop two mile horizontal Second Bone Spring and Third Bone Spring wells in Sections 14 and 13, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. V-F's geology in this area that Permian Resources expanding east is feasible, and this in turn would avoid stranding the State of New Mexico's minerals in Section 16, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico to one-mile horizontal development in the Bone Spring formation.

- 21. **Exhibit A-8** are Permian Resources' well proposals both dated August 16, 2024, one proposal covering the Slim Jim 14-15 Fed COM 122H and 123H, both targeting the 2nd Bone Spring formation in the S/2 N/2 Sections 14 & 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico and the other proposal covering the Slim Jim 14-15 Fed COM 124H, 125H and 126H, with all three wells also targeting the 2nd Bone Spring formation in the S/2 Sections 14 & 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico (collectively the "Slim Jim Second Bone Proposals").
- 22. Attached as **Exhibit A-9** is a plat of the Tamano 15 AD Fed Com #1H Well (API No. 30-015-40868), which is situated in the N/2 N/2 of Section 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico.
- 23. Assuming Permian Resources' actually drills and completes all five proposed Slim Jim Second Bone Proposals, this will result in a total of six horizontal wells situated in Section 14 (Slim Jim 14-15 Fed COM 121H has been proposed to Sec. 14 working interest owners only) and

Section 15, with spacing as close as 660' between wells. This spacing pattern is extremely aggressive when compared to Mewbourne Oil Company's Local Legend development to the west in Sections 18 and 17, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico, and Mewbourne Oil Company's Barrel Crusher development, also to the west in Sections 19 and 20, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico, both as depicted on **Exhibit A-7**, which shows four Second Bone Spring wells in each development, more or less evenly spaced. To propose a fifty percent (50%) increase to the conventional density pattern in this area, in V-F's opinion should require empirical longstanding production data to establish that the acreage justifies additional in-fill development otherwise such a proposal in V-F's respectful opinion should be viewed as wasteful and not protecting the correlative rights of the other working interest owners in Permian Resources' Slim Jim Second Bone Proposals, who collectively will own the majority of the working interest in the Slim Jim Second Bone Proposals.

- 24. The Exhibits to this Self-Affirmed Statement were prepared by me or compiled from V-F's company business records under my direct supervision.
- 25. The granting of this Application is in the best interests of conservation, the prevention of waste, and the protection of correlative rights, and will avoid the drilling of unnecessary wells.
 - 26. The foregoing is correct and complete to the best of my knowledge and belief.

[Signature page follows]

Signature page of Self-Affirmed Statement of Jordan Shaw:

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case No. 24995 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.

Jordan Shaw

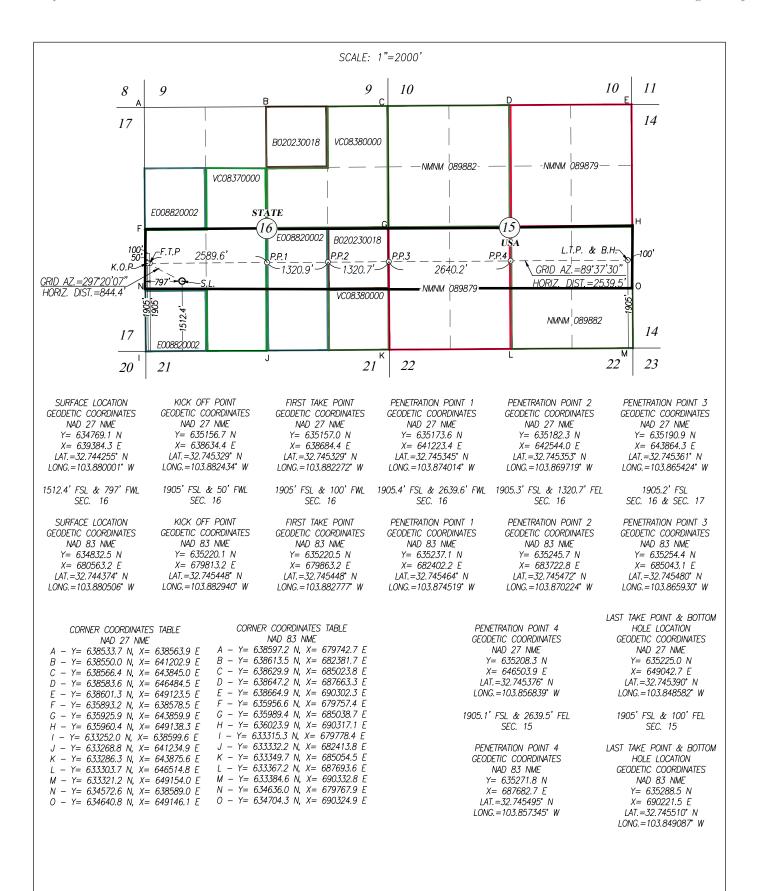
01/21/2025

Date Signed

C-102 Submit Electronically			Ene			ew Mexico Revised July 9, 2024 ral Resources Department TION DIVISION					
Via OCD Permitting			OIL CONSERVITION LIVES OF						1	☐ Initial Submittal	
									Amended		
									☐ As Drilleo	i	
ADIN	. 1		D 10 1		WELL LOCAT	TION INFORMATION	N				
API N	umber		Pool Code			Pool Name					
Property Code Property Name RANIER 1						6 15 FED COM			Well Number	222Н	
OGRII	O No.		Operator N	ame	V-E PETR	OLEUM INC.			Ground Leve	l Elevation 3653'	
Surface	e Owner: \square	State ☐ Fee ☐	Tribal □ Fed	leral	V-1. 1 D 1 K	Mineral Owner:	State Fee	☐ Tribal ☐		3033	
		T		T	1	ace Location					
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W 797 FWL	Latitude		Longitude	County	
L	16	18-S	31-E	-	1512.4 FSI		32.744	3/4	103.880506°	EDDY	
T 77	G4'	T 1	D	T -4		Hole Location	T -414 4-		T	Commenter	
UL	Section	Township 18-S	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude 32.745		Longitude 103.849087°	County	
I	15	18-5	31-E	-	1905 FSL	100 FEL	32.743	310	103.84908/	EDDY	
Dedica	Dedicated Acres Infill or Defining Well Defining Well API				g Well API	Overlapping Spacing	Unit (Y/N)	N) Consolidation Code			
Order Numbers.					Well setbacks are under Common Ownership: □Yes □No						
T.17	G4: - ::	Т1.:	D	T -4	1	ff Point (KOP)	T -4'4 1-		Y	Country	
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude		Longitude	County	
L	16							EDDY			
	a .:	T 1:	Ъ	Ι,	1	ke Point (FTP)	T (') 1		T 1/2 1	G ,	
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude 32.745448°		Longitude	County	
L	16	18-S	31-E	-	1905 FSL	100 FWL	32.745	448	103.882777°	EDDY	
TIT	Santian	Township	Dongo	Lat	Ft. from N/S	ke Point (LTP) Ft. from E/W	Latitude		Langituda	County	
UL	Section 15	Township 18-S	Range 31-E	Lot	1905 FSL	100 FEL	32.745		Longitude 103.849087°	County EDDY	
I	13	18-5	31-E	-	1903 FSL	100 FEL	32.743	310	103.84908/	EDDY	
Unitize	ed Area or Are	a of Uniform Into	erest	Spacing	Unit Type Horiz	zontal Vertical	Grou	nd Floor Ele	evation:		
OPER.	ATOR CERT	TIFICATIONS				SURVEYOR CERTIFIC	CATIONS				
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unEDDYsed mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unEDDYsed mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.						I hereby certify that the w was plotted from field not me or under my supervisi and correct to the best of t	tes of actual su on, and that the	own on this j rveys made e same is tru	by Julia	G. E/DSON	
If this well is a horizontal well, I further certify that this organization has received the consent of at EDDYst one lessee or owner of a working interest or unEDDYsed mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.					Day DE	(Lagon	01/15	/202 Distriction	ONAL SUR VERMINA		
Signatu	ire		Date			Signature and Seal of Prof	essional Surve	eyor			
Printed	Name					Gary G. Eidson 12641 Certificate Number	Date of Sur		EMBER 27 2	XHIBIT A-1	
E-mail	Address					PAGE 1 OF 2	ACK REL.	W.O.:2411035	50	JWSC W.O.: 25.13.0018	

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Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division Page 128 of 600



	RANIER 16 15 FEI	O COM #222H
PAGE 2 OF 2	ACK REL. W.O.:24110350	JWSC W.O.: 25.13.0018

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
DISTRICT II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
DISTRICT III

DISTRICT III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 DISTRICT IV

1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

□AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name	ool Name	
Property Code	Pro	perty Name	Well Number	
Troperty Code	RANIER 1	222H		
OGRID No.	Ope	erator Name	Elevation	
	V-F PETF	3653'		

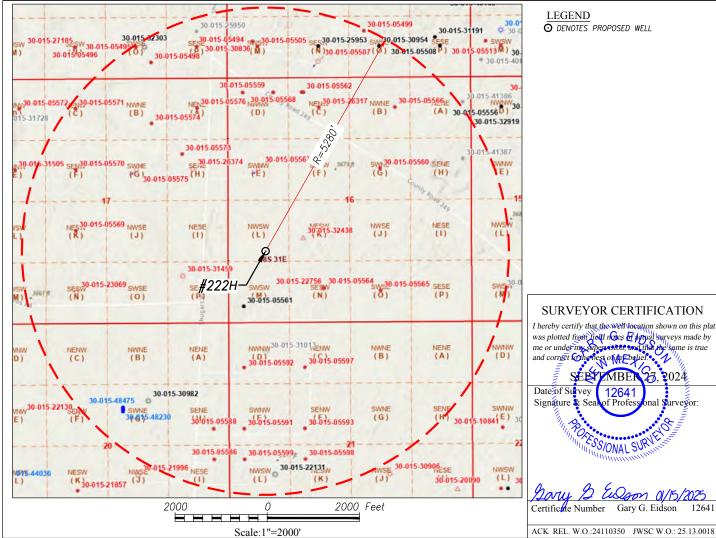
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	16	18-S	31-E		1512.4	SOUTH	797	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	15	18-S	31-E		1905	SOUTH	100	EAST	EDDY
Dedicated Acres	Joint or	Infill (Consolidation C	ode Ord	er No.				

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

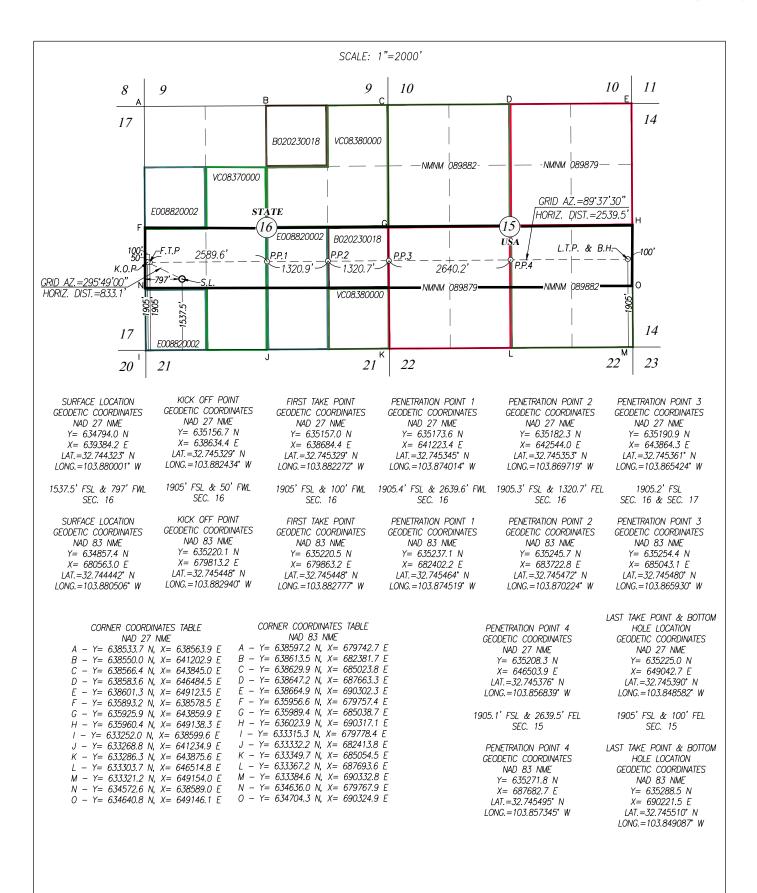


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C-102 Submit Electronically			Ene		erals & Natura	State of New Mexico Revised July 9, 2024 Is & Natural Resources Department NSERVATION DIVISION				
Via OCD Permitting				OIL C	ONSERVA	HON DIVISION			☐ Initial Sub	omittal
						Submittal Type:			☐ Amended	Report
						☐ As Drilled				
					WELL LOCAT	TION INFORMATION	J			
API Nı	umber		Pool Code			Pool Name				
Proper	ty Code		Property Na	ame	RANIER 1	6 15 FED COM			Well Number	232H
OGRII	O No.		Operator N	ame		OLEUM INC.			Ground Level	
Surface	e Owner: 🗆	State	Tribal 🗆 Fed	leral	V-I I LIN	Mineral Owner:	State	☐ Tribal ☐	_	3033
					Surf	ace Location				
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude]	Longitude	County
L	16	18-S	31-E	_	1537.5 FSL	797 FWL	32.744	442°	03.880506°	EDDY
					Bottom	Hole Location				
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude]	Longitude	County
I	15	18-S	31-E	-	1905 FSL	100 FEL	32.745	510° 1	03.849087°	EDDY
Dedica	Dedicated Acres				Overlapping Spacing	Unit (Y/N)	() Consolidation Code			
Order Numbers.					Well setbacks are under Common Ownership: □Yes □No					
Kick Off Point (KOP)										
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude]	Longitude	County
L	16	18-S	31-E	-	1905 FSL	50 FWL	32.745	448° 1	03.882940°	EDDY
					First Ta	ke Point (FTP)				
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude		Longitude	County
L	16	18-S	31-E	-	1905 FSL	100 FWL	32.745	448° 1	03.882777°	EDDY
T.17	T g .:	T. 1:	D	T	1	ke Point (LTP)	T (') 1	Τ,		6 1
UL I	Section 15	Township 18-S	Range 31-E	Lot	Ft. from N/S 1905 FSL	Ft. from E/W 100 FEL	22.745		Longitude 03.849087°	County EDDY
1	13	10-5	31-E	-	1903 FSL	100 FEL	32.743	310 1	03.649067	EDD1
Unitize	d Area or Are	a of Uniform Into	erest	Spacing	Unit Type □ Horiz	zontal Vertical	Grou	nd Floor Ele	vation:	
OPER.	ATOR CERT	TIFICATIONS				SURVEYOR CERTIFIC	CATIONS			
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unEDDYsed mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unEDDYsed mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.					I hereby certify that the w was plotted from field not me or under my supervisi and correct to the best of t	es of actual su on, and that the	own on this prveys made be same is true	by million	G. E/DSONIA	
If this well is a horizontal well, I further certify that this organization has received the consent of at EDDYst one lessee or owner of a working interest or unEDDYsed mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.					Dary DE	(uQson	01/16/	2025	WAL SURVEY	
Signatu	re		Date			Signature and Seal of Prof	essional Surve	eyor		
Printed	Name					Gary G. Eidson 12641 Certificate Number	Date of Surv		EMBER 27, 2	024
E-mail	Address					PAGE 1 OF 2	ACK REL.	W.O.:2411035	51 .	JWSC W.O.: 25.13.0019

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Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division Page 131 of 600



		RANIER 16	15 FED COM #232H
PAGE 2 OF 2	ACK	REL. W.O.:24110351	JWSC W.O.: 25.13.0019

1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720

811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720

1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

DISTRICT I

DISTRICT II

DISTRICT III

DISTRICT IV

Rainier 16 15 Fed COM #232H (3rd Bone Spring)

N/2S/2 Sections 16 & 15, T-18-S, R-31-E, N.M.P.M., Eddy Co., NM Containing 320 acres, more or less

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

EXHIBIT A-1

□AMENDED REPORT

hone: (505) 476-3460 Fax: (505) 476-3462 WELL LOCATION AND ACREAGE DEDICATION PLAT				
API Number		Pool Code	Pool Name	
Property Code		Property Name		Well Number
		RANIER 16	232H	
OGRID No.	Operator Name			Elevation
		V-F PETR	OLEUM INC.	3653'

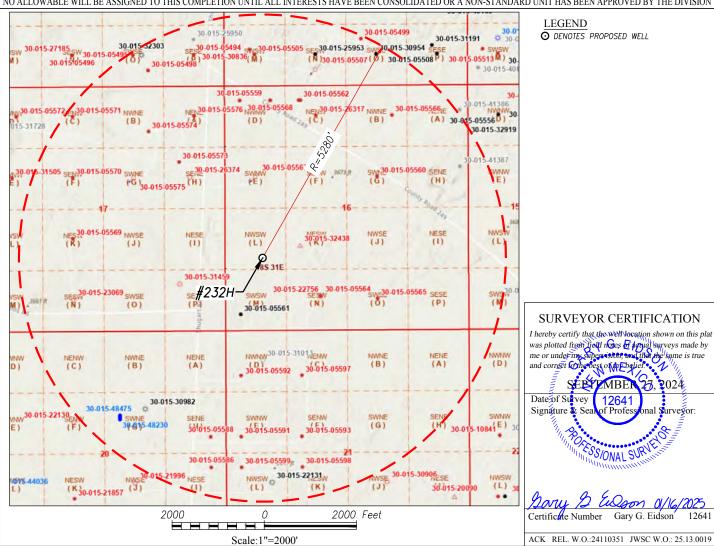
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	16	18-S	31-E		1537.5	SOUTH	797	WEST	EDDY

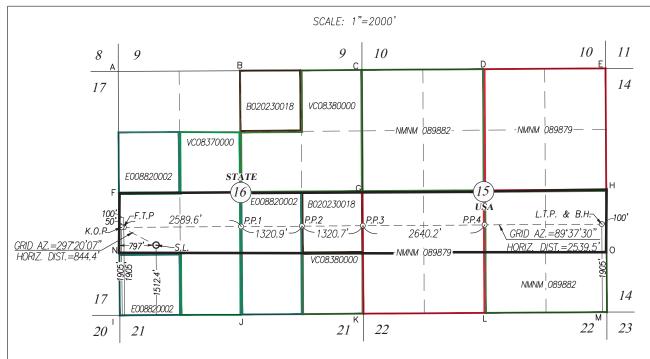
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	15	18-S	31-E		1905	SOUTH	100	EAST	EDDY
Dedicated Acre	s Joint or	Infill (Consolidation C	ode Ord	er No.				

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



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SURFACE LOCATION GEODETIC COORDINATES NAD 27 NME Y= 634769.1 N X= 639384.3 E IAT = 32 744255° N LONG.=103.880001° W

1512.4' FSL & 797' FWL SEC. 16

SURFACE LOCATION GEODETIC COORDINATES NAD 83 NME Y= 634832.5 N X= 680563.2 E LAT. =32.744374° N $IONG = 10.3.880506^{\circ} W$

KICK OFF POINT GEODETIC COORDINATES NAD 27 NME Y= 635156.7 N X= 638634.4 E LAT.=32.745329° N

LONG.=103.882434° W

1905' FSL & 50' FWL SEC. 16

KICK OFF POINT GEODETIC COORDINATES NAD 83 NME Y= 635220.1 N X= 679813.2 E LAT.=32.745448° N LONG.=103.882940° W

FIRST TAKE POINT GEODETIC COORDINATES NAD 27 NME Y= 635157.0 N X= 638684.4 E LAT. = 32.745329° N

LONG.=103.882272° W SEC. 16

FIRST TAKE POINT GEODETIC COORDINATES NAD 83 NME Y= 635220.5 N X= 679863.2 E LAT.=32.745448° N LONG. = 103.882777° W

GEODETIC COORDINATES NAD 27 NME Y= 635173.6 N X= 641223.4 E LAT. =32.745345° N LONG.=103.874014° W

PENETRATION POINT 1

1905' FSL & 100' FWL 1905.4' FSL & 2639.6' FWL 1905.3' FSL & 1320.7' FEL SEC. 16

> PENETRATION POINT 1 GEODETIC COORDINATES NAD 83 NME Y= 635237.1 N X= 682402.2 E LAT.=32.745464° N LONG.=103.874519° W

PENETRATION POINT 2 GEODETIC COORDINATES NAD 83 NME Y= 635245.7 N X= 683722.8 E LAT.=32.745472° N $IONG = 10.3870224^{\circ} W$

PENETRATION POINT 2

GEODETIC COORDINATES

NAD 27 NME

Y= 635182.3 N

X= 642544.0 E

LAT. = 32.745353° N

LONG.=103.869719° W

SEC. 16

PENETRATION POINT 3 GEODETIC COORDINATES NAD 27 NME Y= 635190.9 N X= 643864.3 E IAT = 32.745.361° N LONG.=103.865424° W

1905.2' FSL SEC. 16 & SEC. 17

PENETRATION POINT 3 GEODETIC COORDINATES NAD 83 NME Y= 635254.4 N X= 685043.1 E LAT.=32.745480° N LONG.=103.865930° W

CORNER COORDINATES TABLE NAD 27 NMF

A - Y = 638533.7 N, X = 638563.9 EB - Y= 638550.0 N, X= 641202.9 E C - Y = 638566.4 N, X = 643845.0 E D - Y = 638583.6 N, X = 646484.5 E- Y= 638601.3 N, X= 649123.5 E - Y= 635893.2 N, X= 638578.5 E - Y= 635925.9 N, X= 643859.9 E H - Y= 635960.4 N, X= 649138.3 E I - Y= 633252.0 N, X= 638599.6 E - Y= 633268.8 N, X= 641234.9 E K - Y = 633286.3 N, X = 643875.6 EL - Y= 633303.7 N. X= 646514.8 E M - Y = 633321.2 N, X = 649154.0 E

N - Y = 634572.6 N, X = 638589.0 E

0 - Y= 634640.8 N, X= 649146.1 E

CORNER COORDINATES TABLE NAD 83 NME

A - Y = 638597.2 N, X = 679742.7 EB - Y= 638613.5 N. X= 682381.7 E C - Y = 638629.9 N, X = 685023.8 ED - Y= 638647.2 N, X= 687663.3 E E - Y= 638664.9 N, X= 690302.3 E F - Y= 635956.6 N, X= 679757.4 E G - Y = 635989.4 N, X = 685038.7 EH - Y = 636023.9 N, X = 690317.1 E I - Y= 633315.3 N, X= 679778.4 E J - Y= 6333332.2 N, X= 682413.8 E K - Y = 633349.7 N, X = 685054.5 EL - Y= 633367.2 N, X= 687693.6 E

M - Y = 633384.6 N, X = 690332.8 EN - Y= 634636.0 N, X= 679767.9 E

0 - Y= 634704.3 N, X= 690324.9 E

PENETRATION POINT 4 GEODETIC COORDINATES NAD 27 NME Y = 6.35208.3 NX = 646503.9 FIAT = 32 745 376° N LONG.=103.856839° W

1905.1' FSL & 2639.5' FEL SEC. 15

PENETRATION POINT 4 GEODETIC COORDINATES NAD 83 NME Y= 635271.8 N X= 687682.7 E LAT.=32.745495° N LONG.=103.857345° W

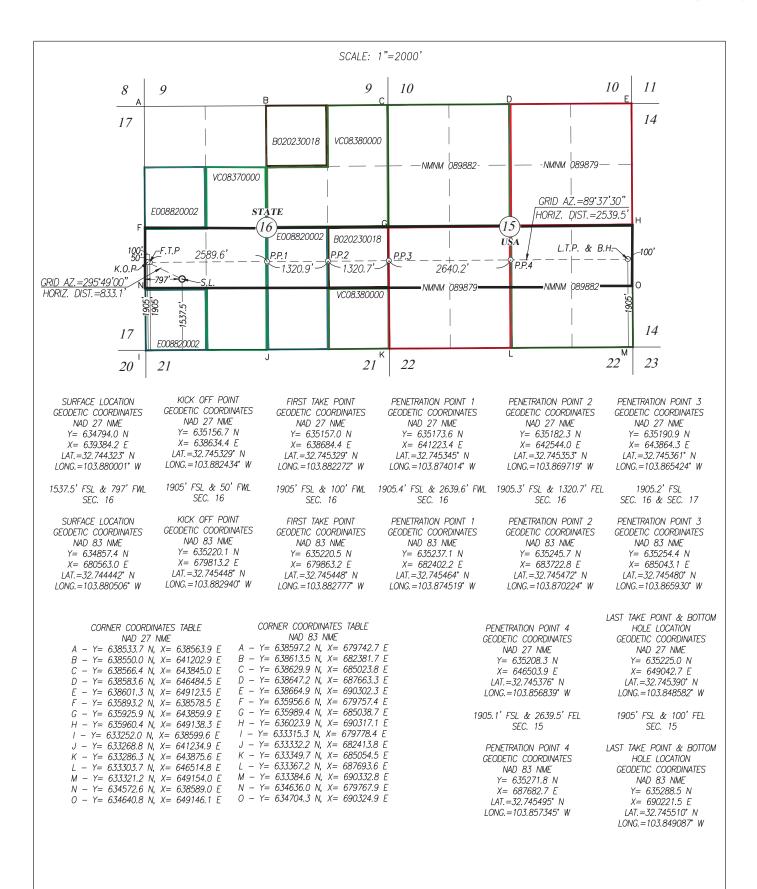
LAST TAKE POINT & BOTTOM HOLE LOCATION GEODETIC COORDINATES NAD 27 NME Y = 6.35225.0 NX = 649042.7 FIAT = 32 745 390° N LONG.=103.848582° W

1905' FSL & 100' FEL SEC. 15

LAST TAKE POINT & BOTTOM HOLE LOCATION GEODETIC COORDINATES NAD 83 NME Y = 635288.5 NX= 690221.5 E $IAT = 32.745510^{\circ} N$ LONG.=103.849087° W

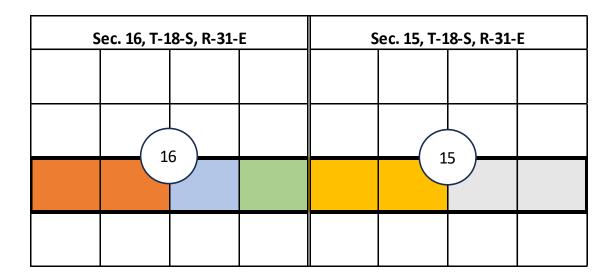
RANIER 16 15 FED COM #222H PAGE 2 OF 2 ACK REL. W.O.:24110350 JWSC W.O.: 25.13.0018

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	RANIER 16 15 FED COM #232H		
PAGE 2 OF 2	ACK	REL. W.O.:24110351	JWSC W.O.: 25.13.0019

EXHIBIT A-3



N/2SW/4 Sec. 16 (State Lease VC-837)

Working Interest Owner	Decimal
V-F Petroleum Inc.	1.00000000
TOTAL	1.00000000

Overriding Royalty Interest Owners	Decimal
V-F Petroleum Inc.	0.00050000
Gahr Ranch & Investments Partnership, Ltd.	0.02343750
Thomas M. Beall	0.02343750
Jason J. Lodge	0.00125000
Sarah M. Loudenback	0.00125000
Mid-Western Energy, L.L.C.	0.00012500

Royalty Interest Owner	Decimal
State of New Mexico	0.20000000

NW/4SE/4 Sec. 16 (State Lease E-882)

Working Interest Owner	Decimal
XTO Holdings, LLC	1.00000000
TOTAL	1.00000000



EXHIBIT A-3

Royalty Interest Owner	Decimal
State of New Mexico	0.12500000

NE/4SE/4 Sec. 16 (State Lease B-2023)

Working Interest Owner	Decimal
Occidental Permian, L.P.	1.00000000
TOTAL	1.00000000

Royalty Interest Owner	Decimal
State of New Mexico	0.12500000

N/2SW/4 Sec. 15 (Federal Lease NMNM 089879)

Working Interest Owners	Decimal
V-F Petroleum Inc.	0.09916668
Permian Resources Operating, LLC	0.85125000
Ard Oil, LTD	0.03718750
Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J.	
Terrell Ard.	0.01239582
TOTAL	1.00000000

Overriding Royalty Interest Owners	Decimal
Zorro Partners, Ltd.	0.00371875
Javelina Partners	0.00371875
Hudson, Francis Hill, Trustee of Lindy's Living Trust created by Trust	
Agreement dated July 8, 1994	0.00557813
Ralph A. Shugart Jr. Trust dated 5/26/1983	0.05000000
Moore and Shelton Co. Ltd.	0.00236250
Mewbourne, Curtis W., Trustee	0.02107500
Marathon Oil Permian LLC	0.04875000

Royalty Interest Owner	Decimal
United States of America	0.12500000

EXHIBIT A-3

N/2SE/4 Sec. 15 (Federal Lease NMNM 089882 (Out of NMLC 029388-D))

Working Interest Owners	Decimal
V-F Petroleum Inc.	0.21666667
Permian Resources Operating, LLC	0.10625000
Bank of America, N.A., Trustee of the Delmar Hudson Lewis Living Trust created by Trust Agreement dated September 9, 2002	0.10625000
Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J.	
Terrell Ard.	0.01770833
Mary T. Ard	0.05312500
Marathon Oil Permian LLC	0.50000000
TOTAL	1.00000000

Overriding Royalty Interest Owners	Decimal
Zorro Partners, Ltd.	0.00885416
Javelina Partners	0.00885416
Hudson, Francis Hill, Trustee of Lindy's Living Trust created by Trust	
Agreement dated July 8, 1994	0.01328125
Moore and Shelton Co. Ltd.	0.00937500

Royalty Interest Owner	Decimal
United States of America	0.12500000

UNIT RECAPITULATION

(Yellow denotes Parties to be Pooled)

Working Interest Owners	Decimal
XTO Holdings, LLC (uncommitted)	0.12500000
V-F Petroleum Inc. (committed)	0.32895834
Permian Resources Operating, LLC (uncommitted)	0.23937500
Occidental Permian, L.P. (uncommitted)	0.12500000
Bank of America, N.A., Trustee of the Delmar Hudson Lewis Living Trust	
created by Trust Agreement dated September 9, 2002 (uncommitted)	0.02656250
Ard Oil, LTD (committed)	0.00929688
Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J.	
Terrell Ard. (uncommitted)	0.00752604

EXHIBIT A-3

Mary T. Ard (committed)	0.01328125
Marathon Oil Permian LLC (uncommitted)	0.12500000
TOTAL	1.00000000

Overriding Royalty Interest Owners	Decimal
V-F Petroleum Inc. (committed)	0.00012500
Zorro Partners, Ltd. (committed)	0.00314323
Javelina Partners (committed)	0.00314323
Hudson, Francis Hill, Trustee of Lindy's Living Trust created by Trust	0.00474405
Agreement dated July 8, 1994 (uncommitted)	0.00471485
Gahr Ranch & Investments Partnership, Ltd. (committed)	0.00585938
Thomas M. Beall (committed)	0.00585938
Jason J. Lodge (committed)	0.00031250
Sarah M. Loudenback (committed)	0.00031250
Mid-Western Energy, L.L.C. (committed)	0.00003125
Ralph A. Shugart Jr. Trust dated 5/26/1983 (uncommitted)	0.01250000
Moore and Shelton Co. Ltd. (committed)	0.00293438
Mewbourne, Curtis W., Trustee (uncommitted)	0.00526875
Marathon Oil Permian LLC (uncommitted)	0.01218750

Royalty Interest Owner	Decimal
United States of America	0.06250000
State of New Mexico	0.08125000

LIST OF ALL UNCOMMITTED WORKING INTEREST OWNERS TO BE POOLED

Working Interest Owners
XTO Holdings, LLC
Permian Resources Operating, LLC
Occidental Permian, L.P.
Bank of America, N.A., Trustee of the Delmar Hudson Lewis Living Trust created by Trust Agreement dated September 9, 2002
Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard.
Marathon Oil Permian LLC

EXHIBIT A-3

LIST OF ALL UNCOMMITTED OVERRIDING ROYALTY INTEREST OWNERS TO BE POOLED

Overriding Royalty Interest Owners
Hudson, Francis Hill, Trustee of Lindy's Living Trust created by Trust Agreement dated July 8, 1994
Ralph A. Shugart Jr. Trust dated 5/26/1983
Mewbourne, Curtis W., Trustee
Marathon Oil Permian LLC

Owner	Attn	Address 1	City	State	Zip Code
XTO Holdings, LLC	Delaware Basin Land Manager	22777 Springwoods Village Pkwy.	Spring	Texas	77389
Occidental Permian, LP		P.O. Box 4294	Houston	Texas	77210
Permian Resources Operating, LLC	Delaware Basin Land Department	300 N. Marienfeld St., Suite 1000	Midland	Texas	79701
Delmar Hudson Lewis Living Trust created by Trust Agreement dated September 9, 2002	Bank of America, N.A., Trustee	P.O. Box 830308	Dallas	Texas	75283-0308
Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard	Frost Bank, Trustee	P.O. Box 1600	San Antonio	Texas	78296
Marathon Oil Permian LLC	Chase Rice, Permian Land Supervisor	990 Town and Country Boulevard	Houston	Texas	77024
Ralph A. Shugart Jr. Trust dated 5/26/1983	Elizabeth Duncan, Trustee	1960 Forest Parkway	Denver	Colorado	80220-1337
Mewbourne, Curtis W., Trustee		P.O. Box 7698	Tyler	Texas	75711
Lindy's Living Trust created by Trust Agreement dated July 8, 1994	Hudson, Francis Hill, Trustee	4200 South Hulen Street, Suite 302	Fort Worth	Texas	76109

Rainier 16 15 Fed COM #222H & #232H

Chronological Contracts with Uncommitted Owners

XTO Holdings, LLC

- 9/8/23: Proposed Joint Operating Agreement by mail;
- 9/13/23: Emailed Chad Smith, Landman and extended an offer extended offer for an Assignment, Bill of Sale for all working interest in Sec. 16;
- 9/20/23: Received email from Chad Smith requesting additional information and sent requested information that same day;
- 6/27/24: Received email from Chad Smith requesting certain additional information and Jordan Shaw with V-F called Chad Smith to provide requested information and verbally extended offer to acquire interest by either Term Assignment or Assignment, Bill of Sale for all working interest in Sec. 16; and
- 1/14/25: Received a call from Chad Smith requesting certain additional information and parties continue to negotiate.

Permian Resources Operating, LLC

- 9/26/23: Proposed Joint Operating Agreement by mail (to predecessors in title);
- **8/28/24**: Sent email to Travis Macha, NM Land Lead to see if he was available to discuss Permian's Slim Jim proposals;
- 8/30/24: Jordan Shaw with V-F met Travis Macha with Permian for lunch and V-F proposed Permian and V-F split Sec. 15 down the middle wherein V-F would drill 1.5 mile wells in Sec. 16 & W/2 Sec. 15 and Permian would drill 1.5 mile wells in Sec. 14 & E/2 Sec. 15;
- 9/5/24: V-F sent Travis Macha at Permian what V-F owns in the E/2 Sec. 15:
- 9/9/24: Travis Macha sent Jordan Shaw with V-F an email of potential deal points to consider;
- 9/11/24: Jumped on a call with Travis to discuss deal points Travis sent on 9/9/24;
- 9/24/24: Received email stating that reservoir and geology can't justify shortened laterals based on the deal points discussed;
- 1/17/25: Jordan Shaw with V-F met Travis Macha with Permian for beers and V-F proposed 3-mile development covering all Sec. 16, 15 & 14; and
- 1/20/25: V-F sent Permian a Letter Agreement based on proposal extended 1/17/25 and Permian responded with email stating that they are considering the proposal.

Occidental Permian, LP

- 9/8/23: Proposed Joint Operating Agreement by mail;
- 9/18/23: Emailed Alissa Payne, Land Negotiator and extended an offer extended offer for an Assignment, Bill of Sale with 75% eNRI;
- 9/18/23: Alissa responded and said that Jonathan Gonzales, Land Negotiator is responsible for this area so Jordan Shaw with V-F sent Jonathan Gonzales an email requesting a day and time this week when we can go over this proposal; and
- 9/19/23: Jonathan Gonzales at Oxy called Jordan Shaw with V-F and walked through where Oxy was at with its evaluation. The parties talked about potentially adding Oxy's acreage to a transaction which was currently underway covering other unrelated lands;

Bank of America, N.A., Trustee of the Delmar Hudson Lewis Living Trust created by Trust Agreement dated September 9, 2002

- 9/8/23: Proposed Joint Operating Agreement by mail;
- 9/13/23: Responded two emails from Jeff Adams, Trustee asking about ownership which V-F answered and V-F extended offer for an Assignment, Bill of Sale for entire interest in Section 15;
- 9/29/23: V-F extended by email to Jeff Adams a Term Assignment offer; and
- 11/1/23: V-F re-extended by email to Jeff Adams a Term Assignment offer.

Ard Oil, LTD

- 9/8/23: Proposed Joint Operating Agreement by mail;
- 9/14/23: Ried Marley, Landman emailed V-F asking about ownership and V-F responded answering his questions and extended an offer for a Term Assignment; and
- 11/7/23: Obtained signed Joint Operating Agreement.

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

- 9/8/23: Proposed Joint Operating Agreement by mail;
- 9/18/23: Called Brad Ince, Trustee and left message and followed up with an email containing an offer for an Assignment, Bill of Sale for all of Section 15;
- 10/2/23: Debbie Dorsett, Geologist with Frost reached out and I extended offer verbally to her and added Term Assignment offer; and
- 10/31/23: Email Brad Ince and re-extended both offers;

Marathon Oil Permian LLC

- 9/8/23: Proposed Joint Operating Agreement by mail;
- 9/8/23: Emailed Chase Rise, Permian Land Supervisor an offer for an Assignment, Bill of Sale for all of Section 15;
- 9/14/23: Followed up by email. Chase responded and said Farley Duvall was overseeing this project;
- 9/18/23: Emailed Farley Duvall and re-extended offer and extended Term Assignment offer; and
- 10/2/23: Followed up by email to see if Marathon would consider either offer.

Mary T. Ard

- 9/8/23: Proposed Joint Operating Agreement by mail;
- 9/18/23: Called and left a message for Mary Ard; and
- 10/2/23: Called and left a message for Mary Ard.

V-F Petroleum Inc.

Physical Address: 500 W. Texas, Suite 350, Midland, Texas, 79701; Phone 432-269-0569; Mailing Address: P.O. Box 1889, Midland, Texas, 79702; e-mail: jordan@yfpetroleum.com

September 8, 2023

<u>Transmitted Via United States Postal System – Certified Mail – Return Receipt Requested</u>

Occidental Permian, LP
P.O. Box 4294
Houston, Texas 77210
Attention: Alissa Payne, Land Negotiator

RE: <u>Horizontal Well Proposals – 2nd & 3rd Bone Spring Formation;</u>

<u>Standard Horizontal Spacing Unit – N/2S/2 Sections 16 & 15, Township 18 South, Range 31 East, Eddy County, New Mexico</u>

Eddy County, New Mexico

Rainier 16 15 Fed Com #222H; 2nd Bone Spring

SHL: 1,490 FSL, 250 FWL of Section 16 (Unit L), T-18 South, R-31 East, Eddy County, NM FTP: 1,905 FSL, 100 FWL of Section 16 (Unit L), T-18 South, R-31 East, Eddy County, NM BHL/LTP: 1,905 FSL, 100 FEL of Section 15 (Unit I), T-18 South, R-31 East, Eddy County, NM

Rainier 16 15 Fed Com #232H; 3nd Bone Spring

SHL: 1,515 FSL, 250 FWL of Section 16 (Unit L), T-18 South, R-31 East, Eddy County, NM FTP: 1,905 FSL, 100 FWL of Section 16 (Unit L), T-18 South, R-31 East, Eddy County, NM 1,905 FSL, 100 FEL of Section 15 (Unit I), T-18 South, R-31 East, Eddy County, NM

Ladies and/or Gentlemen:

Please be advised that V-F Petroleum Inc. ("V-F") hereby proposes to drill, complete and equip each of the above referenced horizontal wells at the locations so indicated, to respectively test the 2nd and 3rd Bone Spring formations as more or less articulated herein.

The projected total vertical depth of the above stated <u>Rainier 16 15 Fed Com #222H</u> in order to test the 2rd Bone Spring formation is estimated to be 8,405 feet (TVD) with an approximate total measured depth of 18,735 feet. The costs to drill, complete and equip said well are estimated at <u>\$13,149,650.00</u> as indicated on the enclosed AFE.

The projected total vertical depth of the above stated <u>Rainier 16 15 Fed Com #232H</u> in order to test the 3rd Bone Spring formation is estimated to be 9,295 feet (TVD) with an approximate total measured depth of 19,600 feet. The costs to drill, complete and equip said well are estimated at <u>\$13,708,400.00</u> as indicated on the enclosed AFE.

For those who elect to participate in the captioned horizontal wells, V-F has enclosed an A.A.P.L. Form 610 – 1989 Model Form Operating Agreement, Horizontal Modifications ("Operating Agreement"), designating V-F Petroleum Inc. as Operator, covering the North Half of the South Half (N/2S/2) of Sections 16 & 15, Township 18 South, Range 31 East, Eddy County, New Mexico, containing approximately 320 acres, more or less, covering the Bone Spring formation ("Contract Area") with the following general provisions:

- 100/300/300 Non-Consenting Penalty;
- \$8,500/\$850 Drilling and Producing Rate; and
- V-F Petroleum Inc. named as Operator.

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Rainier 16 15 Fed Com #222H & #232 Occidental Permian, LP September 8, 2023

In the interest of time, if we do not reach an agreement within 30 days of the date of this letter, V-F will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a standard horizontal spacing unit for the proposed wells.

Please indicate your intention to either <u>participate or not participate</u> in the drilling, completion and equipping of each of the above referenced wells by placing an "X" in the appropriate spaces provided below, and return one (1) executed copy of this letter, one (1) executed AFE for each well you have elected <u>to participate</u>, one original (1) Joint Operating Agreement body signature page, and one (1) original executed and notarized Memorandum of Operating Agreement signature page. If you should desire not to participate in the drilling and completion of the wells herein proposed, V-F is willing to discuss an alternative proposal to acquire your oil and gas interests in this area. Should you have any questions regarding this matter, please do not hesitate in contacting Jordan Shaw, Landman/Attorney for V-F Petroleum Inc. by phone at (432) 269-0569 or by email at jordan@vfpetroleum.com.

Best Regards,

Jordan Shaw Landman/Attorney

Enclosures

Elections set forth on the following pages

Rainier 16 15 Fed Com #222H & #232 Occidental Permian, LP September 8, 2023

ELECTIONS Rainier 16 15 Fed Com #221H Well & Rainier 16 15 Fed Com #231H Well

Occidental Permian, LP

	Elect <u>to</u> Participate in the <u>Rainier 16 15 Fed Com #222H Well</u> Elect <u>Not to</u> Participate in the <u>Rainier 16 15 Fed Com #222H Well</u>		
Ву: _	Title:	Date:	
	_ Elect <u>to</u> Participate in the <u>Rainier 16 15 Fed Com #232H Well</u> _ Elect <u>Not to</u> Participate in the <u>Rainier 16 15 Fed Com #232H Well</u>		
By: _	Title:	Date:	

V-F Petroleum Inc.

Physical Address: 500 W. Texas, Suite 350, Midland, Texas, 79701; Phone 432-269-0569; Mailing Address: P.O. Box 1889, Midland, Texas, 79702; e-mail: jordan@yfpetroleum.com

January 21, 2025

Transmitted Via United States Postal System - Certified Mail - Return Receipt Requested

Occidental Permian, LP P.O. Box 4294 Houston, Texas 77210

RE: Supplemental Horizontal Well Proposals – 2nd & 3rd Bone Spring Formation;
Standard Horizontal Spacing Unit – N/2S/2 Sections 16 & 15, Township 18 South, Range 31 East,
Eddy County, New Mexico

Rainier 16 15 Fed Com #222H; 2nd Bone Spring

SHL: 1,512 FSL, 797 FWL of Section 16 (Unit L), T-18 South, R-31 East, Eddy County, NM FTP: 1,905 FSL, 100 FWL of Section 16 (Unit L), T-18 South, R-31 East, Eddy County, NM BHL/LTP: 1,905 FSL, 100 FEL of Section 15 (Unit I), T-18 South, R-31 East, Eddy County, NM

Rainier 16 15 Fed Com #232H; 3nd Bone Spring

SHL: 1,538 FSL, 797 FWL of Section 16 (Unit L), T-18 South, R-31 East, Eddy County, NM FTP: 1,905 FSL, 100 FWL of Section 16 (Unit L), T-18 South, R-31 East, Eddy County, NM 1,905 FSL, 100 FEL of Section 15 (Unit I), T-18 South, R-31 East, Eddy County, NM

Ladies and/or Gentlemen:

Please be advised that due to the passage of time, V-F Petroleum Inc. ("V-F") is providing you with this Supplement Horizontal Well Proposal to update certain information as it pertains to the following wells:

The projected total vertical depth of the above stated <u>Rainier 16 15 Fed Com #222H</u> in order to test the 2rd Bone Spring formation is estimated to be 8,405 feet (TVD) with an approximate total measured depth of 19,705 feet. The costs to drill, complete and equip said well are estimated at <u>\$8,317,908.00</u> as indicated on the enclosed AFE.

The projected total vertical depth of the above stated <u>Rainier 16 15 Fed Com #232H</u> in order to test the 3rd Bone Spring formation is estimated to be 9,295 feet (TVD) with an approximate total measured depth of 20,539 feet. The costs to drill, complete and equip said well are estimated at <u>\$8,651,350.00</u> as indicated on the enclosed AFE.

The rest and the remainder of the original Horizontal Well Proposal not in conflict with anything listed above remains in full force and effect and this Supplemental Horizontal Well Proposal and its accompanying AFEs shall be deemed to be retroactively effective for all purposes as of the date the original Horizontal Well Proposal was sent.

Should you have any questions regarding this matter, please do not hesitate in contacting Jordan Shaw, Landman/Attorney for V-F Petroleum Inc. by phone at (432) 269-0569 or by email at jordan@vfpetroleum.com.

Best Regards

Jordan Shaw

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Released to Imaging: 3/10/2025 3:20:34 PM

V-F Petroleum Inc.						API No.				
			AUTHO			ENDITURE			AFE Number	
	. —			Janua	ry 14, 2025	7		7	Well Type	Second BS Horizontal Oil Well
X	Original		upplement			Revision		Re-Entry	Projected TD:	8,450' TVD 19,705' MD
X	Drill Well		orkover			Facilities		Plug & Abandon	-	Two Mile Horizontal Lateral
Lease Name/V	-		ounty / Sta		Formation		Basin	Field or Prospect		WL, Section 16, T-18-S, R-31-E
	Federal Com #222H	•	ddy	NM	2nd Bone	Spring	Permian	Shugart; Bone Spring N.		FEL, Section 15, T-18-S, R-31-E
Acct Code			INTANG	BLE DESC	RIPTION			COST BEFORE CASING POINT	COMPLETION COST	TOTAL WELL COST
501	PERMITS & ENVI	DOMENTA	I SEDVIO	TEC				\$10,000	\$5,000	\$15,000
516	TITLE OPINION, O							\$22,000	33,000	\$22,000
501	SURVEYING STA							\$7,500		\$7,500
501	DAMAGES & R-O		10.1					\$35,000		\$35,000
502/711	ROADS, LOCATIO		INERS E	TC:				\$155,000	\$10,000	\$165,000
503	DRILLING RIG M							\$91,500	213,300	\$91,500
503	DRILLING - DAYS				days @	\$23,000		\$611,000		\$611,000
503	RIG HOUSING				days @	\$3,000		\$78,000	\$19,800	\$97,800
503	STEERING			26	days (a)	\$7,000				
503	MUD MOTORS &	DIRECTIO	NAL					\$250,000		\$250,000
517	CLOSED LOOP &	DISPOSAL		28	days @	\$6,500		\$147,000		\$147,000
505	MUD & FRAC CH	EMICALS						\$112,000	\$75,000	\$187,000
505/716	WATER (Brine & I	Fresh); FRA	C WATER					\$58,000	\$525,000	\$583,000
503	BITS, REAMERS,	ETC.						\$69,000		\$69,000
503	FUEL			75600	gallons @	\$6		\$126,000		\$126,000
504	CEMENTING SUR	RFACE						\$26,000		\$26,000
504	CEMENTING INT	ERMEDIAT	ſΈ					\$42,000		\$42,000
701	CEMENTING PRO	DUCTION						\$79,000		\$79,000
509/705	TUBULAR SERVI	CES AND T	TOOLS					\$56,000		\$56,000
509/705	CASING CREWS I	PU LD MAC	CHINE					\$35,000		\$35,000
513/708	FLOAT EQUIPME	NT, CENTR	RALIZERS	S, ECP'S, DV	TOOLS			\$30,500		\$30,500
507	TESTING; COMPI	LETION, FL	OWBACE	(\$62,000	\$62,000
508	OPEN HOLE LOG	GING								
508	MUD LOGGING			20	days @	\$3,500		\$37,000		\$37,000
509/705	WELDING, HOUR	RLY LABO	R, ROUST	ABOUT CF	EWS, SAFE	ETY PAY		\$21,000		
509/713	EQUIPMENT REN	ITAL						\$214,000	\$95,000	\$309,000
509/714	TRUCKING, TRAN							\$50,000		\$50,000
715	COMPLETION UN								\$135,000	\$135,000
704	FORMATION STIP								\$2,350,000	\$2,350,000
702/03	CASED HOLE LO			NG & FRAG	PLUGS				\$187,000	\$187,000
510/11/706	GEOLOGIC / ENG	INEERING						\$40,000	\$45,000	\$85,000
509/705	CONTRACT CON				days @	\$3,500		\$136,800	\$100,800	\$237,600
514	DRILLING WELL	RATE (A/O	0)	28	days @	\$500		\$7,000	\$5,000	\$12,000
515/705	INSURANCE							\$40,000	\$15,000	\$55,000
513/708	MISCELLANEOU							\$75,000	\$208,000	\$283,000
509/705	CONTINGENCY (\$131,000	\$382,000	\$513,000
	ANGIBLE ESTIMA	TED COST						\$2,792,300	\$4,219,600	\$7,011,900
Acct Code			TANGIE	BLE DESCR	IPTION			COST BEFORE CASING POINT	COMPLETION COST	TOTAL WELL COST
620/820			Length	Grade	Size	Weight	Price/Ft.	CASHAG FORAT	6051	WEEE COST
620/820	CONDUCTOR		120'	K-55	20	weight	\$200.00	\$24,000		\$24,000
620/820	SURFACE		1,600'	J-55	13 3/8"	48	\$40.00	\$18,000		\$18,000
620/820	INTERMEDIATE		4,000'	J-55	9 5/8"	40	\$35.00	\$122,500		\$122,500
620/820	INTERMEDIATE		1,000		7 5/0		\$33.00	9122,300		\$122,500
820	PRODUCTION		19,175'	P110	5 1/2"	20	\$21.00	\$402,675		\$402,675
820	PRODUCTION LIN		-2,1-10				<u> </u>	2.0330.0		
821	TUBING (Coated)	_	8,000'	L-80	2.875	6.5	\$5.68		\$45,440	\$45,440
621/824	WELLHEAD EQU	IPMENT						\$28,000	\$7,893	\$35,893
825	PRODUCTION FA		CLOSUR	Е					\$150,000	\$150,000
825	POWER SOURCE								\$50,000	\$50,000
822	RODS AND PUMP		EEL)						,	,
823	PACKERS, BP'S, E		,	UIPMENT					\$105,000	\$105,000
827	HEATER TREATE								\$5,500	\$5,500
831	GAS SALES LINE	& METER	RUN						\$55,000	\$55,000
830	FLOWLINES, VAI	LVES, CON	NECTION	IS					\$70,000	\$70,000
827	TANKS (WATER	AND PROD	UCTION)						\$46,000	\$46,000
830	MISCELLANEOU	S						\$30,000	\$27,000	\$57,000
622/820	CONTINGENCY (\$63,000	\$56,000	\$119,000
	NGIBLE ESTIMATE							\$688,175	\$617,833	\$1,306,008
	P&A Costs, Rig, Cr		Misc., Ser	vices				\$50,000		
	D DRY HOLE COS							\$3,530,475		
	E ESTIMATED COS							\$3,480,475	\$4,837,433	\$8,317,908
WI OWNER						-	AUTHORI		THE ACTUAL COSTS II	ES ONLY AND APPROVAL OF THIS NCURRED IN CONDUCTING THE HE HEREIN SET OUT.
						-	Prepared by	: Bill Pierce		Date: 1/14/2025
Signature						=				
_										
Date						_				

V-F Petroleum Inc.					API No.				
		AUTHO			ENDITURE			AFE Number	n
	1	٦	Janua	ry 14, 2025	T		7		Third BS Horizontal Oil Well
X	Original	Supplement Workover			Revision	-	Re-Entry		9,295' TVD 20,539' MD
	Drill Well		4-	Eti	Facilities	Dania	Plug & Abandon		Two Mile Horizontal Lateral
Lease Name/V	ven # Federal Com #232H	County / Sta Eddy	NM	Formation 3rd Bone 5	Spring	Basin Permian	Field or Prospect Shugart; Bone Spring N.		FWL, Section 16, T-18-S, R-31-E FEL, Section 15, T-18-S, R-31-E
Acct	rederar Com #23211	•			эргшд	reman	COST BEFORE	COMPLETION	TOTAL
Code		INTANG	IBLE DESC	RIPTION			CASING POINT	COST	WELL COST
501	PERMITS & ENVIROMEN	ITAL SERVI	TES				\$10,000	\$5,000	\$15,000
516	TITLE OPINION, CURAT						\$22,000	\$3,000	\$22,000
501	SURVEYING STAKE LOC						\$7,500		\$7,500
501	DAMAGES & R-O-W'S						\$35,000		\$35,000
502/711	ROADS, LOCATION, PITS	S, LINERS, E	TC.				\$155,000	\$10,000	\$165,000
503	DRILLING RIG MOBILIZ						\$91,500	, and the second	\$91,500
503	DRILLING - DAYS		27	days @	\$23,000		\$621,000		\$621,000
503	RIG HOUSING			days @	\$3,000		\$81,000		\$81,000
503	STEERING		27	days @	\$7,000		\$189,000		\$189,000
503	MUD MOTORS & DIRECT	TIONAL					\$250,000		\$250,000
517	CLOSED LOOP & DISPOS	SAL	28	days @	\$6,500		\$182,000		\$182,000
505	MUD & FRAC CHEMICA	LS					\$112,000	\$75,000	\$187,000
505/716	WATER (Brine & Fresh); F	RAC WATER	t				\$58,000	\$525,000	\$583,000
503	BITS, REAMERS, ETC.						\$69,000		\$69,000
503	FUEL		84300	gallons @	\$6		\$126,000		\$126,000
504	CEMENTING SURFACE						\$26,000		\$26,000
504	CEMENTING INTERMED	IATE					\$42,000		\$42,000
701	CEMENTING PRODUCTI	ON					\$79,000		\$79,000
509/705	TUBULAR SERVICES AN	ID TOOLS					\$56,000		\$56,000
509/705	CASING CREWS PU LD N	MACHINE					\$35,000		\$35,000
513/708	FLOAT EQUIPMENT, CE	NTRALIZERS	S, ECP'S, DV	/ TOOLS			\$30,500		\$30,500
507	TESTING; COMPLETION	, FLOWBACI	ζ.					\$62,000	\$62,000
508	OPEN HOLE LOGGING								
508	MUD LOGGING		20	days @	\$3,500		\$37,000		\$37,000
509/705	WELDING, HOURLY LA	BOR, ROUS	ABOUT CE	REWS, SAFE	ETY PAY		\$21,000		
509/713	EQUIPMENT RENTAL						\$214,000	\$95,000	\$309,000
509/714	TRUCKING, TRANSPORT	TATION, FOR	KLIFT				\$50,000		\$50,000
715	COMPLETION UNIT; CO	IL TUBING U	NIT					\$135,000	\$135,000
704	FORMATION STIMULAT	ION (60 STA	GES)					\$2,350,000	\$2,350,000
702/03	CASED HOLE LOGGING	PERFORAT	NG & FRA	C PLUGS				\$187,000	\$187,000
510/11/706	GEOLOGIC / ENGINEERI	NG					\$40,000	\$45,000	\$85,000
509/705	CONTRACT CONSULTA	NTS	31	days @	\$3,500		\$136,800	\$100,800	\$237,600
514	DRILLING WELL RATE (A/O)	31	days @	\$500		\$7,000	\$5,000	\$12,000
515/705	INSURANCE						\$40,000	\$15,000	\$55,000
513/708	MISCELLANEOUS						\$75,000	\$208,000	\$283,000
509/705	CONTINGENCY (10%)						\$143,000	\$380,000	\$523,000
TOTAL INT	TANGIBLE ESTIMATED CO	OST					\$3,041,300	\$4,197,800	\$7,239,100
Acct		TANGI	BLE DESCR	IPTION			COST BEFORE	COMPLETION	TOTAL
Code							CASING POINT	COST	WELL COST
(20/020						Price/Ft.			
620/820		Length	Grade	Size	Weight				
620/820	CONDUCTOR	Length	Grade K-55	Size 20	Weight	\$200.00	\$24,000		\$24,000
	CONDUCTOR SURFACE			1	Weight 48		\$24,000 \$64,000		
620/820		120'	K-55	20		\$200.00			\$24,000
620/820 620/820	SURFACE	120' 1,600'	K-55 J-55	20 13 3/8"	48	\$200.00 \$40.00	\$64,000		\$24,000 \$64,000
620/820 620/820 620/820	SURFACE INTERMEDIATE	120' 1,600'	K-55 J-55	20 13 3/8"	48	\$200.00 \$40.00	\$64,000		\$24,000 \$64,000
620/820 620/820 620/820 620/820	SURFACE INTERMEDIATE INTERMEDIATE	120' 1,600' 4,000'	K-55 J-55 J-55	20 13 3/8" 9 5/8"	48 40	\$200.00 \$40.00 \$35.00	\$64,000 \$140,000		\$24,000 \$64,000 \$140,000
620/820 620/820 620/820 620/820 820	SURFACE INTERMEDIATE INTERMEDIATE PRODUCTION	120' 1,600' 4,000'	K-55 J-55 J-55	20 13 3/8" 9 5/8"	48 40	\$200.00 \$40.00 \$35.00	\$64,000 \$140,000	\$45,440	\$24,000 \$64,000 \$140,000
620/820 620/820 620/820 620/820 820 820	SURFACE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION LINER	120' 1,600' 4,000' 20,110' 8,000'	K-55 J-55 J-55 P110	20 13 3/8" 9 5/8" 5 1/2"	48 40 20	\$200.00 \$40.00 \$35.00 \$21.00	\$64,000 \$140,000	\$45,440 \$18,000	\$24,000 \$64,000 \$140,000 \$422,310
620/820 620/820 620/820 620/820 820 820 821	SURFACE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION LINER TUBING (Coated)	120' 1,600' 4,000' 20,110' 8,000'	K-55 J-55 J-55 P110	20 13 3/8" 9 5/8" 5 1/2"	48 40 20	\$200.00 \$40.00 \$35.00 \$21.00	\$64,000 \$140,000 \$422,310		\$24,000 \$64,000 \$140,000 \$422,310
620/820 620/820 620/820 620/820 820 820 821 621/824	SURFACE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION LINER TUBING (Coated) WELLHEAD EQUIPMEN	120' 1,600' 4,000' 20,110' 8,000'	K-55 J-55 J-55 P110	20 13 3/8" 9 5/8" 5 1/2"	48 40 20	\$200.00 \$40.00 \$35.00 \$21.00	\$64,000 \$140,000 \$422,310	\$18,000	\$24,000 \$64,000 \$140,000 \$422,310 \$45,440 \$46,000
620/820 620/820 620/820 620/820 820 820 821 621/824 825	SURFACE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION LINER TUBING (Coated) WELLHEAD EQUIPMEN' PRODUCTION FACILITY POWER SOURCE RODS AND PUMP (FG &	120' 1,600' 4,000' 20,110' 8,000' T ENCLOSUR	K-55 J-55 J-55 P110 L-80	20 13 3/8" 9 5/8" 5 1/2"	48 40 20	\$200.00 \$40.00 \$35.00 \$21.00	\$64,000 \$140,000 \$422,310	\$18,000 \$150,000 \$50,000	\$24,000 \$64,000 \$140,000 \$422,310 \$45,440 \$46,000 \$150,000
620/820 620/820 620/820 620/820 820 820 821 621/824 825	SURFACE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION LINER TUBING (Coated) WELLHEAD EQUIPMEN PRODUCTION FACILITY POWER SOURCE RODS AND PUMP (FG & PACKERS, BPS, ESP, DO	120' 1,600' 4,000' 20,110' 8,000' T ENCLOSUR STEEL) WNHOLE EQ	K-55 J-55 J-55 P110 L-80 E	20 13 3/8" 9 5/8" 5 1/2"	48 40 20	\$200.00 \$40.00 \$35.00 \$21.00	\$64,000 \$140,000 \$422,310	\$18,000 \$150,000 \$50,000 \$105,000	\$24,000 \$64,000 \$140,000 \$422,310 \$45,440 \$46,000 \$150,000 \$50,000
620/820 620/820 620/820 620/820 820 820 821 621/824 825 825	SURFACE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION LINER TUBING (Coated) WELLHEAD EQUIPMEN' PRODUCTION FACILITY POWER SOURCE RODS AND PUMP (FG &	120' 1,600' 4,000' 20,110' 8,000' T ENCLOSUR STEEL) WNHOLE EQ	K-55 J-55 J-55 P110 L-80 E	20 13 3/8" 9 5/8" 5 1/2"	48 40 20	\$200.00 \$40.00 \$35.00 \$21.00	\$64,000 \$140,000 \$422,310	\$18,000 \$150,000 \$50,000 \$105,000 \$5,500	\$24,000 \$64,000 \$140,000 \$422,310 \$45,440 \$46,000 \$150,000 \$50,000 \$105,000 \$55,500
620/820 620/820 620/820 620/820 820 821 621/824 825 825 822 823	SURFACE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION LINER TUBING (Coated) WELLHEAD EQUIPMEN PRODUCTION FACILITY POWER SOURCE RODS AND PUMP (FG & PACKERS, BPS, ESP, DO HEATER TREATER, SEP) GAS SALES LINE & MET	120' 1,600' 4,000' 20,110' 8,000' I ENCLOSUR STEEL) WNHOLE ECERATOR, FW	K-55 J-55 J-55 P110 L-80 E	20 13 3/8" 9 5/8" 5 1/2"	48 40 20	\$200.00 \$40.00 \$35.00 \$21.00	\$64,000 \$140,000 \$422,310	\$18,000 \$150,000 \$50,000 \$105,000 \$5,500 \$55,000	\$24,000 \$64,000 \$140,000 \$422,310 \$45,440 \$46,000 \$150,000 \$50,000
620/820 620/820 620/820 620/820 820 821 621/824 825 825 822 823 827	SURFACE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION LINER TUBING (Coated) WELLHEAD EQUIPMEN' PRODUCTION FACILITY POWER SOURCE RODS AND PUMP (FG & PACKERS, BPS, ESP, DO HEATER TREATER, SEPI	120' 1,600' 4,000' 20,110' 8,000' I ENCLOSUR STEEL) WNHOLE ECERATOR, FW	K-55 J-55 J-55 P110 L-80 E	20 13 3/8" 9 5/8" 5 1/2"	48 40 20	\$200.00 \$40.00 \$35.00 \$21.00	\$64,000 \$140,000 \$422,310	\$18,000 \$150,000 \$50,000 \$105,000 \$5,500	\$24,000 \$64,000 \$140,000 \$422,310 \$45,440 \$46,000 \$150,000 \$50,000 \$105,000 \$55,500
620/820 620/820 620/820 620/820 820 820 821 621/824 825 825 822 823 827 831	SURFACE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION LINER TUBING (Coated) WELLHEAD EQUIPMEN PRODUCTION FACILITY POWER SOURCE RODS AND PUMP (FG & PACKERS, BPS, ESP, DO HEATER TREATER, SEP) GAS SALES LINE & MET	120' 1,600' 4,000' 20,110' ENCLOSUR STEEL) WNHOLE EC ERATOR, FW ER RUN	K-55 J-55 J-55 P110 L-80 E QUIPMENT KO	20 13 3/8" 9 5/8" 5 1/2"	48 40 20	\$200.00 \$40.00 \$35.00 \$21.00	\$64,000 \$140,000 \$422,310	\$18,000 \$150,000 \$50,000 \$105,000 \$5,500 \$55,000	\$24,000 \$64,000 \$140,000 \$422,310 \$45,440 \$46,000 \$150,000 \$50,000 \$55,000 \$55,000
620/820 620/820 620/820 620/820 820 821 621/824 825 825 822 823 827 831 830	SURFACE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION LINER TUBING (Coated) WELLHEAD EQUIPMEN' PRODUCTION FACILITY POWER SOURCE RODS AND PUMP (FG & PACKERS, BPS, ESP, DO HEATER TREATER, SEPI GAS SALES LINE & MET FLOWLINES, VALVES, C	120' 1,600' 4,000' 20,110' ENCLOSUR STEEL) WNHOLE EC ERATOR, FW ER RUN	K-55 J-55 J-55 P110 L-80 E QUIPMENT KO	20 13 3/8" 9 5/8" 5 1/2"	48 40 20	\$200.00 \$40.00 \$35.00 \$21.00	\$64,000 \$140,000 \$422,310	\$18,000 \$150,000 \$50,000 \$105,000 \$5,500 \$55,000 \$70,000	\$24,000 \$64,000 \$140,000 \$422,310 \$45,440 \$46,000 \$150,000 \$50,000 \$5,500 \$5,500 \$55,000
620/820 620/820 620/820 620/820 820 820 821 621/824 825 825 822 823 827 831 830 827 830 622/820	SURFACE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION LINER TUBING (Coated) WELLHEAD EQUIPMEN PRODUCTION FACILITY POWER SOURCE RODS AND PUMP (FG & PACKERS, BPS, ESP, DO HEATER TREATER, SEP) GAS SALES LINE & MET FLOWLINES, VALVES, C TANKS (WATER AND PR MISCELLANEOUS CONTINGENCY (10%)	120' 1,600' 4,000' 20,110' 8,000' 1 ENCLOSUR STEEL) WHHOLE ECERATOR, FW ER RUN CONNECTION	K-55 J-55 J-55 P110 L-80 E QUIPMENT KO	20 13 3/8" 9 5/8" 5 1/2"	48 40 20	\$200.00 \$40.00 \$35.00 \$21.00	\$64,000 \$140,000 \$422,310 \$28,000 \$34,000 \$71,000	\$18,000 \$150,000 \$50,000 \$105,000 \$5,500 \$55,000 \$70,000 \$46,000 \$27,000 \$57,000	\$24,000 \$64,000 \$140,000 \$422,310 \$45,440 \$46,000 \$150,000 \$50,000 \$55,000 \$55,000 \$70,000 \$46,000 \$61,000 \$128,000
620/820 620/820 620/820 620/820 820 820 821 621/824 825 825 822 823 827 830 827 830 622/820	SURFACE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION LINER TUBING (Coated) WELLHEAD EQUIPMEN' PRODUCTION FACILITY POWER SOURCE RODS AND PUMP (FG & PACKERS, BPS, ESP, DO HEATER TREATER, SEPI GAS SALES LINE & MET FLOWLINES, VALVES, C TANKS (WATER AND PR MISCELLANEOUS CONTINGENCY (10%)	120' 1,600' 4,000' 20,110' ENCLOSUR STEEL) WNHOLE ECERATOR, FW ER RUN ONNECTION	K-55 J-55 J-55 P110 L-80 E QUIPMENT KO	20 13 3/8" 9 5/8" 5 1/2"	48 40 20	\$200.00 \$40.00 \$35.00 \$21.00	\$64,000 \$140,000 \$422,310 \$28,000	\$18,000 \$150,000 \$50,000 \$105,000 \$5,500 \$55,000 \$70,000 \$46,000 \$27,000	\$24,000 \$64,000 \$140,000 \$422,310 \$45,440 \$46,000 \$150,000 \$50,000 \$55,500 \$55,000 \$70,000 \$46,000 \$61,000
620/820 620/820 620/820 820 820 821 621/824 825 825 822 823 827 831 830 827 830 707AL TAI	SURFACE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION LINER TUBING (Coated) WELLHEAD EQUIPMEN' PRODUCTION FACILITY POWER SOURCE RODS AND PUMP (FG & PACKERS, BP'S, ESP, DO HEATER TREATER, SEP! GAS SALES LINE & MET FLOWLINES, VALVES, C TANKS (WATER AND PR MISCELLANEOUS CONTINGENCY (10%) NGBILE ESTIMATED COS P&A Costs, Rig, Cmt, Clear	120' 1,600' 4,000' 20,110' ENCLOSUR STEEL) WNHOLE ECERATOR, FW ER RUN ONNECTION	K-55 J-55 J-55 P110 L-80 E QUIPMENT KO	20 13 3/8" 9 5/8" 5 1/2"	48 40 20	\$200.00 \$40.00 \$35.00 \$21.00	\$64,000 \$140,000 \$422,310 \$28,000 \$28,000 \$71,000 \$73,310 \$50,000	\$18,000 \$150,000 \$50,000 \$105,000 \$5,500 \$55,000 \$70,000 \$46,000 \$27,000 \$57,000	\$24,000 \$64,000 \$140,000 \$422,310 \$45,440 \$46,000 \$150,000 \$50,000 \$55,000 \$55,000 \$70,000 \$46,000 \$61,000 \$128,000
620/820 620/820 620/820 820 820 821 621/824 825 825 822 823 827 831 830 827 830 707AL TAI	SURFACE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION LINER TUBING (Coated) WELLHEAD EQUIPMEN' PRODUCTION FACILITY POWER SOURCE RODS AND PUMP (FG & PACKERS, BPS, ESP, DO HEATER TREATER, SEPI GAS SALES LINE & MET FLOWLINES, VALVES, C TANKS (WATER AND PR MISCELLANEOUS CONTINGENCY (10%)	120' 1,600' 4,000' 20,110' ENCLOSUR STEEL) WNHOLE ECERATOR, FW ER RUN ONNECTION	K-55 J-55 J-55 P110 L-80 E QUIPMENT KO	20 13 3/8" 9 5/8" 5 1/2"	48 40 20	\$200.00 \$40.00 \$35.00 \$21.00	\$422,310 \$422,310 \$28,000 \$28,000 \$34,000 \$71,000 \$783,310 \$38,74,610	\$18,000 \$150,000 \$50,000 \$105,000 \$5,500 \$55,000 \$70,000 \$46,000 \$27,000 \$57,000 \$628,940	\$24,000 \$64,000 \$140,000 \$422,310 \$45,440 \$46,000 \$150,000 \$50,000 \$55,000 \$55,000 \$70,000 \$46,000 \$61,000 \$128,000
620/820 620/820 620/820 620/820 820 820 821 621/824 825 825 822 823 827 831 830 622/820 TOTAL TAI 94-945 ESTIMATE!	SURFACE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION LINER TUBING (Coated) WELLHEAD EQUIPMEN PRODUCTION FACILITY POWER SOURCE RODS AND PUMP (FG & PACKERS, BPS, ESP, DO HEATER TREATER, SEP) GAS SALES LINE & MET FLOWLINES, VALVES, C TANKS (WATER AND PR MISCELLANEOUS CONTINGENCY (10%) NGIBLE ESTIMATED COST E ESTIMATED COST E ESTIMATED COST	120' 1,600' 4,000' 20,110' ENCLOSUR STEEL) WNHOLE ECERATOR, FW ER RUN ONNECTION	K-55 J-55 J-55 P110 L-80 E QUIPMENT KO	20 13 3/8" 9 5/8" 5 1/2"	48 40 20	\$200.00 \$40.00 \$35.00 \$21.00	\$64,000 \$140,000 \$422,310 \$28,000 \$28,000 \$71,000 \$73,310 \$50,000	\$18,000 \$150,000 \$50,000 \$105,000 \$5,500 \$55,000 \$70,000 \$46,000 \$27,000 \$57,000	\$24,000 \$64,000 \$140,000 \$422,310 \$45,440 \$46,000 \$150,000 \$50,000 \$55,000 \$55,000 \$70,000 \$46,000 \$61,000 \$128,000
620/820 620/820 620/820 620/820 820 820 821 621/824 825 825 822 823 827 831 830 622/820 TOTAL TAT 941-945 ESTIMATE: TOTAL AFI APPROV/	SURFACE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION LINER TUBING (Coated) WELLHEAD EQUIPMEN PRODUCTION FACILITY POWER SOURCE RODS AND PUMP (FG & PACKERS, BPS, ESP, DO HEATER TREATER, SEP) GAS SALES LINE & MET FLOWLINES, VALVES, C TANKS (WATER AND PR MISCELLANEOUS CONTINGENCY (10%) NGIBLE ESTIMATED COS P&A COSTS, Rig, Cmt, Clear D DRY HOLE COST E ESTIMATED COST E ESTIMATED COST AL AND ACCEPTANCE:	120' 1,600' 4,000' 20,110' 8,000' T ENCLOSUR STEEL) WNHOLE ECERATOR, FW ER RUN ONNECTION ODUCTION; T T aup, Misc., Se	K-55 J-55 J-55 P110 L-80 E QUIPMENT KO	20 13 3/8" 9 5/8" 5 1/2" 2.875	48 40 20 6.5	\$200.00 \$40.00 \$35.00 \$21.00 \$5.68	\$422,310 \$422,310 \$28,000 \$28,000 \$34,000 \$71,000 \$783,310 \$38,74,610 \$3,824,610	\$18,000 \$150,000 \$50,000 \$105,000 \$5,500 \$70,000 \$46,000 \$27,000 \$628,940 \$4,826,740	\$24,000 \$64,000 \$140,000 \$422,310 \$422,310 \$45,440 \$46,000 \$150,000 \$50,000 \$55,000 \$55,000 \$55,000 \$55,000 \$51,000 \$141,000 \$128,000 \$1,412,250 \$8,651,350
620/820 620/820 620/820 820 820 820 821 621/824 825 825 822 833 827 831 830 622/820 TOTAL TAT 941-945 ESTIMATE: TOTAL AFI APPROV/ WI OWNER	SURFACE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION LINER TUBING (Coated) WELLHEAD EQUIPMEN PRODUCTION FACILITY POWER SOURCE RODS AND PUMP (FG & PACKERS, BPS, ESP, DO HEATER TREATER, SEP! GAS SALES LINE & MET FLOWLINES, VALVES, C TANKS (WATER AND PR MISCELLANEOUS CONTINGENCY (10%) NGIBLE ESTIMATED COST D DRY HOLE COST E ESTIMATED COST AL AND ACCEPTANCE:	120' 1,600' 4,000' 20,110' ENCLOSUR STEEL) WNHOLE ECERATOR, FW ER RUN CONNECTION; ODUCTION; T	K-55 J-55 J-55 P110 L-80 E QUIPMENT KO	20 13 3/8" 9 5/8" 5 1/2" 2.875	48 40 20 6.5	\$200.00 \$40.00 \$35.00 \$21.00 \$5.68	\$42,310 \$422,310 \$422,310 \$28,000 \$28,000 \$71,000 \$783,310 \$50,000 \$3,874,610 \$3,824,610 \$3,824,610	\$18,000 \$150,000 \$50,000 \$105,000 \$5,500 \$55,000 \$70,000 \$27,000 \$570,000 \$628,940 \$4,826,740 \$4,826,740 \$4,826,740 \$4,826,740 \$4,826,740 \$4,826,740 \$4,826,740 \$4,826,740	\$24,000 \$64,000 \$140,000 \$422,310 \$422,310 \$45,440 \$46,000 \$150,000 \$50,000 \$55,000 \$55,000 \$55,000 \$55,000 \$51,000 \$141,000 \$128,000 \$1,412,250 \$8,651,350
620/820 620/820 620/820 820 820 820 821 621/824 825 825 822 833 827 831 830 622/820 TOTAL TAT 941-945 ESTIMATE: TOTAL AFI APPROV/ WI OWNER	SURFACE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION LINER TUBING (Coated) WELLHEAD EQUIPMEN PRODUCTION FACILITY POWER SOURCE RODS AND PUMP (FG & PACKERS, BPS, SSP, DO) HEATER TREATER, SEP! GAS SALES LINE & MET FLOWLINES, VALVES, C TANKS (WATER AND PR MISCELLANEOUS CONTINGENCY (10%) NGIBLE ESTIMATED COS P & A Costs, Rig. Cmt, Clead D DRY HOLE COST AL AND ACCEPTANCE:	120' 1,600' 4,000' 20,110' ENCLOSUR STEEL) WNHOLE ECERATOR, FW ER RUN CONNECTION; ODUCTION; T	K-55 J-55 J-55 P110 L-80 E QUIPMENT KO	20 13 3/8" 9 5/8" 5 1/2" 2.875	48 40 20 6.5	\$200.00 \$40.00 \$35.00 \$21.00 \$5.68	\$422,310 \$422,310 \$422,310 \$28,000 \$34,000 \$71,000 \$783,310 \$50,000 \$3,874,610 \$3,874,610 \$3,874,610 SOONIZED THAT AMOUNTS H ZATION SHALL EXTEND TO ON SPECIFIED, WHETHER M	\$18,000 \$150,000 \$50,000 \$105,000 \$5,500 \$55,000 \$70,000 \$27,000 \$570,000 \$628,940 \$4,826,740 \$4,826,740 \$4,826,740 \$4,826,740 \$4,826,740 \$4,826,740 \$4,826,740 \$4,826,740	\$24,000 \$64,000 \$140,000 \$422,310 \$45,440 \$46,000 \$150,000 \$50,000 \$55,000 \$55,000 \$57,000 \$46,000 \$140,000 \$140,000 \$141,220 \$1,412,250 \$8,651,350 \$8,651,350 \$8,651,350
620/820 620/820 620/820 820 820 820 821 621/824 825 825 822 833 827 831 830 622/820 TOTAL TAT 941-945 ESTIMATE: TOTAL AFI APPROV/ WI OWNER	SURFACE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION LINER TUBING (Coated) WELLHEAD EQUIPMEN PRODUCTION FACILITY POWER SOURCE RODS AND PUMP (FG & PACKERS, BPS, ESP, DO HEATER TREATER, SEP) GAS SALES LINE & MET FLOWLINES, VALVES, C TANKS (WATER AND PR MISCELLANEOUS CONTINGENCY (10%) NGIBLE ESTIMATED COS P&A COSTS, Rig, Cmt, Clean D DRY HOLE COST E ESTIMATED COST AL AND ACCEPTANCE:	120' 1,600' 4,000' 20,110' 8,000' T ENCLOSUR STEEL) WNHOLE ECERATOR, FW ER RUN ONNECTION; ODUCTION; T T aup, Misc., Se	K-55 J-55 J-55 P110 L-80 E RUIPMENT KO	20 13 3/8" 9 5/8" 5 1/2" 2.875	48 40 20 6.5	\$200.00 \$40.00 \$35.00 \$21.00 \$5.68	\$422,310 \$422,310 \$422,310 \$28,000 \$34,000 \$71,000 \$783,310 \$50,000 \$3,874,610 \$3,874,610 \$3,874,610 SOONIZED THAT AMOUNTS H ZATION SHALL EXTEND TO ON SPECIFIED, WHETHER M	\$18,000 \$150,000 \$50,000 \$105,000 \$5,500 \$55,000 \$70,000 \$27,000 \$570,000 \$628,940 \$4,826,740 \$4,826,740 \$4,826,740 \$4,826,740 \$4,826,740 \$4,826,740 \$4,826,740 \$4,826,740	\$24,000 \$64,000 \$140,000 \$422,310 \$45,440 \$46,000 \$150,000 \$50,000 \$55,000 \$55,000 \$57,000 \$46,000 \$140,000 \$140,000 \$141,220 \$1,412,250 \$8,651,350 \$8,651,350 \$8,651,350
620/820 620/820 620/820 620/820 820 820 821 621/824 825 825 822 823 827 831 830 622/820 TOTAL TAT 941-945 ESTIMATE: TOTAL AFI APPROV./	SURFACE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION LINER TUBING (Coated) WELLHEAD EQUIPMEN PRODUCTION FACILITY POWER SOURCE RODS AND PUMP (FG & PACKERS, BPS, SSP, DO) HEATER TREATER, SEP! GAS SALES LINE & MET FLOWLINES, VALVES, C TANKS (WATER AND PR MISCELLANEOUS CONTINGENCY (10%) NGIBLE ESTIMATED COS P & A COSTS, Rig. Cmt, Clean D DRY HOLE COST AL AND ACCEPTANCE:	120' 1,600' 4,000' 20,110' 8,000' T ENCLOSUR STEEL) WNHOLE ECERATOR, FW ER RUN ONNECTION; ODUCTION; T T aup, Misc., Se	K-55 J-55 J-55 P110 L-80 E RUIPMENT KO	20 13 3/8" 9 5/8" 5 1/2" 2.875	48 40 20 6.5	\$200.00 \$40.00 \$35.00 \$21.00 \$5.68	\$422,310 \$422,310 \$422,310 \$28,000 \$34,000 \$71,000 \$783,310 \$50,000 \$3,874,610 \$3,874,610 \$3,874,610 SOONIZED THAT AMOUNTS H ZATION SHALL EXTEND TO ON SPECIFIED, WHETHER M	\$18,000 \$150,000 \$50,000 \$105,000 \$5,500 \$55,000 \$70,000 \$27,000 \$570,000 \$628,940 \$4,826,740 \$4,826,740 \$4,826,740 \$4,826,740 \$4,826,740 \$4,826,740 \$4,826,740 \$4,826,740	\$24,000 \$64,000 \$140,000 \$422,310 \$45,440 \$46,000 \$150,000 \$50,000 \$55,000 \$55,000 \$57,000 \$46,000 \$1,412,250 \$1,412,250 \$8,651,350 \$8,651,350 \$1,412,250

V-F Petroleum Inc.

Physical Address: 500 W. Texas, Suite 350, Midland, Texas, 79701; Phone 432-269-0569; Mailing Address: P.O. Box 1889, Midland, Texas, 79702; e-mail: jordan@yfpetroleum.com

January 20, 2025

Transmitted Via United States Postal System - Certified Mail - Return Receipt Requested

Occidental Permian, LP P.O. Box 4294 Houston, Texas 77210

RE: <u>Horizontal Well Proposals – 1st Bone Spring Formation;</u>

Standard Horizontal Spacing Unit – N/2S/2 Sections 16 & 15, Township 18 South, Range 31 East,

Eddy County, New Mexico

Rainier 16 15 Fed Com #212H; 1st Bone Spring

SHL: 1,563 FSL, 797 FWL of Section 16 (Unit L), T-18 South, R-31 East, Eddy County, NM FTP: 1,905 FSL, 100' FWL of Section 16 (Unit L), T-18 South, R-31 East, Eddy County, NM 1,905 FSL, 100 FEL of Section 15 (Unit I), T-18 South, R-31 East, Eddy County, NM

Ladies and/or Gentlemen:

Please be advised that V-F Petroleum Inc. ("V-F") hereby proposes to drill, complete and equip each of the above referenced horizontal wells at the locations so indicated, to respectively test the 2^{nd} and 3^{rd} Bone Spring formations as more or less articulated herein.

The projected total vertical depth of the above stated <u>Rainier 16 15 Fed Com #212H</u> in order to test the 1st Bone Spring formation is estimated to be 7,750 feet (TVD) with an approximate total measured depth of 18,503 feet. The costs to drill, complete and equip said well are estimated at <u>\$8,005,206.00</u> as indicated on the enclosed AFE.

For those who elect to participate in the captioned horizontal wells, V-F has enclosed an A.A.P.L. Form 610 – 1989 Model Form Operating Agreement, Horizontal Modifications ("Operating Agreement"), designating V-F Petroleum Inc. as Operator, covering the North Half of the South Half (N/2S/2) of Sections 16 & 15, Township 18 South, Range 31 East, Eddy County, New Mexico, containing approximately 320 acres, more or less, covering the Bone Spring formation ("Contract Area") with the following general provisions:

- 100/300/300 Non-Consenting Penalty;
- \$8,500/\$850 Drilling and Producing Rate; and
- V-F Petroleum Inc. named as Operator.

In the interest of time, if we do not reach an agreement within 30 days of the date of this letter, V-F will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a standard horizontal spacing unit for the proposed wells.

Please indicate your intention to either <u>participate or not participate</u> in the drilling, completion and equipping of each of the above referenced wells by placing an "X" in the appropriate spaces provided below, and return one (1) executed copy of this letter, one (1) executed AFE for each well you have elected <u>to participate</u>, one original (1) Joint Operating Agreement body signature page, and one executed and notarized Memorandum of Operating Agreement signature page. If you should participate in the drilling and completion of the wells herein proposed, V-F is willing to discuss a

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proposal to acquire your oil and gas interests in this area. Should you have any questions regarding this

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Rainier 16 15 Fed Com #212H Occidental Permian, LP January 20, 2025

matter, please do not hesitate in contacting Jordan Shaw, Landman/Attorney for V-F Petroleum Inc. by phone at (432) 269-0569 or by email at jordan@vfpetroleum.com.

Best Regards,

Jordan Shaw Landman/Attorney

Enclosures

Election set forth on the following page

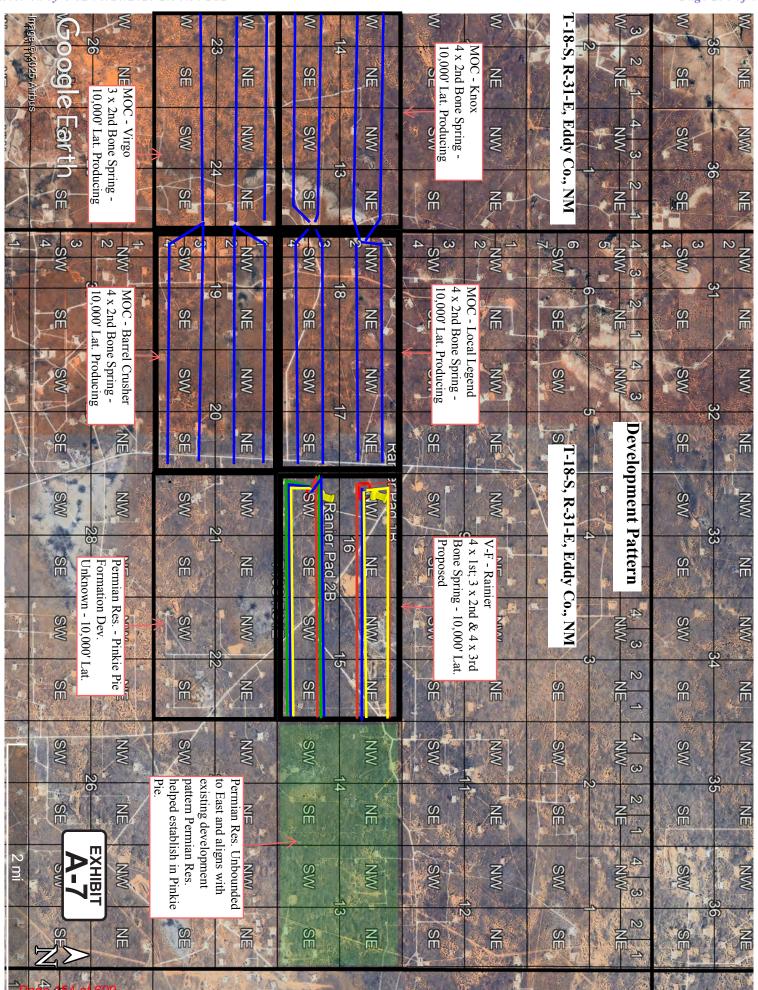
Rainier 16 15 Fed Com #212H Occidental Permian, LP January 20, 2025

ELECTION Rainier 16 15 Fed Com #212H Well

Occidental Permian, LP

	n the <u>Rainier 16 15 Fed Com #212H We</u>	_	
Elect Not to Particip	ate in the Rainier 16 15 Fed Com #212H	<u>[Well</u>	
By:	Title:	Date:	

	V-F Petroleum Inc.		API No.	
	AUTHORIZATION FOR EXPENDITURE		AFE Number	
	October 14, 2024		Well Type	First BS Horizontal Oil Well
X	Original Supplement Revision Drill Well Workover Facilities	Re-Entry Plug & Abandon	Projected TD:	7,750' TVD 18,503' MD
			Proposal	Two Mile Horizontal Lateral
Lease Name/W	Well # County / State Formation Basin Federal Com #212H Eddy NM 1st Bone Spring Permia	Field or Prospect Shugart; Bone Spring N.		WL, Section 16, T-18-S, R-31-E EL, Section 15, T-18-S, R-31-E
Acct		COST BEFORE	COMPLETION	TOTAL
Code	INTANGIBLE DESCRIPTION	CASING POINT	COMPLETION	WELL COST
501	PERMITS & ENVIROMENTAL SERVICES	\$15,000	\$10,000	\$25,000
516	TITLE OPINION, CURATIVE & POOLING	\$15,000	310,000	\$15,000
501	SURVEYING STAKE LOCATION	\$7,500		\$7,500
501	DAMAGES & R-O-W'S	\$15,000		\$15,000
502/711	ROADS, LOCATION, PITS, LINERS, ETC.	\$60,000	\$25,000	\$85,000
503	DRILLING RIG MOBILIZATION COST	\$10,000	323,000	\$10,000
503	DRILLING - DAYS 16 days @ \$19,000	\$304.000		\$304.000
503	MUD MOTORS & DIRECTIONAL	\$150,000		\$150,000
517	CLOSED LOOP & DISPOSAL 16 days @ \$5,500	\$88,000		\$88,000
505	MUD & FRAC CHEMICALS	\$125,000	\$150,000	\$275,000
505/716	WATER (Brine & Fresh); FRAC WATER	\$40,000	\$400,000	\$440,000
503/710	BITS, REAMERS, ETC.	\$65,000	3400,000	\$65,000
503		\$252,000		\$252,000
504	FUEL 42000 gallons @ \$6 CEMENTING SURFACE	\$25,000		\$25,000 \$25,000
504	CEMENTING SORFACE CEMENTING INTERMEDIATE	\$45,000		\$45,000 \$45,000
		\$43,000	6126,000	-
701	CEMENTING PRODUCTION THIBIT AR SERVICES AND TOOLS	645.000	\$126,000	\$126,000 \$110,000
509/705	TUBULAR SERVICES AND TOOLS CASING CREWS BULL D MACHINE	\$45,000	\$65,000 \$45,000	\$110,000
509/705	CASING CREWS PU LD MACHINE	\$35,000	,	\$80,000
513/708	FLOAT EQUIPMENT, CENTRALIZERS, ECP'S, DV TOOLS	\$10,000	\$18,000	\$28,000
507	TESTING; COMPLETION, FLOWBACK		\$175,000	\$175,000
508	OPEN HOLE LOGGING	0.5		
508	MUD LOGGING 16 days @ \$3,500	\$56,000		\$56,000
509/705	WELDING, HOURLY LABOR, ROUSTABOUT CREWS, SAFETY PAY	\$26,000	\$250,000	
509/713	EQUIPMENT RENTAL	\$42,000	\$105,000	\$147,000
509/714	TRUCKING, TRANSPORTATION, FORKLIFT	\$57,000	\$35,000	\$92,000
715	COMPLETION UNIT; COIL TUBING UNIT		\$550,000	\$550,000
704	FORMATION STIMULATION (60 STAGES)		\$2,085,566	\$2,085,566
702/03	CASED HOLE LOGGING, PERFORATING & FRAC PLUGS		\$260,000	\$260,000
510/11/706	GEOLOGIC / ENGINEERING	\$55,000	\$80,000	\$135,000
509/705	CONTRACT CONSULTANTS 16 days @ \$3,500	\$56,000	\$52,000	\$108,000
	DRILLING WELL RATE (A/O) 16 days @ \$500			\$13,000
514		\$8,000	\$5,000	·
515/705	INSURANCE	\$10,000	\$10,000	\$20,000
515/705 509/705	INSURANCE CONTINGENCY (8%)	\$10,000 \$80,000	\$10,000 \$355,000	\$20,000 \$435,000
515/705 509/705 TOTAL INT	INSURANCE	\$10,000 \$80,000 \$1,696,500	\$10,000 \$355,000 \$4,801,566	\$20,000 \$435,000 \$6,498,066
515/705 509/705 TOTAL INT	INSURANCE CONTINGENCY (8%)	\$10,000 \$80,000 \$1,696,500 COST BEFORE	\$10,000 \$355,000 \$4,801,566 COMPLETION	\$20,000 \$435,000 \$6,498,066 TOTAL
515/705 509/705 TOTAL INT Acct Code	INSURANCE CONTINGENCY (8%) TANGIBLE ESTIMATED COST	\$10,000 \$80,000 \$1,696,500	\$10,000 \$355,000 \$4,801,566	\$20,000 \$435,000 \$6,498,066
515/705 509/705 TOTAL INT Acct Code 620/820	INSURANCE CONTINGENCY (8%) FANGIBLE ESTIMATED COST TANGIBLE DESCRIPTION	\$10,000 \$80,000 \$1,696,500 COST BEFORE CASING POINT	\$10,000 \$355,000 \$4,801,566 COMPLETION	\$20,000 \$435,000 \$6,498,066 TOTAL WELL COST
515/705 509/705 TOTAL INT Acct Code 620/820 620/820	INSURANCE CONTINGENCY (8%) FANGIBLE ESTIMATED COST TANGIBLE DESCRIPTION CONDUCTOR	\$10,000 \$80,000 \$1,696,500 COST BEFORE CASING POINT	\$10,000 \$355,000 \$4,801,566 COMPLETION	\$20,000 \$435,000 \$6,498,066 TOTAL WELL COST
515/705 509/705 TOTAL INT Acet Code 620/820 620/820 620/820	INSURANCE CONTINGENCY (8%) TANGIBLE ESTIMATED COST TANGIBLE DESCRIPTION CONDUCTOR SURFACE	\$10,000 \$80,000 \$1,696,500 COST BEFORE CASING POINT \$42,000 \$96,000	\$10,000 \$355,000 \$4,801,566 COMPLETION	\$20,000 \$435,000 \$6,498,066 TOTAL WELL COST \$42,000 \$96,000
515/705 509/705 TOTAL INT Acet Code 620/820 620/820 620/820 620/820	INSURANCE CONTINGENCY (8%) FANGIBLE ESTIMATED COST TANGIBLE DESCRIPTION CONDUCTOR SURFACE INTERMEDIATE	\$10,000 \$80,000 \$1,696,500 COST BEFORE CASING POINT	\$10,000 \$355,000 \$4,801,566 COMPLETION	\$20,000 \$435,000 \$6,498,066 TOTAL WELL COST
515/705 509/705 TOTAL INT Acct Code 620/820 620/820 620/820 620/820 620/820	INSURANCE CONTINGENCY (8%) FANGIBLE ESTIMATED COST TANGIBLE DESCRIPTION CONDUCTOR SURFACE INTERMEDIATE INTERMEDIATE INTERMEDIATE	\$10,000 \$80,000 \$1,696,500 COST BEFORE CASING POINT \$42,000 \$96,000	\$10,000 \$355,000 \$4,801,566 COMPLETION COST	\$20,000 \$435,000 \$6,498,066 TOTAL WELL COST \$42,000 \$96,000 \$120,000
515/705 509/705 TOTAL INT Acct Code 620/820 620/820 620/820 620/820 820	INSURANCE CONTINGENCY (8%) FANGIBLE ESTIMATED COST TANGIBLE DESCRIPTION CONDUCTOR SURFACE INTERMEDIATE INTERMEDIATE PRODUCTION	\$10,000 \$80,000 \$1,696,500 COST BEFORE CASING POINT \$42,000 \$96,000	\$10,000 \$355,000 \$4,801,566 COMPLETION	\$20,000 \$435,000 \$6,498,066 TOTAL WELL COST \$42,000 \$96,000
515/705 509/705 TOTAL INT Acet Code 620/820 620/820 620/820 620/820 620/820 820 820 820	INSURANCE CONTINGENCY (8%) FANGIBLE ESTIMATED COST TANGIBLE DESCRIPTION CONDUCTOR SURFACE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION LINER	\$10,000 \$80,000 \$1,696,500 COST BEFORE CASING POINT \$42,000 \$96,000	\$10,000 \$355,000 \$4,801,566 COMPLETION COST	\$20,000 \$435,000 \$6,498,066 TOTAL WELL COST \$42,000 \$96,000 \$120,000
515/705 509/705 TOTAL INT Acet Code 620/820 620/820 620/820 620/820 820 820 820 821	INSURANCE CONTINGENCY (8%) FANGIBLE ESTIMATED COST TANGIBLE DESCRIPTION CONDUCTOR SURFACE INTERMEDIATE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION LINER TUBING (Coated)	\$10,000 \$80,000 \$1,696,500 COST BEFORE CASING POINT \$42,000 \$96,000 \$120,000	\$10,000 \$355,000 \$4,801,566 COMPLETION COST	\$20,000 \$435,000 \$6,498,066 TOTAL WELL COST \$42,000 \$96,000 \$120,000
515/705 509/705 TOTAL INT Acet Code 620/820 620/820 620/820 620/820 820 820 820 821 621/824	INSURANCE CONTINGENCY (8%) FANGIBLE ESTIMATED COST TANGIBLE DESCRIPTION CONDUCTOR SURFACE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION LINER TUBING (Coated) WELLHEAD EQUIPMENT	\$10,000 \$80,000 \$1,696,500 COST BEFORE CASING POINT \$42,000 \$96,000	\$10,000 \$355,000 \$4,801,566 COMPLETION COST \$310,640 \$120,000 \$18,000	\$20,000 \$435,000 \$6,498,066 TOTAL WELL COST \$42,000 \$96,000 \$120,000 \$310,640 \$120,000
515/705 509/705 TOTAL INT Acet Code 620/820 620/820 620/820 620/820 820 820 821 621/824 825	INSURANCE CONTINGENCY (8%) IANGIBLE ESTIMATED COST TANGIBLE DESCRIPTION CONDUCTOR SURFACE INTERMEDIATE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION LINER TUBING (Costed) WELLHEAD EQUIPMENT PRODUCTION FACILITY ENCLOSURE	\$10,000 \$80,000 \$1,696,500 COST BEFORE CASING POINT \$42,000 \$96,000 \$120,000	\$10,000 \$355,000 \$4,801,566 COMPLETION COST \$310,640 \$120,000 \$18,000 \$25,000	\$20,000 \$435,000 \$6,498,066 TOTAL WELL COST \$42,000 \$120,000 \$120,000 \$310,640 \$120,000 \$120,000 \$25,000
515/705 509/705 TOTAL INT Acct Code 620/820 620/820 620/820 620/820 820 820 821 621/824 825	INSURANCE CONTINGENCY (8%) TANGIBLE ESTIMATED COST TANGIBLE ESTIMATED COST CONDUCTOR SURFACE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION PRODUCTION LINER TUBING (Coated) WELLHEAD EQUIPMENT PRODUCTION FACILITY ENCLOSURE POWER SOURCE	\$10,000 \$80,000 \$1,696,500 COST BEFORE CASING POINT \$42,000 \$96,000 \$120,000	\$10,000 \$355,000 \$4,801,566 COMPLETION COST \$310,640 \$120,000 \$18,000	\$20,000 \$435,000 \$6,498,066 TOTAL WELL COST \$42,000 \$96,000 \$120,000 \$310,640 \$120,000
515/705 509/705 TOTAL INT Acet Code 620/820 620/820 620/820 620/820 620/820 620/820 820 820 821 621/824 825 825	INSURANCE CONTINGENCY (8%) FANGIBLE ESTIMATED COST TANGIBLE DESCRIPTION CONDUCTOR SURFACE INTERMEDIATE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION LINER TUBING (Coated) WELLHEAD EQUIPMENT PRODUCTION FACILITY ENCLOSURE POWER SOURCE RODS AND PUMP (FG & STEEL)	\$10,000 \$80,000 \$1,696,500 COST BEFORE CASING POINT \$42,000 \$96,000 \$120,000	\$10,000 \$355,000 \$4,801,566 COMPLETION COST \$310,640 \$120,000 \$18,000 \$25,000	\$20,000 \$435,000 \$6,498,066 TOTAL WELL COST \$42,000 \$96,000 \$120,000 \$310,640 \$120,000 \$46,000 \$25,000 \$25,000
515/705 509/705 TOTAL INT Acet Code 620/820 620/820 620/820 620/820 820 820 820 821 621/824 825 825 822 822 823	INSURANCE CONTINGENCY (8%) TANGIBLE ESTIMATED COST TANGIBLE ESTIMATED COST CONDUCTOR SURFACE INTERMEDIATE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION LINER TUBING (Coated) WELLHEAD EQUIPMENT PRODUCTION FACILITY ENCLOSURE POWER SOURCE RODS AND PUMP (FG & STEEL) PACKERS, BPS, ESP, DOWNHOLE EQUIPMENT	\$10,000 \$80,000 \$1,696,500 COST BEFORE CASING POINT \$42,000 \$96,000 \$120,000	\$10,000 \$355,000 \$4,801,566 COMPLETION COST \$310,640 \$120,000 \$18,000 \$25,000 \$25,000	\$20,000 \$435,000 \$6,498,066 TOTAL WELL COST \$42,000 \$120,000 \$120,000 \$120,000 \$25,000 \$25,000 \$25,000
515/705 509/705 TOTAL INT Acet Code 620/820 620/820 620/820 820 820 820 821 621/824 825 825 822 823	INSURANCE CONTINGENCY (8%) FANGIBLE ESTIMATED COST TANGIBLE DESCRIPTION CONDUCTOR SURFACE INTERMEDIATE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION LINER TUBING (Coated) WELLHEAD EQUIPMENT PRODUCTION FACILITY ENCLOSURE POWER SOURCE RODS AND PUMP (FG & STEEL) PACKERS, BPS, ESP, DOWNHOLE EQUIPMENT HEATER TREATER, SEPERATOR, FWKO	\$10,000 \$80,000 \$1,696,500 COST BEFORE CASING POINT \$42,000 \$96,000 \$120,000	\$10,000 \$355,000 \$4,801,566 COMPLETION COST \$310,640 \$120,000 \$18,000 \$25,000 \$25,000 \$26,000 \$175,000	\$20,000 \$435,000 \$6,498,066 TOTAL WELL COST \$42,000 \$96,000 \$120,000 \$120,000 \$120,000 \$25,000 \$25,000 \$25,000 \$25,000 \$175,000
515/705 509/705 TOTAL INT Acet Code 620/820 620/820 620/820 620/820 820 820 821 621/825 822 825 822 823 827 831	INSURANCE CONTINGENCY (8%) TANGIBLE ESTIMATED COST TANGIBLE ESTIMATED COST CONDUCTOR SURFACE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION PRODUCTION LINER TUBING (Coated) WELLHEAD EQUIPMENT PRODUCTION FACILITY ENCLOSURE POWER SOURCE RODS AND PUMP (FG & STEEL) PACKERS, BPS, ESP, DOWNHOLE EQUIPMENT HEATER TREATER, SEPERATOR, FWKO GAS SALES LINE & METER RUN	\$10,000 \$80,000 \$1,696,500 COST BEFORE CASING POINT \$42,000 \$96,000 \$120,000	\$10,000 \$355,000 \$4,801,566 COMPLETION COST \$310,640 \$120,000 \$18,000 \$25,000 \$25,000 \$25,000 \$175,000 \$175,000 \$5175,000	\$20,000 \$435,000 \$6,498,066 TOTAL WELL COST \$42,000 \$96,000 \$120,000 \$120,000 \$120,000 \$46,000 \$25,000 \$25,000 \$25,000 \$175,000 \$51,000 \$175,000 \$51,000 \$51,000 \$51,000 \$51,000 \$51,000 \$51,000 \$51,000 \$51,000 \$51,000 \$51,000 \$51,000 \$51,000
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515/705 509/705 TOTAL INT Acet Code 620/820 620/820 620/820 620/820 820 820 820 821 621/824 825 825 822 823 827 831 830 827	INSURANCE CONTINGENCY (8%) TANGIBLE ESTIMATED COST TANGIBLE ESTIMATED COST CONDUCTOR SURFACE INTERMEDIATE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION LINER TUBING (Coated) WELLHEAD EQUIPMENT PRODUCTION FACILITY ENCLOSURE POWER SOURCE RODS AND PUMP (FG & STEEL) PACKERS, BPS, ESP, DOWNHOLE EQUIPMENT HEATER TREATER, SEPERATOR, FWKO GAS SALES LINE & METER RIN FLOWLINES, VALVES, CONNECTIONS TANKS (WATER AND PRODUCTION)	\$10,000 \$80,000 \$1,696,500 COST BEFORE CASING POINT \$42,000 \$120,000	\$10,000 \$355,000 \$4,801,566 COMPLETION COST \$310,640 \$120,000 \$18,000 \$25,000 \$175,000 \$175,000 \$15,000 \$15,000	\$20,000 \$435,000 \$435,000 \$6,498,066 TOTAL WELL COST \$42,000 \$120,000 \$120,000 \$120,000 \$25,000 \$25,000 \$25,000 \$175,000 \$5,500 \$110,000 \$110,000
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515/705 509/705 TOTAL INT Acet Code 620/820 620/820 620/820 820 820 820 821 621/824 825 825 822 823 827 831 830 827 827 827 827 827 827 827 827	INSURANCE CONTINGENCY (8%) TANGIBLE ESTIMATED COST TANGIBLE ESTIMATED COST CONDUCTOR SURFACE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION INER TUBING (Coated) WELLHEAD EQUIPMENT PRODUCTION FACILITY ENCLOSURE POWER SOURCE RODS AND PUMP (FG & STEEL) PACKERS, BP'S, ESP, DOWNHOLE EQUIPMENT HEATER TREATER, SEPERATOR, FWKO GAS SALES LINE & METER RUN FLOWLINES, VALVES, CONNECTIONS TANKS (WATER AND PRODUCTION) CONTINGENCY (8%) PR&A COSTS, RIE, CMt, Cleanup, Misc., Services	\$10,000 \$80,000 \$1,696,500 COST BEFORE CASING POINT \$42,000 \$96,000 \$120,000 \$28,000	\$10,000 \$355,000 \$4,801,566 COMPLETION COST \$310,640 \$120,000 \$18,000 \$25,000 \$25,000 \$175,000 \$5,500 \$110,000 \$150,000 \$180,000 \$150,000 \$150,000 \$150,000	\$20,000 \$435,000 \$435,000 \$6,498,066 TOTAL WELL COST \$42,000 \$96,000 \$120,000 \$120,000 \$310,640 \$120,000 \$25,000 \$25,000 \$25,000 \$175,000 \$1,000
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OFFICE 432.695.4222 **FAX** 432.695.4063

August 16, 2024

Via Certified Mail & Email

V-F Petroleum, Inc. Attn: Land Dept. P.O. Box 1889 Midland, TX 79702

RE: Slim Jim 14-15 Fed Com – Well Proposals

S/2N/2 of Sections 14 & 15, T18S-R31E

Eddy County, New Mexico

To Whom It May Concern:

Permian Resources Operating, LLC, as Operator for Read & Stevens, Inc. ("Permian"), hereby proposes the drilling and completion of the following two (2) Bone Spring wells, the Slim Jim 14-15 Fed Com at the following approximate locations within Township 18 South, Range 31 East:

1. Slim Jim 14-15 Fed Com 122H

SHL: 300' FEL & 2024' FNL, or at a legal location within the NE4 of Section 14

BHL: 100' FWL & 1650' FNL of Section 15 FTP: 100' FEL & 1650' FNL of Section 14 LTP: 100' FWL & 1650' FNL of Section 15

TVD: Approximately 8,595' TMD: Approximately 18,880'

Proration Unit: S/2N/2 of Sections 14 & 15, T18S-R31E

Targeted Interval: 2nd Bone Spring Total Cost: See attached AFE

2. Slim Jim 14-15 Fed Com 123H

SHL: 330' FEL & 2024' FNL, or at a legal location within the NE4 of Section 14

BHL: 100' FWL & 2310' FNL of Section 15 FTP: 100' FEL & 2310' FNL of Section 14 LTP: 100' FWL & 2310' FNL of Section 15

TVD: Approximately 8,810' TMD: Approximately 19,095'

Proration Unit: S/2N/2 of Sections 14 & 15, T18S-R31E

Targeted Interval: 2nd Bone Spring Total Cost: See attached AFE

[Continued on Next Page]

EXHIBIT A-8



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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 available upon request. The Operating Agreement has the following general provisions:

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

Please indicate your election to participate in the drilling and completion of the proposed wells on the enclosed ballot. Please sign and return one copy of this letter, signed copies of the proposed AFEs, a signed copy of the enclosed insurance declaration, 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 spacing units for the proposed wells. 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 by email at Travis.Macha@permianres.com

Respectfully,

Travis Macha Permian Resources

NM Land Lead

Enclosures



OFFICE 432.695.4222 FAX 432.695.4063

Slim Jim 14-15 Fed Com Elections:

Well El (Please indicate your resp		ce below)
Well(s)	Elect to Participate	Elect <u>NOT</u> to Participate
Slim Jim 14-15 Fed Com 122H		
Slim Jim 14-15 Fed Com 123H		

Company Name (If App	licable):
By:	
Printed Name:	
Date:	



OFFICE 432.695.4222 **FAX** 432.695.4063

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.

Company Name (If App	olicable):
Ву:	
Printed Name:	
Date:	



Cost Estimate

Printed Date: Aug 13, 2024

AFE Number: Description: SLIM JIM 14-15 FED COM 122H

AFE Name: SLIM JIM 14-15 FED COM 122H AFE TYPE: Drill and Complete

PERMIAN RESOURCES

Well Operator: Operator AFE #:

Account	Description		Gross Est. (\$)
Drilling Tangible			
8020.1400	TDC - CASING - PRODUCTION		\$350,952.83
8020.1500	TDC - WELLHEAD EQUIPMENT		\$ 53,125.00
8020.1100	TDC - CASING - SURFACE		\$18,253.75
8020.1200	TDC - CASING - INTERMEDIATE - 1		\$82,972.75
		Sub-total	\$505,304.33
Artificial Lift Tangible			
8065.2000	TAL - WELLHEAD EQUIPMENT		\$50,000.00
8065.1100	TAL - TUBING		\$125,000.00
8065.1310	TAL - ESP EQUIPMENT/INSTALL		\$100,000.00
8065.1300	TAL - DOWNHOLE ARTIFICIAL LIFT EQPT		\$15,000.00
8065.2100	TAL - WELL SITE POWER EQUIPMENT/INSTALL		\$75,000.00
8065.2200	TAL - OHP INFRASTRUCTURE EQUIPMENT/INSTALL		\$50,000.00
8065.2500	TAL - VALVES/CONNECTIONS/FTGS		\$15,000.00
8065.3100	TAL - MEASUREMENT EQUIPMENT		\$5,000.00
8065.3200	TAL - COMM, TELEMETRY & AUTOMA		\$5,000.00
		Sub-total	\$440,000.00
Facilities			
8035.3000	FAC - HEATER TREATER/SEPARATOR		\$101,429.00
8035,3800	FAC - FLARE/COMBUSTER		\$15,714.00
8035.4500	FAC - CONTINGENCY		\$13,969.00
8035.3400	FAC - METER & LACT		\$61,286.00
8035.3300	FAC - CIRCULATING TRNSFER PUMP		\$10,000.00
8035.1400	FAC - ROAD LOCATIONS PITS		\$25,000.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL		\$571.00
8035.1900	FAC - WATER DISPOSAL / SWD		\$286.00
8035.2900	FAC - TANK BATTERY		\$51,429.00
8035.3700	FAC - AUTOMATION MATERIAL		\$17,857.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB		\$28,571.00
8035.1600	FAC - TRANSPORTATION TRUCKING		\$2,143.00
8035.2500	FAC - CONSULTING SERVICES		\$714.00
8035.1310	FAC - PEMANENT EASEMENT		\$3,571.00
8035.2100	FAC - INSPECTION & TESTING		\$357.00
8035.1500	FAC - MATERIALS & SUPPLIES		\$714.00
8035.1700	FAC - RENTAL EQUIPMENT		\$11,429.00
8035.2400	FAC - SUPERVISION		\$8,571.00
8035.3200	FAC - VALVES FITTINGS & PIPE		\$85,714.00
8035.1300	FAC - SURFACE DAMAGE / ROW		\$286.00
8035.4400	FAC - COMPANY LABOR		\$714.00
3035.3600	FAC - ELECTRICAL		\$39,286.00
		Sub-total	\$479,611.00

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PERMIAN RESOURCES

Cost Estimate

Printed Date: Aug 13, 2024

Account	<u>Description</u>		Gross Est. (\$)
-			
Completion Intangible	3		
8025.3050	ICC - SOURCE WATER		\$173,069.00
8025.1600	ICC - COILED TUBING		\$184,906.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT		\$15,000.00
8025.3100	ICC - WELLHEAD/FRACTREE REPAIR		\$40,000.00
8025.3000	ICC - WATER HANDLING		\$175,070.00
8025.3500	ICC - WELLSITE SUPERVISION		\$51,300.00
8025.1500	ICC - FUEL / POWER		\$505,363.00
8025.3600	ICC - SUPERVISION/ENGINEERING		\$5,000.00
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK		\$16,748.00
8025.2300	ICC - COMPLETION FLUIDS		\$10,000.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL		\$15,000.00
8025.1100	ICC - ROAD, LOCATIONS, PITS		\$10,500.00
8025.2500	ICC - WELL STIMULATION/FRACTUR		\$2,088,688.00
8025.3800	ICC - OVERHEAD		\$10,000.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING		\$397,992.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE		\$40,000.00
8025.3400	ICC - RENTAL EQUIPMENT		\$168,408.00
8025.2000	ICC - TRUCKING		\$14,375.00
		Sub-total	\$3,921,419.00
Drilling Intangible			\$40.40F.00
8015.2400	IDC - RIG WATER		\$13,125.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE		\$42,500.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP		\$143,200.00
8015.1700	IDC - DAYWORK CONTRACT		\$391,584.38
8015.5000	IDC - WELL CONTROL INSURANCE		\$5,775.00
8015.1200	IDC - LEGAL, TITLE SERVICES		\$13,000.00
8015.1310	IDC - PERMANENT EASEMENT		\$12,000.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP		\$15,750.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING		\$174,332.52
8015.1600	IDC - RIG MOB / STANDBY RATE		\$35,100.00
8015.1400	IDC - ROAD, LOCATIONS, PITS		\$95,625.00
8015.3400	IDC - MATERIALS & SUPPLIES		\$5,000.00
8015.3100	IDC - CASING CREW & TOOLS		\$47,500.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR		\$12,500.00
8015.4100	IDC - RENTAL EQUIPMENT		\$57,750.00
8015.4200	IDC - MANCAMP		\$27,300.00
8015.1300	IDC - SURFACE DAMAGE / ROW		\$35,000.00
8015.1500	IDC - RIG MOB / TRUCKING		\$127,500.00
8015.1100	IDC - STAKING & SURVEYING		\$15,000.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY		\$172,921.88
8015.2350	IDC - FUEL/MUD		\$64,500.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS		\$50,046.00
8015.5200	IDC - CONTINGENCY		\$93,085.83
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM		\$41,278.13
8015.4300	IDC - WELLSITE SUPERVISION		\$60,900.00

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Printed Date: Aug 13, 2024

\$8,291,484.42

Grand Total

PERMIAN

Cost Estimate

Gross Est. (\$) Description **Account** \$122,661.00 IDC - DISPOSAL 8015.3700 \$98,175.00 8015.2300 IDC - FUEL / POWER \$15,000.00 IDC - PERMITS, LICENSES, ETC 8015,1000 \$27,000.00 IDC - CONTRACT LABOR/ROUSTABOUT 8015.3200 \$98,000.00 IDC - DRILL BIT 8015.2150 \$11,550.00 8015.4600 IDC - SAFETY / ENVIRONMENTAL \$37,000.00 IDC - INSPECTION, TESTING & REPAIR 8015.2700 \$2,161,659.74 Sub-total Artificial Lift Intangible \$25,000.00 IAL - ACID 8060.3810 \$9,000.00 IAL - WELLSITE SUPERVISION 8060.3500 \$10,000.00 IAL - CONTRACT LABOR/ROUSTABOUT 8060.2600 \$5,000.00 IAL - COMPLETION FLUIDS 8060.2300 \$5,000.00 IAL - KILL TRUCK 8060.2010 \$5,000.00 IAL - WIRELINE OPEN/CASED HOLE 8060,1400 \$10,000.00 8060.3400 IAL - RENTAL EQUIPMENT \$7,000.00 IAL - TRUCKING/VACUUM/TRANSP 8060.2000 \$5,000.00 IAL - LAYDOWN MACHINE 8060.3410 \$5,000.00 IAL - REVERSE UNIT RENTAL 8060.3420 \$3,000.00 IAL - INSPECTION & TESTING 8060,1900 \$15,000.00 IAL - WORKOVER RIG 8060.1200 \$6,000.00 IAL - SPOOLING SERVICES 8060.1210 \$110,000.00 Sub-total Flowback Intangible \$196,240.35 IFC - FRAC WATER RECOVERY 8040.1899 \$20,000.00 IFC - SURFACE PUMP RENTAL 8040.3430 \$10,000.00 **IFC - WELLSITE SUPERVISION** 8040.3500 \$20,000.00 8040.3420 **IFC - TANK RENTALS** \$15,000.00 IFC - CHEMICALS 8040.4000 \$20,000.00 IFC - TRUCKING/VACUUM/TRANSP 8040.2000 \$125,000.00 8040.2900 IFC - WELL TESTING / FLOWBACK \$406,240.35 Sub-total Pipeline \$66,000.00 PLN - FLOWLINE MATERIAL 8036.2800 \$66,000.00 PLN - CONTRACT LABOR 8036.2200 \$28,000.00 8036.1310 PLN - PEMANENT EASEMENT \$10,000.00 PLN - VALVES FITTINGS & PIPE 8036.3200 \$12,500.00 PLN - POWER DISTRIBUTION LABOR 8036.3620 \$37,500.00 PLN - POWER DISTRIBUTION MATERIAL 8036.3610 \$220,000.00 Sub-total **Completion Tangible** \$47,250.00 TCC - WELLHEAD EQUIPMENT 8030.2000 Sub-total \$47,250.00

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Cost Estimate

Printed Date: Aug 13, 2024

AFE Number: Description: SLIM JIM 14-15 FED COM 123H

AFE Name: SLIM JIM 14-15 FED COM 123H AFE TYPE: Drill and Complete

PERMIAN RESOURCES

Well Operator: Operator AFE #:

Account	Description		Gross Est. (\$)
Drilling Tangible			6250 052 92
8020.1400	TDC - CASING - PRODUCTION		\$350,952.83
8020.1500	TDC - WELLHEAD EQUIPMENT		\$53,125.00
8020.1100	TDC - CASING - SURFACE		\$18,253.75
8020.1200	TDC - CASING - INTERMEDIATE - 1	0.1.1.1	\$82,972.75
		Sub-total	\$505,304.33
Artificial Lift Tangible			650,000,00
8065.2000	TAL - WELLHEAD EQUIPMENT		\$50,000.00
8065.1100	TAL - TUBING		\$125,000.00
8065.1310	TAL - ESP EQUIPMENT/INSTALL		\$100,000.00
8065.1300	TAL - DOWNHOLE ARTIFICIAL LIFT EQPT		\$15,000.00
8065.2100	TAL - WELL SITE POWER EQUIPMENT/INSTALL		\$75,000.00
8065.2200	TAL - OHP INFRASTRUCTURE EQUIPMENT/INSTALL		\$50,000.00
8065.2500	TAL - VALVES/CONNECTIONS/FTGS		\$15,000.00
8065.3100	TAL - MEASUREMENT EQUIPMENT		\$5,000.00
8065.3200	TAL - COMM, TELEMETRY & AUTOMA		\$5,000.00
		Sub-total	\$440,000.00
Facilities			
8035.3000	FAC - HEATER TREATER/SEPARATOR		\$101,429.00
8035.3800	FAC - FLARE/COMBUSTER		\$15,714.00
8035.4500	FAC - CONTINGENCY		\$13,969.00
8035.3400	FAC - METER & LACT		\$61,286.00
8035.3300	FAC - CIRCULATING TRNSFER PUMP		\$10,000.00
8035.1400	FAC - ROAD LOCATIONS PITS		\$25,000.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL		\$571.00
8035.1900	FAC - WATER DISPOSAL / SWD		\$286.00
8035.2900	FAC - TANK BATTERY		\$51,429.00
8035.3700	FAC - AUTOMATION MATERIAL		\$17,857.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB		\$28,571.00
8035.1600	FAC - TRANSPORTATION TRUCKING		\$2,143.00
8035.2500	FAC - CONSULTING SERVICES		\$714.00
8035.1310	FAC - PEMANENT EASEMENT		\$3,571.00
8035.2100	FAC - INSPECTION & TESTING		\$357.00
8035.1500	FAC - MATERIALS & SUPPLIES		\$714.00
8035.1700	FAC - RENTAL EQUIPMENT		\$11,429.00
8035.2400	FAC - SUPERVISION		\$8,571.00
8035.3200	FAC - VALVES FITTINGS & PIPE		\$85,714.00
8035.1300	FAC - SURFACE DAMAGE / ROW		\$286.00
8035.4400	FAC - COMPANY LABOR		\$714.00
8035.3600	FAC - ELECTRICAL		\$39,286.00
		Sub-total	\$479,611.00

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PERMIAN RESOURCES

Cost Estimate

Printed Date: Aug 13, 2024

Account	<u>Description</u>		Gross Est. (\$)
Completion Intangib	le		
8025.3050	ICC - SOURCE WATER		\$173,069.00
8025.1600	ICC - COILED TUBING		\$184,906.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT		\$15,000.00
8025.3100	ICC - WELLHEAD/FRACTREE REPAIR		\$40,000.00
8025.3000	ICC - WATER HANDLING		\$175,070.00
8025.3500	ICC - WELLSITE SUPERVISION		\$51,300.00
8025.1500	ICC - FUEL / POWER		\$505,363.00
8025.3600	ICC - SUPERVISION/ENGINEERING		\$5,000.00
8025,1800	ICC - WATER DISPOSAL/VACUUM TRUCK		\$16,748.00
8025,2300	ICC - COMPLETION FLUIDS		\$10,000.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL		\$15,000.00
8025.1100	ICC - ROAD, LOCATIONS, PITS		\$10,500.00
8025.2500	ICC - WELL STIMULATION/FRACTUR		\$2,088,688.00
8025.3800	ICC - OVERHEAD		\$10,000.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING		\$397,992.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE		\$40,000.00
8025.3400	ICC - RENTAL EQUIPMENT		\$168,408.00
8025.2000	ICC - TRUCKING		\$14,375.00
		Sub-total	\$3,921,419.00
Drilling Intangible			640 405 00
8015.2400	IDC - RIG WATER		\$13,125.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE		\$42,500.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP		\$143,200.00
8015.1700	IDC - DAYWORK CONTRACT		\$391,584.38 \$5,775.00
8015.5000	IDC - WELL CONTROL INSURANCE		\$13,000.00
8015.1200	IDC - LEGAL, TITLE SERVICES		\$12,000.00
8015.1310	IDC - PERMANENT EASEMENT		\$15,750.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP		\$174,332.52
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING		\$35,100.00
8015.1600	IDC - RIG MOB / STANDBY RATE		\$95,625.00
8015.1400	IDC - ROAD, LOCATIONS, PITS		\$5,000.00
8015.3400	IDC - MATERIALS & SUPPLIES		\$47,500.00
8015.3100	IDC - CASING CREW & TOOLS		\$12,500.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR		\$57,750.00
8015.4100	IDC - RENTAL EQUIPMENT		\$27,300.00
8015.4200	IDC - MANCAMP		\$35,000.00
8015.1300	IDC - SURFACE DAMAGE / ROW		\$127,500.00
8015.1500	IDC - RIG MOB / TRUCKING IDC - STAKING & SURVEYING		\$15,000.00
8015.1100 8015.1900	IDC - DIRECTNL DRILL & SURVEY		\$172,921.88
8015.2350	IDC - FUEL/MUD		\$64,500.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS		\$50,046.00
8015.5200	IDC - CONTINGENCY		\$93,085.83
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM		\$41,278.13
8015.4300	IDC - WELLSITE SUPERVISION		\$60,900.00
55 TO. TOOU	is the contract and an analysis of		• •

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Printed Date: Aug 13, 2024

PERMIAN

Cost Estimate

Gross Est. (\$) Description **Account** \$122,661.00 IDC - DISPOSAL 8015.3700 \$98,175.00 IDC - FUEL / POWER 8015.2300 \$15,000.00 8015.1000 IDC - PERMITS, LICENSES, ETC \$27,000.00 IDC - CONTRACT LABOR/ROUSTABOUT 8015.3200 \$98,000.00 IDC - DRILL BIT 8015.2150 \$11,550.00 IDC - SAFETY / ENVIRONMENTAL 8015.4600 \$37,000.00 IDC - INSPECTION, TESTING & REPAIR 8015.2700 \$2,161,659.74 Sub-total Artificial Lift Intangible \$25,000.00 IAL - ACID 8060.3810 \$9,000.00 IAL - WELLSITE SUPERVISION 8060.3500 \$10,000.00 IAL - CONTRACT LABOR/ROUSTABOUT 8060.2600 \$5,000.00 IAL - COMPLETION FLUIDS 8060.2300 \$5,000.00 IAL - KILL TRUCK 8060.2010 \$5,000.00 IAL - WIRELINE OPEN/CASED HOLE 8060.1400 \$10,000.00 8060.3400 IAL - RENTAL EQUIPMENT \$7,000.00 IAL - TRUCKING/VACUUM/TRANSP 8060.2000 \$5,000.00 IAL - LAYDOWN MACHINE 8060.3410 \$5,000.00 IAL - REVERSE UNIT RENTAL 8060.3420 \$3,000.00 8060.1900 IAL - INSPECTION & TESTING \$15,000.00 IAL - WORKOVER RIG 8060.1200 \$6,000.00 IAL - SPOOLING SERVICES 8060.1210 Sub-total \$110,000.00 Flowback Intangible \$196,240.35 IFC - FRAC WATER RECOVERY 8040.1899 \$20,000.00 IFC - SURFACE PUMP RENTAL 8040.3430 \$10,000.00 IFC - WELLSITE SUPERVISION 8040.3500 \$20,000.00 8040.3420 **IFC - TANK RENTALS** \$15,000.00 **IFC - CHEMICALS** 8040.4000 \$20,000.00 IFC - TRUCKING/VACUUM/TRANSP 8040.2000 \$125,000.00 IFC - WELL TESTING / FLOWBACK 8040.2900 \$406,240.35 Sub-total Pipeline \$66,000.00 PLN - FLOWLINE MATERIAL 8036.2800 \$66,000.00 PLN - CONTRACT LABOR 8036.2200 \$28,000.00 8036.1310 PLN - PEMANENT EASEMENT \$10,000.00 PLN - VALVES FITTINGS & PIPE 8036.3200 \$12,500.00 PLN - POWER DISTRIBUTION LABOR 8036.3620 \$37,500.00 PLN - POWER DISTRIBUTION MATERIAL 8036,3610 Sub-total \$220,000.00 **Completion Tangible** \$47,250.00 TCC - WELLHEAD EQUIPMENT 8030.2000 \$47,250.00 Sub-total \$8,291,484.42 **Grand Total**

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OFFICE 432.695.4222 FAX 432.695.4063

August 16, 2024

Via Certified Mail & Email

V-F Petroleum, Inc. P.O. Box 1889 Midland, TX 79702

RE: Slim Jim 14-15 Fed Com – Well Proposals

S/2 of Sections 14 & 15, T18S-R31E

Eddy County, New Mexico

To Whom It May Concern:

Permian Resources Operating, LLC, as Operator for Read & Stevens, Inc. ("Permian"), hereby proposes the drilling and completion of the following three (3) Bone Spring wells, the Slim Jim 14-15 Fed Com at the following approximate locations within Township 18 South, Range 31 East:

1. Slim Jim 14-15 Fed Com 124H (Infill)

SHL: 300' FEL & 1400' FSL, or at a legal location within the SW4 of Section 15

BHL: 100' FWL & 2200' FSL of Section 14 FTP: 100' FWL & 2200' FSL of Section 15 LTP: 100' FWL & 2200' FSL of Section 14

TVD: Approximately 8,510' TMD: Approximately 18,795'

Proration Unit: S/2 of Sections 14 & 15, T18S-R31E

Targeted Interval: 2nd Bone Spring Total Cost: See attached AFE

2. Slim Jim 14-15 Fed Com 125H (Defining Well)

SHL: 330' FEL & 1400' FSL, or at a legal location within the SW4 of Section 15

BHL: 100' FWL & 1430' FSL of Section 14 FTP: 100' FWL & 1430' FSL of Section 15 LTP: 100' FWL & 1430' FSL of Section 14

TVD: Approximately 8,670' TMD: Approximately 18,955'

Proration Unit: S/2 of Sections 14 & 15, T18S-R31E

Targeted Interval: 2nd Bone Spring Total Cost: See attached AFE

[Continued on Next Page]

Well Proposal: Slim Jim 14-15 Fed Com Bone Spring Wells

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OFFICE 432 695 4222 FAX 432.695.4063

3. Slim Jim 14-15 Fed Com 126H (Infill)

SHL: 330' FEL & 1370' FSL, or at a legal location within the SW4 of Section 15

BHL: 100' FWL & 660' FSL of Section 14 FTP: 100' FWL & 660' FSL of Section 15 LTP: 100' FWL & 660' FSL of Section 14

TVD: Approximately 8,510' TMD: Approximately 18,795'

Proration Unit: S/2 of Sections 14 & 15, T18S-R31E

Targeted Interval: 2nd 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 available upon request. The Operating Agreement has the following general provisions:

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

Please indicate your election to participate in the drilling and completion of the proposed wells on the enclosed ballot. Please sign and return one copy of this letter, signed copies of the proposed AFEs, a signed copy of the enclosed insurance declaration, 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 spacing units for the proposed wells. 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 by email at Travis.Macha@permianres.com

Respectfully,

Travis Macha Permian Resources

NM Land Lead

Enclosures

Well Proposal: Slim Jim 14-15 Fed Com Bone Spring Wells

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OFFICE 432.695.4222 FAX 432.695.4063

Slim Jim 14-15 Fed Com Elections:

Well Elections: (Please indicate your responses in the space below)						
Well(s)	Elect to Participate	Elect <u>NOT</u> to Participate				
Slim Jim 14-15 Fed Com 124H						
Slim Jim 14-15 Fed Com 125H						
Slim Jim 14-15 Fed Com 126H						

Company Name (If App	olicable):
Ву:	
Printed Name:	
Date:	



OFFICE 432.695.4222 **FAX** 432.695.4063

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.

Company Name (li	f Applicab	le):	
			-
Ву:			
Printed Name:			
Date:			



Cost Estimate

Printed Date: Aug 13, 2024

AFE Number: Description: SLIM JIM 14-15 FED COM 124H

AFE Name: SLIM JIM 14-15 FED COM 124H AFE TYPE: Drill and Complete

PERMIAN RESOURCES

Well Operator: Operator AFE #:

Account	Description		Gross Est. (\$)
Drilling Tangible			0050 050 00
8020.1400	, TDC - CASING - PRODUCTION		\$350,952.83
8020.1500	TDC - WELLHEAD EQUIPMENT		\$53,125.00
3020.1100	TDC - CASING - SURFACE		\$18,253.75
8020.1200	TDC - CASING - INTERMEDIATE - 1		\$82,972.75
		Sub-total	\$505,304.33
Artificial Lift Tangib	ole		\$50,000.00
8065.2000	TAL - WELLHEAD EQUIPMENT		\$125,000.00
8065,1100	TAL - TUBING		
8065.1310	TAL - ESP EQUIPMENT/INSTALL		\$100,000.00
8065.1300	TAL - DOWNHOLE ARTIFICIAL LIFT EQPT		\$15,000.00
8065.2100	TAL - WELL SITE POWER EQUIPMENT/INSTALL		\$75,000.00
8065.2200	TAL - OHP INFRASTRUCTURE EQUIPMENT/INSTALL		\$50,000.00
8065.2500	TAL - VALVES/CONNECTIONS/FTGS		\$15,000.00
8065.3100	TAL - MEASUREMENT EQUIPMENT		\$5,000.00
8065.3200	TAL - COMM, TELEMETRY & AUTOMA		\$5,000.00
		Sub-total	\$440,000.00
Facilities			
8035.3000	FAC - HEATER TREATER/SEPARATOR		\$101,429.00
3035,3800	FAC - FLARE/COMBUSTER		\$15,714.00
3035.4500	FAC - CONTINGENCY		\$13,969.00
8035.3400	FAC - METER & LACT		\$61,286.00
8035.3300	FAC - CIRCULATING TRNSFER PUMP		\$10,000.00
8035.1400	FAC - ROAD LOCATIONS PITS		\$25,000.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL		\$571.00
8035.1900	FAC - WATER DISPOSAL / SWD		\$286.00
3035.2900	FAC - TANK BATTERY		\$51,429.00
3035.3700	FAC - AUTOMATION MATERIAL		\$17,857.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB		\$28,571.00
3035.1600	FAC - TRANSPORTATION TRUCKING		\$2,143.00
3035.2500	FAC - CONSULTING SERVICES		\$714.00
3035.1310	FAC - PEMANENT EASEMENT		\$3,571.00
8035.2100	FAC - INSPECTION & TESTING		\$357.00
3035.1500	FAC - MATERIALS & SUPPLIES		\$714.00
3035.1700	FAC - RENTAL EQUIPMENT		\$11,429.00
3035.2400	FAC - SUPERVISION		\$8,571.00
3035.3200	FAC - VALVES FITTINGS & PIPE		\$85,714.00
3035.1300	FAC - SURFACE DAMAGE / ROW		\$286.00
3035.4400	FAC - COMPANY LABOR		\$714.00
3035.3600	FAC - ELECTRICAL		\$39,286.00
		Sub-total	\$479,611.00

300 N Marienfeld Street, Suite 1000, Midland, TX 79701 TEL (432) 695-4222 www.permianres.com

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PERMIAN RESOURCES

Cost Estimate

Printed Date: Aug 13, 2024

Account	Description		Gross Est. (\$)
Completion Intangib	ole		
8025.3050	ICC - SOURCE WATER		\$173,069.00
8025.1600	ICC - COILED TUBING		\$184,906.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT		\$15,000.00
8025.3100	ICC - WELLHEAD/FRACTREE REPAIR		\$40,000.00
8025.3000	ICC - WATER HANDLING		\$175,070.00
8025.3500	ICC - WELLSITE SUPERVISION		\$51,300.00
8025.1500	ICC - FUEL / POWER		\$505,363.00
8025,3600	ICC - SUPERVISION/ENGINEERING		\$5,000.00
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK		\$16,748.00
8025.2300	ICC - COMPLETION FLUIDS		\$10,000.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL		\$15,000.00
8025.1100	ICC - ROAD, LOCATIONS, PITS		\$10,500.00
8025.2500	ICC - WELL STIMULATION/FRACTUR		\$2,088,688.00
8025.3800	ICC - OVERHEAD		\$10,000.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING		\$397,992.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE		\$40,000.00
8025.3400	ICC - RENTAL EQUIPMENT		\$168,408.00
8025.2000	ICC - TRUCKING		\$14,375.00
		Sub-total	\$3,921,419.00
Drilling Intangible			£42 425 NO
8015.2400	IDC - RIG WATER		\$13,125.00 \$42,500.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE		\$42,500.00 \$143,200.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP		\$391,584.38
8015.1700	IDC - DAYWORK CONTRACT		\$5,775.00
8015.5000	IDC - WELL CONTROL INSURANCE		\$13,000.00
8015.1200	IDC - LEGAL, TITLE SERVICES		\$12,000.00
8015.1310	IDC - PERMANENT EASEMENT		\$15,750.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP		\$174,332.52
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING		\$35,100.00
8015.1600	IDC - RIG MOB / STANDBY RATE		\$95,625.00
8015.1400	IDC - ROAD, LOCATIONS, PITS		\$5,000.00
8015.3400	IDC - MATERIALS & SUPPLIES		\$47,500.00
8015.3100	IDC - CASING CREW & TOOLS		\$12,500.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR		\$57,750.00
8015.4100	IDC - RENTAL EQUIPMENT		\$27,300.00
8015.4200	IDC - MANCAMP IDC - SURFACE DAMAGE / ROW		\$35,000.00
8015.1300			\$127,500.00
8015.1500	IDC - RIG MOB / TRUCKING		\$15,000.00
8015.1100	IDC - STAKING & SURVEYING IDC - DIRECTNL DRILL & SURVEY		\$172,921.88
8015.1900	IDC - FUEL/MUD		\$64,500.00
8015.2350 8015.2200	IDC - BITS, TOOLS, STABILIZERS		\$50,046.00
	IDC - CONTINGENCY		\$93,085.83
8015.5200 8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM		\$41,278.13
8015.4300	IDC - WELLSITE SUPERVISION		\$60,900.00
3013.7300	155 TELLOTTE COL ETTICION		

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Cost Estimate

Printed Date: Aug 13, 2024

Account	<u>Description</u>		Gross Est. (\$)
	(DO DISPOSA)		\$122,661.00
8015.3700	IDC - DISPOSAL		\$98,175.00
8015.2300	IDC - FUEL / POWER		\$15,000.00
8015.1000	IDC - PERMITS, LICENSES, ETC		\$27,000.00
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT		\$98,000.00
8015.2150	IDC - DRILL BIT		\$11,550.00
8015.4600	IDC - SAFETY / ENVIRONMENTAL		\$37,000.00
8015.2700	IDC - INSPECTION, TESTING & REPAIR	Sub-total	\$2,161,659.74
Artificial Lift Intang	nible		
8060.3810	IAL - ACID		\$25,000.00
8060.3500	IAL - WELLSITE SUPERVISION		\$9,000.00
8060.2600	IAL - CONTRACT LABOR/ROUSTABOUT		\$10,000.00
8060.2300	IAL - COMPLETION FLUIDS		\$5,000.00
8060.2010	IAL - KILL TRUCK		\$5,000.00
8060.1400	IAL - WIRELINE OPEN/CASED HOLE		\$5,000.00
8060.3400	IAL - RENTAL EQUIPMENT		\$10,000.00
8060.2000	IAL - TRUCKING/VACUUM/TRANSP		\$7,000.00
8060.3410	IAL - LAYDOWN MACHINE		\$5,000.00
8060.3420	IAL - REVERSE UNIT RENTAL		\$5,000.00
8060.1900	IAL - INSPECTION & TESTING		\$3,000.00
8060.1200	IAL - WORKOVER RIG		\$15,000.00
8060.1210	IAL - SPOOLING SERVICES		\$6,000.00
		Sub-total	\$110,000.00
Flowback Intangible	le		#400 040 OF
8040.1899	IFC - FRAC WATER RECOVERY		\$196,240.35
8040.3430	IFC - SURFACE PUMP RENTAL		\$20,000.00
8040.3500	IFC - WELLSITE SUPERVISION		\$10,000.00
8040.3420	IFC - TANK RENTALS		\$20,000.00
8040.4000	IFC - CHEMICALS		\$15,000.00
8040.2000	IFC - TRUCKING/VACUUM/TRANSP		\$20,000.00
8040.2900	IFC - WELL TESTING / FLOWBACK		\$125,000.00
		Sub-total	\$406,240.35
Pipeline			\$66,000.00
8036.2800	PLN - FLOWLINE MATERIAL		\$66,000.00
8036.2200	PLN - CONTRACT LABOR		\$28,000.00
8036.1310	PLN - PEMANENT EASEMENT		\$10,000.00
8036.3200	PLN - VALVES FITTINGS & PIPE		\$12,500.00
8036.3620	PLN - POWER DISTRIBUTION LABOR		\$37,500.00
8036.3610	PLN - POWER DISTRIBUTION MATERIAL	Sub-total	\$220,000.00
Completion Tangib	nie		-
8030.2000	TCC - WELLHEAD EQUIPMENT		\$47,250.00
		Sub-total	\$47,250.00
		Grand Total	\$8,291,484.42

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Cost Estimate

Printed Date: Aug 13, 2024

AFE Number: Description: SLIM JIM 14-15 FED COM 125H

AFE Name: SLIM JIM 14-15 FED COM 125H AFE TYPE: Drill and Complete

PERMIAN RESOURCES

Operator AFE #:

Well Operator:

Account	Description		Gross Est. (\$)
Drilling Tangible			
8020.1400	TDC - CASING - PRODUCTION		\$350,952.83
8020.1500	TDC - WELLHEAD EQUIPMENT		\$53,125.00
8020.1100	TDC - CASING - SURFACE		\$18,253.75
8020.1200	TDC - CASING - INTERMEDIATE - 1		\$82,972.75
		Sub-total	\$505,304.33
Artificial Lift Tangible			050 000 00
8065.2000	TAL - WELLHEAD EQUIPMENT		\$50,000.00
8065.1100	TAL - TUBING		\$125,000.00
8065.1310	TAL - ESP EQUIPMENT/INSTALL		\$100,000.00
8065.1300	TAL - DOWNHOLE ARTIFICIAL LIFT EQPT		\$15,000.00
8065.2100	TAL - WELL SITE POWER EQUIPMENT/INSTALL		\$75,000.00
8065.2200	TAL - OHP INFRASTRUCTURE EQUIPMENT/INSTALL		\$50,000.00
8065.2500	TAL - VALVES/CONNECTIONS/FTGS		\$15,000.00
8065.3100	TAL - MEASUREMENT EQUIPMENT		\$5,000.00
8065.3200	TAL - COMM, TELEMETRY & AUTOMA		\$5,000.00
		Sub-total	\$440,000.00
Facilities			
8035.3000	FAC - HEATER TREATER/SEPARATOR		\$101,429.00
8035.3800	FAC - FLARE/COMBUSTER		\$15,714.00
8035.4500	FAC - CONTINGENCY		\$13,969.00
8035.3400	FAC - METER & LACT		\$61,286.00
8035.3300	FAC - CIRCULATING TRNSFER PUMP		\$10,000.00
8035.1400	FAC - ROAD LOCATIONS PITS		\$25,000.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL		\$571.00
8035.1900	FAC - WATER DISPOSAL / SWD		\$286.00
8035.2900	FAC - TANK BATTERY		\$51,429.00
8035.3700	FAC - AUTOMATION MATERIAL		\$17,857.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB		\$28,571.00
8035.1600	FAC - TRANSPORTATION TRUCKING		\$2,143.00
3035.2500	FAC - CONSULTING SERVICES		\$714.00
3035.1310	FAC - PEMANENT EASEMENT		\$3,571.00
3035.2100	FAC - INSPECTION & TESTING		\$357.00
3035.1500	FAC - MATERIALS & SUPPLIES		\$714.00
3035.1700	FAC - RENTAL EQUIPMENT		\$11,429.00
3035.2400	FAC - SUPERVISION		\$8,571.00
8035.3200	FAC - VALVES FITTINGS & PIPE		\$85,714.00
3035.1300	FAC - SURFACE DAMAGE / ROW		\$286.00
3035.4400	FAC - COMPANY LABOR		\$714.00
3035.3600	FAC - ELECTRICAL		\$39,286.00
		Sub-total	\$479,611.00

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PERMIAN RESOURCES

Cost Estimate

Printed Date: Aug 13, 2024

Account	<u>Description</u>		Gross Est. (\$)
Completion Intangi	ible		
8025.3050	ICC - SOURCE WATER		\$173,069.00
8025.1600	ICC - COILED TUBING		\$184,906.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT		\$15,000.00
8025.3100	ICC - WELLHEAD/FRACTREE REPAIR		\$40,000.00
8025.3000	ICC - WATER HANDLING		\$175,070.00
8025.3500	ICC - WELLSITE SUPERVISION		\$51,300.00
8025.1500	ICC - FUEL / POWER		\$505,363.00
8025.3600	ICC - SUPERVISION/ENGINEERING		\$5,000.00
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK		\$16,748.00
8025.2300	ICC - COMPLETION FLUIDS		\$10,000.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL		\$15,000.00
8025.1100	ICC - ROAD, LOCATIONS, PITS		\$10,500.00
8025.2500	ICC - WELL STIMULATION/FRACTUR		\$2,088,688.00
8025.3800	ICC - OVERHEAD		\$10,000.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING		\$397,992.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE		\$40,000.00
8025.3400	ICC - RENTAL EQUIPMENT		\$168,408.00
8025.2000	ICC - TRUCKING		\$14,375.00
		Sub-total	\$3,921,419.00
Drilling Intangible			642 425 00
8015.2400	IDC - RIG WATER		\$13,125.00 #42,500.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE		\$42,500.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	14.7	\$143,200.00 \$391,584.38
8015.1700	IDC - DAYWORK CONTRACT		\$5,775.00
8015.5000	IDC - WELL CONTROL INSURANCE		\$13,000.00
8015.1200	IDC - LEGAL, TITLE SERVICES		\$12,000.00
8015.1310	IDC - PERMANENT EASEMENT		\$15,750.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP		\$174,332.52
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING		\$35,100.00
8015.1600	IDC - RIG MOB / STANDBY RATE		\$95,625.00
8015.1400	IDC - ROAD, LOCATIONS, PITS		\$5,000.00
8015.3400	IDC - MATERIALS & SUPPLIES		\$47,500.00
8015.3100	IDC - CASING CREW & TOOLS		\$12,500.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR IDC - RENTAL EQUIPMENT		\$57,750.00
8015.4100	IDC - MANCAMP		\$27,300.00
8015.4200	IDC - SURFACE DAMAGE / ROW		\$35,000.00
8015.1300	IDC - RIG MOB / TRUCKING		\$127,500.00
8015.1500 8015.1100	IDC - STAKING & SURVEYING		\$15,000.00
8015.1900	IDC - STAKING & SURVEY		\$172,921.88
8015.2350	IDC - FUEL/MUD		\$64,500.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS		\$50,046.00
8015.5200	IDC - CONTINGENCY		\$93,085.83
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM		\$41,278.13
8015.4300	IDC - WELLSITE SUPERVISION		\$60,900.00
JJ 10.7000	150 HELLOITE OOI ENTIONET		

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Printed Date: Aug 13, 2024

\$8,291,484.42

Grand Total

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Cost Estimate

Gross Est. (\$) Description Account \$122,661.00 IDC - DISPOSAL 8015.3700 \$98,175.00 IDC - FUEL / POWER 8015.2300 \$15,000.00 IDC - PERMITS, LICENSES, ETC 8015.1000 \$27,000.00 IDC - CONTRACT LABOR/ROUSTABOUT 8015,3200 \$98,000.00 8015.2150 IDC - DRILL BIT \$11,550.00 IDC - SAFETY / ENVIRONMENTAL 8015.4600 \$37,000.00 IDC - INSPECTION, TESTING & REPAIR 8015.2700 \$2,161,659.74 Sub-total Artificial Lift Intangible \$25,000.00 8060.3810 IAL - ACID \$9,000.00 IAL - WELLSITE SUPERVISION 8060.3500 \$10,000.00 IAL - CONTRACT LABOR/ROUSTABOUT 8060.2600 \$5,000.00 IAL - COMPLETION FLUIDS 8060.2300 \$5,000.00 8060.2010 IAL - KILL TRUCK \$5,000.00 IAL - WIRELINE OPEN/CASED HOLE 8060.1400 \$10,000.00 IAL - RENTAL EQUIPMENT 8060.3400 \$7,000.00 IAL - TRUCKING/VACUUM/TRANSP 8060.2000 \$5,000.00 **JAL - LAYDOWN MACHINE** 8060.3410 \$5,000.00 IAL - REVERSE UNIT RENTAL 8060.3420 \$3,000.00 IAL - INSPECTION & TESTING 8060.1900 \$15,000.00 IAL - WORKOVER RIG 8060.1200 \$6,000.00 IAL - SPOOLING SERVICES 8060.1210 \$110,000.00 Sub-total Flowback Intangible \$196,240.35 8040.1899 IFC - FRAC WATER RECOVERY \$20,000.00 IFC - SURFACE PUMP RENTAL 8040.3430 \$10,000.00 8040.3500 IFC - WELLSITE SUPERVISION \$20,000.00 **IFC - TANK RENTALS** 8040.3420 \$15,000.00 **IFC - CHEMICALS** 8040,4000 \$20,000.00 IFC - TRUCKING/VACUUM/TRANSP 8040.2000 \$125,000.00 IFC - WELL TESTING / FLOWBACK 8040.2900 \$406,240.35 Sub-total Pipeline \$66,000.00 PLN - FLOWLINE MATERIAL 8036.2800 \$66,000.00 PLN - CONTRACT LABOR 8036.2200 \$28,000.00 PLN - PEMANENT EASEMENT 8036.1310 \$10,000.00 PLN - VALVES FITTINGS & PIPE 8036.3200 \$12,500.00 PLN - POWER DISTRIBUTION LABOR 8036.3620 \$37,500.00 PLN - POWER DISTRIBUTION MATERIAL 8036,3610 \$220,000.00 Sub-total **Completion Tangible** \$47,250.00 8030.2000 TCC - WELLHEAD EQUIPMENT Sub-total \$47,250.00

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Cost Estimate

Printed Date: Aug 13, 2024

AFE Number: Description: SLIM JIM 14-15 FED COM 126H

AFE Name: SLIM JIM 14-15 FED COM 126H AFE TYPE: Drill and Complete

Well Operator: PERMIAN RESOURCES

Operator AFE #:

Account	Description		Gross Est. (\$)
Drilling Tangible			\$350,952.83
3020.1400	TDC - CASING - PRODUCTION		\$53,125.00
3020.1500	TDC - WELLHEAD EQUIPMENT		\$18,253.75
3020.1100	TDC - CASING - SURFACE		\$10,253.75
3020.1200	TDC - CASING - INTERMEDIATE - 1	Sub-total	\$505,304.33
Artificial Lift Tangible	}		
3065.2000	TAL - WELLHEAD EQUIPMENT		\$50,000.00
3065.1100	TAL - TUBING		\$125,000.00
3065.1310	TAL - ESP EQUIPMENT/INSTALL		\$100,000.00
3065.1300	TAL - DOWNHOLE ARTIFICIAL LIFT EQPT		\$15,000.00
3065.2100	TAL - WELL SITE POWER EQUIPMENT/INSTALL		\$75,000.00
3065.2200	TAL - OHP INFRASTRUCTURE EQUIPMENT/INSTALL		\$50,000.00
3065.2500	TAL - VALVES/CONNECTIONS/FTGS		\$15,000.00
3065.3100	TAL - MEASUREMENT EQUIPMENT		\$5,000.00
3065.3200	TAL - COMM, TELEMETRY & AUTOMA		\$5,000.00
		Sub-total	\$440,000.00
acilities			\$101,429.00
035.3000	FAC - HEATER TREATER/SEPARATOR		\$15,714.00
035,3800	FAC - FLARE/COMBUSTER		•
035.4500	FAC - CONTINGENCY		\$13,969.00
035.3400	FAC - METER & LACT		\$61,286.00
8035.3300	FAC - CIRCULATING TRNSFER PUMP		\$10,000.00
3035.1400	FAC - ROAD LOCATIONS PITS		\$25,000.00
3035.4000	FAC - SAFETY / ENVIRONMENTAL		\$571.00
8035.1900	FAC - WATER DISPOSAL / SWD		\$286.00
035.2900	FAC - TANK BATTERY		\$51,429.00
035.3700	FAC - AUTOMATION MATERIAL		\$17,857.00
3035.2200	FAC - CONTRACT LABOR / ROUSTAB		\$28,571.00
035.1600	FAC - TRANSPORTATION TRUCKING		\$2,143.00
3035.2500	FAC - CONSULTING SERVICES		\$714.00
035.1310	FAC - PEMANENT EASEMENT		\$3,571.00
035.2100	FAC - INSPECTION & TESTING		\$357.00
035.1500	FAC - MATERIALS & SUPPLIES		\$714.00
035.1700	FAC - RENTAL EQUIPMENT		\$11,429.00
035.2400	FAC - SUPERVISION		\$8,571.00
035.3200	FAC - VALVES FITTINGS & PIPE		\$85,714.00
035.1300	FAC - SURFACE DAMAGE / ROW		\$286.00
3035.4400	FAC - COMPANY LABOR		\$714.00
035.3600	FAC - ELECTRICAL		\$39,286.00
		Sub-total	\$479,611.00

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Cost Estimate

Printed Date: Aug 13, 2024

Account	<u>Description</u>		Gross Est. (\$)
Completion Intangibl	le		
8025.3050	ICC - SOURCE WATER		\$173,069.00
8025.1600	ICC - COILED TUBING		\$184,906.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT		\$15,000.00
8025.3100	ICC - WELLHEAD/FRACTREE REPAIR		\$40,000.00
8025.3000	ICC - WATER HANDLING		\$175,070.00
8025.3500	ICC - WELLSITE SUPERVISION		\$51,300.00
8025.1500	ICC - FUEL / POWER		\$505,363.00
8025,3600	ICC - SUPERVISION/ENGINEERING		\$5,000.00
8025,1800	ICC - WATER DISPOSAL/VACUUM TRUCK		\$16,748.00
8025.2300	ICC - COMPLETION FLUIDS		\$10,000.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL		\$15,000.00
8025.1100	ICC - ROAD, LOCATIONS, PITS		\$10,500.00
8025.2500	ICC - WELL STIMULATION/FRACTUR		\$2,088,688.00
8025.3800	ICC - OVERHEAD		\$10,000.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING		\$397,992.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE		\$40,000.00
8025.3400	ICC - RENTAL EQUIPMENT		\$168,408.00
8025.2000	ICC - TRUCKING		\$14,375.00
		Sub-total	\$3,921,419.00
Drilling Intangible			640 405 60
8015.2400	IDC - RIG WATER		\$13,125.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE		\$42,500.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP		\$143,200.00
8015.1700	IDC - DAYWORK CONTRACT		\$391,584.38
8015.5000	IDC - WELL CONTROL INSURANCE		\$5,775.00
8015.1200	IDC - LEGAL, TITLE SERVICES		\$13,000.00
8015.1310	IDC - PERMANENT EASEMENT		\$12,000.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP		\$15,750.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING		\$174,332.52
8015.1600	IDC - RIG MOB / STANDBY RATE		\$35,100.00
8015.1400	IDC - ROAD, LOCATIONS, PITS		\$95,625.00
8015.3400	IDC - MATERIALS & SUPPLIES		\$5,000.00 \$47,500.00
8015.3100	IDC - CASING CREW & TOOLS		\$12,500.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR		\$57,750.00
8015.4100	IDC - RENTAL EQUIPMENT		\$27,300.00
8015.4200	IDC - MANCAMP		\$35,000.00
8015.1300	IDC - SURFACE DAMAGE / ROW		\$127,500.00
8015.1500	IDC - RIG MOB / TRUCKING		\$15,000.00
8015.1100	IDC - STAKING & SURVEYING		\$172,921.88
8015.1900	IDC - DIRECTNL DRILL & SURVEY		\$64,500.00
8015.2350	IDC - FUEL/MUD		\$50,046.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS		\$93,085.83
8015.5200	IDC - CONTINGENCY		\$41,278.13
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM		\$60,900.00
8015.4300	IDC - WELLSITE SUPERVISION		\$30,000,00

Page: 2 of 3 - 502047

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Page 176 of 600

Printed Date: Aug 13, 2024

PERMIAN

Cost Estimate

Gross Est. (\$) Description Account \$122,661,00 IDC - DISPOSAL 8015.3700 \$98,175.00 IDC - FUEL / POWER 8015.2300 \$15,000.00 8015.1000 IDC - PERMITS, LICENSES, ETC \$27,000.00 IDC - CONTRACT LABOR/ROUSTABOUT 8015,3200 \$98,000.00 IDC - DRILL BIT 8015.2150 \$11,550.00 IDC - SAFETY / ENVIRONMENTAL 8015.4600 \$37,000.00 IDC - INSPECTION, TESTING & REPAIR 8015.2700 \$2,161,659.74 Sub-total Artificial Lift Intangible \$25,000.00 IAL - ACID 8060.3810 \$9,000.00 8060.3500 IAL - WELLSITE SUPERVISION \$10,000.00 IAL - CONTRACT LABOR/ROUSTABOUT 8060.2600 \$5,000.00 IAL - COMPLETION FLUIDS 8060.2300 \$5,000.00 IAL - KILL TRUCK 8060.2010 \$5,000.00 IAL - WIRELINE OPEN/CASED HOLE 8060.1400 \$10,000.00 IAL - RENTAL EQUIPMENT 8060.3400 \$7,000.00 IAL - TRUCKING/VACUUM/TRANSP 8060.2000 \$5,000.00 IAL - LAYDOWN MACHINE 8060.3410 \$5,000.00 IAL - REVERSE UNIT RENTAL 8060.3420 \$3,000.00 IAL - INSPECTION & TESTING 8060.1900 \$15,000.00 IAL - WORKOVER RIG 8060.1200 \$6,000.00 IAL - SPOOLING SERVICES 8060.1210 \$110,000.00 Sub-total Flowback Intangible \$196,240.35 IFC - FRAC WATER RECOVERY 8040.1899 \$20,000.00 IFC - SURFACE PUMP RENTAL 8040.3430 \$10,000.00 **IFC - WELLSITE SUPERVISION** 8040.3500 \$20,000.00 **IFC - TANK RENTALS** 8040.3420 \$15,000.00 8040.4000 **IFC - CHEMICALS** \$20,000.00 IFC - TRUCKING/VACUUM/TRANSP 8040.2000 \$125,000.00 IFC - WELL TESTING / FLOWBACK 8040.2900 Sub-total \$406,240.35 Pipeline \$66,000.00 PLN - FLOWLINE MATERIAL 8036.2800 \$66,000.00 PLN - CONTRACT LABOR 8036.2200 \$28,000.00 8036.1310 PLN - PEMANENT EASEMENT \$10,000.00 PLN - VALVES FITTINGS & PIPE 8036.3200 \$12,500.00 PLN - POWER DISTRIBUTION LABOR 8036.3620 \$37,500.00 PLN - POWER DISTRIBUTION MATERIAL 8036.3610 \$220,000.00 Sub-total **Completion Tangible** \$47,250.00 TCC - WELLHEAD EQUIPMENT 8030.2000 \$47,250.00 Sub-total **Grand Total**

Page: 3 of 3 - 502047

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Page 177 of 600

DISTRICT I 1625 N. French Dr., Hobbs, NM 68240

DISTRICT III

DISTRICT IV

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210

1000 Rio Brazos Rd., Aztec, NM 87410

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-102 Revised October 15, 2009

Submit one copy to appropriate District Office

OIL CONSERVATION DIVISION

1220 South St. Francis Dr. Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Code Pool Name		
30-015-40868	58040	Tamano Bone	Spring	
Property Code	Property Name			Well Number
39575	TAMANO	15 AD FEDERAL		1H
OGRID No.	0	perator Name		Elevation
14744	MEWBOUR	NE OIL COMPANY		3707'

Surface Location East/West line UL or lot No. Section Township Range Lot Idn Feet from the North/South line Feet from the County **EAST EDDY** 15 18 S 31 E 680 NORTH 180 Α

Bottom Hole Location If Different From Surface

	UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
•	D	15	18 S	31 E		9.72	NORTH .	338	WEST	EDDY
	Dedicated Acres	s Joint o	r Infill C	onsolidation	Code Or	der No.	· · · · · · · · · · · · · · · · · · ·			
	160									

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

OR A NON-STANDARD UNIT HAS BEEN AFFROYED BY THE DIVISION				
	2203% D5			OPERATOR CERTIFICATION
	Well F	ath <	End of 7' 5L 180'	I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at
338 B.H.	ļ			this location pursuant to a contract with an owner of such a mineral or working interest,
Endol Well Bore	[Producing	Avea		or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.
	2	Project Area	SURFACE LOCATION Lat - N 32*45*10.08" Long - W 103*50*55.86" Lungage N 637920.385	Signature HAVON 5,13
	 		NMSPCE	N M YOUNG Printed Name
· · · · · · · · · · · · · · · · · · ·	+	 	 	SURVEYOR CERTIFICATION
	 		 	I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervison and that the same is true and correct to the best of my belief.
	 	 	 	Date Surveyed MEXICO Professional Surveyor
	 			Certificate No. EXHIBIT A-9

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TAB 3

Exhibit B: Self-Affirmed Statement of Stephen Burke, Geologist

Exhibit B-1: Structure Map

Exhibit B-2: Stratigraphic Cross Section Exhibit B-3: Gross Isopach Exhibit B-4: Gun Barrel View

Exhibit B-5: Structural Cross-Section

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

APPLICATION OF V-F PETROLEUM INC., FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case No. 24995

SELF-AFFIRMED STATEMENT OF STEPHEN BURKE

- I, Stephen Burke, being duly sworn on oath, state the following:
- 1. I am over the age of 18, and I have personal knowledge of the matters stated herein.
- 2. I am employed as a petroleum geologist for V-F Petroleum Inc., and I am familiar with the subject application and the geology involved.
- 3. I graduated in 1980 from Stephen F. Austin State University with a bachelor's degree in Geology. I have worked at V-F Petroleum Inc. for under a year, and I have been working in New Mexico for 25 years. My credentials as a petroleum geologist have been accepted by the New Mexico Oil Conservation Division ("Division") and made a matter of record.
- 4. This affidavit is submitted in connection with the filing by V-F Petroleum Inc. of the above-referenced compulsory pooling application pursuant to 19.15.4.12.A(1) NMAC.
- 5. **Exhibit B-1** is a pair of structure maps: one of the top of 2nd Bone Spring Sand with contour interval of 50', and one of the top of 3rd Bone Spring Sand with contour interval of 50'. The unit being pooled is outlined by red rectangle. The structure maps



show that there is a regional down-dip to the southeast. I do not observe any faulting, pinchouts, or other geologic impediments to developing this targeted interval

- 6. **Exhibit B-2** is a pair of stratigraphic cross-sections: one flattened on the top of the 2nd Bone Spring Sand and one flattened on the top of the 3rd Bone Spring Sand. Each well in the cross-sections contain a gamma ray, resistivity, and porosity log. The cross-sections demonstrate continuity and slight thinning to north of the target zone. The well logs on the cross-sections give a representative sample of the 2nd Bone Spring Sand and the 3rd Bone Spring Sand. The landing zone is highlighted by light, brown shading.
- 7. **Exhibit B-3** is a pair of gross isopach maps: one of the 2nd Bone Spring Sand, and one of the 3rd Bone Spring Sand. These maps demonstrate the continuity of the target zone across this vicinity.
- 8. **Exhibits B-4** is a pair of gun barrel diagrams of the unit demonstrating the vertical and lateral location of the wellbores.
- 9. **Exhibit B-5** is a pair structural cross sections built along the wellbore trajectories. Exhibits B-1 through B-5 are the same for the 2nd Bone Spring Sand's applications in Cases No's. 25116 and 24994.
 - 10. I conclude from the attached exhibits that:
 - a. The horizontal spacing and proration unit is justified from a geologic standpoint.
 - b. There are no structural impediments or faulting that will interfere with horizontal development.
 - c. Each quarter-quarter section in the unit will contribute more or less equally to production.

- 11. The preferred well orientation in this area is west to east so that the wells run sub-perpendicular to the inferred orientation of the maximum horizontal stress.
- 12. The Exhibits to this Affidavit were prepared by me or compiled from V-F Petroleum Inc.'s company business records under my direct supervision.
- 13. The granting of this Application is in the interests of conservation, the prevention of waste and the drilling of unnecessary wells, and the protection of correlative rights.
- 14. The foregoing is correct and complete to the best of my knowledge and belief.

[Signature page follows]

Signature page of Self-Affirmed Statement of Stephen Burke:

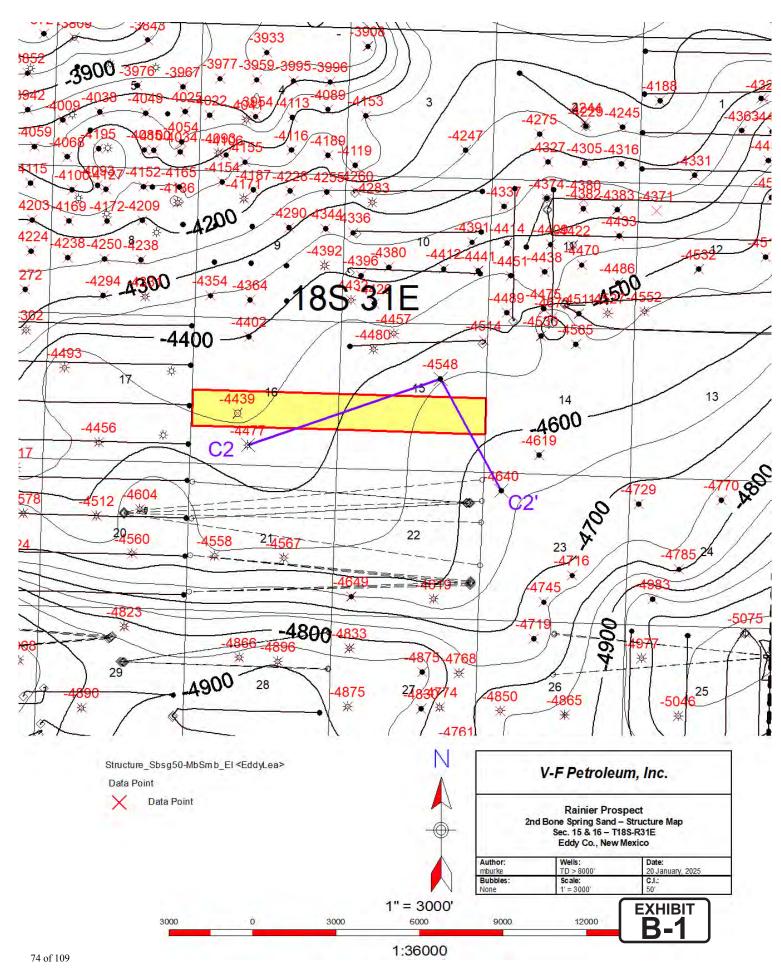
I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case No. 24995 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.

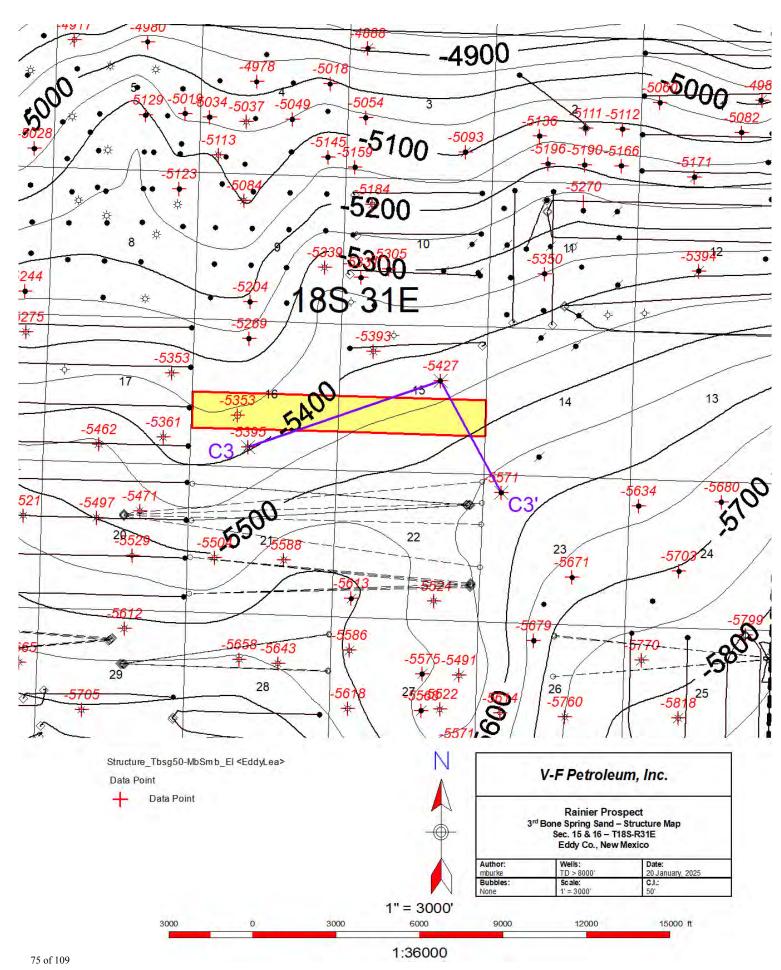
Stephen Burke

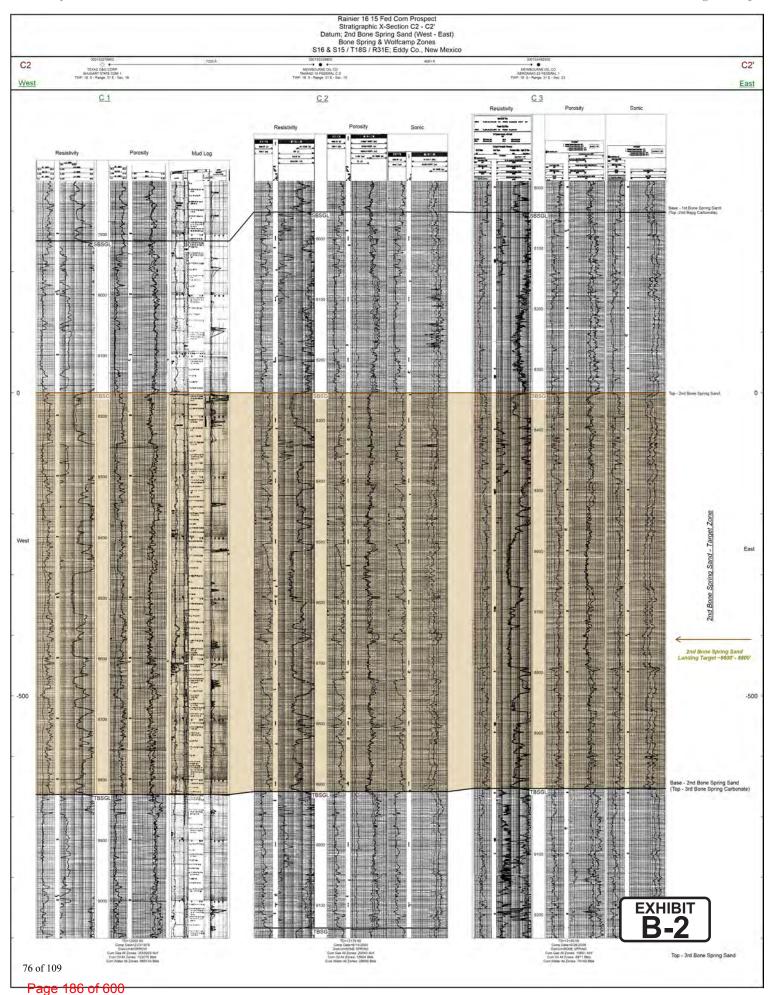
Arphu M. Bure

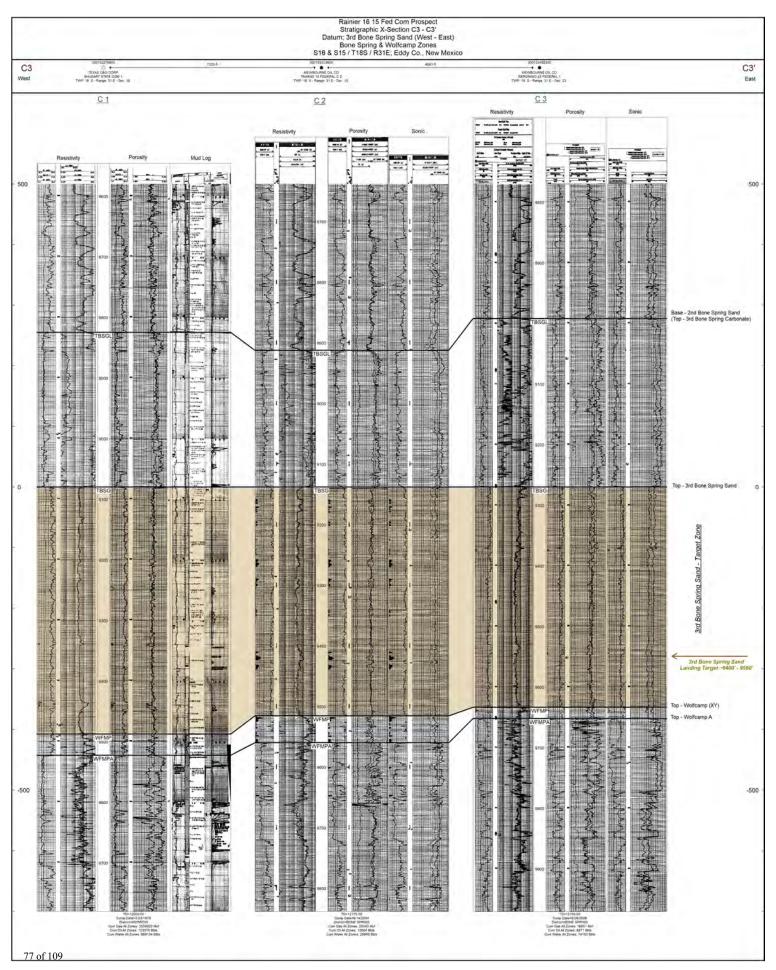
1/21/2025 Date Signed

4

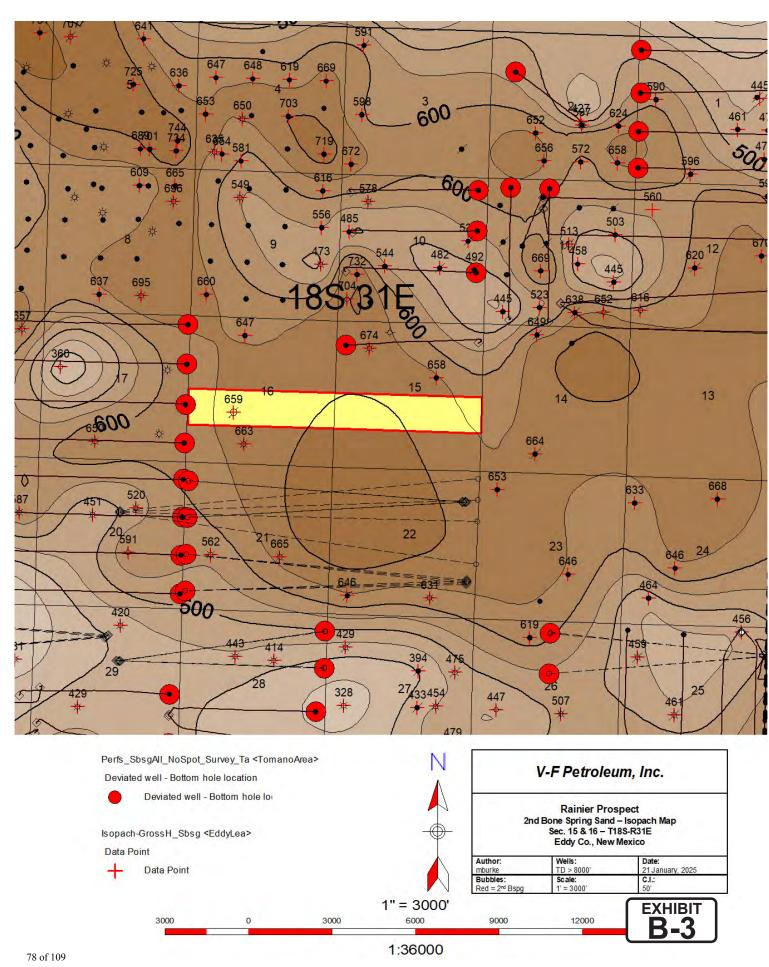


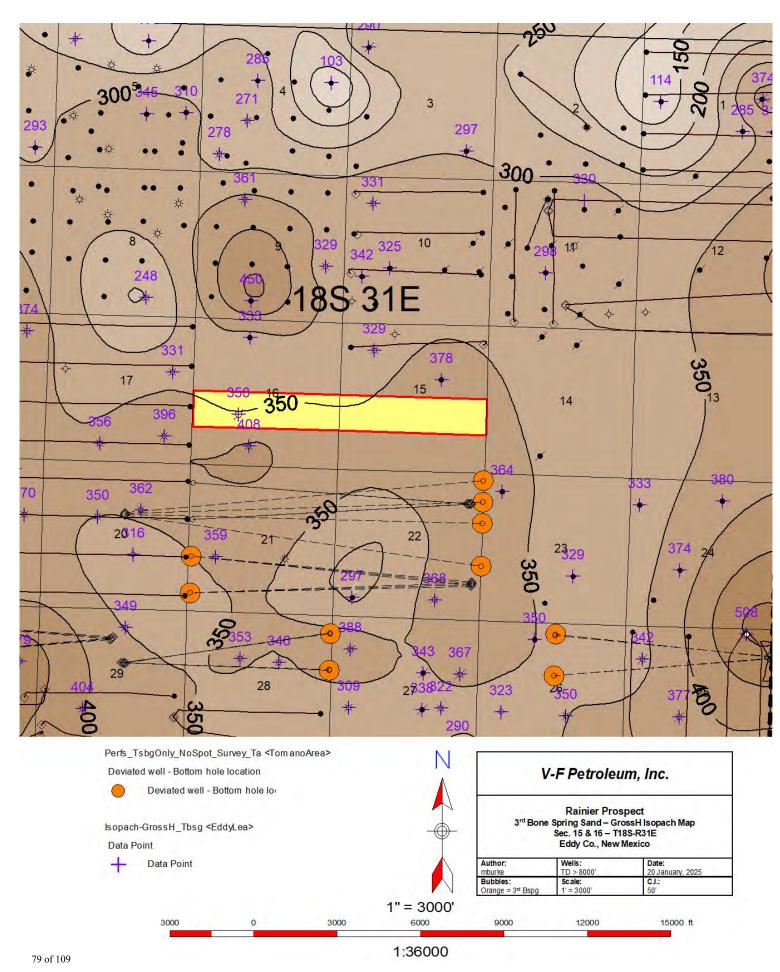






Page 187 of 600





V-F Petroleum Inc.

Rainier 16 15 Fed Com #222H

T18S - R32E / Eddy Co., New Mexico

Zone &	Well &	Well &	Well &	Well &
Vertical	Operator	Operator	Operator	Operator
Depth	N/2 - N/2	S/2 - N/2	N/2-S/2	S/2-S/2
	D16-A15	E16 - H15	L16-I15	M16 - P16
Bspg1	XXX-MOC	XXX-VE	XXX-VE	XXX-VE
Denso.	Tomano 1H	Rainier	Rainier	Rainier
Bspg2	MOC	223H-VE	222H-VE	221H-VF
Bspg3	Rainier	Rainier	Rainier	Rainier
Dapga	234H-VE	233H-VF	232H-VF	231H-VF
WfmpXy	XXX-VF	XXX-VF	XXX-VF	XXX-VF
	North			South

	R	ange 31 Eas	/ Section 1	6	R	ange 31 Eas	t / Section 1	5
	D	Ċ	В	Α	D	С	В	Α
Township 18 South	E	F	G	н	E	F	G	н
Township	L	К	1	J	L	к	1	1
	м	N	0	P	м	N	0	P

B-4

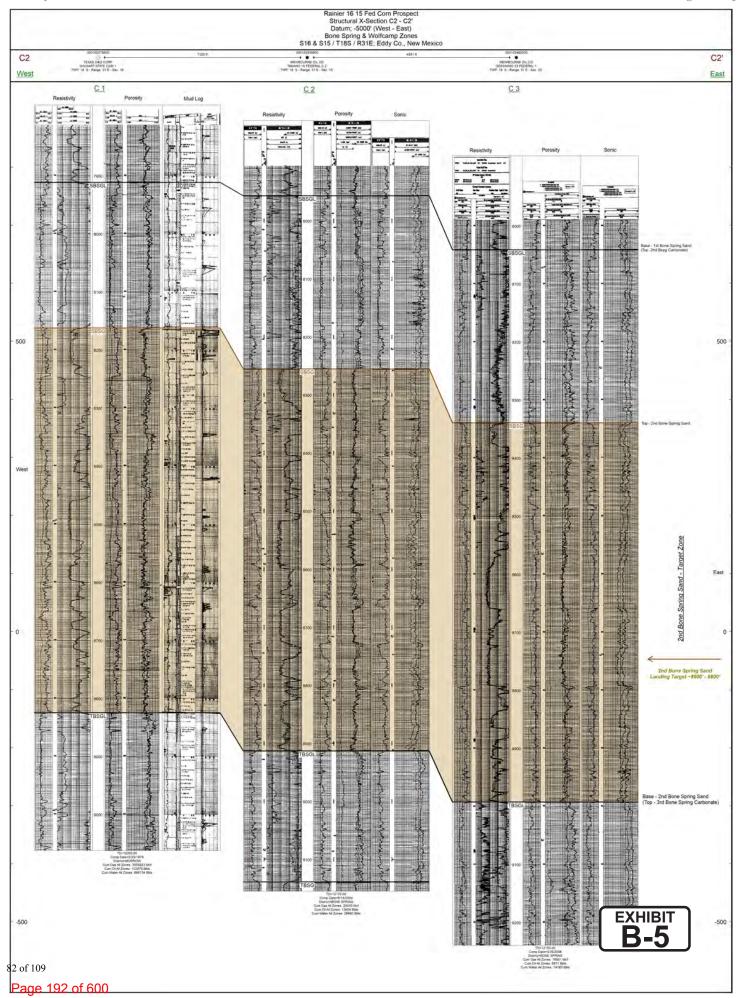
V-F Petroleum Inc.

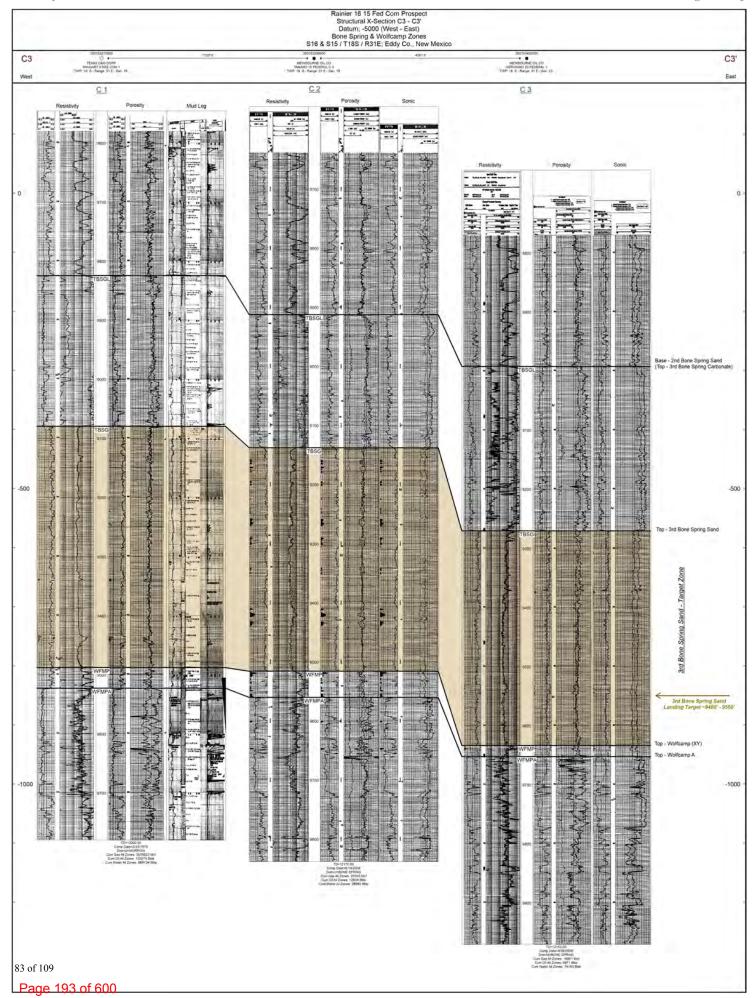
Rainier 16 15 Fed Com #232H

T18S - R32E / Eddy Co., New Mexico

Zone &	Well &	Well &	Well &	Well &
Vertical	Operator	Operator	Operator	Operator
Depth	N/2 - N/2	S/2 - N/2	N/2-S/2	S/2-S/2
	D16-A15	E16 - H15	L16 - I15	M16 - P16
Bspg1	XXX-MOC	XXX-VE	XXX-VE	XXX-VE
	Tomano 1H	Rainier	Rainier	Rainier
Bspg2	MOC	223H-VE	222H-VF	221H-VE
Bspg3	Rainier	Rainier	Rainier	Rainier
pspgs	234H-VE	233H-VF	232H-VE	231H-VF
WfmpXy	XXX-VF	XXX-VF	XXX-VE	XXX-VF
	North			South

	R	ange 31 Eas	t / Section 1	6	F	Range 31 Eas	t / Section 1	5
	D	Ċ	В	Α	D	С	В	Α
Township 18 South	E	F	G	н	E	F	G	н
Township	L	К	1	J	L	К	ı	ı
	м	N	0	P	M	N	0	P





TAB 4

Self-Affirmed Statement of Notice, Darin C. Savage Exhibit C:

Exhibit C-1: Notice Letters Exhibit C-2: Mailing List Exhibit C-3: Affidavits of Publication

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

APPLICATION OF V-F PETROLEUM INC. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case No. 24995

SELF-AFFIRMED STATEMENT OF NOTICE

- I, Darin C. Savage, attorney and authorized representative of V-F Petroleum Inc. ("V-F"), the Applicant herein, states and affirms the following:
- 1. Notice of the application and hearing in the above-referenced case was timely sent by certified mail, return receipt requested, through the United States Postal Service on December 18, 2024, to all uncommitted interest owners sought to be pooled in this proceeding. *See* Exhibit C-2, attached hereto. Copies of the notice letters and evidence of mailing to parties are attached hereto as Exhibits C-1 and C-2.
- 2. Notice for the above-referenced case was sent to the Carlsbad Current-Argus, a newspaper of general circulation in Eddy County, New Mexico, and timely published in said newspaper on December 21, 2024. *See* Exhibit C-3.



Signature page of Self-Affirmed Statement of Darin C. Savage:

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case No. 24995 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.

Darin Savage

Date Signed



ABADIE I SCHILL PC

Colorado New Mexico
Louisiana Texas
Nebraska Kansas
Montana Wyoming
Oklahoma California
North Dakota

December 18, 2024

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of V-F Petroleum Inc., for Compulsory Pooling, Eddy

County, New Mexico

Rainier 16-15 Fed Com #222H Well Rainier 16-15 Fed Com #232H Well

Case No. 24995:

Dear Interest Owners:

This letter is to advise you that V-F Petroleum Inc., ("V-F" or "Applicant"), has filed the enclosed application, Case No. 24995, with the New Mexico Oil Conservation Division ("Division") for an order pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying a standard 320-acre, more or less, spacing unit comprised of the N/2 S/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico ("Subject Lands").

V-F requested that this Application be set for hearing before an Examiner of the Oil Conservation Division on January 9, 2025. The status of the hearing, including any continuances, can be monitored through the Division's website. Division hearings will commence at 9:00 a.m., in the Wendell Chino Building, Pecos Hall located on the 1st Floor, at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. If so desired, you can attend the hearing in person at Pecos Hall or you can attend virtually through remote online access. For information about attending by remote access and reviewing the status of the case, you can visit the Division's website at: https://www.emnrd.nm.gov/ocd/hearing-info/ or call (505) 476-3441.

C-1

abadieschill.com

You are being notified as an interest owner (subject to title examination) and are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 19.15.4.13.B NMAC to file a Prehearing Statement at least four business days in advance of a scheduled hearing, but in no event later than 5 p.m. Mountain Time on the Thursday preceding the scheduled hearing date. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: The names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Jordan Shaw at (432) 269-0569 or at jordan@vfpetroleum.com.

Sincerely,

Darin C. Savage

Attorney for V-F Petroleum, Inc.

			Mail Activity Report - RAINIER 222H 232H 24995 Mailed 12/18/2024 to 12/18/2024 Generated: 01/20/2025 8:10:17 AM	222H 232H 24995 /18/2024 10:17 AM				
USPS Article Number	Reference Number	Date Mailed Name 1	Name 2	Address 1	City	State Zip	Mailing Status	ss Service Options
9314869904300129538594	9314869904300129538594 4217.10 - Rainier 222H 232H	12/18/24 XTO Holdings, LLC	Delaware Basin Land Manager	22777 Springwoods Village Pkwy.	Spring	TX 77389	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129538600	9314869904300129538600 4217.10 - Rainier 222H 232H	12/18/24 Occidental Permian, LP		P.O. Box 4294	Houston T)	x 77210	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129538617	9314869904300129538617 4217.10 - Rainier 222H 232H	12/18/24 Francis Hill Hudson	Trustee Lindy's Living Trust	4200 South Hulen Street, Suite 302 Fort Worth	Fort Worth T.	x 76109	To be Return	To be Returned Return Receipt - Electronic, Certified Mail
9314869904300129538624	9314869904300129538624 4217.10 - Rainier 222H 232H	12/18/24 Bank of America, N.A.	Trustee Delmar Hudson Lewis Living Trust	P.O. Box 830308	Dallas T)	x 75283-0308	308 Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129538631	9314869904300129538631 4217.10 - Rainier 222H 232H	12/18/24 Ard Oil, LTD	Joel T. Sawyer, Agent	P.O. Box 101027	Fort Worth T)	x 76185	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129538648	9314869904300129538648 4217.10 - Rainier 222H 232H	12/18/24 Zorro Partners, Ltd.	W.A. Hudson II, Agent	616 Texas Street	Fort Worth T)	x 76102	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129538655	9314869904300129538655 4217.10 - Rainier 222H 232H	12/18/24 Javelina Partners	Edward Hudson, Land Manager	616 Texas Street	Fort Worth T)	x 76102	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129538662	4217.10 - Rainier 222H 232H	12/18/24 Frost Bank,	TTR of Josephine T. Hudson Testamentary Trus! P.O. Box 1600	IS! P.O. Box 1600	San Antonio TX	x 78296	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129538679	4217.10 - Rainier 222H 232H	12/18/24 Marathon Oil Permian LLC	Chase Rice, Permian Land Supervisor	990 Town and Country Boulevard	Houston TX	x 77024	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129538686	4217.10 - Rainier 222H 232H	12/18/24 Moore & Shelton Company, Ltd. Michael R. Moore, Agent	1. Michael R. Moore, Agent	P.O. Box 3070	Galveston T)	x 77552	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129538693	4217.10 - Rainier 222H 232H	12/18/24 Mary T. Ard		P.O. Box 101027	Fort Worth T	x 76185	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129538709	4217.10 - Rainier 222H 232H	12/18/24 Bureau of Land Management		620 E. Greene Street	Carlsbad N	NM 88220-6292	292 Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129543529	4217.10 - Rainier 222H 232H	12/18/24 Mewbourne, Curtis W., Trustee		P.O. Box 7698	Tyler T	X 75711	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129543536	4217.10 - Rainier 222H 232H	12/18/24 Ralph A. Shugart Jr. Trust	Elizabeth Duncan, Trustee	1960 Forest Parkway	Denver CO	0 80220-1337	337 Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129543543	4217.10 - Rainier 222H 232H	12/18/24 Marathon Oil Company		990 Town and Country Boulevard	Houston T	x 77024	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129556703	4217.10 - Rainier 222H 232H	12/18/24 Mewbourne, Curtis W., Trustee		P.O. Box 7698	Tyler T	X 75711	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129556710	4217.10 - Rainier 222H 232H	12/18/24 Ralph A. Shugart Jr. Trust	Elizabeth Duncan, Trustee	1960 Forest Parkway	Denver CC	0 80220-1337	337 Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129556727	4217.10 - Rainier 222H 232H	12/18/24 Marathon Oil Company		990 Town and Country Boulevard	Houston T	TX 77024	Delivered	Return Receipt - Electronic, Certified Mail





Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0129 5567 27.

Item Details

Status: Delivered, Front Desk/Reception/Mail Room

Status Date / Time: December 23, 2024, 03:07 p.m.

Location: HOUSTON, TX 77024

Postal Product: First-Class Mail®
Extra Services: Certified Mail™

Return Receipt Electronic

Recipient Name: Marathon Oil Company

Shipment Details

Weight: 3.0oz

Destination Delivery Address

Street Address: 990 TOWN AND COUNTRY BLVD

City, State ZIP Code: HOUSTON, TX 77024-2217

Recipient Signature

Signature of Recipient:

Address of Recipient:

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service® for your mailing needs. If you require additional assistance, please contact your local Post Office™ or a Postal representative at 1-800-222-1811.

Sincerely, United States Postal Service® 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

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Item Details

Status: Delivered, Left with Individual

Status Date / Time: December 24, 2024, 03:21 p.m.

Location:DENVER, CO 80220Postal Product:First-Class Mail®Extra Services:Certified Mail™

Return Receipt Electronic

Recipient Name: Ralph A Shugart Jr Trust Elizabeth Duncan Tru

Shipment Details

Weight: 3.0oz

Destination Delivery Address

Street Address: 1960 FOREST PKWY
City, State ZIP Code: DENVER, CO 80220-1337

Recipient Signature

Signature of Recipient:

Address of Recipient:

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

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The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0129 5567 03.

Item Details

Status: Delivered, PO Box

Status Date / Time: December 23, 2024, 12:02 p.m.

Location:TYLER, TX 75711Postal Product:First-Class Mail®Extra Services:Certified Mail™

Return Receipt Electronic

Recipient Name: Mewbourne Curtis W Trustee

Shipment Details

Weight: 3.0oz

Destination Delivery Address

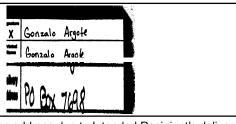
Street Address: PO BOX 7698

City, State ZIP Code: TYLER, TX 75711-7698

Recipient Signature

Signature of Recipient:

Address of Recipient:



Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service® for your mailing needs. If you require additional assistance, please contact your local Post Office™ or a Postal representative at 1-800-222-1811.

Sincerely, United States Postal Service® 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.



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Item Details

Status: Delivered, Front Desk/Reception/Mail Room

Status Date / Time: December 23, 2024, 03:08 p.m.

Location: HOUSTON, TX 77024

Postal Product: First-Class Mail®
Extra Services: Certified Mail™

Return Receipt Electronic

Recipient Name: Marathon Oil Company

Shipment Details

Weight: 3.0oz

Destination Delivery Address

Street Address: 990 TOWN AND COUNTRY BLVD

City, State ZIP Code: HOUSTON, TX 77024-2217

Recipient Signature

Signature of Recipient:

Address of Recipient:

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The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0129 5435 36.

Item Details

Status: Delivered, Left with Individual Status Date / Time: December 24, 2024, 03:21 p.m.

Location:DENVER, CO 80220Postal Product:First-Class Mail®Extra Services:Certified Mail™

Return Receipt Electronic

Recipient Name: Ralph A Shugart Jr Trust Elizabeth Duncan Tru

Shipment Details

Weight: 3.0oz

Destination Delivery Address

Street Address: 1960 FOREST PKWY
City, State ZIP Code: DENVER, CO 80220-1337

Recipient Signature

Signature of Recipient:

Address of Recipient:

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Item Details

Status: Delivered, PO Box

Status Date / Time: December 23, 2024, 12:02 p.m.

Location:TYLER, TX 75711Postal Product:First-Class Mail®Extra Services:Certified Mail™

Return Receipt Electronic

Recipient Name: Mewbourne Curtis W Trustee

Shipment Details

Weight: 3.0oz

Destination Delivery Address

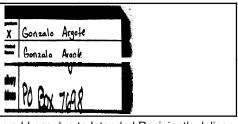
Street Address: PO BOX 7698

City, State ZIP Code: TYLER, TX 75711-7698

Recipient Signature

Signature of Recipient:

Address of Recipient:



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Item Details

Status: Delivered, Left with Individual Status Date / Time: December 23, 2024, 01:44 p.m.

Location: CARLSBAD, NM 88220

Postal Product: First-Class Mail®
Extra Services: Certified Mail™

Return Receipt Electronic

Recipient Name: Bureau of Land Management

Shipment Details

Weight: 3.0oz

Destination Delivery Address

Street Address: 620 E GREENE ST

City, State ZIP Code: CARLSBAD, NM 88220-6292

Recipient Signature

Signature of Recipient:

Address of Recipient:

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December 30, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0129 5386 93.

Item Details

Status: Delivered, Individual Picked Up at Post Office

Status Date / Time: December 27, 2024, 12:10 p.m.
Location: FORT WORTH, TX 76109

Postal Product: First-Class Mail®
Extra Services: Certified Mail™

Return Receipt Electronic

Recipient Name: Mary T Ard

Shipment Details

Weight: 3.0oz

Recipient Signature

Signature of Recipient:

July Grand

Address of Recipient:

0/02/

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December 30, 2024

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Item Details

Status: Delivered, Individual Picked Up at Post Office

Status Date / Time: December 28, 2024, 11:50 a.m.

Location: GALVESTON, TX 77551

Postal Product: First-Class Mail®
Extra Services: Certified Mail™

Return Receipt Electronic

Recipient Name: Moore Shelton Company Ltd Michael R Moore

Shipment Details

Weight: 3.0oz

Recipient Signature

Signature of Recipient:

SHEVE NIELSEN

Address of Recipient:

POBOK 307C

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Item Details

Status: Delivered, Front Desk/Reception/Mail Room

Status Date / Time: December 23, 2024, 03:07 p.m.

Location: HOUSTON, TX 77024

Postal Product: First-Class Mail®
Extra Services: Certified Mail™

Return Receipt Electronic

Recipient Name: Marathon Oil Permian LLC Chase Rice Permian Lan

Shipment Details

Weight: 3.0oz

Destination Delivery Address

Street Address: 990 TOWN AND COUNTRY BLVD

City, State ZIP Code: HOUSTON, TX 77024-2217

Recipient Signature

Signature of Recipient:

Address of Recipient:

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Item Details

Status: Delivered, PO Box

Status Date / Time: December 23, 2024, 11:18 a.m. Location: SAN ANTONIO, TX 78205

Postal Product: First-Class Mail®
Extra Services: Certified Mail™

Return Receipt Electronic

Recipient Name: Frost Bank TTR of Josephine T Hudson Testamenta

Shipment Details

Weight: 3.0oz

Recipient Signature

Signature of Recipient:

Address of Recipient:

X OW MS

AIDERT SANCHEZ

Day

Attain

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Item Details

Status:Delivered, Left with IndividualStatus Date / Time:December 23, 2024, 01:18 p.m.Location:FORT WORTH, TX 76102

Postal Product: First-Class Mail®
Extra Services: Certified Mail™

Return Receipt Electronic

Recipient Name: Javelina Partners Edward Hudson Land Manager

Shipment Details

Weight: 3.0oz

Destination Delivery Address

City, State ZIP Code: FORT WORTH, TX 76102-4662

Recipient Signature

Signature of Recipient:

Address of Recipient:

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Item Details

Status: Delivered, Left with Individual

Status Date / Time: December 23, 2024, 01:18 p.m.
Location: FORT WORTH, TX 76102

Postal Product: First-Class Mail®
Extra Services: Certified Mail™

Return Receipt Electronic

Recipient Name: Zorro Partners Ltd W A Hudson II Agent

Shipment Details

Weight: 3.0oz

Destination Delivery Address

City, State ZIP Code: FORT WORTH, TX 76102-4662

Recipient Signature

Signature of Recipient:

Address of Recipient:

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Item Details

Status: Delivered, Individual Picked Up at Post Office

Status Date / Time: December 27, 2024, 12:10 p.m.
Location: FORT WORTH, TX 76109

Postal Product: First-Class Mail®
Extra Services: Certified Mail™

Return Receipt Electronic

Recipient Name: Ard Oil LTD Joel T Sawyer Agent

Shipment Details

Weight: 3.0oz

Recipient Signature

Signature of Recipient:

Just Grant

Address of Recipient:

0/02/

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The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0129 5386 24.

Item Details

Status: Delivered, Individual Picked Up at Postal Facility

Status Date / Time: December 24, 2024, 08:54 a.m.

Location:DALLAS, TX 75260Postal Product:First-Class Mail®Extra Services:Certified Mail™

Return Receipt Electronic

Recipient Name: Bank of America N A Trustee Delmar Hudson Lewi

Shipment Details

Weight: 3.0oz

Recipient Signature

Signature of Recipient:

Address of Recipient:

Dates Delica X Branca Whale A Prince of Laboratory Comments of Labor

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Item Details

Status: Delivered, Individual Picked Up at Postal Facility

Status Date / Time: December 27, 2024, 04:46 a.m.

Location: HOUSTON, TX 77002

Postal Product: First-Class Mail®
Extra Services: Certified Mail™

Return Receipt Electronic

Recipient Name: Occidental Permian LP

Shipment Details

Weight: 3.0oz

Recipient Signature

Signature of Recipient:

Address of Recipient:

Prince Genero Manbora
Danos
Li a tec

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Item Details

Status: Delivered, Left with Individual Status Date / Time: December 26, 2024, 09:39 a.m.

Location:SPRING, TX 77389Postal Product:First-Class Mail®Extra Services:Certified Mail™

Return Receipt Electronic

Recipient Name: XTO Holdings LLC Delaware Basin Land Manager

Shipment Details

Weight: 3.0oz

Destination Delivery Address

Street Address: 22777 SPRINGWOODS VILLAGE PKWY

City, State ZIP Code: SPRING, TX 77389-1425

Recipient Signature

Signature of Recipient:

Address of Recipient:

5 pm Tur

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Proof of Acceptance (Electronic)

Date: 12/19/2024

Company Name : Abadie & Schill PC

Certified Mail Article Number 9314869904300129538617 addressed to Francis Hill Hudson Trustee Lindy's Living Trust

USPS Event Date/Time	USPS Event Description	USPS Event Location
12/19/2024 10:30 PM	ORIGIN ACCEPTANCE	DURANGO, CO 81301

The article number and United States Postal Service (USPS®) tracking event details provided above is a true extract of information provided by the USPS to CertifiedPro.net, a solution provided by Covius Document Services, LLC.

Recipient Mailing Address:

Francis Hill Hudson Trustee Lindy's Living Trust 4200 South Hulen Street, Suite 302 Fort Worth, TX 76109

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AFFIDAVIT OF PUBLICATION

CARLSBAD CURRENT-ARGUS PO BOX 507 HUTCHINSON, KS 67504-0507

STATE OF NEW MEXICO }
COUNTY OF EDDY }

Account Number: 1227 Ad Number: 27200

Description: 24995 - Rainer 222H,232H

Ad Cost: \$134.03

Sherry Groves, being first duly sworn, says:

That she is the Agent of the the Carlsbad Current-Argus, a Weekly newspaper of general circulation, printed and published in Carlsbad, Eddy County, New Mexico; that the publication, a copy of which is attached hereto, was published in said newspaper on the following dates:

SS

December 21, 2024

That said newspaper was regularly issued and circulated on those dates.
SIGNED:

Agent

Subscribed to and sworn to me this 21th day of December 2024.

Leanne Kaufenberg, Notary Public, Redwood County

Minnesota

KAIYA TOOP ABADIE SCHILL 555 RIVERGATE LANE, SUITE B-4-180 DURANGO, CO 81301 kaiya@abadieschill.com



PUBLIC NOTICE

CASE No. 24995; Notice — to all parties and persons having any right, title, interest or claim in this case, including owners of working interest, overriding royalty interest, and record title, among others, whether such parties or persons are listed herein or not, as well as notice to all known and unknown heirs, devisees, assigns and successors of such affected parties and persons, which based on reasonable diligence include, XTO HOLDINGS, LLC; OCCIDENTAL PERMIAN, LP; FRANCIS HILL HUDSON, TTE OF LINDY'S LIVING TRUST; BANK OF AMERICA, TTE OF DELMAR HUDSON LEWIS LIVING TRUST; ARD OIL, LTD; ZORRO PARTNERS, LTD; JAVELINA PARTNERS; FROST BANK, TTE OF JOSEPHINE T. HUDSON TESTAMENTARY TR; MARATHON OIL PERMIAN LLC; MOORE & SHELTON COMPANY, LTD; MEWBOURNE, CURTIS W., TRUSTEE; RALPH A. SHUGART JR. TRUST, ELIZABETH DUNCAN, TRUSTEE; MARATHON OIL COMPANY AND MARY T. ARD of V-F Petroleum, Inc. application for approval of a compulsory pooling, Eddy County, New Mexico, The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division Examiner will conduct a public hearing at 9:00 a.m. on January 9, 2025, in the Wendell Chino Building, Pecos Hall located on the list Floor, at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You can attend the hearing in person at Pecos Hall or you can attend virtually through remote online access. For information about attending by remote access and reviewing the status of the case, you can visit the Division's website at: https://www.emard.nm.gov/ocd/hearting-info/ or call (505) 476-3441, It is recommended that you check with the Division to determine the best option for attendance. V-F Petroleum Inc., at 550 W. Texas Ave., Suite 300, Midland, TX 79701, seeks an order from the Division pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying a standard 320-acre, more or less, spacing unit are the Ralnier 16-15 Fed Com #222H Well, an oil ASE No. 24995: Notice -- to all parties and persons having any right, title, interest or claim in thereof, actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 31 miles southeast of Artesia. New Mexico.

Published in the Carlsbad Current-Argus December 21, 2024.

TAB 3

Exhibit 3: Amended Hearing Packet Case No. 25115

BEFORE THE OIL CONSERVATION DIVISION EXAMINER HEARING FEBRUARY 27, 2025

APPLICATION OF V-F PETROLEUM INC. FOR A COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

AMENDED HEARING PACKET FOR

Case No. 25115:

Rainier 16-15 Fed Com 234H

Consolidated for a Contested Hearing with: Case Nos. 24994, 24995, 25116 & 25117 (V-F Petroleum Inc. Cases) Case Nos. 24941-24942 & 25145-25148 (Read & Stevens, Inc. Cases)

V-F PETROLEUM INC.

EXHIBIT 3

TABLE OF CONTENTS

TAB 1	Applicati	e for Case No. 25115 on Case No. 25115: Rainier 16-15 Fed Com 234H NMOCD Checklist Case No. 25115				
TAB 2	Exhibit A-2: Exhibit A-3: Exhibit A-4:	Well Proposal Letters and AFEs				
TAB 3		Self-Affirmed Statement of Stephen Burke, Geologist Structure Map Stratigraphic Cross Section Gross Isopach Gun Barrel View Structural Cross-Section				
TAB 4		Self-Affirmed Statement of Notice, Darin C. Savage Notice Letters Mailing List Affidavits of Publication				

TAB 1

Reference for Case No. 25115 Application Case No. 25115: Rainier 16-15 Fed Com 234H Revised NMOCD Checklist Case No. 25115

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

APPLICATION OF V-F PETROLEUM INC. FOR A COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case No. <u>25115</u>

APPLICATION

V-F Petroleum Inc. ("V-F Petroleum"), OGRID No. 24010, through its undersigned attorneys, hereby files this Application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, Section 70-2-17, for an order pooling all uncommitted mineral interests in the Third Bone Spring formation, from the top of the Third Bone Spring, at a depth of 8,914' beneath the surface, to the base of the Third Bone Spring formation, which has a depth of 9,516' beneath the surface, as shown in that certain Dual Lateralog, Micro Laterlog, Gamma Ray well log in the Tamano 15 Fed Com #2 well (API # 30-015-33398), located in Sec. 15, Township 18 South, Rage 31 East, Eddy County, New Mexico, designated as an oil pool, underlying a standard 320-acre, more or less, spacing unit comprised of the N/2 N/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. In support of its Application, V-F Petroleum states the following:

- V-F Petroleum is a working interest owner in the proposed horizontal spacing unit ("HSU") and has a right to drill a well thereon.
- 2. V-F Petroleum proposes and dedicates to the HSU the **Rainier 16-15 Fed Com** #234H Well, as the initial well, to be drilled to a sufficient depth to test the Third Bone Spring formation.

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Received by OCD: 3/10/2025 2:34:36 PM

Received by OCD: 12/10/2024 6:53:29 PM

Page 225 of 600 Page 2 of 5

3. V-F Petroleum proposes the **Rainier 16-15 Fed Com #234H Well,** an oil well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 16 to a

bottom hole location in the NE/4 NE/4 (Unit A) of Section 15.

4. There exists an overlapping unit for the Tamano 15 AD Fed Com #1H Well (API

No. 30-015-40868), that is drilled in the Bone Spring formation underlying the N/2 N/2 of Section

15 for which V-F Petroleum seeks approval for the overlapping unit.

5. The well proposed herein is orthodox in its location, and the take points and

completed interval comply with setback requirements under the statewide rules.

6. V-F Petroleum has sought in good faith, but has been unable to obtain, voluntary

agreement from all interest owners to participate in the drilling of the wells or in the commitment

of their interests to the wells for their development within the proposed HSU.

7. The pooling of all interests in the Bone Spring Interval within the proposed HSU

will avoid the drilling of unnecessary wells, prevent waste and protect correlative rights.

8. In this application, V-F Petroleum is pooling only the Third Bone Spring formation

because there is a depth severance between the base on the Second Bone Spring and the top of the

Third Bone Spring, and importantly, there is a geological barrier between the Second Bone Spring

and Third Bone Spring that maintains the integrity of production within the partitioned zone

thereby allowing for the partition. V-F Petroleum will provide notice to adjacent owners in the

Second Bone Spring formation, above and adjacent to the Third Bone Spring to account for any

concerns the vertical offset owners might have.

9. In order to provide for its just and fair share of the oil and gas underlying the subject

lands, V-F Petroleum requests that all uncommitted interests in this HSU be pooled and that V-F

Petroleum be designated the operator of the proposed horizontal wells and HSU.

2

5 of 74

Received by OCD: 3/10/2025 2:34:36 PM Received by OCD: 12/10/2024 6:53:29 PM Page 226 of 600
Page 3 of 5

WHEREFORE, V-F Petroleum requests that this Application be set for hearing on January

9, 2025, before an Examiner of the Oil Conservation Division, and after notice and hearing as

required by law, the Division enter an order:

A. Pooling all uncommitted mineral interests in the Third Bone Spring formation, from

the top of the Third Bone Spring, at a depth of 8,914' beneath the surface, to the base of the Third

Bone Spring formation, which has a depth of 9,516' beneath the surface, as shown in that certain

Dual Lateralog, Micro Laterlog, Gamma Ray well log in the Tamano 15 Fed Com #2 well (API

30-015-33398), located in Sec. 15, Township 18 South, Rage 31 East, Eddy County, New

Mexico, designated as an oil pool, underlying a standard 320-acre, more or less, spacing unit

comprised of the N/2 N/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM,

Eddy County, New Mexico.

B. Approving the **Rainier 16-15 Fed Com #234H Well** as the well for the HSU.

C. Approving the overlapping unit described above in Paragraph 4.

D. Designating V-F Petroleum as operator of this HSU and the horizontal well to be

drilled thereon;

E. Authorizing V-F Petroleum to recover its costs of drilling, equipping, and

completing the well;

F. Approving actual operating charges and costs of supervision, to the maximum

extent allowable, while drilling and after completion, together with a provision adjusting the rates

pursuant to the COPAS accounting procedures; and

G. Setting a 200% charge for the risk assumed by V-F Petroleum in drilling and

completing the wells in the event a working interest owner elects not to participate in the well.

3

6 of 74

Released to Imaging: 3/10/2025 3:20:34 PM

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

Darin C. Savage

Andrew D. Schill William E. Zimsky 214 McKenzie Street Santa Fe, New Mexico 87501 Telephone: 970.385.4401 Facsimile: 970.385.4901 darin@abadieschill.com andrew@abadieschill.com bill@abadieschill.com

Attorneys for V-F Petroleum, Inc.

Application of V-F Petroleum Inc. for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted mineral interests in the Third Bone Spring formation, from the top of the Third Bone Spring, at a depth of 8,914' beneath the surface, to the base of the Third Bone Spring formation, which has a depth of 9,516' beneath the surface, as shown in that certain Dual Lateralog, Micro Laterlog, Gamma Ray well log in the Tamano 15 Fed Com #2 well (API # 30-015-33398), located in Sec. 15, Township 18 South, Rage 31 East, Eddy County, New Mexico, designated as an oil pool, underlying a standard 320-acre, more or less, spacing unit comprised of the N/2 N/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. The proposed well to be dedicated to the horizontal spacing unit is the Rainier 16-15 Fed Com #234H Well, an oil well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 16 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 15. The proposed well will be orthodox, and its take points and completed interval will comply with the setback requirements under statewide Rules. Also to be considered will be the approval of an overlapping unit involving the Tamano 15 AD Fed Com #1H Well (API No. 30-015-40868); the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the well and unit; and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 31 miles southeast of Artesia, New Mexico.

COMPULSORY POOLING APPLICATION CHECKLIST						
ALL INFORMATION IN THE APPLICATION MUST BE	SUPPORTED BY SIGNED AFFIDAVITS					
Case: 25115	APPLICANT'S RESPONSE					
Date: January 28, 2025 (Scheduled Hearing)						
Applicant	V-F Petroleum Inc.					
Designated Operator & OGRID (affiliation if applicable)	24010					
Applicant's Counsel:	Darin C. Savage, Abadie & Schill, P.C.					
Case Title:	APPLICATION OF V-F PETROLUEM INC. FOR A COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO					
Entries of Appearance/Intervenors:	Read & Stevens, Inc. Permian Resources Operating, LLC					
Well Family	Rainier 16-15 Fed Com					
Formation/Pool						
Formation Name(s) or Vertical Extent:	Bone Spring Formation					
Primary Product (Oil or Gas):	Oil					
Pooling this vertical extent:	Top of the 3rd Bone Spring Formation to the base of the 3rd Bone Spring Formation					
Pool Name and Pool Code (Only if NSP is requested):						
Well Location Setback Rules (Only if NSP is Requested):						
Spacing Unit						
Type (Horizontal/Vertical)	Horizontal					
Size (Acres)	320-acre, more or less					
Building Blocks:	Quarter - Quarter Sections (40 Acre Blocks)					
Orientation:	West to East					
Description: TRS/County	N/2 N/2 of Sections 16 and 15, all in Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico					
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes, Standard Spacing Unit					
Other Situations						
Depth Severance: Y/N. If yes, description	No					
Proximity Tracts: If yes, description	No					
Proximity Defining Well: if yes, description						
Applicant's Ownership in Each Tract	See Exhibit A-3, breakdown of ownership					
Well(s)						

Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status	Add wells as needed
(standard or non-standard) Well #1	Rainier 16-15 Fed Com 234H Well (API No. Pending), SHL: Unit E, 1517.5' FNL, 728' FWL, Section 16, T18S-R31E; BHL: Unit A, 560' FNL, 100' FEL, Section 15, T18S-R31I laydown, standard location
Horizontal Well First and Last Take Points	Rainier 16-15 Fed Com 234H Well: FTP 560' FNL, 100' FWL, Section 16; LTP 560' FEL, 100' FEL, Section 15
Completion Target (Formation, TVD and MD)	Rainier 16-15 Fed Com 234H Well: TVD approx. 9,250 TMD 19,825'; 3rd Bone Spring formation, See Exhibit 5
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,500, Exhibit A, A-5
Production Supervision/Month \$	\$850, Exhibit A, A-5
Justification for Supervision Costs	Exhibit A, A-5
Requested Risk Charge	200%, Exhibit A
Notice of Hearing	
Proposed Notice of Hearing	Exhibit C, C-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-2
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-3
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.	
Pooled Parties (including ownership type)	Exhibit A-3, includes Working Interest owners and ORRI owners
Unlocatable Parties to be Pooled	Exhibit A, Para. 10
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-4
Overhead Rates In Proposal Letter	Exhibit A-5
Cost Estimate to Drill and Complete	Exhibit A-5
C <mark>ତିଶେହର୍ଶ୍ୱମିୟତ୍ୱିଡି</mark> Equip Well <i>eased to Imaging: 3/10/2025 3:20:34 PM</i>	Exhibit A-5

Cost Estimate for Production Facilities	Exhibit A-5
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1, B-3
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-4
Well Orientation (with rationale)	Exhibit B, B-1, B-3
Target Formation	Exhibit B-2, B-4
HSU Cross Section	Exhibit B-2, B-4
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit A-1
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit A-2
Well Bore Location Map	Exhibit A-1, B-1, B-2, B-4
Structure Contour Map - Subsea Depth	Exhibit B-1
Cross Section Location Map (including wells)	Exhibit B-2, B-4
Cross Section (including Landing Zone)	Exhibit B-2, B-4
Additional Information	
Special Provisions/Stipulations	
CERTIFICATION: I hereby certify that the information pro	ovided in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Darin C. Savage
Signed Name (Attorney or Party Representative):	/s/ Darín Savage
Date:	Revised and signed: 2/4/2025; original 1/21/2025

TAB 2

Exhibit A:	Revised Self-Affirmed Statement of Jordan Shaw, Landman
Exhibit A-1:	C-102 Forms
Exhibit A-2:	Location Plat Map
Exhibit A-3:	Revised Tract Map and Ownership Breakdown
Exhibit A-4:	Chronology of Contacts with Uncommitted Owners
Exhibit A-5:	Well Proposal Letters and AFEs
Exhibit A-6:	Sample Well Proposal for Rainier 16-15 Fed Com #214H Well
Exhibit A-7:	Aerial View Map of Surrounding Development
Exhibit A-8:	Overlapping Notification Letters

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

APPLICATION OF V-F PETROLEUM, INC. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case No. 25115

SELF-AFFIRMED STATEMENT OF JORDAN SHAW

I, Jordan Shaw, state and affirm the following:

- 1. I am over the age of eighteen years and have the capacity to execute this Self-Affirmed Statement, which is based on my personal knowledge.
- 2. I am a Landman/Attorney with V-F Petroleum Inc. ("V-F"), and I am familiar with the subject application and the lands involved.
- 3. I graduated in 2009 from the Indiana University of Pennsylvania with a bachelor's degree in Political Science, Pre-Law and graduated in 2013 from Texas Tech University, School of Law with a Juris Doctor and am licensed to practice law in the State of Texas. I have worked at V-F Petroleum Inc. for approximately three years and have been working as a Landman/Attorney for three years. I have previously testified before the New Mexico Oil Conservation Division ("Division") as an expert witness in petroleum land matters and my credentials have been accepted by the Division and made a matter of record.
- 4. This Self-Affirmed Statement is submitted in connection with the filing by V-F of the above-referenced spacing and compulsory pooling applications pursuant to 19.15.4.12.A(1).
- 5. V-F seeks an order pooling all uncommitted mineral interest in the Shugart; Bone Spring North, Pool Code 56405, from the top of the Third Bone Spring, at an approximate depth



of 8,914' beneath the surface, to the base of the Third Bone Spring formation, which has an approximate depth of 9,450' beneath the surface, as shown in that certain Dual Lateralog, Micro Laterlog, Gamma Ray well log in the Tamano 15 Fed Com #2 well (API # 30-015-33398), located in Sec. 15, Township 18 South, Rage 31 East, Eddy County, New Mexico underlying a standard 320-acre, more or less, spacing and proration unit comprised of the N/2 N/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico.

- 6. Under <u>Case No. 25115</u>, V-F seeks to dedicate the **Rainier 16-15 Fed Com #234H Well,** (API 30-015-pending) as an initial well, to be horizontally drilled from a surface location in the SW/4 NW/4 (Unit E) of Section 16 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 15; approximate TVD of 9,250'; approximate TMD of 20,594'; FTP in Section 16: 560' FNL, 100' FWL; LTP in Section 15: 560' FNL, 100' FEL.
 - 7. The proposed C-102 for each well is attached as **Exhibit A-1**.
- 8. A general location plat and a plat outlining the units being pooled is attached hereto as **Exhibit A-2**, which show the location of the proposed well within the unit. The location of each well is orthodox, and it meets the Division's offset requirements.
- 9. The parties being pooled, the nature of their interests, and their last known addresses are listed on **Exhibit A-3** attached hereto. **Exhibit A-3** includes information regarding working interest owners, overriding royalty interest owners and royalty interest owners. In the North Half of the North Wester Quarter (N/2NW/4) of Section 16, T-18-S, R-31-E, Eddy County, New Mexico, this tract is unleased State of New Mexico minerals and it is not V-F Petroleum Inc.'s intent to pool the State of New Mexico's minerals. If V-F Petroleum Inc. is awarded Operatorship and when this tract becomes eligible to be leased, V-F Petroleum Inc. will attempt to lease this tract, and if the tract is awarded to a third party, it will first make a good faith attempt to

obtain joinder through a mutually agreeable Operating Agreement; if the parties are unable to reach a mutually agreeable Operating Agreement, V-F Petroleum Inc., as a last resort will re-open this case for the limited purpose of pooling this interest.

- 10. I provided the law firm of Abadie & Schill P.C. a list of names and addresses for the uncommitted interest owners shown on **Exhibit A-3**. In compiling these addresses, I conducted a diligent search of the public records in Eddy County, New Mexico, where the wells are located, and of phone directories and did computer searches to locate the contact information for parties entitled to notification. All working interest owners and overriding royalty interest owners were locatable and noticed. V-F published notice in the Carlsbad Current-Argus, a newspaper of general circulation in Eddy County, New Mexico to cover any contingencies regarding notice.
 - 11. There are no depth severances in the Third Bone Spring formation in this acreage.
- 12. There exists and overlapping unit for the Tamano 15 AD Fed Com #1H Well (API No. 30-015-40868), that is drilled in the Bone Spring underlying the N/2 N/2 of Section 15 for which V-F Petroleum seeks approval of the overlapping unit and attached as **Exhibit A-8** are the overlapping notification letters sent to the Operator of Tamano 15 AD Fed Com #1H Well (API No. 30-015-40868) well and the mineral interest owner.
- 13. V-F has made a good faith effort to negotiate with the interest owners, but has been unable to obtain, voluntary agreement from all interest owners to participate in the drilling of the well or in the commitment of their interests to the well for its development within the proposed horizontal spacing unit. **Exhibit A-4** provides a chronology and history of contacts with the owners.

- 14. The interest owners being pooled have been contacted regarding the proposed wells but have failed or refused to voluntarily commit their interest in the wells. However, V-F Petroleum has been in ongoing discussions with some of the interest owners to voluntarily enter into a Joint Operating Agreement. If a mutually agreeable Joint Operating Agreement is reached between VF-Petroleum and another interest owner or owners, VF-Petroleum requests that the voluntary agreement become operative and supersede the Division's order for said parties.
- 15. **Exhibit A-5** is a sample proposal letter, supplemental proposal letter and the AFEs for each proposed well. The estimated cost of the wells set forth in the AFEs attached as **Exhibit A-5** are fair, reasonable, and comparable to the costs of other wells of similar depths and lengths drilled in this area of New Mexico.
- 16. V-F requests overhead and administrative rates of \$8,500/month for drilling each well and \$850/month for producing each well. These rates are fair and comparable to the rates charged by other operators for wells of this type in this area of southeastern New Mexico. V-F requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.
- 17. V-F requests the maximum cost, plus 200% risk charge be assessed against non-consenting working interest owners.
 - 18. V-F requests that it be designated operator of the units and wells.
- 19. Additionally, although not technically part of <u>Case No. 25115</u>, but in order for V-F to present this case to the best of its ability so that the Division has an opportunity to see the role <u>Case No. 25115</u> potentially affects V-F's future development plans underlying the N/2 N/2 Sec. 16 & 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico, I have provided as **Exhibit A-6** a sample well proposal letter and the AFE for the **Rainier 16-15 Fed Com #214H**Well, (API 30-015-pending) that has been proposed to all working interest owners in the First

Bone Spring formation. This shows future plans to develop the related lands in this area to optimize production and prevent waste.

- established in this area by Permian Resources to the immediate south of Section 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico, and other Operators to the immediate west of Section 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. Should the Division grant an order in V-F's favor in this Case, it would make efforts to continue the development pattern that are consistent with, and build upon, what has been successful with other Operators in this area; if V-F's plan is approved, it would not undermine or preempt Permian Resources opportunity for development because their subject lands are unbounded to the east, and Permian Resources could simply develop two mile horizontal Second Bone Spring and Third Bone Spring wells in Sections 14 and 13, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. V-F's geology in this area that Permian Resources expanding east is feasible, and this in turn would avoid stranding the State of New Mexico's minerals in Section 16, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico to one mile horizontal development in the Bone Spring formation.
- 21. The Exhibits to this Self-Affirmed Statement were prepared by me or compiled from V-F's company business records under my direct supervision.
- 22. The granting of this Application is in the best interests of conservation, the prevention of waste, and the protection of correlative rights, and will avoid the drilling of unnecessary wells.
 - 23. The foregoing is correct and complete to the best of my knowledge and belief.

[Signature page follows]

Signature page of Self-Affirmed Statement of Jordan Shaw:

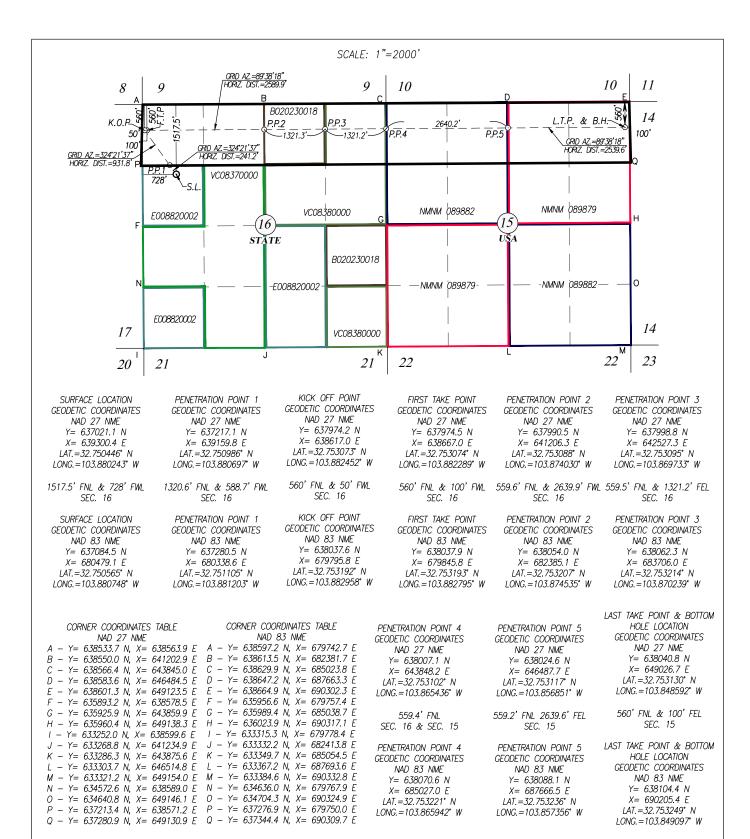
I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case No. 25115 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.

Jordan Shaw

02/05/2025

Date Signed

<u>C-10</u>												
Submit	<u>)2</u> Electronically	<i>(</i>	Ene			ew Mexico ral Resources Departi TION DIVISION	ment		Revised July 9, 2024			
	D Permitting			OIL C	ONSERVA	TION DIVISION			☐ Initial Sub	mittal		
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			1	•	WELL LOCA'	TION INFORMATION				•		
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0.00.11					RANIER 1	6 15 FED COM				234H		
OGRII) No.		Operator N	ame	V-F PETE	ROLEUM INC.			Ground Leve	Blevation 3665'		
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UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude		Longitude	County		
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UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	T	Longitude	County		
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Dedica	ted Acres	Infill or Defi	ining Well	Defining	Well API	Overlapping Spacing	Unit (Y/N)	Consolid	lation Code			
Order 1	Numbers.					Well setbacks are unde	er Common Ov	vnership: L	JYes ⊔No			
					Kick C	Off Point (KOP)						
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude		Longitude	County		
D	16	18-S	31-E	-	560 FNL	50 FWL	32.753192°		103.882958°	EDDY		
		1			First T	ake Point (FTP)	l					
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude		Longitude	County		
UL D	Section 16	Township 18-S	Range 31-E	Lot	Ft. from N/S 560 FNL	Ft. from E/W 100 FWL	Latitude 32.753	193°	Longitude 103.882795°	County EDDY		
		1		Lot	560 FNL			193°	•	•		
		1		Lot _	560 FNL	100 FWL		193°	•	·		
D	16	18-S	31-E	-	560 FNL Last T	100 FWL	32.753		103.882795°	EDDY		
D UL A	Section 15	18-S Township 18-S	31-E Range 31-E	Lot -	560 FNL Last Ta Ft. from N/S 560 FNL	100 FWL ake Point (LTP) Ft. from E/W 100 FEL	32.753 Latitude 32.753	249°	103.882795° Longitude 103.849097°	EDDY		
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	RANIER 16 15 FED COM #234H			
PAGE 2 OF 2	ACK REL. W.O.:24110357	JWSC W.O.: 25.13.0022		

DISTRICT I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 DISTRICT II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720

1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 DISTRICT IV

1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

□AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name	
Property Code		Prop	erty Name	Well Number
		234H		
OGRID No.		Oper	ator Name	Elevation
		V-F PETR	OLEUM INC.	3665'

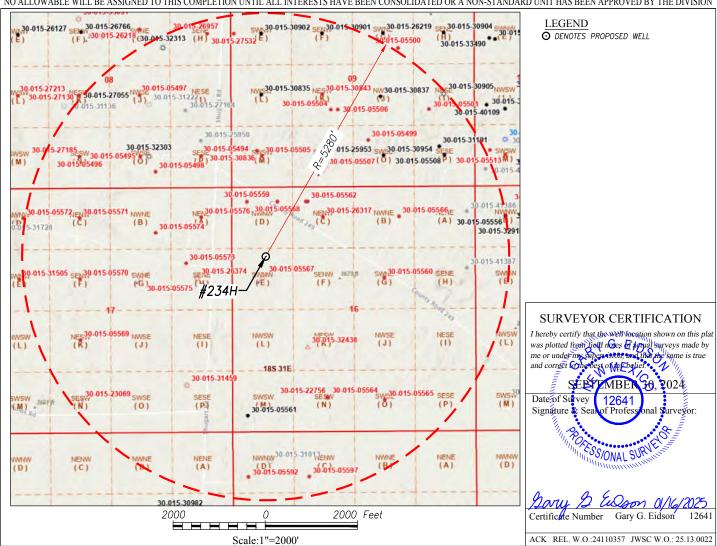
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	16	18-S	31-E		1517.5	NORTH	728	WEST	EDDY

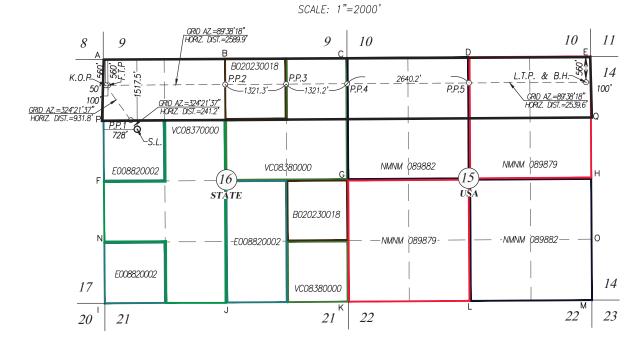
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	15	18-S	31-E		560	NORTH	100	EAST	EDDY
Dedicated Acres	Joint or	Infill (Consolidation C	ode Ord	er No.				

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



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SURFACE LOCATION GEODETIC COORDINATES NAD 27 NME Y= 637021.1 N X= 639300.4 E LAT.=32.750446° N LONG.=103.880243° W

1517.5' FNL & 728' FWL SEC. 16

SURFACE LOCATION GEODETIC COORDINATES NAD 83 NME Y= 637084.5 N X= 680479.1 E LAT.=32.750565' N LONG.=103.880748' W PENETRATION POINT 1
GEODETIC COORDINATES
NAD 27 NME
Y= 637217.1 N
X= 639159.8 E
LAT.=32.750986 N
LONG.=103.880697 W

1320.6' FNL & 588.7' FWL SEC. 16

PENETRATION POINT 1
GEODETIC COORDINATES
NAD 83 NME
Y= 637280.5 N
X= 680338.6 E
LAT.=32.751105* N
LONG=103.881203* W

KICK OFF POINT GEODETIC COORDINATES NAD 27 NME Y= 637974.2 N X= 638617.0 E LAT.=32.753073" N LONG.=103.882452" W

560' FNL & 50' FWL SEC. 16

KICK OFF POINT GEODETIC COORDINATES NAD 83 NME Y= 6380376. N X= 679795.8 E LAT.=32.753192* N LONG.=103.882958* W FIRST TAKE POINT GEODETIC COORDINATES NAD 27 NME Y= 637974.5 N X= 638667.0 E LAT.=32.753074* N

LONG.=103.882289° W 560' FNL & 100' FWL SEC. 16

FIRST TAKE POINT GEODETIC COORDINATES NAD 83 NME Y= 638037.9 N X= 679845.8 E LAT.=32.753193* N LONG=103.882795* W PENETRATION POINT 2
GEODETIC COORDINATES
NAD 83 NME
Y= 638054.0 N
X= 682385.1 E
LAT.=32.753207 N
LONG.=103.8745.55 W

PENETRATION POINT 2

GEODETIC COORDINATES

NAD 27 NME

Y= 637990.5 N

X= 641206.3 E

LAT = 32.75.3088° N

LONG.=103.874030° W

NT 2 PENETRATION POINT 3

NATES GEODETIC COORDINATES

NAD 83 NME

N Y= 638062.3 N

E X= 683706.0 E

N LAT.=32.753214* N

1.0NC=103.87023° W

559.6' FNL & 2639.9' FWL 559.5' FNL & 1321.2' FEL

CORNER COORDINATES TABLE CORNER COORDINATES TABLE NAD 83 NME NAD 27 NME A - Y = 638533.7 N, X = 638563.9 E A - Y = 638597.2 N, X = 679742.7 E B - Y = 638550.0 N, X = 641202.9 EB - Y= 638613.5 N, X= 682381.7 E - Y= 638566.4 N, X= 643845.0 E C - Y = 638629.9 N, X = 685023.8 ED - Y = 638583.6 N, X = 646484.5 ED - Y= 638647.2 N, X= 687663.3 E E - Y= 638664.9 N, X= 690302.3 E - Y= 638601.3 N, X= 649123.5 E F - Y= 635893.2 N, X= 638578.5 E F - Y= 635956.6 N, X= 679757.4 E - Y= 635925.9 N, X= 643859.9 E G - Y= 635989.4 N, X= 685038.7 E H - Y = 635960.4 N, X = 649138.3 EH - Y = 636023.9 N, X = 690317.1 EI - Y= 633315.3 N, X= 679778.4 E I - Y= 633252.0 N, X= 638599.6 E J - Y= 633332.2 N, X= 682413.8 E J - Y= 633268.8 N, X= 641234.9 E K - Y = 633349.7 N, X = 685054.5 EK - Y = 6.33286.3 N. X = 64.3875.6 FL - Y= 633303.7 N, X= 646514.8 E L - Y = 633367.2 N, X = 687693.6 EM - Y = 633321.2 N, X = 649154.0 EM - Y = 633384.6 N, X = 690332.8 EN - Y= 634636.0 N. X= 679767.9 E N - Y = 6.34572.6 N X = 6.38589.0 F0 - Y= 634704.3 N, X= 690324.9 E O - Y = 634640.8 N, X = 649146.1 EP - Y= 637276.9 N, X= 679750.0 E P - Y = 637213.4 N, X = 638571.2 EQ - Y = 637280.9 N, X = 649130.9 E Q - Y = 637344.4 N, X = 690309.7 E

PENETRATION POINT 4
GEODETIC COORDINATES
NAD 27 NME
Y= 638007.1 N
X= 643848.2 E
LAT.=32.753102* N
LONG.=103.865436* W

559.4' FNL SEC. 16 & SEC. 15

PENETRATION POINT 4
GEODETIC COORDINATES
NAD 83 NME
Y= 638070.6 N
X= 685027.0 E
LAT.=32.753221* N
LONG.=103.865942* W

PENETRATION POINT 5
GEODETIC COORDINATES
NAD 27 NME
Y= 638024.6 N
X= 646487.7 E
LAT.=32.753117" N
LONG.=103.856851" W

559.2' FNL 2639.6' FEL SEC. 15

PENETRATION POINT 5 GEODETIC COORDINATES NAD 83 NME Y= 638088.1 N X= 687666.5 E LAT.=32.753236* N LONG.=103.857356* W LAST TAKE POINT & BOTTOM HOLE LOCATION GEODETIC COORDINATES NAD 27 NME Y= 638040.8 N X= 649026.7 E LAT.=32.753130° N LONG.=103.848592° W

PENETRATION POINT 3

GEODETIC COORDINATES

NAD 27 NME

Y= 637998.8 N

X= 642527.3 E

 $1AT = 32.753095^{\circ} N$

LONG.=103.869733° W

SEC. 16

560' FNL & 100' FEL SEC. 15

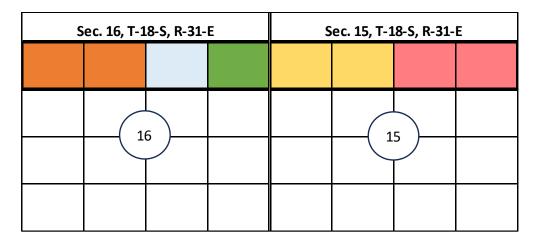
LAST TAKE POINT & BOTTOM HOLE LOCATION GEODETIC COORDINATES NAD 83 NME
Y= 638104.4 N
X= 690205.4 E
LAT.=32.755249 N
LONG.=103.849097 W

EXHIBIT A-2

RANIER 16 15 FED COM #234H

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EXHIBIT A-3



N/2NW/4 Sec. 16 (Unleased)

Working Interest Owners	Decimal
*Unleased	1.00000000
TOTAL	1.00000000

Royalty Interest Owner	Decimal
*State of New Mexico	0.25000000

^{*}Assumed that this interest will be leased at a 25% Royalty Interest.

NW/4NE/4 Sec. 16 (State Lease B-2023)

Working Interest Owner	Decimal
Occidental Permian, L.P.	1.00000000
TOTAL	1.00000000

Royalty Interest Owner	Decimal
State of New Mexico	0.12500000

NE/4NE/4 Sec. 16 (VC-838)

Working Interest Owner	Decimal
V-F Petroleum Inc.	1.00000000
TOTAL	1.00000000

EXHIBIT A-3

Overriding Royalty Interest Owners	Decimal
V-F Petroleum Inc.	0.00050000
Gahr Ranch & Investments Partnership, Ltd.	0.02343750
Thomas M. Beall	0.02343750
Jason J. Lodge	0.00125000
Sarah M. Loudenback	0.00125000
Mid-Western Energy, L.L.C.	0.00012500

Royalty Interest Owner	Decimal
State of New Mexico	0.20000000

NW/2NW/4 Sec. 15 (Federal Lease NMNM 089882 (Out of NMLC 029388-D))

Working Interest Owner	Decimal
Permian Resources Operating, LLC	0.90703122
Ard Oil, LTD	0.03718751
Zorro Partners, Ltd.	0.01859376
Javelina Partners	0.03718751
TOTAL	1.00000000

Overriding Royalty Interest Owners	Decimal
Bank of America, N.A., Trustee of the Delmar Hudson Lewis Living Trust created by Trust Agreement dated September 9, 2002	0.00929688
Zorro Partners, Ltd.	0.00232422
Hudson, Francis Hill, Trustee of Lindy's Living Trust created by Trust	
Agreement dated July 8, 1994	0.00929688
Moore and Shelton Co. Ltd.	0.00498750
Mewbourne, Curtis W., Trustee	0.02107500
Marathon Oil Permian LLC	0.08125000
Estate of Josephine T. Hudson	0.00464844

Royalty Interest Owner	Decimal
United States of America	0.12500000

EXHIBIT A-3

N/2NE/4 Sec. 15 (Federal Lease NMNM 089879)

Working Interest Owners	Decimal
Permian Resources Operating, LLC	0.79218750
Ard Oil, LTD	0.05312500
Zorro Partners, Ltd.	0.02656250
Javelina Partners	0.05312500
Moore and Shelton Co. Ltd.	0.07500000
TOTAL	1.00000000

Overriding Royalty Interest Owners	Decimal
Bank of America, N.A., Trustee of the Delmar Hudson Lewis Living Trust	0.00706975
created by Trust Agreement dated September 9, 2002	0.00796875
Zorro Partners, Ltd.	0.00199219
Hudson, Francis Hill, Trustee of Lindy's Living Trust created by Trust Agreement dated July 8, 1994	0.00796875
Gahr Ranch & Investments Partnership, Ltd.	0.05000000
Sarah M. Loudenback	0.03750000
Mid-Western Energy, L.L.C.	0.00398438
Ralph A. Shugart Jr. Trust dated 5/26/1983	0.00398438

Royalty Interest Owner	Decimal
United States of America	0.12500000

UNIT RECAPITULATION

(Yellow denotes the Parties to be Pooled)

Working Interest Owners	Decimal
Unleased (uncommitted)	0.25000000
Occidental Permian, L.P. (uncommitted)	0.12500000
V-F Petroleum Inc. (committed)	0.12500000
Permian Resources Operating, LLC (uncommitted)	0.42480468
Ard Oil, LTD (committed)	0.02257813
Zorro Partners, Ltd. (uncommitted)	0.01128906
Javelina Partners (uncommitted)	0.02257813
Moore and Shelton Co. Ltd. (uncommitted)	0.01875000
TOTAL	1.00000000

EXHIBIT A-3

Overriding Royalty Interest Owners	Decimal
V-F Petroleum Inc. (committed)	0.00006250
Bank of America, N.A., Trustee of the Delmar Hudson Lewis Living Trust	
created by Trust Agreement dated September 9, 2002 (uncommitted)	0.00431641
Zorro Partners, Ltd. (uncommitted)	0.00107910
Hudson, Francis Hill, Trustee of Lindy's Living Trust created by Trust	
Agreement dated July 8, 1994 (uncommitted)	0.00431641
Gahr Ranch & Investments Partnership, Ltd. (committed)	0.00292969
Thomas M. Beall (committed)	0.00292969
Jason J. Lodge (committed)	0.00015625
Sarah M. Loudenback (committed)	0.00015625
Mid-Western Energy, L.L.C. (committed)	0.00001563
Ralph A. Shugart Jr. Trust dated 5/26/1983 (uncommitted)	0.01250000
Moore and Shelton Co. Ltd. (uncommitted)	0.00124688
Mewbourne, Curtis W., Trustee (uncommitted)	0.00526875
Marathon Oil Permian LLC (uncommitted)	0.02968750
Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard (uncommitted)	0.00215821
Hudson, Edward R., Jr., Trustee of the Edward R. Hudson Trust 2	
(uncommitted)	0.00099610

Royalty Interest Owner	Decimal
United States of America	0.06250000
State of New Mexico	0.10312500

LIST OF ALL UNCOMMITTED WORKING INTEREST OWNERS TO BE POOLED

Working Interest Owners
Occidental Permian, L.P.
Permian Resources Operating, LLC
Zorro Partners, Ltd.
Javelina Partners
Moore and Shelton Co. Ltd.

EXHIBIT A-3

LIST OF ALL UNCOMMITTED OVERRIDING ROYALTY INTEREST OWNERS TO BE POOLED

Overriding Royalty Interest Owners
Bank of America, N.A., Trustee of the Delmar Hudson Lewis Living Trust created by Trust Agreement dated September 9, 2002
Zorro Partners, Ltd.
Hudson, Francis Hill, Trustee of Lindy's Living Trust created by Trust Agreement dated July 8,
Ralph A. Shugart Jr. Trust dated 5/26/1983
Moore and Shelton Co. Ltd.
Mewbourne, Curtis W., Trustee
Marathon Oil Permian LLC
Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard
Hudson Edward R Jr. Trustee of the Edward R. Hudson Trust 2

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Permian Resources Operating, LLC	Delaware Basin Land Department	300 N. Marienfeld St., Suite 1000	Midland	Texas	79701
Occidental Permian, LP	Delaware Basin Land Department	P.O. Box 4294	Houston	Texas	77210
Zorro Partners, Ltd.	W.A. Hudson II, Agent	616 Texas Street	Fort Worth	Texas	76102
Javelina Partners	Edward Hudson, Land Manager	616 Texas Street	Fort Worth	Texas	76102
Moore & Shelton Company, Ltd.	Michael R. Moore, Agent	P.O. Box 3070	Galveston	Texas	77552
Lindy's Living Trust u/t/a dated July 8, 1994	Hudson, Francis Hill, Trustee	4200 South Hulen Street, Suite 302	Fort Worth	Texas	76109
Moore and Shelton Co., Ltd.		P.O. Box 3070	Galveston	Texas	77552
Curtis W. Mewbourne, Trustee		P.O. Box 7698	Tyler	Texas	75711
Marathon Oil Permian LLC	Chase Rice, Permian Land Supervisor	990 Town and Country Boulevard	Houston	Texas	77024
Ralph A. Shugart Jr. Trust dated 5/26/1983	Elizabeth Duncan, Trustee	1960 Forest Parkway	Denver	Colorado	80220-1337
Delmar Hudson Lewis Living Trust	Bank of America, N.A., Trustee	P.O. Box 830308	Dallas	Texas	75283-0308
Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard	Frost Bank, Trustee	P.O. Box 1600	San Antonio	Texas	78296
Hudson, Edward R., Jr., Trustee of the Edward R. Hudson Trust 2		616 Texas Street	Fort Worth	Texas	76102
Ralph A. Shugart Jr. Trust dated 5/26/1983	Elizabeth Duncan, Trustee	1960 Forest Parkway	Denver	Colorado	80220-1337

Rainier 16 15 Fed COM #234H

Chronological Contracts with Uncommitted Owners

Occidental Permian, LP

- 9/18/23: Emailed Alissa Payne, Land Negotiator and extended an offer extended offer for an Assignment, Bill of Sale with 75% eNRI;
- 9/18/23: Alissa responded and said that Jonathan Gonzales, Land Negotiator is responsible for this area so Jordan Shaw with V-F sent Jonathan Gonzales an email requesting a day and time this week when we can go over this proposal;
- 9/19/23: Jonathan Gonzales at Oxy called Jordan Shaw with V-F and walked through where Oxy was at with its evaluation. The parties talked about potentially adding Oxy's acreage to a transaction which was currently underway covering other unrelated lands; and
- 11/15/24: Proposed Joint Operating Agreement.

Permian Resources Operating, LLC

- 8/28/24: Sent email to Travis Macha, NM Land Lead to see if he was available to discuss Permian's Slim Jim proposals;
- 8/30/24: Jordan Shaw with V-F met Travis Macha with Permian for lunch and V-F proposed Permian and V-F split Sec. 15 down the middle wherein V-F would drill 1.5 mile wells in Sec. 16 & W/2 Sec. 15 and Permian would drill 1.5 mile wells in Sec. 14 & E/2 Sec. 15;
- 9/5/24: V-F sent Travis Macha at Permian what V-F owns in the E/2 Sec. 15;
- 9/9/24: Travis Macha sent Jordan Shaw with V-F an email of potential deal points to consider;
- 9/11/24: Jumped on a call with Travis to discuss deal points Travis sent on 9/9/24;
- 9/24/24: Received email stating that reservoir and geology can't justify shortened laterals based on the deal points discussed;
- 11/15/24: Proposed Joint Operating Agreement by mail;
- 1/17/25: Jordan Shaw with V-F met Travis Macha with Permian for beers and V-F proposed 3-mile development covering all Sec. 16, 15 & 14; and
- 1/20/25: V-F sent Permian a Letter Agreement based on proposal extended 1/17/25 and Permian responded with email stating that they are considering the proposal.

Ard Oil, LTD

• 11/15/24: Proposed Joint Operating Agreement.

Zorro Partners, Ltd.

• 11/15/24: Proposed Joint Operating Agreement.

Javelina Partners

• 11/15/24: Proposed Joint Operating Agreement.

Moore & Shelton Company, Ltd.

• 11/15/24: Proposed Joint Operating Agreement.



V-F Petroleum Inc.

Physical Address: 500 W. Texas, Suite 350, Midland, Texas, 79701; Phone 432-269-0569; Mailing Address: P.O. Box 1889, Midland, Texas, 79702; e-mail: jordan@vfpetroleum.com

November 6, 2024

Transmitted Via United States Postal System - Certified Mail - Return Receipt Requested

Occidental Permian, LP
P.O. Box 4294
Houston, Tx. 77210
ATTN: Delaware Basin Land Department

RE: Horizontal Well Proposal – 3rd Bone Spring Formation; Standard Horizontal Spacing Unit – N/2N/2 Sections 16 & 15, Township 18 South, Range 31 East, Eddy County, New Mexico

Rainier 16 15 Fed Com #234H; 3nd Bone Spring

SHL: 1,055 FNL, 90 FWL of Section 16 (Unit D), T-18 South, R-31 East, Eddy County, NM FTP: 560 FNL, 100 FWL of Section 16 (Unit D), T-18 South, R-31 East, Eddy County, NM 560 FNL, 100 FEL of Section 15 (Unit A), T-18 South, R-31 East, Eddy County, NM

Ladies and/or Gentlemen:

Please be advised that V-F Petroleum Inc. ("V-F") hereby proposes to drill, complete and equip the above referenced horizontal well at the locations so indicated, to test the 3rd Bone Spring formations as more or less articulated herein.

The projected total vertical depth of the above stated <u>Rainier 16 15 Fed Com #234H</u> in order to test the 3rd Bone Spring formation is estimated to be 9,250 feet (TVD) with an approximate total measured depth of 19,825 feet. The costs to drill, complete and equip said well are estimated at <u>\$9,596,250.00</u> as indicated on the enclosed AFE.

For those who elect to participate in the captioned horizontal well, V-F has enclosed an A.A.P.L. Form 610 – 1989 Model Form Operating Agreement, Horizontal Modifications ("Operating Agreement"), designating V-F Petroleum Inc. as Operator, covering the North Half of the North Half (N/2N/2) of Sections 16 & 15, Township 18 South, Range 31 East, Eddy County, New Mexico, containing approximately 320 acres, more or less, covering the Bone Spring formation ("Contract Area") with the following general provisions:

- 100/300/300 Non-Consenting Penalty;
- \$8,500/\$850 Drilling and Producing Rate; and
- V-F Petroleum Inc. named as Operator.

In the interest of time, if we do not reach an agreement within 30 days of the date of this letter, V-F will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a standard horizontal spacing unit for the proposed well.

Please indicate your intention to either <u>participate or not participate</u> in the drilling, completion and equipping of each of the above referenced wells by placing an "X" in the appropriate spaces provided below, and return one (1) executed copy of this letter, one (1) executed AFE for the well you have elected <u>to participate</u>, one original (1) Joint Operating Agreement body signature page, and one (1) original executed and notarized Memorandum of Operating Agreement signature page. If you should desire not to

EXHIBIT A-5

Rainier 16 15 Fed Com #234H Permian Resources Operating, LLC November 6, 2024

participate in the drilling and completion of the well herein proposed, V-F is willing to discuss an alternative proposal to acquire your oil and gas interests in this area. Should you have any questions regarding this matter, please do not hesitate in contacting Jordan Shaw, Landman/Attorney for V-F Petroleum Inc. by phone at (432) 269-0569 or by email at jordan@vfpetroleum.com.

Best Regards

Jordan Shaw Landman/Attorney

Enclosures

Elections set forth on the following pages

Rainier 16 15 Fed Com #234H Occidental Permian, LP November 6, 2024

ELECTION Rainier 16 15 Fed Com #234H Well

Occidental Permian, LP

Elect to Participate in	the Rainier 16 15 Fed Com #234H Well	
Elect Not to Participa	ate in the Rainier 16 15 Fed Com #234H We	<u>ell</u>
By;	Title:	Date:

		V-F Petro	oleum Ir	ıc.		API No.	
			FOR EXPENDITURE	E		AFE Number	
	1		er 14, 2024		-	Well Type	Third BS Horizontal Oil Well
X	Original	Supplement	Revision		Re-Entry	Projected TD:	9,250' TVD 19,825' MD
X	Drill Well	Workover	Facilities	4000	Plug & Abandon	Proposal	Two Mile Horizontal Lateral
Lease Name/V		County / State	Formation	Basin	Field or Prospect		WL, Section 16, T-18-S, R-31-E
Ranier 16-15	rederal Com		3rd Bone Spring	Permian	Shugart: Bone Spring N. COST BEFORE	COMPLETION	EL. Section 15. T-18-S. R-31-E
Code		INTANGIBLE DESC	RIPTION		CASING POINT	COMPLETION	TOTAL WELL COST
501	PERMITS &	ENVIROMENTAL SERVICES			\$15,000	\$10,000	\$25,000
516	1	ION, CURATIVE & POOLING			\$15,000	810,000	\$15,000
501		G STAKE LOCATION			\$7,500		\$7,500
501	DAMAGES	& R-O-W'S			\$15,000		\$15,000
502/711	ROADS, LO	CATION, PITS, LINERS, ETC.			\$1,500	\$25,000	\$26,500
503	DRILLING I	RIG MOBILIZATION COST			\$10,000		\$10,000
503	DRILLING -	- DAYS 21	days @ \$19,000		\$399,000		\$399,000
503	MUD MOTO	ORS & DIRECTIONAL			\$175,000		\$175,000
517	CLOSED LC	OOP & DISPOSAL 21	days @ \$5,500		\$115,500		\$115,500
505	III.	AC CHEMICALS			\$125,000	\$350,000	\$475,000
505/716		ine & Fresh); FRAC WATER			\$58,000	\$400,000	\$458,000
503	BITS, REAM				\$65,000		\$65,000
503	FUEL		gallons @ \$6		\$450,000		\$450,000
504		G SURFACE			\$25,000		\$25,000
504		G INTERMEDIATE			\$55,000	6146,000	\$55,000
701 509/705		G PRODUCTION SERVICES AND TOOLS			\$55,000	\$165,000 \$90,000	\$165,000 \$145,000
509/705	1	EWS PU LD MACHINE			\$45,000	\$50,000	\$95,000
513/708		JIPMENT, CENTRALIZERS, ECP'S, D'	/ TOOLS		\$15,000	\$25,000	\$40,000
507		COMPLETION, FLOWBACK	7 100L3		313,000	\$175,000	\$175,000
508		E LOGGING				3175,000	3175,000
508	MUD LOGO		days @ \$3,500		\$73,500		\$73,500
509/705	1	HOURLY LABOR, ROUSTABOUT C			\$36,000	\$250,000	915,250
509/713	EQUIPMEN		,		\$42,000	\$125,000	\$167,000
509/714	TRUCKING	, TRANSPORTATION, FORKLIFT			\$57,000	\$85,000	\$142,000
715	COMPLETIO	ON UNIT; COIL TUBING UNIT				\$600,000	\$600,000
704	FORMATIO	N STIMULATION (60 STAGES)				\$2,435,500	\$2,435,500
702/03	CASED HO	LE LOGGING, PERFORATING & FRA	C PLUGS			\$280,000	\$280,000
510/11/706	GEOLOGIC	/ ENGINEERING			\$55,000	\$80,000	\$135,000
509/705			days @ \$3,500		\$70,000	\$52,000	\$122,000
514			days @ \$500		\$10,500	\$5,000	\$15,500
515/705	INSURANC				\$10,000	\$10,000	\$20,000
509/705	CONTINGE				\$100,000	\$416,000	\$516,000
	TANGIBLE E	STIMATED COST			\$2,100,500	\$5,628,500	\$7,729,000
Acct		TANGIBLE DESCRI	UPTION		COST BEFORE	COMPLETION	TOTAL
Code	-				CASING POINT	COST	WELL COST
620/820 620/820	CONDUCTO	OP			\$42,000		\$42,000
620/820	SURFACE				\$96,000		\$96,000
620/820	INTERMED	NATE			\$120,000		\$120,000
620/820	INTERMED				(140,100)		
820	PRODUCTI					\$609,750	\$609,750
820	PRODUCTI						
821	TUBING (C	oated)				\$128,000	\$128,000
621/824	WELLHEAD	D EQUIPMENT			\$28,000	\$18,000	\$46,000
825	PRODUCTI	ON FACILITY ENCLOSURE				\$25,000	\$25,000
825	POWER SO	URCE				\$25,000	\$25,000
822		PUMP (FG & STEEL)					
823		BP'S, ESP, DOWNHOLE EQUIPMENT				\$265,000	\$265,000
827	1	REATER, SEPERATOR, FWKO				\$175,000	
831		S LINE & METER RUN				\$5,500	\$5,500
830		S, VALVES, CONNECTIONS				\$10,000	\$10,000
827		ATER AND PRODUCTION)			200.000	\$150,000 \$141,000	\$150,000
622/820 TOTAL TA	CONTINGE	IMATED COST			\$29,000 \$315,000	4	
		Rig, Cmt, Cleanup, Misc., Services			\$50,000		31,607,230
	ED DRY HOL				\$2,465,500		i i
-	E ESTIMATE				\$2,415,500	\$7,180,750	\$9,596,250
WI OWNER W.I	L	CEPTANCE:		AUTHOR OPERAT		THE ACTUAL COSTS	ES ONLY AND APPROVAL OF THIS INCURRED IN CONDUCTING THE IHE HEREIN SET OUT. Date: 10/14/2024
Date	te						

V-F Petroleum Inc.

Physical Address: 500 W. Texas, Suite 350, Midland, Texas, 79701; Phone 432-269-0569; Mailing Address: P.O. Box 1889, Midland, Texas, 79702; e-mail: jordan@yfpetroleum.com

January 21, 2025

Transmitted Via United States Postal System - Certified Mail - Return Receipt Requested

Occidental Permian LP P.O. Box 4294 Houston, Texas 77210

RE: <u>Horizontal Well Proposal – 3rd Bone Spring Formation;</u>

<u>Standard Horizontal Spacing Unit – N/2N/2 Sections 16 & 15, Township 18 South, Range 31 East, Eddy County, New Mexico</u>

Rainier 16 15 Fed Com #234H; 3nd Bone Spring

SHL: 1,517 FNL, 728' FWL of Section 16 (Unit D), T-18 South, R-31 East, Eddy County, NM FTP: 560 FNL, 100 FWL of Section 16 (Unit D), T-18 South, R-31 East, Eddy County, NM 560 FNL, 100 FEL of Section 15 (Unit A), T-18 South, R-31 East, Eddy County, NM

Ladies and/or Gentlemen:

Please be advised that V-F Petroleum Inc. ("V-F") has moved the surface hole location of the proposed well from 1,055 FNL, 90 FWL of Section 16 to 1,517 FNL, 728' FWL of Section 16 and enclosed for your consideration is the updated AFE containing the new surface hole location and updated lateral length. The rest and the remainder of the Proposal and its accompanying AFE remains the same and this supplemental proposal and its accompanying AFE shall be deemed to be retroactively effective for all purposes as of the date the original proposal was sent.

Should you have any questions regarding this matter, please do not hesitate in contacting Jordan Shaw, Landman/Attorney for V-F Petroleum Inc. by phone at (432) 269-0569 or by email at jordan@yfpetroleum.com.

Best Regards,

Jordan Shaw Landman/Attorney

Enclosures

V-F Petroleum Inc.

Physical Address: 500 W. Texas, Suite 350, Midland, Texas, 79701; Phone 432-269-0569; Mailing Address: P.O. Box 1889, Midland, Texas, 79702; e-mail: jordan@yfpetroleum.com

January 20, 2025

Transmitted Via United States Postal System - Certified Mail - Return Receipt Requested

Occidental Permian LP P.O. Box 4294 Houston, Texas 77210

RE: <u>Horizontal Well Proposals – 1st Bone Spring Formation;</u>

<u>Standard Horizontal Spacing Unit – N/2N/2 Sections 16 & 15, Township 18 South, Range 31 East, Eddy County, New Mexico</u>

Rainier 16 15 Fed Com #214H; 1st Bone Spring

SHL: 1,467 FNL, 728 FWL of Section 16 (Unit E), T-18 South, R-31 East, Eddy County, NM FTP: 560 FNL, 100' FWL of Section 16 (Unit D), T-18 South, R-31 East, Eddy County, NM BHL/LTP: 560 FNL, 100 FEL of Section 15 (Unit A), T-18 South, R-31 East, Eddy County, NM

Ladies and/or Gentlemen:

Please be advised that V-F Petroleum Inc. ("V-F") hereby proposes to drill, complete and equip each of the above referenced horizontal wells at the locations so indicated, to respectively test the 2^{nd} and 3^{rd} Bone Spring formations as more or less articulated herein.

The projected total vertical depth of the above stated <u>Rainier 16 15 Fed Com #214H</u> in order to test the 1st Bone Spring formation is estimated to be 7,750 feet (TVD) with an approximate total measured depth of 19,017 feet. The costs to drill, complete and equip said well are estimated at <u>\$8,016,206.00</u> as indicated on the enclosed AFE.

For those who elect to participate in the captioned horizontal wells, V-F has enclosed an A.A.P.L. Form 610 – 1989 Model Form Operating Agreement, Horizontal Modifications ("Operating Agreement"), designating V-F Petroleum Inc. as Operator, covering the North Half of the North Half (N/2N/2) of Sections 16 & 15, Township 18 South, Range 31 East, Eddy County, New Mexico, containing approximately 320 acres, more or less, covering the Bone Spring formation ("Contract Area") with the following general provisions:

- 100/300/300 Non-Consenting Penalty;
- \$8,500/\$850 Drilling and Producing Rate; and
- V-F Petroleum Inc. named as Operator.

In the interest of time, if we do not reach an agreement within 30 days of the date of this letter, V-F will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a standard horizontal spacing unit for the proposed wells.

Please indicate your intention to either <u>participate or not participate</u> in the drilling, completion and equipping of each of the above referenced wells by placing an "X" in the appropriate spaces provided below, and return one (1) executed copy of this letter, one (1) executed AFE for each well you have elected <u>to participate</u>, one original (1) Joint Operating Agreement body signature page, and one (executed and notarized Memorandum of Operating Agreement signature page. If you should departicipate in the drilling and completion of the wells herein proposed, V-F is willing to discuss an

35 of 74

Page 255 of 600

Rainier 16 15 Fed Com #214H Occidental Permian LP January 20, 2025

proposal to acquire your oil and gas interests in this area. Should you have any questions regarding this matter, please do not hesitate in contacting Jordan Shaw, Landman/Attorney for V-F Petroleum Inc. by phone at (432) 269-0569 or by email at jordan@vfpetroleum.com.

Best Regards,

Jordan Shaw Landman/Attorney

Enclosures

Election set forth on the following page

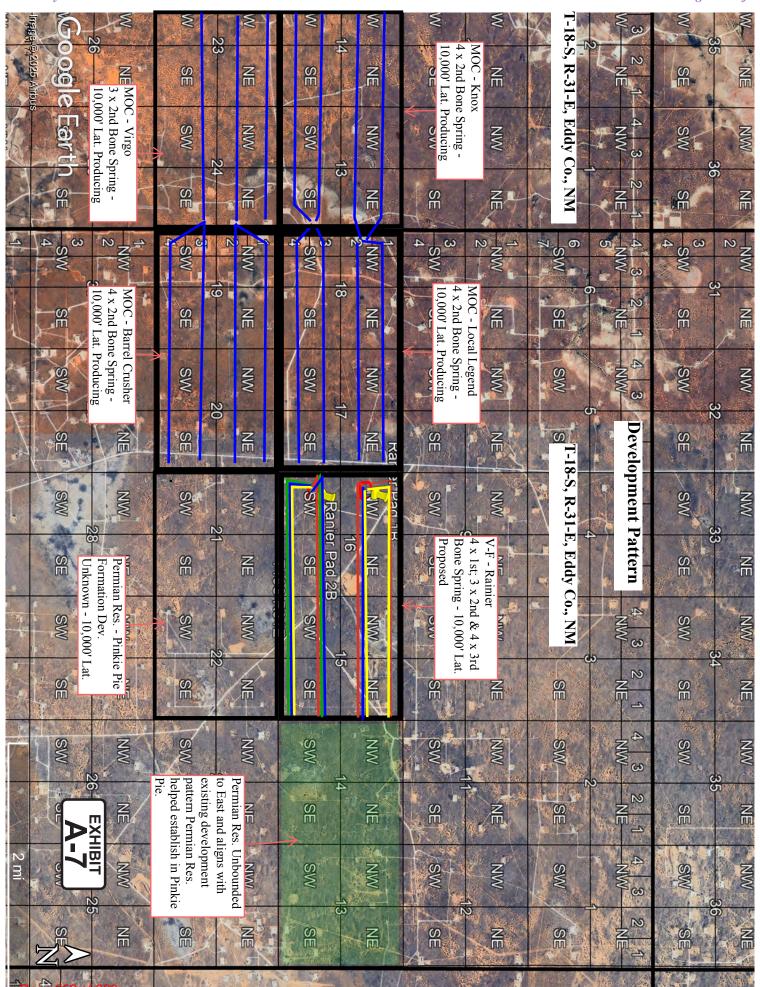
Rainier 16 15 Fed Com #214H Occidental Permian LP January 20, 2025

ELECTION Rainier 16 15 Fed Com #214H Well

Occidental Permian LP

	_ Elect to Participate in the Rainier 16 15 Fed Com #214H Well		
	Elect Not to Participate in the Rainier 16 15 Fed Com #214H Well		
By: _	Title:	Date:	

			V-F Petro	oleui	m In	.C.		API No.	
			AUTHORIZATION	FOR EXP	ENDITURE			AFE Number	
	7		Octobe	er 14, 2024	-	_	-		First BS Horizontal Oil Well
X	Original		Supplement		Revision		Re-Entry	.,	7,750' TVD 19,017' MD
X	Drill Well		Workover		Facilities		Plug & Abandon	-	Two Mile Horizontal Lateral
Lease Name/V Ranier 16-15		. #214H	County / State Eddy NM	Formation 1st Bone S	nring	Basin Permian	Field or Prospect Shugart; Bone Spring N.		FWL, Section 16, T-18-S, R-31-E EL, Section 15, T-18-S, R-31-E
Acct	rederai Con	1#21411			pring	1 eriman	COST BEFORE	COMPLETION	TOTAL
Code			INTANGIBLE DESCR	RIPTION			CASING POINT	COST	WELL COST
501	PERMITS &	& ENVIROME	NTAL SERVICES				\$15,000	\$10,000	\$25,000
516	TITLE OPI	NION, CURAT	IVE & POOLING				\$15,000		\$15,000
501	SURVEYIN	IG STAKE LO	CATION				\$7,500		\$7,500
501	DAMAGES	& R-O-W'S					\$15,000		\$15,000
502/711			S, LINERS, ETC.				\$60,000	\$25,000	\$85,000
503		RIG MOBILIZ					\$10,000		\$10,000
503	DRILLING			days @	\$19,000		\$304,000		\$304,000
503		ORS & DIREC OOP & DISPO		J	85 500		\$150,000 \$88,000		\$150,000 \$88,000
517 505		AC CHEMICA		days @	\$5,500		\$125,000	\$150,000	\$88,000 \$275,000
505/716		rine & Fresh); I					\$40,000	\$400,000	\$440,000
503		MERS, ETC.	TOTO WITTER				\$65,000	\$100,000	\$65,000
503	FUEL		45000	gallons @	\$6		\$270,000		\$270,000
504	CEMENTIN	NG SURFACE					\$25,000		\$25,000
504	CEMENTIN	NG INTERMED	DIATE				\$45,000		\$45,000
701	CEMENTIN	NG PRODUCT	ION					\$126,000	\$126,000
509/705		SERVICES AN					\$45,000	\$65,000	\$110,000
509/705		REWS PU LD					\$35,000	\$45,000	\$80,000
513/708			NTRALIZERS, ECP'S, DV	TOOLS			\$10,000	\$18,000	\$28,000
507			, FLOWBACK					\$175,000	\$175,000
508 508	MUD LOG	E LOGGING	16	J (a)	\$3,500		\$56,000		\$56,000
509/705			BOR, ROUSTABOUT CR	days @			\$26,000	\$250,000	350,000
509/713		NT RENTAL	ibok, koostaboot ek	LW5, 5AIL	.III IAI		\$42,000	\$105,000	\$147,000
509/714	-		TATION, FORKLIFT				\$57,000	\$35,000	\$92,000
715			IL TUBING UNIT					\$550,000	\$550,000
704	FORMATIO	ON STIMULAT	TON (60 STAGES)					\$2,085,566	\$2,085,566
702/03	CASED HO	LE LOGGING	, PERFORATING & FRAC	PLUGS				\$260,000	\$260,000
510/11/706		C / ENGINEER					\$55,000	\$80,000	\$135,000
509/705		T CONSULTA		days @	\$3,500		\$56,000	\$52,000	\$108,000
514		WELL RATE	(A/O) 16	days @	\$500		\$8,000	\$5,000	\$13,000
515/705 509/705	INSURANC	ENCY (8%)					\$10,000 \$81,000	\$10,000 \$355,000	\$20,000 \$436,000
		ESTIMATED O	OST				\$1,715,500	\$4,801,566	\$6,517,066
Acct			TANGIBLE DESCRI	IDTION			COST BEFORE	COMPLETION	TOTAL
Code			TANGIBLE DESCRI	IFTION			CASING POINT	COST	WELL COST
620/820									
620/820	CONDUCT	OR					\$42,000		\$42,000
620/820	SURFACE						\$96,000		\$96,000
620/820	INTERMEI						\$120,000		\$120,000
620/820 820	INTERMEI PRODUCT							\$310,640	\$310,640
820 820		ION ION LINER						\$310,040	\$310,040
821	TUBING (C							\$112,000	\$112,000
621/824		D EQUIPMEN	T				\$28,000	\$18,000	\$46,000
825	PRODUCT	ION FACILITY	' ENCLOSURE					\$25,000	\$25,000
825	POWER SO	URCE						\$25,000	\$25,000
822	RODS ANI	PUMP (FG &	STEEL)						
823			WNHOLE EQUIPMENT					\$265,000	\$265,000
827			ERATOR, FWKO					\$175,000	\$175,000 \$5,500
831 830		S LINE & MET	CONNECTIONS					\$5,500 \$10,000	\$5,500 \$10,000
830 827		ATER AND PE						\$150,000	\$10,000 \$150,000
622/820		ENCY (8%)	(ODCC HOIV)				\$29,000	\$88,000	\$117.000
		TIMATED COS	T				\$315,000	\$1,184,140	\$1,499,140
941-945	P&A Costs,	Rig, Cmt, Clea	nup, Misc., Services				\$50,000		
	D DRY HOL						\$2,080,500		
	E ESTIMATI						\$2,030,500	\$5,985,706	\$8,016,206
WI OWNER		CEPTANCE:			-	AUTHORI		THE ACTUAL COSTS II	S ONLY AND APPROVAL OF THIS NCURRED IN CONDUCTING THE HE HEREIN SET OUT.
					=	Prepared by:	Dill Diarra		Date: 10/14/2024
Title Signature					=	riepared by:	Dill Pietce		Date: 10/14/2024
Date					-				



V-F Petroleum Inc.

Physical Address: 550 W. Texas, Suite 300, Midland, Texas, 79701; Phone 432-683-3344; Mailing Address: P.O. Box 1889, Midland, Texas, 79702; e-mail: jordan@vfpetroleum.com

November 29, 2024

Bureau of Land Management Attn: Oil and Gas Division 620 E. Greene Street Carlsbad, NM 88220-6292

> Re: Overlapping Spacing Unit Notification - 19.15.15.12(B) NMAC BLM Lease: NMNM 089882 & NMNM 089879 Tamano 15 AD Fed Com #001H (API: 30-015-40868)

To whom it may concern:

Per notification requirement under NMAC 19.15.15.12(B), this letter shall serve as notice to the mineral interest owner of Bureau of Land Management Lease NMNM 089882 and Bureau of Land Management Lease NMNM 089879, insofar as both leases cover the North Half of the North Half (N/2N/2) of Section 15, T-18-S, R-31-E, Eddy County, New Mexico that V-F Petroleum Inc. ("V-F"), as operator of the Rainier 16 15 Fed Com #234H ("Rainier #234H"), has proposed the Rainier #234H well at the specified locations and depths below that overlap in part the dedicated spacing unit as to the same formation in part/Pool, as the Tamano 15 AD Fed Com #001H (API: 30-015-40868) well operated by Mewbourne Oil Company. Mewbourne Oil Company as existing operator of the Tamano 15 AD Fed Com #001H (API: 30-015-40868) well have been given the same notice of development plans as contained herein in accordance with 19.15.15.12(B) NMAC.

Rainier 16 15 Fed Com #234H; 3nd Bone Spring

1,055 FNL, 90 FWL of Section 16 (Unit D), T-18 South, R-31 East, Eddy County, NM SHL: FTP: 560 FNL, 100 FWL of Section 16 (Unit D), T-18 South, R-31 East, Eddy County, NM BHL/LTP: 560 FNL, 100 FEL of Section 15 (Unit A), T-18 South, R-31 East, Eddy County, NM Standard Horizontal Spacing Unit - 320 acres, N/2N/2 Sec. 16 & 15, T-18-S, R-31-E, Eddy Co., NM Target Interval: 3rd Bone Spring Sand at proposed TVD of 9,250 feet

Please be advised that V-F will only be seeking to compulsory pool and form its Standard Horizontal Spacing unit limited in depths in the overlapping Spacing Unit/Pool from the Top of the 3rd Bone Spring Interval within the Bone Spring Formation down to the base of the Bone Spring Formation and will be EXCLUDING the producing Interval of the Bone Spring Formation of Mewbourne Oil Company's Tamano 15 AD Fed Com #001H (API: 30-015-40868) well. You are hereby notified that you have twenty (20) days from the date of this notification was mailed to object by written statement to V-F, otherwise you will be deemed to have waived your objection to the overlapping spacing unit.

If you should have any question, please do not hesitate to contact me at the above provided contact information.

Sincerely,

Jordan Shaw Landman/Attorney

V-F Petroleum Inc.

Physical Address: 550 W. Texas, Suite 300, Midland, Texas, 79701; Phone 432-683-3344; Mailing Address: P.O. Box 1889, Midland, Texas, 79702; e-mail: jordan@yfpetroleum.com

November 29, 2024

Mewbourne Oil Company Attn: Land Department 500 W. Texas Ave., Ste. 1020 Midland, TX 79701

Re: Overlapping Spacing Unit Notification - 19.15.15.12(B) NMAC BLM Lease: NMNM 089882 & NMNM 089879
Tamano 15 AD Fed Com #001H (API: 30-015-40868)

To whom it may concern:

Per notification requirement under NMAC 19.15.15.12(B), this letter shall serve as notice to the operator of the Tamano 15 AD Fed Com #001H (API: 30-015-40868) well producing from Bureau of Land Management Lease NMNM 089882 and Bureau of Land Management Lease NMNM 089879, insofar as both leases cover the North Half of the North Half (N/2N/2) of Section 15, T-18-S, R-31-E, Eddy County, New Mexico, that V-F Petroleum Inc. ("V-F"), as operator of the Rainier 16 15 Fed Com #234H ("Rainier #234H"), has proposed the Rainier #234H well at the specified locations and depths below that overlap in part the dedicated spacing unit as to the same formation in part/Pool, as the Tamano 15 AD Fed Com #001H (API: 30-015-40868) well operated by Mewbourne Oil Company.

Rainier 16 15 Fed Com #234H; 3nd Bone Spring

SHL: 1,055 FNL, 90 FWL of Section 16 (Unit D), T-18 South, R-31 East, Eddy County, NM FTP: 560 FNL, 100 FWL of Section 16 (Unit D), T-18 South, R-31 East, Eddy County, NM BHL/LTP: 560 FNL, 100 FEL of Section 15 (Unit A), T-18 South, R-31 East, Eddy County, NM Standard Horizontal Spacing Unit – 320 acres, N/2N/2 Sec. 16 & 15, T-18-S, R-31-E, Eddy Co., NM Target Interval: 3rd Bone Spring Sand at proposed TVD of 9,250 feet

Please be advised that V-F will only be seeking to compulsory pool and form its Standard Horizontal Spacing unit limited in depths in the overlapping Spacing Unit/Pool from the Top of the 3rd Bone Spring Interval within the Bone Spring Formation down to the base of the Bone Spring Formation and will be EXCLUDING the producing Interval of the Bone Spring Formation of Mewbourne Oil Company's Tamano 15 AD Fed Com #001H (API: 30-015-40868) well. You are hereby notified that you have twenty (20) days from the date of this notification was mailed to object by written statement to V-F, otherwise you will be deemed to have waived your objection to the overlapping spacing unit.

If you should have any question, please do not hesitate to contact me at the above provided contact information.

Sincerely,

Jordan Shaw Landman/Attorney

TAB 3

Exhibit B: Self-Affirmed Statement of Stephen Burke, Geologist

Exhibit B-1: Structure Map

Exhibit B-2: Stratigraphic Cross Section

Exhibit B-3: Gross Isopach Exhibit B-4: Gun Barrel View

Exhibit B-5: Structural Cross-Section

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

APPLICATION OF V-F PETROLEUM INC., FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case No. 25115

SELF-AFFIRMED STATEMENT OF STEPHEN BURKE

- I, Stephen Burke, state and affirm the following:
- 1. I am over the age of 18, and I have personal knowledge of the matters stated herein.
- 2. I am employed as a petroleum geologist for V-F Petroleum Inc., and I am familiar with the subject application and the geology involved.
- 3. I graduated in 1980 from Stephen F. Austin State University with a bachelor's degree in Geology. I have worked at V-F Petroleum Inc. for under a year, and I have been working in New Mexico for 25 years. My credentials as a petroleum geologist have been accepted by the New Mexico Oil Conservation Division ("Division") and made a matter of record.
- 4. This affidavit is submitted in connection with the filing by V-F Petroleum Inc. of the above-referenced compulsory pooling application pursuant to 19.15.4.12.A(1) NMAC.
- 5. **Exhibit B-1** is a structure map of the top of 3rd Bone Spring Sand with contour interval of 50'. The unit being pooled is outlined by red rectangle. The structure



map shows that there is a regional down-dip to the southeast. I do not observe any faulting, pinchouts, or other geologic impediments to developing this targeted interval

- 6. **Exhibit B-2** is a stratigraphic cross-section flattened on the top of the 3rd Bone Spring Sand. Each well in the cross-section contains a gamma ray, resistivity, and porosity log. The cross-section demonstrates continuity and slight thinning to north of the target zone. The well logs on the cross-section give a representative sample of the 3rd Bone Spring Sand. The landing zone is highlighted by light, brown shading.
- 7. **Exhibit B-3** is a gross isopach map of the 3rd Bone Spring Sand, this map demonstrates the continuity of the target zone across this vicinity.
- 8. **Exhibits B-4** is gun barrel diagram of the unit demonstrating the vertical and lateral location of the wellbore.
- 9. **Exhibit B-5** is a structural cross section built along the wellbore trajectories. Exhibits B-1 through B-5 are the same for the 3rd Bone Spring Sand's applications in Cases Nos. 24994, 24955 and 25117.
 - 10. I conclude from the attached exhibits that:
 - a. The horizontal spacing and proration unit is justified from a geologic standpoint.
 - There are no structural impediments or faulting that will interfere with horizontal development.
 - c. Each quarter-quarter section in the unit will contribute more or less equally to production.
- 11. The preferred well orientation in this area is west to east so that the wells run sub-perpendicular to the inferred orientation of the maximum horizontal stress.

- 12. The Exhibits to this Affidavit were prepared by me or compiled from V-F Petroleum Inc.'s company business records under my direct supervision.
- 13. The granting of this Application is in the interests of conservation, the prevention of waste and the drilling of unnecessary wells, and the protection of correlative rights.
- 14. The foregoing is correct and complete to the best of my knowledge and belief.

[Signature page follows]

Signature page of Self-Affirmed Statement of Stephen Burke:

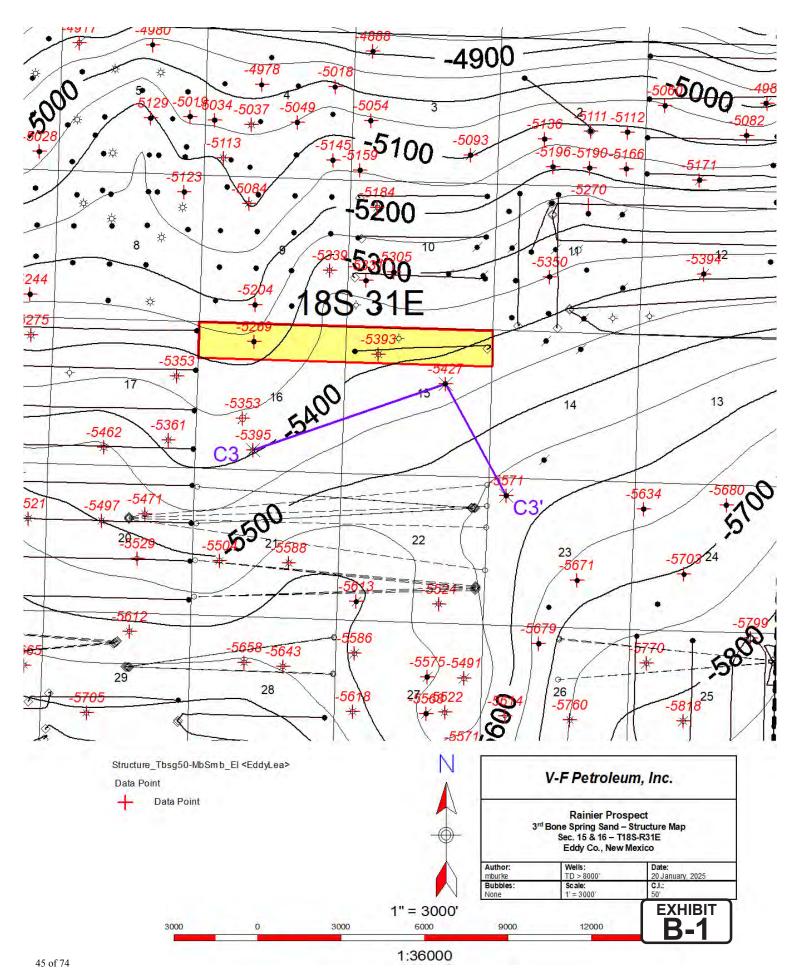
I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case No. 25115 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.

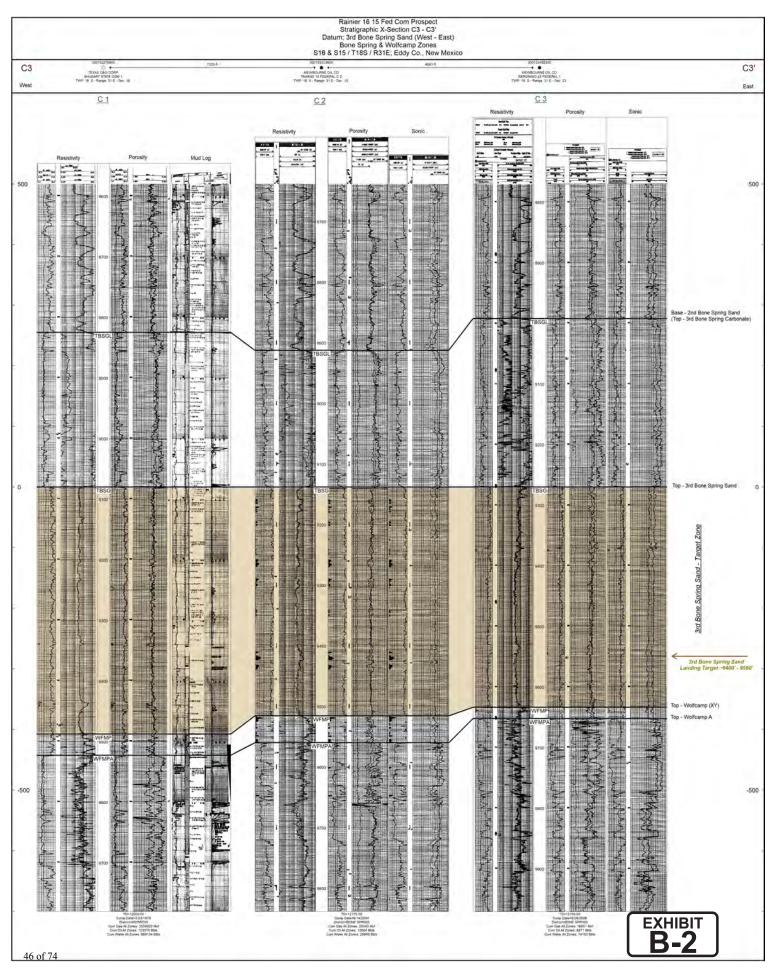
Stephen Burke

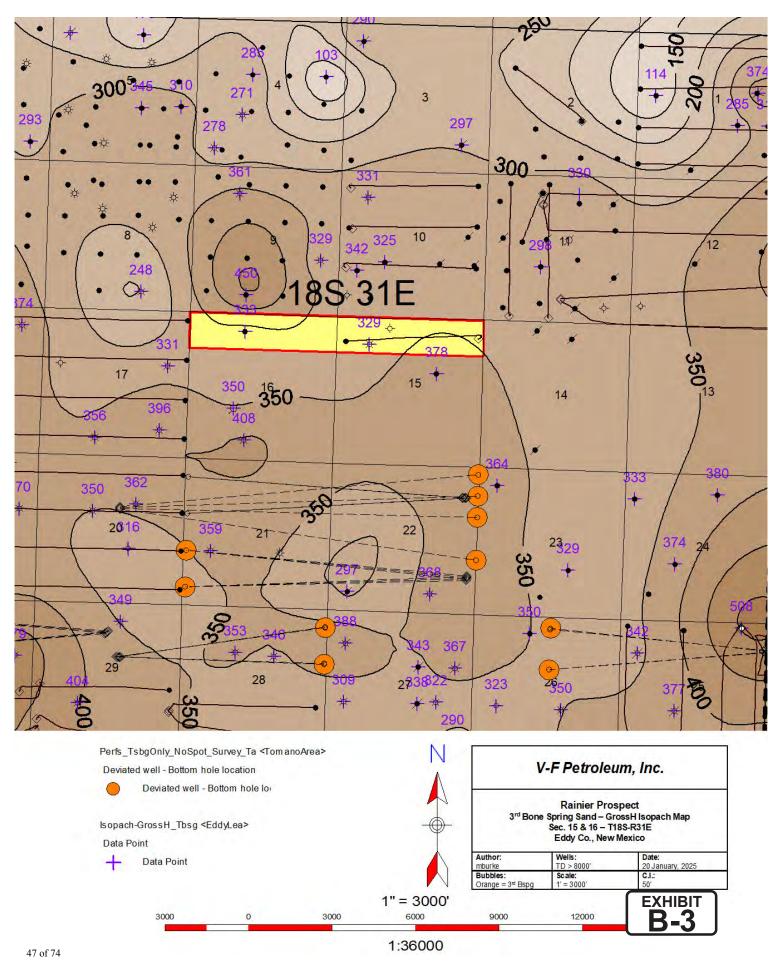
Arphu M. Bure

1/21/202

Date Signed







V-F Petroleum Inc.

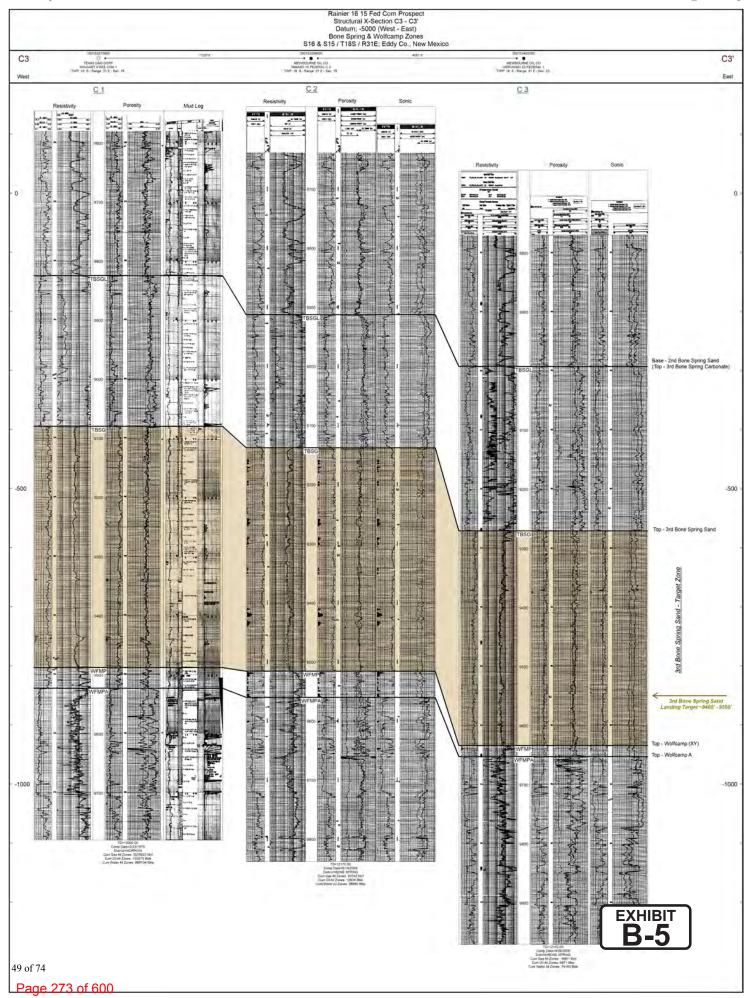
Rainier 16 15 Fed Com #234H

T18S - R32E / Eddy Co., New Mexico

Zone &	Well &	Well &	Well &	Well &
Vertical	Operator	Operator	Operator	Operator
Depth	N/2 - N/2	S/2 - N/2	N/2-S/2	S/2-S/2
	D16 - A15	E16 - H15	L16 - I15	M16 - P16
Bspg1	XXX-MOC	XXX-VE	XXX-VE	XXX-VE
Penso.	Tomano 1H	Rainier	Rainier	Rainier
Bspg2	MOC	223H-VE	222H-VF	221H-VF
Bspg3	Rainier	Rainier	Rainler	Rainier
pshgo	234H-VF	233H-VF	232H-VF	231H-VF
WfmpXy	XXX-VF	XXX-VF	XXX-VF	XXX-VF
	North			South

	R	ange 31 Eas	t / Section 1	6	R	ange 31 Eas	t / Section 1	5
	D	c	В	A	D'	С	В	A
Township 18 South	E	F	G	н	E	F	G	н
Township	Į.	к	J	J	L	к	ı	- 1
	м	N	0	Р	М	N	0	P

EXHIBIT **B-4**



TAB 4

Exhibit C: Self-Affirmed Statement of Notice, Darin C. Savage

Exhibit C-1: Notice Letters Exhibit C-2: Mailing List

Exhibit C-3: Affidavits of Publication

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

APPLICATION OF V-F PETROLEUM INC. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case No. 25115

SELF-AFFIRMED STATEMENT OF NOTICE

- I, Darin C. Savage, attorney and authorized representative of V-F Petroleum Inc. ("V-F"), the Applicant herein, states and affirms the following:
- 1. Notice of the application and hearing in the above-referenced case was timely sent by certified mail, return receipt requested, through the United States Postal Service on December 18, 2024, to all uncommitted interest owners sought to be pooled in this proceeding. *See* Exhibit C-2, attached hereto. Copies of the notice letters and evidence of mailing to parties are attached hereto as Exhibits C-1 and C-2.
- 2. Notice for the above-referenced case was sent to the Carlsbad Current-Argus, a newspaper of general circulation in Eddy County, New Mexico, and timely published in said newspaper on December 21, 2024. *See* Exhibit C-3.



Signature page of Self-Affirmed Statement of Darin C. Savage:

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case No. 25115 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.

Darin Savage

Date Signed



ABADIE I SCHILL PC

Colorado New Mexico
Louisiana Texas
Nebraska Kansas
Montana Wyoming
Oklahoma California
North Dakota

EXHIBIT

December 18, 2024

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of V-F Petroleum Inc., for Compulsory Pooling, Eddy

County, New Mexico

Rainier 16-15 Fed Com #234H Well

Case No. 25115:

Dear Interest Owners:

This letter is to advise you that V-F Petroleum Inc., ("V-F" or "Applicant"), has filed the enclosed application, Case No.25115, with the New Mexico Oil Conservation Division ("Division") for an order pooling all uncommitted mineral interests in the Third Bone Spring formation, from the top of the Third Bone Spring, at a depth of 8,914' beneath the surface, to the base of the Third Bone Spring formation, which has a depth of 9,516' beneath the surface, as shown in that certain Dual Lateralog, Micro Laterlog, Gamma Ray well log in the Tamano 15 Fed Com #2 well (API # 30-015-33398), located in Sec. 15, Township 18 South, Rage 31 East, Eddy County, New Mexico, designated as an oil pool, underlying a standard 320-acre, more or less, spacing unit comprised of the N/2 N/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico ("Subject Lands").

V-F requested that this Application be set for hearing before an Examiner of the Oil Conservation Division on January 9, 2025. The status of the hearing, including any continuances, can be monitored through the Division's website. Division hearings will commence at 9:00 a.m., in the Wendell Chino Building, Pecos Hall located on the 1st Floor, at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. If so desired, you can attend the hearing in person at Pecos Hall or you can attend virtually through remote online

abadieschill.com

214 McKenzie Street, Santa Fe, New Mexico, 87501

O: 970.385.4401 • F: 970.385.4901

53 of 74

access. For information about attending by remote access and reviewing the status of the case, you can visit the Division's website at: https://www.emnrd.nm.gov/ocd/hearing-info/ or call (505) 476-3441.

You are being notified as an interest owner (subject to title examination) and are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 19.15.4.13.B NMAC to file a Prehearing Statement at least four business days in advance of a scheduled hearing, but in no event later than 5 p.m. Mountain Time on the Thursday preceding the scheduled hearing date. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: The names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Jordan Shaw at (432) 269-0569 or at jordan@vfpetroleum.com.

Sincerely,

Darin C. Savage

Attorney for V-F Petroleum, Inc.

Application of V-F Petroleum Inc. for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted mineral interests in the Third Bone Spring formation, from the top of the Third Bone Spring, at a depth of 8,914' beneath the surface, to the base of the Third Bone Spring formation, which has a depth of 9,516' beneath the surface, as shown in that certain Dual Lateralog, Micro Laterlog, Gamma Ray well log in the Tamano 15 Fed Com #2 well (API # 30-015-33398), located in Sec. 15, Township 18 South, Rage 31 East, Eddy County, New Mexico, designated as an oil pool, underlying a standard 320-acre, more or less, spacing unit comprised of the N/2 N/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. The proposed well to be dedicated to the horizontal spacing unit is the Rainier 16-15 Fed Com #234H Well, an oil well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 16 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 15. The proposed well will be orthodox, and its take points and completed interval will comply with the setback requirements under statewide Rules. Also to be considered will be the approval of an overlapping unit involving the Tamano 15 AD Fed Com #1H Well (API No. 30-015-40868); the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the well and unit; and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 31 miles southeast of Artesia, New Mexico.

			Mail Activity Report - RAINIER 234H 25115 Mailed 12/18/2024 to 12/18/2024 Generated: 01/20/2025 8:10:17 AM	234H 25115 Y18/2024 :10:17 AM				
USPS Article Number	Reference Number Date Mailed	Date Mailed Name 1	Name 2	Address 1	City State Zip	tate	Zip Mailing Status	tus Service Options
9314869904300129539218 4217.10 - Rainier 234H	4217.10 - Rainier 234H		Land Department	3009 Post Oak Blvd., Suite 1212	Houston T.	X 77056		Return Receipt - Electronic, Certified Mail
9314869904300129539225 4217.10 - Rainier 234H	4217.10 - Rainier 234H	12/18/24 Nortex Corporation*	Land Department	3009 Post Oak Blvd., Suite 1212	Houston T.	X 77056	56 Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129539249 4217.10 - Rainier 234H	4217.10 - Rainier 234H		Delaware Basin Land Department	300 N. Marienfeld St., Suite 1000		2 × × × ×		Return Receipt - Electronic, Certified Mail
9314869904300129539256 4217.10 - Rainier 234H	4217.10 - Rainier 234H		Delaware Basin Land Department	P.O. Box 4294	Houston T.	X 77210	10 Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129539263 4217.10 - Rainier 234H	4217.10 - Rainier 234H	12/18/24 Ard Oil, LTD	Joel T. Sawyer, Agent	P.O. Box 101027	Fort Worth T.	X 761	'6185 Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129539270 4217.10 - Rainier 234H	4217.10 - Rainier 234H	12/18/24 Zorro Partners, Ltd.	W.A. Hudson II, Agent	616 Texas Street	Fort Worth T	X 761	76102 Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129539287 4217.10 - Rainier 234H	4217.10 - Rainier 234H	12/18/24 Javelina Partners	Edward Hudson, Land Manager	616 Texas Street	Fort Worth TX	-1	'6102 Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129539294 4217.10 - Rainier 234H	4217.10 - Rainier 234H	12/18/24 Moore & Shelton Company, Ltd.	Michael R. Moore, Agent	P.O. Box 3070	Galveston T	X 775	7552 Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129539300 4217.10 - Rainier 234H	4217.10 - Rainier 234H	12/18/24 Bureau of Land Management		620 E. Greene Street	Carlsbad N	NM 882	38220-6292 Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129561318 4217.10 - Rainier 234H	4217.10 - Rainier 234H	12/18/24 Curtis W. Mewbourne, Trustee		P.O. Box 7698	Tyler T	X 757	75711 Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129561325 4217.10 - Rainier 234H	4217.10 - Rainier 234H	12/18/24 Delmar Hudson Lewis Living Trust	Bank of America, N.A., Trustee	P.O. Box 830308	Dallas T.	X 752	75283-0308 Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129561332 4217.10 - Rainier 234H	4217.10 - Rainier 234H	12/18/24 Frost Bank,	TTR of Josephine T. Hudson Testamentary Trus P.O. Box 1600	Trus P.O. Box 1600	San Antonio TX	-	'8296 Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129561349 4217.10 - Rainier 234H	4217.10 - Rainier 234H		Lindy's Living Trust	4200 South Hulen Street, Suite 302 Fort Worth	2 Fort Worth T.	X 761	'6109 To be Retu	To be Returnec Return Receipt - Electronic, Certified Mail
9314869904300129561356 4217.10 - Rainier 234H	4217.10 - Rainier 234H	12/18/24 Marathon Oil Permian LLC	Chase Rice, Permian Land Supervisor	990 Town and Country Boulevard Houston	Houston T.	X 770	7024 Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129561363 4217.10 - Rainier 234H	4217.10 - Rainier 234H	12/18/24 Ralph A. Shugart Jr. Trust dated 5/26/198: Elizabeth Duncan, Trustee	198: Elizabeth Duncan, Trustee	1960 Forest Parkway	Denver C	CO 802	80220-1337 Delivered	Return Receipt - Electronic, Certified Mail

C-2



December 25, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0129 5613 63.

Item Details

Status: Delivered, Left with Individual

Status Date / Time: December 24, 2024, 03:21 p.m.

Location: DENVER, CO 80220 **Postal Product:** First-Class Mail® **Extra Services:** Certified Mail™

Return Receipt Electronic

Recipient Name: Ralph A Shugart Jr Trust dated 5 26 1983 Eliza

Shipment Details

Weight: 3.0oz

Destination Delivery Address

Street Address: 1960 FOREST PKWY City, State ZIP Code: DENVER, CO 80220-1337

Recipient Signature

Signature of Recipient:

Address of Recipient:

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December 24, 2024

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Item Details

Status: Delivered, Front Desk/Reception/Mail Room

Status Date / Time: December 23, 2024, 03:07 p.m.

Location: HOUSTON, TX 77024

Postal Product: First-Class Mail® **Extra Services:** Certified Mail™

Return Receipt Electronic

Recipient Name: Marathon Oil Permian LLC Chase Rice Permian Lan

Shipment Details

Weight: 3.0oz

Destination Delivery Address

Street Address: 990 TOWN AND COUNTRY BLVD

City, State ZIP Code: HOUSTON, TX 77024-2217

Recipient Signature

Signature of Recipient:

Address of Recipient:

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December 24, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0129 5613 32.

Item Details

Status: Delivered, PO Box

Status Date / Time: December 23, 2024, 11:18 a.m. SAN ANTONIO, TX 78205 Location:

Postal Product: First-Class Mail® **Extra Services:** Certified Mail™

Return Receipt Electronic

Recipient Name: Frost Bank TTR of Josephine T Hudson Testament

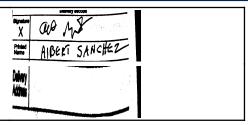
Shipment Details

Weight: 3.0oz

Recipient Signature

Signature of Recipient:

Address of Recipient:



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December 25, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0129 5613 25.

Item Details

Status: Delivered, Individual Picked Up at Postal Facility

Status Date / Time: December 24, 2024, 08:54 a.m.

Location: **DALLAS, TX 75260 Postal Product:** First-Class Mail® **Extra Services:** Certified Mail™

Return Receipt Electronic

Recipient Name: Delmar Hudson Lewis Living Trust Bank of America

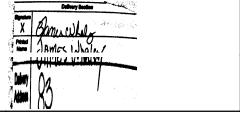
Shipment Details

Weight: 3.0oz

Recipient Signature

Signature of Recipient:

Address of Recipient:



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December 24, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0129 5613 18.

Item Details

Status: Delivered, PO Box

Status Date / Time: December 23, 2024, 12:03 p.m.

Location:TYLER, TX 75711Postal Product:First-Class Mail®Extra Services:Certified Mail™

Return Receipt Electronic

Recipient Name: Curtis W Mewbourne Trustee

Shipment Details

Weight: 3.0oz

Destination Delivery Address

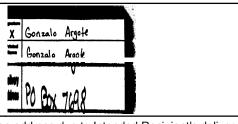
Street Address: PO BOX 7698

City, State ZIP Code: TYLER, TX 75711-7698

Recipient Signature

Signature of Recipient:

Address of Recipient:



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December 24, 2024

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The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0129 5393 00.

Item Details

Status: Delivered, Left with Individual Status Date / Time: December 23, 2024, 01:44 p.m.

Location: CARLSBAD, NM 88220

Postal Product: First-Class Mail®
Extra Services: Certified Mail™

Return Receipt Electronic

Recipient Name: Bureau of Land Management

Shipment Details

Weight: 3.0oz

Destination Delivery Address

Street Address: 620 E GREENE ST

City, State ZIP Code: CARLSBAD, NM 88220-6292

Recipient Signature

Signature of Recipient:

Address of Recipient:

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December 30, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0129 5392 94.

Item Details

Status: Delivered, Individual Picked Up at Post Office

Status Date / Time: December 28, 2024, 11:50 a.m.

Location: GALVESTON, TX 77551

Postal Product: First-Class Mail®
Extra Services: Certified Mail™

Return Receipt Electronic

Recipient Name: Moore Shelton Company Ltd Michael R Moore

Shipment Details

Weight: 3.0oz

Recipient Signature

Signature of Recipient:

SHEVE NIELSEN

Address of Recipient:

POBON 3076

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December 24, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0129 5392 87.

Item Details

Status:Delivered, Left with IndividualStatus Date / Time:December 23, 2024, 01:17 p.m.Location:FORT WORTH, TX 76102

Postal Product: First-Class Mail®
Extra Services: Certified Mail™

Return Receipt Electronic

Recipient Name: Javelina Partners Edward Hudson Land Manager

Shipment Details

Weight: 3.0oz

Destination Delivery Address

City, State ZIP Code: FORT WORTH, TX 76102-4662

Recipient Signature

Signature of Recipient:

Address of Recipient:

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Information in this section provided by Covius Document Services, LLC.



Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0129 5392 70.

Item Details

Status: Delivered, Left with Individual Status Date / Time: December 23, 2024, 01:17 p.m. Location: FORT WORTH, TX 76102

Postal Product: First-Class Mail® **Extra Services:** Certified Mail™

Return Receipt Electronic

Recipient Name: Zorro Partners Ltd W A Hudson II Agent

Shipment Details

Weight: 3.0oz

Destination Delivery Address

City, State ZIP Code: FORT WORTH, TX 76102-4662

Recipient Signature

Signature of Recipient:

Address of Recipient:

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

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Information in this section provided by Covius Document Services, LLC.



December 30, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0129 5392 63.

Item Details

Status: Delivered, Individual Picked Up at Post Office

Status Date / Time: December 27, 2024, 12:10 p.m. Location: FORT WORTH, TX 76109

Postal Product: First-Class Mail® **Extra Services:** Certified Mail™

Return Receipt Electronic

Recipient Name: Ard Oil LTD Joel T Sawyer Agent

Shipment Details

Weight: 3.0oz

Recipient Signature

Signature of Recipient:

Just Grand

Address of Recipient:

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

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Sincerely, United States Postal Service® 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.



December 30, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0129 5392 56.

Item Details

Status: Delivered, Individual Picked Up at Postal Facility

Status Date / Time: December 27, 2024, 04:46 a.m.

Location: HOUSTON, TX 77002

Postal Product: First-Class Mail®
Extra Services: Certified Mail™

Return Receipt Electronic

Recipient Name: Occidental Permian LP Delaware Basin Land Depar

Shipment Details

Weight: 3.0oz

Recipient Signature

Signature of Recipient:

Address of Recipient:

Prince Genero Mondoza
Dinayo
Manu Water

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

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Sincerely, United States Postal Service® 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.



Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0129 5392 49.

Item Details

Status: Delivered, Left with Individual Status Date / Time: December 23, 2024, 01:18 p.m.

Location: MIDLAND, TX 79701 **Postal Product:** First-Class Mail® **Extra Services:** Certified Mail™

Return Receipt Electronic

Recipient Name: Permian Resources Operating LLC Delaware Basin

Shipment Details

Weight: 3.0oz

Destination Delivery Address

Street Address: 300 N MARIENFELD ST STE 1000

City, State ZIP Code: MIDLAND, TX 79701-4688

Recipient Signature

Signature of Recipient:

Address of Recipient:

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Location: HOUSTON, TX 77056

Postal Product: First-Class Mail®
Extra Services: Certified Mail™

Return Receipt Electronic

Recipient Name: Nortex Corporation Land Department

Shipment Details

Weight: 3.0oz

Destination Delivery Address

Street Address: 3009 POST OAK BLVD
City, State ZIP Code: HOUSTON, TX 77056-6536

Recipient Signature

Signature of Recipient:

Address of Recipient:

10009 for Cal 4/2/2

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Item Details

Status: Delivered, Front Desk/Reception/Mail Room

Status Date / Time: December 23, 2024, 01:44 p.m.

Location: HOUSTON, TX 77056

Postal Product: First-Class Mail® **Extra Services:** Certified Mail™

Return Receipt Electronic

Recipient Name: Kent Production Company LLC Land Department

Shipment Details

Weight: 3.0oz

Destination Delivery Address

Street Address: 3009 POST OAK BLVD STE 412 City, State ZIP Code: HOUSTON, TX 77056-6599

Recipient Signature

Signature of Recipient:

Address of Recipient:

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

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Proof of Acceptance (Electronic)

Date: 12/19/2024

Company Name : Abadie & Schill PC

Certified Mail Article Number 9314869904300129561349 addressed to Hudson, Francis Hill, Trustee Lindy's Living Trust

USPS Event Date/Time	USPS Event Description	USPS Event Location			
12/19/2024 10:31 PM	ORIGIN ACCEPTANCE	DURANGO, CO 81301			

The article number and United States Postal Service (USPS®) tracking event details provided above is a true extract of information provided by the USPS to CertifiedPro.net, a solution provided by Covius Document Services, LLC.

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Hudson, Francis Hill, Trustee Lindy's Living Trust 4200 South Hulen Street, Suite 302 Fort Worth, TX 76109

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Proof of Acceptance (Electronic)

Date: 12/19/2024

Company Name : Abadie & Schill PC

Certified Mail Article Number 9314869904300129539232 addressed to Legacy Reserves Operating, LP Land Department

USPS Event Date/Time	USPS Event Description	USPS Event Location		
12/19/2024 10:31 PM	ORIGIN ACCEPTANCE	DURANGO, CO 81301		

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Recipient Mailing Address:

Legacy Reserves Operating, LP Land Department 1400 16th St., Suite 510 Denver, CO 80202

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AFFIDAVIT OF PUBLICATION

CARLSBAD CURRENT-ARGUS PO BOX 507 HUTCHINSON, KS 67504-0507

STATE OF NEW MEXICO } SS COUNTY OF EDDY }

Account Number: 1227 Ad Number: 27210

Description: 25115 - N2N2 Rainer 234H

Ad Cost: \$170.11

Sherry Groves, being first duly sworn, says:

That she is the Agent of the the Carlsbad Current-Argus, a Weekly newspaper of general circulation, printed and published in Carlsbad, Eddy County, New Mexico; that the publication, a copy of which is attached hereto, was published in said newspaper on the following dates:

December 21, 2024

That said newspaper was regularly issued and circulated on those dates.

SIGNED:

Sherry Dennes

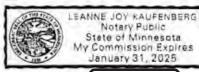
Agent

Subscribed to and sworn to me this 21th day of December 2024.

Leanne Kaufenberg, Notary Public, Redwood County

Minnesota

KAIYA TOOP ABADIE SCHILL 555 RIVERGATE LANE, SUITE B-4-180 DURANGO, CO 81301 kaiya@abadieschill.com



C-3

PUBLIC NOTICE

CASE No. 25115: Notice — to all parties and persons having any right, title, interest or claim in this case, including owners of working interest, overriding royalty interest, and record title, among others, whether such parties or persons are listed herein or not, as well as notice to all known and unknown heirs, devisees, assigns and successors of such affected parties and persons, which based on reasonable diligence include, KENT PRODUCTION COMPANY, LLC; NORTEX CORPORATION; LEGACY RESERVES OPERATING, LP; PERMIAN RESOURCES OPERATING, LLC; OCCIDENTAL PERMIAN, LP; ARD OIL, LTD; ZORRO PARTNERS, LTD;; JAVELINA PARTNERS; CURTIS W. MEWBOURNE, TRUSTEE; DELMAR HUDSON LEWIS LIVING TRUST; FROST BANK, TTR OF JOSEPHINE T. HUDSON TESTAMENTARY TRUST; HUDSON, FRANCIS HILL, TRUSTEE, LINDY'S LIVING TRUST; MARATHON OIL PERMIAN LLC; RALPH A. SHUGART JR. TRUST. ELIZABETH DUNCAN, TRUSTEE AND MOORE & SHELTON COMPANY, LTD, of V-F Petroleum, Inc. application for approval of a compulsory pooling, Eddy County, New Mexico, The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division Examiner will conduct a public hearing at 9:00 a.m. on January 9, 2025, in the Wendell Chino Building, Pecos Hall located on the 1st Floor, at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You can attend the hearing in person at Pecos Hall or you can attend virtually through temote online access. For information about attending by remote access and revicwing the status of the case, your can visit the Division's website at: https://www.emmrd.mm.gov/ocd/hearing-info/ or call (505) 476-3441. It is recommended that you check with the Division to determine the best option for attendance. V-F Petroleum Inc., at 550 W. Texas Ave., Suite 300, Midland, TX 79701, seeks an order from the Division pooling all uncommitted mineral interests in the Third Bone Spring formation, from the top of the Third Bone Spring, at a depth of 9,516 beneath the surface, to the base of the Third Bone Spring formation, which has a dep

TAB 4

Exhibit 4: Amended Hearing Packet Case No. 25116

BEFORE THE OIL CONSERVATION DIVISION EXAMINER HEARING FEBRUARY 27, 2025

APPLICATION OF V-F PETROLEUM INC. FOR A COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

AMENDED HEARING PACKET FOR

Case No. 25116:

Rainier 16-15 Fed Com 223H

Consolidated for a Contested Hearing with: Case Nos. 24994, 24995, 25115, & 25117 (V-F Petroleum Inc. Cases) Case Nos. 24941-24942 & 25145-25148 (Read & Stevens, Inc. Cases)

V-F PETROLEUM INC.

EXHIBIT 4

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TAB 1

Reference for Case No. 25116 Application Case No. 25116: Rainier 16-15 Fed Com 223H Revised NMOCD Checklist Case No. 25116

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

APPLICATION OF V-F PETROLEUM INC. FOR A COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case No. <u>25116</u>

APPLICATION

V-F Petroleum Inc. ("V-F Petroleum"), OGRID No. 24010, through its undersigned attorneys, hereby files this Application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, Section 70-2-17, for an order pooling all uncommitted mineral interests in the First and Second Bone Spring formations, designated as an oil pool, from the top of the First Bone Spring formation, at an approximate depth of 6,048' beneath the surface, to the base of the Second Bone Spring formation, at an approximate depth of 8,913'beneath the surface, as shown in that certain Dual Lateralog, Micro Laterlog, Gamma Ray well log in the Tamano 15 Fed Com #2 well (API # 30-015-33398), located in Sec. 15, Township 18 South, Rage 31 East, Eddy County, New Mexico, underlying a standard 320-acre, more or less, spacing unit comprised of the S/2 N/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. In support of its Application, V-F Petroleum states the following:

- V-F Petroleum is a working interest owner in the proposed horizontal spacing unit ("HSU") and has a right to drill a well thereon.
- 2. V-F Petroleum proposes and dedicates to the HSU the **Rainier 16-15 Fed Com** #223H Well, as an initial well, to be drilled to a sufficient depth to test the Second Bone Spring.

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3. V-F Petroleum proposes the **Rainier 16-15 Fed Com #223H Well,** an oil well, to

be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 16 to a

bottom hole location in the SE/4 NE/4 (Unit H) of Section 15.

4. The well proposed herein is orthodox in its location, and the take points and

completed interval complies with setback requirements under statewide rules.

5. V-F Petroleum has sought in good faith, but has been unable to obtain, voluntary

agreement from all interest owners to participate in the drilling of the wells or in the commitment

of their interests to the wells for their development within the proposed HSU.

6. This application competes with the application in Case No. 24941 filed by Read &

Stevens, Inc.

7. The pooling of all interests in the Bone Spring formation within the proposed HSU

will avoid the drilling of unnecessary wells, prevent waste and protect correlative rights.

8. In this application, V-F Petroleum is pooling only the First and Second Bone Spring

formations because there is a depth severance between the base of the Second Bone Spring and

the Top of the Third Bone Spring, and importantly, there is a geological barrier between Second

Bone Spring and Third Bone Spring that maintains the integrity of production within the

partitioned zone thereby allowing for the partition. V-F Petroleum will provide notice to adjacent

owners in the Third Bone Spring formation, below and adjacent to the Second Bone Spring to

account for any concerns the vertical offset owners might have.

9. In order to provide for its just and fair share of the oil and gas underlying the subject

lands, V-F Petroleum requests that all uncommitted interests in this HSU be pooled and that V-F

Petroleum be designated the operator of the proposed horizontal wells and HSU.

2

WHEREFORE, V-F Petroleum requests that this Application be set for hearing on January 9, 2025, before an Examiner of the Oil Conservation Division, and after notice and hearing as required by law, the Division enter an order:

A. Pooling all uncommitted mineral interests in the First and Second Bone Spring formations, designated as an oil pool, from the top of the First Bone Spring formation, at an approximate depth of 6,048' beneath the surface, to the base of the Second Bone Spring formation, at an approximate depth of 8,913'beneath the surface, as shown in that certain Dual Lateralog, Micro Laterlog, Gamma Ray well log in the Tamano 15 Fed Com #2 well (API # 30-015-33398), located in Sec. 15, Township 18 South, Rage 31 East, Eddy County, New Mexico, underlying a standard 320-acre, more or less, spacing unit comprised of the S/2 N/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico.

- B. Approving the **Rainier 16-15 Fed Com #223H Well** as the well for the HSU.
- C. Designating V-F Petroleum as operator of this HSU and the horizontal well to be drilled thereon;
- D. Authorizing V-F Petroleum to recover its costs of drilling, equipping, and completing the well;
- E. Approving actual operating charges and costs of supervision, to the maximum extent allowable, while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Setting a 200% charge for the risk assumed by V-F Petroleum in drilling and completing the wells in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

Darin C. Savage

Andrew D. Schill William E. Zimsky 214 McKenzie Street Santa Fe, New Mexico 87501 Telephone: 970.385.4401 Facsimile: 970.385.4901 darin@abadieschill.com andrew@abadieschill.com bill@abadieschill.com

Attorneys for V-F Petroleum, Inc.

Application of V-F Petroleum Inc. for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted mineral interests in the First and Second Bone Spring formations, designated as an oil pool, from the top of the First Bone Spring formation, at an approximate depth of 6,048' beneath the surface. to the base of the Second Bone Spring formation, at an approximate depth of 8,913'beneath the surface, as shown in that certain Dual Lateralog, Micro Laterlog, Gamma Ray well log in the Tamano 15 Fed Com #2 well (API # 30-015-33398), located in Sec. 15, Township 18 South, Rage 31 East, Eddy County, New Mexico, underlying a standard 320-acre, more or less, spacing unit comprised of the S/2 N/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. The proposed well to be dedicated to the horizontal spacing unit is the Rainier 16-15 Fed Com #223H Well, an oil well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 16 to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 15. The proposed well will be orthodox, and its take points and completed interval will comply with the setback requirements under statewide rules. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 31 miles southeast of Artesia, New Mexico.

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ALL INFORMATION IN THE APPLICATION MUST BI Case: 25116 Date: January 28, 2025 (Scheduled Hearing) Applicant Designated Operator & OGRID (affiliation if applicable) Applicant's Counsel: Case Title:	APPLICANT'S RESPONSE V-F Petroleum Inc. 24010 Darin C. Savage, Abadie & Schill, P.C. APPLICATION OF V-F PETROLUEM INC. FOR A
Date: January 28, 2025 (Scheduled Hearing) Applicant Designated Operator & OGRID (affiliation if applicable) Applicant's Counsel:	V-F Petroleum Inc. 24010 Darin C. Savage, Abadie & Schill, P.C.
Applicant Designated Operator & OGRID (affiliation if applicable) Applicant's Counsel:	24010 Darin C. Savage, Abadie & Schill, P.C.
Designated Operator & OGRID (affiliation if applicable) Applicant's Counsel:	24010 Darin C. Savage, Abadie & Schill, P.C.
Applicant's Counsel:	Darin C. Savage, Abadie & Schill, P.C.
Case Title:	APPLICATION OF V-F PETROLUEM INC. FOR A
	COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO
Entries of Appearance/Intervenors:	Read & Stevens, Inc. Permian Resources Operating, LLC
Well Family	Rainier 16-15 Fed Com
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Top of the First Bone Spring Formation to the base of the Second Bone Spring Formation
Pool Name and Pool Code (Only if NSP is requested):	
Well Location Setback Rules (Only if NSP is Requested):	
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320-acre, more or less
Building Blocks:	Quarter - Quarter Sections (40 Acre Blocks)
Orientation:	West to East
Description: TRS/County	S/2 N/2 of Sections 16 and 15, all in Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes, Standard Spacing Unit
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	See Exhibit A-3, breakdown of ownership
Well(s)	

Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status	Add wells as needed
(standard or non-standard)	
Well #1	Rainier 16-15 Fed Com 223H Well (API No. Pending), SHL: Unit E, 1618' FNL, 728' FWL, Section 16, T18S- R31E; BHL: Unit H, 2085' FNL, 100' FEL, Section 15, T18S- R31E, laydown, standard location
Horizontal Well First and Last Take Points	Rainier 16-15 Fed Com 223H Well: FTP: Unit E, 2085' FNL, 100' FWL, Section 16; LTP: Unit H, 2085' FNL, 100' FEL, Section 15
Completion Target (Formation, TVD and MD)	Rainier 16-15 Fed Com 223H Well: TVD approx. 8,395 TMD 19,415'; 2nd Bone Spring formation, See Exhibit A, A-5
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,500, Exhibit A, A-5
Production Supervision/Month \$	\$850, Exhibit A, A-5
Justification for Supervision Costs	Exhibit A, A-5
Requested Risk Charge	200%, Exhibit A
Notice of Hearing	
Proposed Notice of Hearing	Exhibit C, C-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-2
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-3
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.	
Pooled Parties (including ownership type)	Exhibit A-3, includes Working Interest owners and ORRI owners
Unlocatable Parties to be Pooled	Exhibit A, Para. 10
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-4
Overhead Rates In Proposal Letter	Exhibit A-5
Cost Estimate to Drill and Complete	Exhibit A-5
C <mark>ତିଞ୍ଞ ଃନିମିର୍ଣ୍ଟେଡି</mark> Equip Well eased to Imaging: 3/10/2025 3:20:34 PM	Exhibit A-5

Cost Estimate for Production Facilities	Exhibit A-5					
Geology						
Summary (including special considerations)	Exhibit B					
Spacing Unit Schematic	Exhibit B-1, B-3					
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-4					
Well Orientation (with rationale)	Exhibit B, B-1, B-3					
Target Formation	Exhibit B-2, B-4					
HSU Cross Section	Exhibit B-2, B-4					
Depth Severance Discussion	N/A					
Forms, Figures and Tables						
C-102	Exhibit A-1					
Tracts	Exhibit A-2					
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-2					
General Location Map (including basin)	Exhibit A-2					
Well Bore Location Map	Exhibit A-1, B-1, B-2, B-4					
Structure Contour Map - Subsea Depth	Exhibit B-1					
Cross Section Location Map (including wells)	Exhibit B-2, B-4					
Cross Section (including Landing Zone)	Exhibit B-2, B-4					
Additional Information						
Special Provisions/Stipulations						
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.						
Printed Name (Attorney or Party Representative):	Darin C. Savage					
Signed Name (Attorney or Party Representative):	/s/ Darin Savage					
Date:	revised and signed: 2/5/2025; original 1/21/2025					

TAB 2

Exhibit A:	Self-Affirmed Statement of Jordan Shaw, Landman
Exhibit A-1:	C-102 Forms
Exhibit A-2:	Location Plat Map
Exhibit A-3:	Revised Tract Map and Ownership Breakdown
Exhibit A-4:	Chronology of Contacts with Uncommitted Owners
Exhibit A-5:	Well Proposal Letters and AFEs
Exhibit A-6:	Sample Well Proposal for Rainier 16-15 Fed Com #213H Well
Exhibit A-7:	Aerial View Map of Surrounding Development
Exhibit A-8:	Permian Resources Slim Jim Well Proposals
Exhibit A-9:	Plat for Tamano 15 AD Fed Com #1H Well

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

APPLICATION OF V-F PETROLEUM, INC. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case No. 25116

SELF-AFFIRMED STATEMENT OF JORDAN SHAW

I, Jordan Shaw, state and affirm the following:

- 1. I am over the age of eighteen years and have the capacity to execute this Self-Affirmed Statement, which is based on my personal knowledge.
- 2. I am a Landman/Attorney with V-F Petroleum Inc. ("V-F"), and I am familiar with the subject application and the lands involved.
- 3. I graduated in 2009 from the Indiana University of Pennsylvania with a bachelor's degree in Political Science, Pre-Law and graduated in 2013 from Texas Tech University, School of Law with a Juris Doctor and am licensed to practice law in the State of Texas. I have worked at V-F Petroleum Inc. for approximately three years and have been working as a Landman/Attorney for three years. I have previously testified before the New Mexico Oil Conservation Division ("Division") as an expert witness in petroleum land matters and my credentials have been accepted by the Division and made a matter of record.
- 4. This Self-Affirmed Statement is submitted in connection with the filing by V-F of the above-referenced spacing and compulsory pooling applications pursuant to 19.15.4.12.A(1).
- 5. V-F seeks an order pooling all uncommitted mineral interest in the First Bone Spring and Second Bone Spring formation in the Shugart; Bone Spring North, Pool Code 56405,



from the top of the First Bone Spring, at an approximate depth of 6,048' beneath the surface, to the base of the Second Bone Spring formation, which has an approximate depth of 8,913' beneath the surface, as shown in that certain Dual Lateralog, Micro Laterlog, Gamma Ray well log in the Tamano 15 Fed Com #2 well (API # 30-015-33398), located in Sec. 15, Township 18 South, Rage 31 East, Eddy County, New Mexico, underlying a standard 320-acre, more or less, spacing and proration unit comprised of the S/2 N/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico.

- 6. Under <u>Case No. 25116</u>, V-F seeks to dedicate the **Rainier 16-15 Fed Com #223H Well,** (API 30-015-pending) as an initial well, to be horizontally drilled from a surface location in the SW/4 NW/4 (Unit E) of Section 16 to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 15; approximate TVD of 8,395'; approximate TMD of 19,631'; FTP in Section 16: 2,085' FNL, 100' FWL; LTP in Section 15: 2,085' FNL, 100' FEL.
 - 7. The proposed C-102 for each well is attached as **Exhibit A-1**.
- 8. A general location plat and a plat outlining the units being pooled is attached hereto as **Exhibit A-2**, which show the location of the proposed well within the unit. The location of each well is orthodox, and it meets the Division's offset requirements.
- 9. The parties being pooled, the nature of their interests, and their last known addresses are listed on **Exhibit A-3** attached hereto. **Exhibit A-3** includes information regarding working interest owners, overriding royalty interest owners and royalty interest owners.
- 10. I provided the law firm of Abadie & Schill P.C. a list of names and addresses for the uncommitted interest owners shown on **Exhibit A-3**. In compiling these addresses, I conducted a diligent search of the public records in Eddy County, New Mexico, where the wells are located, and of phone directories and did computer searches to locate the contact information

for parties entitled to notification. All working interest owners were locatable and noticed. Notice to one overriding royalty interest owner, Francis Hill Hudson, Trustee of Lindy's Living Trust, is listed as To Be Returned. V-F published notice in the Carlsbad Current-Argus, a newspaper of general circulation in Eddy County, New Mexico to cover any contingencies regarding notice.

- 11. There are no depth severances in the Third Bone Spring formation in this acreage.
- 12. V-F has made a good faith effort to negotiate with the interest owners, but has been unable to obtain, voluntary agreement from all interest owners to participate in the drilling of the well or in the commitment of their interests to the well for its development within the proposed horizontal spacing unit. **Exhibit A-4** provides a chronology and history of contacts with the owners.
- 13. The interest owners being pooled have been contacted regarding the proposed wells but have failed or refused to voluntarily commit their interest in the wells. However, VF-Petroleum has been in ongoing discussions with some of the interest owners to voluntarily enter into a Joint Operating Agreement. If a mutually agreeable Joint Operating Agreement is reached between VF-Petroleum and another interest owner or owners, VF-Petroleum requests that the voluntary agreement become operative and supersede the Division's order for said parties, except to the extent the Division deems it necessary to maintain spacing criteria for the purpose of conservation, the prevention of waste, and protection of correlative rights.
- 14. **Exhibit A-5** is a sample proposal letter, supplemental proposal letter and the AFEs for each proposed well. The estimated cost of the wells set forth in the AFEs attached as **Exhibit A-5** are fair, reasonable, and comparable to the costs of other wells of similar depths and lengths drilled in this area of New Mexico.

- 15. V-F requests overhead and administrative rates of \$8,500/month for drilling each well and \$850/month for producing each well. These rates are fair and comparable to the rates charged by other operators for wells of this type in this area of southeastern New Mexico. V-F requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.
- 16. V-F requests the maximum cost, plus 200% risk charge be assessed against non-consenting working interest owners.
 - 17. V-F requests that it be designated operator of the units and wells.
- 18. Additionally, although not technically part of <u>Case No. 25116</u>, but in order for V-F to present this case to the best of its ability so that the Division has an opportunity to see the role <u>Case No. 25116</u> plays in V-F's future development plans underlying the S/2 N/2 Sec. 16 & 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico, I have provided as **Exhibit A-6** a sample well proposal letter and the AFE for the **Rainier 16-15 Fed Com #213H Well,** (API 30-015-pending) that has been proposed to all working interest owners in the First Bone Spring formation. This shows future plans to develop the related lands in this area to optimize production and prevent waste.
- established in this area by Permian Resources to the immediate south of Section 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico, and other Operators to the immediate west of Section 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. Should the Division grant an order in V-F's favor in this Case, it would make efforts to continue the development pattern that are consistent with, and build upon, what has been successful with other Operators in this area; if V-F's plan is approved, it would not undermine or preempt Permian Resources opportunity for development because their subject lands

are unbounded to the east, and Permian Resources could simply develop two mile horizontal Second Bone Spring and Third Bone Spring wells in Sections 14 and 13, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. V-F's geology in this area that Permian Resources expanding east is feasible, and this in turn would avoid stranding the State of New Mexico's minerals in Section 16, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico to one mile horizontal development in the Bone Spring formation.

- 20. **Exhibit A-8** are Permian Resources' well proposals both dated August 16, 2024, one proposal covering the Slim Jim 14-15 Fed COM 122H and 123H, both targeting the 2nd Bone Spring formation in the S/2 N/2 Sections 14 & 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico and the other proposal the Slim Jim 14-15 Fed COM 124H, 125H and 126H, with all three wells also targeting the 2nd Bone Spring formation in the S/2 Sections 14 & 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico (collectively the "Slim Jim Second Bone Proposals").
- 21. Attached as **Exhibit A-9** is a plat of the Tamano 15 AD Fed Com #1H Well (API No. 30-015-40868), which is situated in the N/2 N/2 of Section 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico.
- 22. Assuming Permian Resources' actually drills and completes all five proposed Slim Jim Second Bone Proposals, this will result in a total of six horizontal wells situated in Section 14 (Slim Jim 14-15 Fed COM 121H has been proposed to Section 14 working interest owners only) and Section 15, with spacing as close as 660' between wells. This spacing pattern is extremely aggressive when compared to Mewbourne Oil Company's Local Legend development to the west in Sections 18 and 17, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico, and Mewbourne Oil Company's Barrel Crusher development, also to the west in Sections 19 and

20, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico, both as depicted on **Exhibit A-7**, which shows four Second Bone Spring wells in each development, more or less evenly spaced. To propose a fifty percent (50%) increase to the conventional density pattern in this area, in V-F's opinion should require empirical longstanding production data to establish that the acreage justifies additional in-fill development otherwise such a proposal in V-F's respectful opinion should be viewed as wasteful and not protecting the correlative rights of the other working interest owners in Permian Resources' Slim Jim Second Bone Proposals, who collectively will own the majority of the working interest in the Slim Jim Second Bone Proposals.

- 23. The Exhibits to this Affidavit were prepared by me or compiled from V-F's company business records under my direct supervision.
- 24. The granting of this Self-Affirmed Statement is in the best interests of conservation, the prevention of waste, and the protection of correlative rights, and will avoid the drilling of unnecessary wells.
 - 25. The foregoing is correct and complete to the best of my knowledge and belief.

[Signature page follows]

Signature page of Self-Affirmed Statement of Jordan Shaw:

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case No. 25116 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.

Jordan Shaw

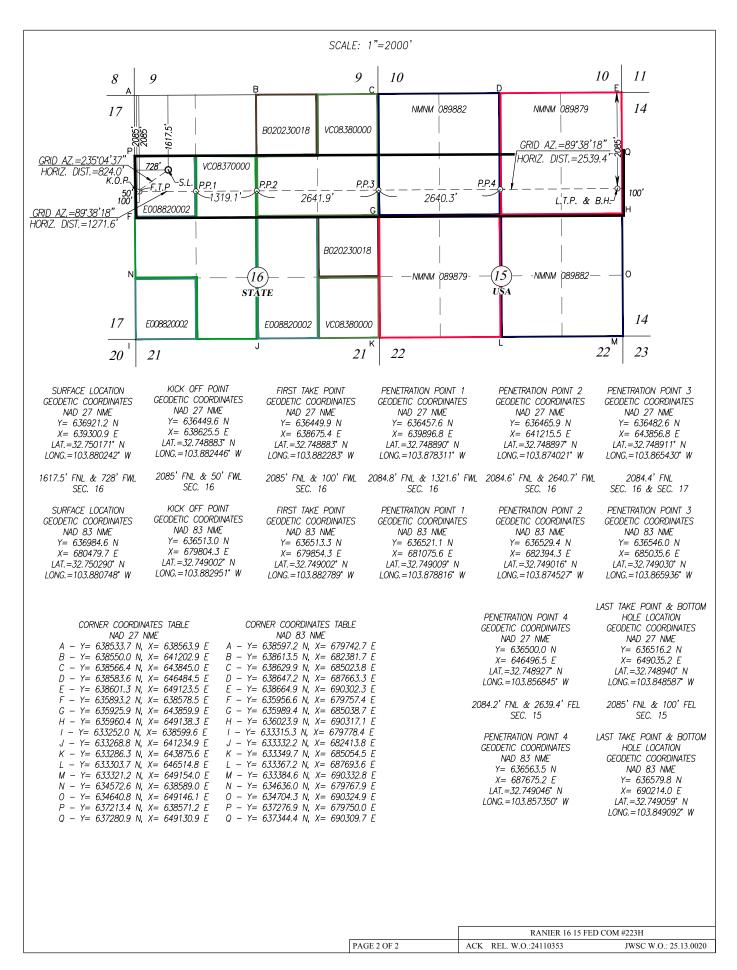
01/21/2025

Date Signed

C-10	<u>)2</u> : Electronically	1	Ene			al Resources Depart	Revised July 9, 2024					
	D Permitting			OIL C	CONSERVA	ΓΙΟΝ DIVISION			☐ Initial Sul	omittal		
								Submitta Type:	l ☐ Amended	Report		
								Type.	☐ As Drilled	d		
			ı	,	WELL LOCAT	ION INFORMATION	N					
API N	umber		Pool Code			Pool Name						
Proper	ty Code		Property Na	ame					Well Number	r		
OCDI	2.37		. ,		RANIER 1	6 15 FED COM	FED COM 223H Ground Level Elevation					
OGRII	J No.		Operator N	ame	V-F PETR	OLEUM INC.			Ground Leve	3665'		
Surfac	e Owner: 🗆	State ☐ Fee ☐	Tribal 🗆 Fed	leral		Mineral Owner:	State Fee [□ Tribal □	l Federal			
					Surfe	ice Location						
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude		Longitude	County		
Е	16	18-S	31-E	_	1617.5 FNI	728 FWL	32.750	290°	103.880748°	EDDY		
		1			Bottom	Hole Location						
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude		Longitude	County		
Н	15	18-S	31-E	-	2085 FNL	100 FEL	32.749	059°	103.849092°	EDDY		
		T		T								
Dedicated Acres Infill or Defining Well De				Defining	Well API	Overlapping Spacing	Unit (Y/N)	Consolida	tion Code			
Order Numbers.						Well setbacks are under Common Ownership: □Y			Yes □No			
					Kick O	ff Point (KOP)						
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude		Longitude	County		
Е	16	18-S	31-E	_	2085 FNL	50 FWL	32.749	002°	103.882951°	EDDY		
					First Ta	ke Point (FTP)						
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude		Longitude	County		
Е	16	18-S	31-E	-	2085 FNL	100 FWL	32.749	32.749002° 103		EDDY		
	ı	1	1			ke Point (LTP)	1					
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude		Longitude	County		
Н	15	18-S	31-E	-	2085 FNL	100 FEL	32.749	059°	103.849092°	EDDY		
Unitize	ed Area or Are	a of Uniform Int	erest	Spacing I	Unit Type □ Horiz	contal Vertical	Grou	nd Floor Ele	evation:			
OPER.	ATOR CERT	TIFICATIONS				SURVEYOR CERTIFI	CATIONS					
best of that thi interest drill thi interest	my knowledg is organization t in the land in is well at this l t or unEDDYs	he information c e and belief, and either owns a w cluding the propo location pursuant ed mineral intere- order heretofore	, if the well is a orking interest osed bottom ho to a contract west, or to a volume	vertical or of or unEDDYs le location of with an owner or the or	directional well, sed mineral or has a right to r of a working	I hereby certify that the was plotted from field no me or under my supervisi and correct to the best of	tes of actual sur	own on this rveys made e same is tru	by Hilling	G. EIDSON		
If this well is a horizontal well, I further certify that this organization has received the consent of at EDDYst one lessee or owner of a working interest or unEDDYsed mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division. Signature						2641 CO						
						Gary G. Eidson 12641		SEPT	EMBER 30, 2	2024		
Printed	Name					Certificate Number	Date of Surv			EXHIBIT A-1		
E-mail	Address					PAGE 1 OF 2	ACK REL.	W.O.:241103	53	JWSC W.O.: 25.13.0020		

PAGE 1 OF 2 ACK REL. W.O.:24110353 JWSC W.O.: 25.13.

Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division Page 319 of 600



DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
DISTRICT II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
DISTRICT III

Phone: (575) 748-1283 Fax: (575) 748-9720

DISTRICT III

1000 Rio Brazos Road, Aztec, NM 87410

Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV

1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

□AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name		
Property Code		Prop	erty Name	Well Number	
		223Н			
OGRID No.		Elevation			
		3665'			

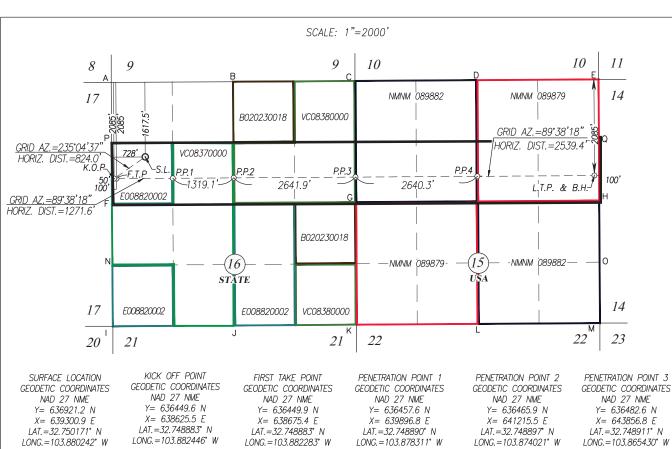
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	16	18-S	31-E		1617.5	NORTH	728	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Н	15	18-S	31-E		2085	NORTH	100	EAST	EDDY
Dedicated Acres	Joint or	Infill (Consolidation C	ode Ord	er No.				

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION LEGEND 30-015-26218 (30-015-32313 (H) 30-01 O DENOTES PROPOSED WELL 271 30 7 30-015-27055 NW 30-015-05497 NWS30-015-30835 NES30-015-308 0-015-40109 315-25953 sw-30-015-30954 ses 30-015 SESE 30-015-0 30-015-32303 30-015-05562 NEN30-015-26317 NWNE 30-015-05566_{IE} 30-015-05574) (D) (A) 30-015-05556 30-015-0557 015-413 (H) #223H SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat NESE (1) WSV (L) (L) was plotted from field from still from the surveys made by me or under my supersisting and that the same is true and correct to the best of the best o 30-015-314 SEPTEMBER 30, 2024 30-015-05564 SW-30-015-05565 SESE (P) SWS SESE (P) Date of Survey (M) 30-015-05561 Signature & ESS/ONAL SUR NWNW30-015-31013ENW NWN/ (D) NENV (B) (A) 30-015-30982 2000 2000 Feet ACK REL. W.O.:24110353 JWSC W.O.: 25.13.0020 Scale:1"=2000'



SURFACE LOCATION GEODETIC COORDINATES NAD 83 NME Y= 636984.6 N X= 680479.7 E LAT.=32.750290° N LONG.=103.880748° W

1617.5' FNL & 728' FWL

SEC. 16

SEC. 16 KICK OFF POINT GEODETIC COORDINATES NAD 83 NME Y= 636513.0 N X= 679804.3 E LAT.=32.749002° N LONG.=103.882951° W

2085' FNL & 50' FWL

SEC. 16

FIRST TAKE POINT GEODETIC COORDINATES NAD 83 NME Y= 636513.3 N X= 679854.3 E LAT. =32.749002° N LONG = 10.3 882789° W

2085' FNL & 100' FWL 2084.8' FNL & 1321.6' FWL 2084.6' FNL & 2640.7' FWL PENETRATION POINT 1 GEODETIC COORDINATES NAD 83 NME Y= 636521.1 N X= 681075.6 E

LAT.=32.749009° N

LONG.=103.878816° W

PENETRATION POINT 2 GEODETIC COORDINATES NAD 83 NME Y= 636529.4 N X= 682394.3 E LAT.=32.749016° N LONG.=103.874527° W

SEC. 16

LONG.=103.865430° W 2084.4' FNL SEC. 16 & SEC. 17 PENETRATION POINT 3 GEODETIC COORDINATES NAD 83 NME

Y= 636546.0 N

X= 685035.6 E

LAT.=32.749030° N

LONG = 103 865936° W

CORNER COORDINATES TABLE CORNER COORDINATES TABLE NAD 27 NMF NAD 83 NMF A - Y = 638533.7 N, X = 638563.9 EA - Y = 638597.2 N, X = 679742.7 EB - Y= 638613.5 N, X= 682381.7 E B - Y= 638550.0 N, X= 641202.9 E - Y= 638566.4 N, X= 643845.0 E C - Y = 638629.9 N, X = 685023.8 E- Y= 638583.6 N, X= 646484.5 E D - Y= 638647.2 N, X= 687663.3 E E - Y = 638664.9 N, X = 690302.3 E- Y= 638601.3 N, X= 649123.5 E F - Y= 635956.6 N, X= 679757.4 E F - Y = 635893.2 N, X = 638578.5 E- Y= 635925.9 N, X= 643859.9 E G - Y = 635989.4 N, X = 685038.7 EH - Y= 635960.4 N, X= 649138.3 E H - Y = 636023.9 N, X = 690317.1 EI - Y= 633252.0 N, X= 638599.6 E I - Y= 633315.3 N, X= 679778.4 E J - Y = 633332.2 N, X = 682413.8 EJ - Y= 633268.8 N, X= 641234.9 E K - Y = 633349.7 N, X = 685054.5 EK - Y= 633286.3 N, X= 643875.6 E L - Y= 633303.7 N. X= 646514.8 E L - Y= 633367.2 N, X= 687693.6 E M - Y = 633321.2 N, X = 649154.0 EM - Y = 633384.6 N, X = 690332.8 EN - Y = 634572.6 N, X = 638589.0 EN - Y= 634636.0 N. X= 679767.9 E 0 - Y= 634704.3 N, X= 690324.9 E 0 - Y= 634640.8 N, X= 649146.1 E P - Y= 637276.9 N, X= 679750.0 E P - Y= 637213.4 N. X= 638571.2 E Q - Y = 637280.9 N, X = 649130.9 EQ - Y = 637344.4 N, X = 690309.7 E

PENETRATION POINT 4 GEODETIC COORDINATES NAD 27 NME Y = 6.36500.0 NX= 646496.5 E LAT. = 32.748927° N LONG.=103.856845° W

2084.2' FNL & 2639.4' FEL SEC. 15

PENETRATION POINT 4 GEODETIC COORDINATES NAD 83 NMF Y= 636563.5 N X= 687675 2 F LAT.=32.749046° N LONG.=103.857350° W LAST TAKE POINT & BOTTOM HOLE LOCATION GEODETIC COORDINATES NAD 27 NMF Y = 6.36516.2 NX= 649035.2 E LAT.=32.748940° N LONG.=103.848587° W

2085' FNL & 100' FEL SEC. 15

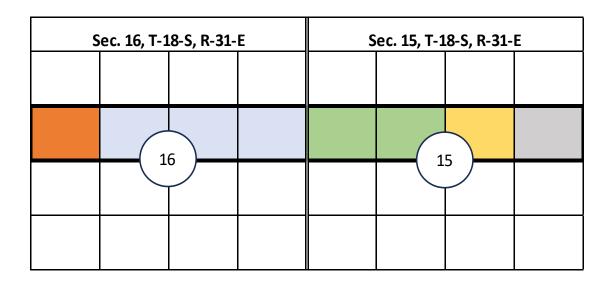
LAST TAKE POINT & BOTTOM HOLE LOCATION GEODETIC COORDINATES NAD 83 NME Y= 636579.8 N X= 690214.0 E LAT = 32.749059° N LONG.=103.849092° W

EXHIBIT

	RANIER 16 15 FED COM #223H				
PAGE 2 OF 2	ACK	REL. W.O.:24110353	JWSC W.O.: 25.13.0020		

Rainier 16 15 Fed COM #223H (2nd Bone Spring) S/2N/2 Sections 16 & 15, T-18-S, R-31-E, N.M.P.M., Eddy Co., NM Containing 320 acres, more or less

EXHIBIT A-3



SW/4NW/4 Sec. 16 (State Lease E-822)

Working Interest Owner	Decimal
XTO Holdings, LLC	1.00000000
TOTAL	1.00000000

Royalty Interest Owner	Decimal
State of New Mexico	0.12500000

SE/4NW/4 (State Lease VC-837) & **S/2NE/4 Sec. 16** (State Lease VC-838)

Working Interest Owner	Decimal
V-F Petroleum Inc.	1.00000000
TOTAL	1.00000000

Overriding Royalty Interest Owners	Decimal
V-F Petroleum Inc.	0.00050000
Gahr Ranch & Investments Partnership, Ltd.	0.02343750
Thomas M. Beall	0.02343750
Jason J. Lodge	0.00125000
Sarah M. Loudenback	0.00125000
Mid-Western Energy, L.L.C.	0.00012500



Rainier 16 15 Fed COM #223H (2nd Bone Spring) S/2N/2 Sections 16 & 15, T-18-S, R-31-E, N.M.P.M., Eddy Co., NM Containing 320 acres, more or less

EXHIBIT A-3

Royalty Interest Owner	Decimal
State of New Mexico	0.20000000

S/2NW/4 Sec. 15 (Federal Lease NMNM 089882 (Out of NMLC 029388-D))

Working Interest Owners	
V-F Petroleum Inc.	0.09916668
Permian Resources Operating, LLC	0.85125000
Ard Oil, LTD	0.03718750
Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard.	0.01239582
TOTAL	1.00000000

Overriding Royalty Interest Owners	Decimal
Zorro Partners, Ltd.	0.00619790
Javelina Partners	0.00619790
Hudson, Francis Hill, Trustee of Lindy's Living Trust created by Trust	
Agreement dated July 8, 1994	0.00929688
Moore and Shelton Co. Ltd.	0.00498750
Mewbourne, Curtis W., Trustee	0.02107500
Marathon Oil Permian LLC	0.08125000

Royalty Interest Owner	Decimal
United States of America	0.12500000

SW/4NE/4 Sec. 15 (Federal Lease NMNM 089879)

Working Interest Owner	Decimal
V-F Petroleum Inc.	0.14166666
Permian Resources Operating, LLC	0.78750000
Ard Oil, LTD	0.05312500
Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard.	0.01770834
TOTAL	1.00000000

Rainier 16 15 Fed COM #223H (2nd Bone Spring) S/2N/2 Sections 16 & 15, T-18-S, R-31-E, N.M.P.M., Eddy Co., NM Containing 320 acres, more or less

EXHIBIT A-3

Overriding Royalty Interest Owners	Decimal
Zorro Partners, Ltd.	0.00531250
Javelina Partners	0.00531250
Hudson, Francis Hill, Trustee of Lindy's Living Trust created by Trust Agreement dated July 8, 1994	0.00796875
Ralph A. Shugart Jr. Trust dated 5/26/1983	0.05000000
Moore and Shelton Co. Ltd.	0.00337500
Mewbourne, Curtis W., Trustee	0.01725000
Marathon Oil Permian LLC	0.03750000

Royalty Interest Owner	Decimal
United States of America	0.12500000

SE/4NE/4 Sec. 15 (Federal Lease NMNM 089879)

Working Interest Owner	Decimal
V-F Petroleum Inc.	0.21666667
Permian Resources Operating, LLC	0.10625000
Bank of America, N.A., Trustee of the Delmar Hudson Lewis Living Trust	0.10625000
created by Trust Agreement dated September 9, 2002 Ard Oil, LTD	0.10625000
Ald Oil, LTD	0.03312300
Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J.	
Terrell Ard.	0.01770833
Marathon Oil Permian LLC	0.50000000

Overriding Royalty Interest Owners	Decimal
Zorro Partners, Ltd.	0.00531251
Javelina Partners	0.00531251
Hudson, Francis Hill, Trustee of Lindy's Living Trust created by Trust Agreement dated July 8, 1994	0.00796875
Ralph A. Shugart Jr. Trust dated 5/26/1983	0.05000000
Moore and Shelton Co. Ltd.	0.00562500

Royalty Interest Owner	Decimal
United States of America	0.12500000

Rainier 16 15 Fed COM #223H (2nd Bone Spring) S/2N/2 Sections 16 & 15, T-18-S, R-31-E, N.M.P.M., Eddy Co., NM Containing 320 acres, more or less

EXHIBIT A-3

UNIT RECAPITULATION

(Yellow denotes the Parties to be Pooled)

Working Interest Owner	Decimal
XTO Holdings, LLC (uncommitted)	0.12500000
V-F Petroleum Inc.	0.44458334
Permian Resources Operating, LLC (uncommitted)	0.32453125
Bank of America, N.A., Trustee of the Delmar Hudson Lewis Living Trust	
created by Trust Agreement dated September 9, 2002 (uncommitted)	0.01328124
Ard Oil, LTD (committed)	0.02257813
Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J.	
Terrell Ard. (uncommitted)	0.00752604
Marathon Oil Permian LLC (uncommitted)	0.06250000

Overriding Royalty Interest Owners	Decimal
V-F Petroleum Inc. (committed)	0.00018750
Zorro Partners, Ltd. (committed)	0.00287760
Javelina Partners (committed)	0.00287760
Hudson, Francis Hill, Trustee of Lindy's Living Trust created by Trust	
Agreement dated July 8, 1994 (uncommitted)	0.00431641
Gahr Ranch & Investments Partnership, Ltd. (committed)	0.00878906
Thomas M. Beall (committed)	0.00878906
Jason J. Lodge (committed)	0.00046875
Sarah M. Loudenback (committed)	0.00046875
Mid-Western Energy, L.L.C. (committed)	0.00004688
Ralph A. Shugart Jr. Trust dated 5/26/1983 (uncommitted)	0.01250000
Moore and Shelton Co. Ltd. (committed)	0.00237188
Mewbourne, Curtis W., Trustee (uncommitted)	0.00742500
Marathon Oil Permian LLC (uncommitted)	0.02500000

Royalty Interest Owner	Decimal
United States of America	0.06250000
State of New Mexico	0.09062500

Rainier 16 15 Fed COM #223H (2nd Bone Spring) S/2N/2 Sections 16 & 15, T-18-S, R-31-E, N.M.P.M., Eddy Co., NM Containing 320 acres, more or less

EXHIBIT A-3

LIST OF ALL UNCOMMITTED WORKING INTEREST OWNERS TO BE POOLED

Working Interest Owner	
XTO Holdings, LLC	
Permian Resources Operating, LLC	
Bank of America, N.A., Trustee of the Delmar Hudson Lewis Living Trust created by Trust Agreement dated September 9, 2002	
Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard.	
Marathon Oil Permian LLC	

LIST OF ALL UNCOMMITTED OVERRIDING ROYALTY INTEREST OWNERS TO BE POOLED

Overriding Royalty Interest Owners		
Hudson, Francis Hill, Trustee of Lindy's Living Trust created by Trust Agreement dated July 8, 1994		
Ralph A. Shugart Jr. Trust dated 5/26/1983		
Mewbourne, Curtis W., Trustee		
Marathon Oil Permian LLC		

Owner	Attn	Address 1	City	State	Zip Code
XTO Holdings, LLC	Delaware Basin Land Manager	22777 Springwoods Village Pkwy.	Spring	Texas	77389
Permian Resources Operating, LLC	Delaware Basin Land Department	300 N. Marienfeld St., Suite 1000	Midland	Texas	79701
Delmar Hudson Lewis Living Trust created by Trust Agreement dated September 9, 2002	Bank of America, N.A., Trustee	P.O. Box 830308	Dallas	Texas	75283-0308
Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard	Frost Bank, Trustee	P.O. Box 1600	San Antonio	Texas	78296
Marathon Oil Permian LLC	Chase Rice, Permian Land Supervisor	990 Town and Country Boulevard	Houston	Texas	77024
Lindy's Living Trust u/t/a dated July 8, 1994	Hudson, Francis Hill, Trustee	4200 South Hulen Street, Suite 302	Fort Worth	Texas	76109
Curtis W. Mewbourne, Trustee		P.O. Box 7698	Tyler	Texas	75711
Marathon Oil Permian LLC	Chase Rice, Permian Land Supervisor	990 Town and Country Boulevard	Houston	Texas	77024
Ralph A. Shugart Jr. Trust dated 5/26/1983	Elizabeth Duncan, Trustee	1060 Egroct Barkway	Denver	Colorado	80220-1337

Rainier 16 15 Fed COM #223H

Chronological Contracts with Uncommitted Owners

XTO Holdings, LLC

- 9/13/23: Emailed Chad Smith, Landman and extended an offer extended offer for an Assignment, Bill of Sale for all working interest in Sec. 16;
- 9/20/23: Received email from Chad Smith requesting additional information and sent requested information that same day;
- 6/27/24: Received email from Chad Smith requesting certain additional information and Jordan Shaw with V-F called Chad Smith to provide requested information and verbally extended offer to acquire interest by either Term Assignment or Assignment, Bill of Sale for all working interest in Sec. 16;
- 11/15/24: Proposed Joint Operating Agreement; and
- 1/14/25: Received a call from Chad Smith requesting certain additional information and parties continue to negotiate.

Permian Resources Operating, LLC

- **8/28/24**: Sent email to Travis Macha, NM Land Lead to see if he was available to discuss Permian's Slim Jim proposals;
- 8/30/24: Jordan Shaw with V-F met Travis Macha with Permian for lunch and V-F proposed Permian and V-F split Sec. 15 down the middle wherein V-F would drill 1.5 mile wells in Sec. 16 & W/2 Sec. 15 and Permian would drill 1.5 mile wells in Sec. 14 & E/2 Sec. 15;
- 9/5/24: V-F sent Travis Macha at Permian what V-F owns in the E/2 Sec. 15;
- 9/9/24: Travis Macha sent Jordan Shaw with V-F an email of potential deal points to consider:
- 9/11/24: Jumped on a call with Travis to discuss deal points Travis sent on 9/9/24;
- 9/24/24: Received email stating that reservoir and geology can't justify shortened laterals based on the deal points discussed;
- 11/15/24: Proposed Joint Operating Agreement by mail;
- 1/17/25: Jordan Shaw with V-F met Travis Macha with Permian for beers and V-F proposed 3-mile development covering all Sec. 16, 15 & 14; and
- 1/20/25: V-F sent Permian a Letter Agreement based on proposal extended 1/17/25 and Permian responded with email stating that they are considering the proposal.

Bank of America, N.A., Trustee of the Delmar Hudson Lewis Living Trust created by Trust Agreement dated September 9, 2002

- 9/13/23: Responded two emails from Jeff Adams, Trustee asking about ownership which V-F answered and V-F extended offer for an Assignment, Bill of Sale for entire interest in Section 15:
- 9/29/23: V-F extended by email to Jeff Adams a Term Assignment offer;
- 11/1/23: V-F re-extended by email to Jeff Adams a Term Assignment offer; and
- 11/15/24: Proposed Joint Operating Agreement.

Ard Oil, LTD

- 9/14/23: Ried Marley, Landman emailed V-F asking about ownership and V-F responded answering his questions and extended an offer for a Term Assignment; and
- 11/15/24: Proposed Joint Operating Agreement.



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

- 9/18/23: Called Brad Ince, Trustee and left message and followed up with an email containing an offer for an Assignment, Bill of Sale for all of Section 15;
- 10/2/23: Debbie Dorsett, Geologist with Frost reached out and I extended offer verbally to her and added Term Assignment offer;
- 10/31/23: Email Brad Ince and re-extended both offers;
- 11/15/24: Proposed Joint Operating Agreement by mail.

Marathon Oil Permian LLC

- 9/8/23: Emailed Chase Rise, Permian Land Supervisor an offer for an Assignment, Bill of Sale for all of Section 15;
- 9/14/23: Followed up by email. Chase responded and said Farley Duvall was overseeing this project;
- 9/18/23: Emailed Farley Duvall and re-extended offer and extended Term Assignment offer;
- 10/2/23: Followed up by email to see if Marathon would consider either offer; and
- 11/15/24: Proposed Joint Operating Agreement by mail.

V-F Petroleum Inc.

Physical Address: 500 W. Texas, Suite 350, Midland, Texas, 79701; Phone 432-269-0569, Mailing Address: P.O. Box 1889, Midland, Texas, 79702; e-mail: jordan@vfpetroleum.com

November 6, 2024

Transmitted Via United States Postal System - Certified Mail - Return Receipt Requested

Marathon Oil Permian LLC 990 Town and Country Boulevard Houston , Tx. 77024 ATTN: Chase Rice, Permian Land Supervisor

RE: Horizontal Well Proposals – 2nd & 3rd Bone Spring Formation;

Standard Horizontal Spacing Unit - S/2N/2 Sections 16 & 15, Township 18 South, Range 31 East, Eddy County, New Mexico

Rainier 16 15 Fed Com #223H; 2nd Bone Spring

SHL: 1,130 FNL, 90 FWL of Section 16 (Unit D), T-18 South, R-31 East, Eddy County, NM FTP: 2,085 FNL, 100 FWL of Section 16 (Unit E), T-18 South, R-31 East, Eddy County, NM BHL/LTP: 2,085 FNL, 100 FEL of Section 15 (Unit H), T-18 South, R-31 East, Eddy County, NM

Rainier 16 15 Fed Com #233H; 3nd Bone Spring

SHL: 1,105 FNL, 90 FWL of Section 16 (Unit D), T-18 South, R-31 East, Eddy County, NM FTP: 2,085 FNL, 100 FWL of Section 16 (Unit E), T-18 South, R-31 East, Eddy County, NM BHL/LTP: 2,085 FNL, 100 FEL of Section 15 (Unit H), T-18 South, R-31 East, Eddy County, NM

Ladies and/or Gentlemen:

Please be advised that V-F Petroleum Inc. ("V-F") hereby proposes to drill, complete and equip each of the above referenced horizontal wells at the locations so indicated, to respectively test the 2nd and 3rd Bone Spring formations as more or less articulated herein.

The projected total vertical depth of the above stated <u>Rainier 16 15 Fed Com #223H</u> in order to test the 2rd Bone Spring formation is estimated to be 8,395 feet (TVD) with an approximate total measured depth of 19,415 feet. The costs to drill, complete and equip said well are estimated at <u>\$8,526,516.00</u> as indicated on the enclosed AFE.

The projected total vertical depth of the above stated <u>Rainier 16 15 Fed Com #233H</u> in order to test the 3rd Bone Spring formation is estimated to be 9,275 feet (TVD) with an approximate total measured depth of 20,325 feet. The costs to drill, complete and equip said well are estimated at <u>\$9,571,750.00</u> as indicated on the enclosed AFE.

For those who elect to participate in the captioned horizontal wells, V-F has enclosed an A.A.P.L. Form 610 – 1989 Model Form Operating Agreement, Horizontal Modifications ("Operating Agreement"), designating V-F Petroleum Inc. as Operator, covering the South Half of the North Half (S/2N/2) of Sections 16 & 15, Township 18 South, Range 31 East, Eddy County, New Mexico, containing approximately 320 acres, more or less, covering the Bone Spring formation ("Contract Area") with the following general provisions:

- 100/300/300 Non-Consenting Penalty;
- \$8,500/\$850 Drilling and Producing Rate; and
- V-F Petroleum Inc. named as Operator.

Rainier 16 15 Fed Com #223H & #233H Marathon Oil Permian LLC November 6, 2024

In the interest of time, if we do not reach an agreement within 30 days of the date of this letter, V-F will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a standard horizontal spacing unit for the proposed wells.

Please indicate your intention to either <u>participate</u> or <u>not participate</u> in the drilling, completion and equipping of each of the above referenced wells by placing an "X" in the appropriate spaces provided below, and return one (1) executed copy of this letter, one (1) executed AFE for each well you have elected <u>to participate</u>, one original (1) Joint Operating Agreement body signature page, and one (1) original executed and notarized Memorandum of Operating Agreement signature page. If you should desire not to participate in the drilling and completion of the wells herein proposed, V-F is willing to discuss an alternative proposal to acquire your oil and gas interests in this area. Should you have any questions regarding this matter, please do not hesitate in contacting Jordan Shaw, Landman/Attorney for V-F Petroleum Inc. by phone at (432) 269-0569 or by email at jordan@vfpetroleum.com.

Best Regards,

Jordan Shaw Landman/Attorney

Enclosures

Elections set forth on the following pages

Rainier 16 15 Fed Com #223H & #233H Marathon Oil Permian LLC November 6, 2024

ELECTIONS Rainier 16 15 Fed Com #223H Well & Rainier 16 15 Fed Com #233H Well

Occidental Permian, LP

	Elect to Participate in the Rainier 16 15 Fed Com #223H	Well	
	Elect Not to Participate in the Rainier 16 15 Fed Com #22	3H Well	
By: _	Title:	Date:	_
	_ Elect to Participate in the Rainier 16 15 Fed Com #233H Elect Not to Participate in the Rainier 16 15 Fed Com #23		
Rv.	Title	Data	

	V-F Petroleun	n In	c.		API No.	
	AUTHORIZATION FOR EXPEN	NOTTURE			AFE Number	
	October 14, 2024				Well Type	Second BS Horizontal Oil Well
X	Original Supplement R	levision		Re-Entry		8,395' TVD 19,415' MD
X	Drill Well Workover Fr	acilities		Plug & Abandon		Two Mile Horizontal Lateral
Lease Name/W	/ell# County/State Formation		Basin	Field or Prospect		WL, Section 16, T-18-S, R-31-E
Ranier 16-15	Federal Com #223H Eddy NM 2nd Bone Spi	ring	Permian	Shugart; Bone Spring N.		FEL, Section 15, T-18-S, R-31-E
Acct			the second	COST BEFORE	COMPLETION	TOTAL
Code	INTANGIBLE DESCRIPTION			CASING POINT	COST	WELL COST
501	PERMITS & ENVIROMENTAL SERVICES			\$15,000	\$10,000	\$25,000
516	TITLE OPINION, CURATIVE & POOLING			\$15,000	\$10,000	
501	SURVEYING STAKE LOCATION					\$15,000
	DAMAGES & R-O-W'S			\$7,500		\$7,500
501				\$15,000		\$15,000
502/711	ROADS, LOCATION, PITS, LINERS, ETC			\$60,000	\$25,000	\$85,000
503	DRILLING RIG MOBILIZATION COST			\$10,000		\$10,000
503	DRILLING - DAYS 18 days @ \$	19,000		\$342,000		\$342,000
503	MUD MOTORS & DIRECTIONAL			\$150,000		\$150,000
517	CLOSED LOOP & DISPOSAL 19 days @ \$:	5,500		\$104,500		\$104,500
505	MUD & FRAC CHEMICALS			\$125,000	\$150,000	\$275,000
505/716	WATER (Brine & Fresh); FRAC WATER			\$40,000	\$400,000	\$440,000
503	BITS, REAMERS, ETC			\$65,000		\$65,000
503	FUEL 65000 gallons @ \$6	6		\$390,000		\$390,000
504	CEMENTING SURFACE			\$25,000		
504	CEMENTING SORFACE CEMENTING INTERMEDIATE					\$25,000
				\$45,000		\$45,000
701	CEMENTING PRODUCTION				\$126,000	\$126,000
509/705	TUBULAR SERVICES AND TOOLS			\$45,000	\$65,000	\$110,000
509/705	CASING CREWS PU LD MACHINE			\$35,000	\$45,000	\$80,000
513/708	FLOAT EQUIPMENT, CENTRALIZERS, ECP'S, DV TOOLS			\$10,000	\$18,000	\$28,000
507	TESTING; COMPLETION, FLOWBACK				\$175,000	\$175,000
508	OPEN HOLE LOGGING					
508	MUD LOGGING 18 days @ \$:	3,500		\$63,000		\$63,000
509/705	WELDING, HOURLY LABOR, ROUSTABOUT CREWS, SAFET			\$26,000	\$250,000	
509/713	EQUIPMENT RENTAL			\$42,000	\$105,000	\$147,000
509/714	TRUCKING, TRANSPORTATION, FORKLIFT			\$57,000	\$35,000	\$92,000
				337,000		
715	COMPLETION UNIT; COIL TUBING UNIT				\$550,000	\$550,000
704	FORMATION STIMULATION (60 STAGES)			-	\$2,085,566	\$2,085,566
702/03	CASED HOLE LOGGING, PERFORATING & FRAC PLUGS				\$260,000	\$260,000
510/11/706	GEOLOGIC / ENGINEERING			\$55,000	\$80,000	\$135,000
509/705	CONTRACT CONSULTANTS 18 days @ \$	3,500		\$63,000	\$52,000	\$115,000
514	DRILLING WELL RATE (A/O) 18 days @ \$.	500		\$9,000	\$5,000	\$14,000
515/705	INSURANCE			\$10,000	\$10,000	\$20,000
509/705	CONTINGENCY (8%)			\$91,000	\$355,000	\$446,000
TOTAL INT	ANGIBLE ESTIMATED COST			\$1,915,000	\$4,801,566	\$6,716,566
Acct				COST BEFORE	COMPLETION	TOTAL
Code	TANGIBLE DESCRIPTION			CASING POINT	COST	WELL COST
620/820				CALLACT CART	COUL	WEELCOOT
	CONDUCTOR			848.000		242.000
620/820				\$42,000		\$42,000
620/820	SURFACE			\$96,000		\$96,000
620/820	INTERMEDIATE			\$120,000		\$120,000
620/820	INTERMEDIATE					
820	PRODUCTION				\$582,450	\$582,450
820	PRODUCTION LINER					
821	TUBING (Coated)				\$128,000	\$128,000
621/824	WELLHEAD EQUIPMENT			\$28,000	\$18,000	\$46,000
825	PRODUCTION FACILITY ENCLOSURE				\$25,000	\$25,000
825	POWER SOURCE				\$25,000	\$25,000
822	RODS AND PUMP (FG & STEEL)					323,000
823	PACKERS, BP'S, ESP, DOWNHOLE EQUIPMENT				\$265,000	\$265,000
827	HEATER TREATER, SEPERATOR, FWKO				\$175,000	\$175,000
827					0175,000	8175,000
	GAS SALES LINE & METER RUN				\$5,500	\$5,500
830	FLOWLINES, VALVES, CONNECTIONS				\$10,000	\$10,000
827	TANKS (WATER AND PRODUCTION)				\$150,000	\$150,000
622/820	CONTINGENCY (8%)			\$29,000		\$140,000
-	NGIBLE ESTIMATED COST			\$315,000	\$1,494,950	\$1,809,950
941-945	P&A Costs, Rig, Cmt, Cleanup, Misc., Services			\$50,000		
ESTIMATE	D DRY HOLE COST			\$2,280,000		
TOTAL AF	E ESTIMATED COST			\$2,230,000	\$6,296,516	\$8,526,516
WIOWNER			AUTHOR OPERATI		THE ACTUAL COSTS I	ES ONLY AND APPROVAL OF THIS NCURRED IN CONDUCTING THE 'HE HEREIN SET OUT. Date: 10/14/2024
Date						

			V-F Petr					API No. AFE Number	
				ber 14, 2024				Well Type	Third BS Horizontal Oil Well
X	Original		Supplement		Revision		Re-Entry	Projected TD:	9,275' TVD 20,325' MD
X	Drill Well		Workover		Facilities		Plug & Abandon		Two Mile Horizontal Lateral
Lease Name/W	Vell#		County / State	Formation		Basin	Field or Prospect		WL, Section 16, T-18-S, R-31-E
Ranier 16-15	Federal Com	#233H	Eddy NM	3rd Bone	Spring	Permian	Shugart; Bone Spring N.		FEL, Section 15, T-18-S, R-31-E
Acct			INTANGIBLE DES				COST BEFORE	COMPLETION	TOTAL
Code			INTANGIBLE DES	CKIPTION			CASING POINT	COST	WELL COST
501	PERMITS &	ENVIROME	NTAL SERVICES				\$15,000	\$10,000	\$25,000
516	TITLE OPI	NION, CURAT	IVE & POOLING				\$15,000		\$15,000
501	SURVEYIN	G STAKE LO	CATION				\$7.500		\$7,500
501	DAMAGES	& R-O-W'S					\$15,000		\$15,000
502/711	ROADS, LO	OCATION, PIT	S, LINERS, ETC.				\$1,500	\$25,000	\$26,500
503	DRILLING	RIG MOBILIZ	ATION COST				\$10,000		\$10,000
503	DRILLING	- DAYS	21	0 days @	\$19,000		\$380,000		\$380,000
503	MUD MOT	ORS & DIREC		, 0			\$175,000		\$175,000
517	CLOSED L	OOP & DISPO	SAL 2	l days@	\$5,500		\$115,500		\$115,500
505	MUD & FR	AC CHEMICA			,		\$125,000	\$350,000	\$475,000
505/716	1		FRAC WATER				\$58,000	\$400,000	\$458,000
503	1	MERS, ETC					\$65,000	5.00,000	\$65,000
503	FUEL	, , , , , , , , , , , , , , , , , , , ,	7500	0 gallons@	\$6		\$450,000		\$450,000
504		NG SURFACE	7500	o ganons a			\$25,000		\$25,000
504		NG INTERMED	DIATE				\$55,000		
701	12.1	G PRODUCT					\$35,000	\$165,000	\$55,000
509/705	100	SERVICES AN					\$55,000		\$165,000
509/705	1	REWS PU LD		*				\$90,000	\$145,000
513/708			MACHINE 'NTRALIZERS, ECP'S, I	ON TOOL O			\$45,000	\$50,000	\$95,000
				OV TOOLS			\$15,000	\$25,000	\$40,000
507			, FLOWBACK					\$175,000	\$175,000
508		E LOGGING							
508	MUD LOG			0 days @	\$3,500		\$70,000		\$70,000
509/705			ABOR, ROUSTABOUT	CREWS, SAI	ETY PAY		\$36,000	\$250,000	
509/713	1 '	NT RENTAL					\$42,000	\$125,000	\$167,000
509/714	TRUCKING	G, TRANSPOR	TATION, FORKLIFT				\$57,000	\$85,000	\$142,000
715			IL TUBING UNIT					\$600,000	\$600,000
704	FORMATIC	ON STIMULAT	TION (60 STAGES)					\$2,435,500	\$2,435,500
702/03	CASED HO	LE LOGGING	, PERFORATING & FR	AC PLUGS				\$280,000	\$280,000
510/11/706	GEOLOGIC	/ ENGINEER	ING				\$55,000	\$80,000	\$135,000
509/705	CONTRAC	T CONSULTA	NTS 2	1 days @	\$3,500		\$70,000	\$52,000	\$122,000
514	DRILLING	WELL RATE	(A/O) 2	l days@	\$500		\$10,500	\$5,000	\$15,500
515/705	INSURANC	CE					\$10,000	\$10,000	\$20,000
509/705	CONTINGE	ENCY (8%)					\$98,000	\$416,000	\$514,000
TOTAL INT	ANGIBLE E	STIMATED C	OST				\$2,076,000	\$5,628,500	\$7,704,500
Acct			TANGIBLE DESC	RIPTION			COST BEFORE	COMPLETION	TOTAL
Code			111101022 2200	1011			CASING POINT	COST	WELL COST
620/820									
620/820	CONDUCT	OR					\$42,000		\$42,000
620/820	SURFACE						\$96,000	21	\$96,000
620/820	INTERME	DIATE					\$120,000		\$120,000
620/820	INTERME	DIATE							
820	PRODUCT	ION						\$609,750	\$609,750
820	PRODUCT	ION LINER							
821	TUBING (C	Coated)					1	\$128,000	\$128,000
621/824		D EQUIPMEN	TT				\$28,000	\$18,000	\$46,000
825	1		Y ENCLOSURE				223,000	\$25,000	\$25,000
825	POWER SC							\$25,000	\$25,000
822		PUMP (FG &	STEEL)					32,000	923,000
823	1		OWNHOLE EQUIPMEN	Т				\$265,000	\$265,000
827			ERATOR, FWKO					\$175,000	\$175,000
831		S LINE & MET					1	\$5,500	\$5,500
830			CONNECTIONS					\$10,000	\$10,000
827			RODUCTION)					\$150,000	\$150,000
622/820		ENCY (10%)	(CODOCTION)				\$29,000		\$170,000
		TIMATED COS	ST.				\$315,000	ý -	\$1,867,250
-			mup, Misc., Services				\$50,000	الاعتباط د در و هد	31,807,230
	D DRY HOL		The state of the s			-	\$2,441,000		
	E ESTIMATE						\$2,391,000	\$7,180,750	\$9,571,750
WI OWNER		CEPTANCE:			-	AUTHOR OPERATI		THE ACTUAL COSTS I	ES ONLY AND APPROVAL OF THIS NCURRED IN CONDUCTING THE HE HEREIN SET OUT. Date: 10/14/2024
Signature Date					=				

V-F Petroleum Inc.

Physical Address: 500 W. Texas, Suite 350, Midland, Texas, 79701; Phone 432-269-0569; Mailing Address: P.O. Box 1889, Midland, Texas, 79702; e-mail: jordan@yfpetroleum.com

January 20, 2025

Transmitted Via United States Postal System - Certified Mail - Return Receipt Requested

Marathon Oil Permian LLC 990 Town and Country Boulevard Houston, Texas 77025

RE: <u>Horizontal Well Proposals – 1st Bone Spring Formation;</u>

<u>Standard Horizontal Spacing Unit – S/2N/2 Sections 16 & 15, Township 18 South, Range 31 East, Eddy County, New Mexico</u>

Rainier 16 15 Fed Com #213H; 1st Bone Spring

SHL: 1,492 FNL, 728 FWL of Section 16 (Unit E), T-18 South, R-31 East, Eddy County, NM FTP: 2,085 FNL, 100' FWL of Section 16 (Unit E), T-18 South, R-31 East, Eddy County, NM BHL/LTP: 2,085 FNL, 100 FEL of Section 15 (Unit H), T-18 South, R-31 East, Eddy County, NM

Ladies and/or Gentlemen:

Please be advised that V-F Petroleum Inc. ("V-F") hereby proposes to drill, complete and equip each of the above referenced horizontal wells at the locations so indicated, to respectively test the 2^{nd} and 3^{rd} Bone Spring formations as more or less articulated herein.

The projected total vertical depth of the above stated <u>Rainier 16 15 Fed Com #213H</u> in order to test the 1st Bone Spring formation is estimated to be 7,750 feet (TVD) with an approximate total measured depth of 18,709 feet. The costs to drill, complete and equip said well are estimated at <u>\$8,024,206.00</u> as indicated on the enclosed AFE.

For those who elect to participate in the captioned horizontal wells, V-F has enclosed an A.A.P.L. Form 610 – 1989 Model Form Operating Agreement, Horizontal Modifications ("Operating Agreement"), designating V-F Petroleum Inc. as Operator, covering the South Half of the North Half (S/2N/2) of Sections 16 & 15, Township 18 South, Range 31 East, Eddy County, New Mexico, containing approximately 320 acres, more or less, covering the Bone Spring formation ("Contract Area") with the following general provisions:

- 100/300/300 Non-Consenting Penalty;
- \$8,500/\$850 Drilling and Producing Rate; and
- V-F Petroleum Inc. named as Operator.

In the interest of time, if we do not reach an agreement within 30 days of the date of this letter, V-F will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a standard horizontal spacing unit for the proposed wells.

Please indicate your intention to either <u>participate or not participate</u> in the drilling, completion and equipping of each of the above referenced wells by placing an "X" in the appropriate spaces provided below, and return one (1) executed copy of this letter, one (1) executed AFE for each well you have elected <u>to participate</u>, one original (1) Joint Operating Agreement body signature page, and one (1 executed and notarized Memorandum of Operating Agreement signature page. If you should desparticipate in the drilling and completion of the wells herein proposed, V-F is willing to discuss an a

Rainier 16 15 Fed Com #213H Marathon Oil Permian LLC January 20, 2025

proposal to acquire your oil and gas interests in this area. Should you have any questions regarding this matter, please do not hesitate in contacting Jordan Shaw, Landman/Attorney for V-F Petroleum Inc. by phone at (432) 269-0569 or by email at jordan@vfpetroleum.com.

Best Regards,

Jordan Shaw Landman/Attorney

Enclosures

Election set forth on the following page

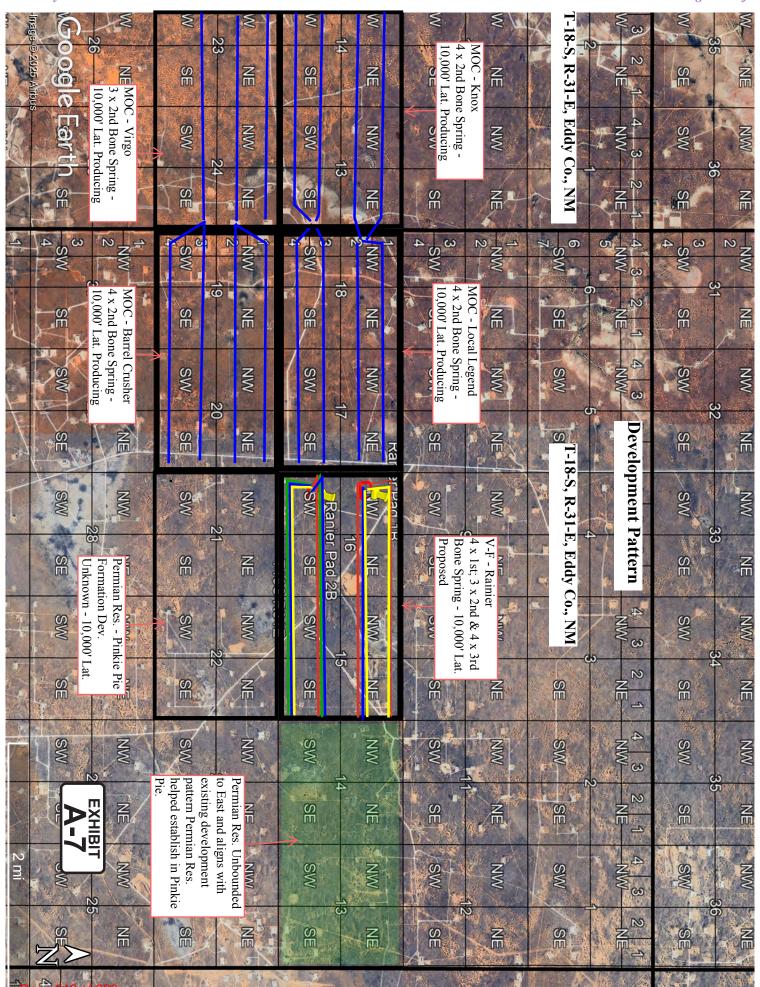
Rainier 16 15 Fed Com #213H Marathon Oil Permian LLC January 20, 2025

ELECTION Rainier 16 15 Fed Com #213H Well

Marathon Oil Permian LLC

	Elect to Participate in the Rainier 16 15 Fed Com #213H Well		
	_ Elect Not to Participate in the Rainier 16 15 Fed Com #213H Well		
Bv:	Title:	Date:	

	V-F Petroleum Inc.		API No.	
	AUTHORIZATION FOR EXPENDITURE		AFE Number	E PAN : LOTHER
	October 14, 2024		Well Type	First BS Horizontal Oil Well
X	Original Supplement Revision Drill Well Workover Facilities	Re-Entry Plug & Abandon	Projected TD:	7,750' TVD 18,709' MD
			Proposal	Two Mile Horizontal Lateral
Lease Name/W	Well # County / State Formation Basin Federal Com #213H Eddy NM 1st Bone Spring Permia	Field or Prospect Shugart; Bone Spring N.		FWL, Section 16, T-18-S, R-31-E FEL, Section 15, T-18-S, R-31-E
Acct		COST BEFORE		TOTAL
Code	INTANGIBLE DESCRIPTION	CASING POINT	COMPLETION COST	WELL COST
501	PERMITS & ENVIROMENTAL SERVICES	\$15,000	\$10,000	\$25,000
516	TITLE OPINION, CURATIVE & POOLING	\$15,000	310,000	\$15,000
501	SURVEYING STAKE LOCATION	\$7,500		\$7,500
501	DAMAGES & R-O-W'S	\$15,000		\$15,000
502/711	ROADS, LOCATION, PITS, LINERS, ETC.	\$60,000	\$25,000	\$85,000
503	DRILLING RIG MOBILIZATION COST	\$10,000	\$25,000	\$10,000
503	DRILLING - DAYS 16 days @ \$19,000	\$304,000		\$304.000
503	MUD MOTORS & DIRECTIONAL	\$150,000		\$150,000
517	CLOSED LOOP & DISPOSAL 16 days @ \$5,500	\$88,000		\$88,000
505	MUD & FRAC CHEMICALS	\$125,000	\$150,000	\$275,000
505/716	WATER (Brine & Fresh); FRAC WATER	\$40,000	\$400,000	\$440,000
503/710	BITS, REAMERS, ETC.	\$65,000	3400,000	\$65,000
503		\$270,000		\$270,000
	9 0	\$270,000		\$25,000
504 504	CEMENTING SURFACE CEMENTING INTERMEDIATE	\$25,000 \$45,000		\$25,000 \$45,000
701	CEMENTING INTERMEDIATE CEMENTING PRODUCTION	\$45,000	\$126,000	\$45,000 \$126,000
	TUBULAR SERVICES AND TOOLS	645,000	\$126,000 \$65,000	\$126,000 \$110,000
509/705	TUBULAR SERVICES AND TOOLS CASING CREWS PU LD MACHINE	\$45,000	\$65,000 \$45,000	-
509/705		\$35,000	,	\$80,000
513/708	FLOAT EQUIPMENT, CENTRALIZERS, ECP'S, DV TOOLS	\$10,000	\$18,000	\$28,000
507	TESTING; COMPLETION, FLOWBACK		\$175,000	\$175,000
508	OPEN HOLE LOGGING	250.000		0.000
508	MUD LOGGING 16 days @ \$3,500	\$56,000		\$56,000
509/705	WELDING, HOURLY LABOR, ROUSTABOUT CREWS, SAFETY PAY	\$26,000	\$250,000	2147.00
509/713	EQUIPMENT RENTAL	\$42,000	\$105,000	\$147,000
509/714	TRUCKING, TRANSPORTATION, FORKLIFT	\$57,000	\$35,000	\$92,000
715	COMPLETION UNIT; COIL TUBING UNIT		\$550,000	\$550,000
704	FORMATION STIMULATION (60 STAGES)		\$2,085,566	\$2,085,566
702/03	CASED HOLE LOGGING, PERFORATING & FRAC PLUGS		\$260,000	\$260,000
510/11/706	GEOLOGIC / ENGINEERING	\$55,000	\$80,000	\$135,000
509/705	CONTRACT CONSULTANTS 16 days @ \$3,500	\$56,000	\$52,000	\$108,000
				\$13,000
514	DRILLING WELL RATE (A/O) 16 days @ \$500	\$8,000	\$5,000	,
515/705	INSURANCE	\$10,000	\$10,000	\$20,000
515/705 509/705	INSURANCE CONTINGENCY (8%)	\$10,000 \$81,000	\$10,000 \$355,000	\$20,000 \$436,000
515/705 509/705 TOTAL INT	INSURANCE	\$10,000 \$81,000 \$1,715,500	\$10,000 \$355,000 \$4,801,566	\$20,000 \$436,000 \$6,517,066
515/705 509/705 TOTAL INT	INSURANCE CONTINGENCY (8%)	\$10,000 \$81,000 \$1,715,500 COST BEFORE	\$10,000 \$355,000 \$4,801,566 COMPLETION	\$20,000 \$436,000 \$6,517,066 TOTAL
515/705 509/705 TOTAL INT Acct Code	INSURANCE CONTINGENCY (8%) TANGIBLE ESTIMATED COST	\$10,000 \$81,000 \$1,715,500	\$10,000 \$355,000 \$4,801,566	\$20,000 \$436,000 \$6,517,066
515/705 509/705 TOTAL INT Acct Code 620/820	INSURANCE CONTINGENCY (8%) FANGIBLE ESTIMATED COST TANGIBLE DESCRIPTION	\$10,000 \$81,000 \$1,715,500 COST BEFORE CASING POINT	\$10,000 \$355,000 \$4,801,566 COMPLETION	\$20,000 \$436,000 \$6,517,066 TOTAL WELL COST
515/705 509/705 TOTAL INT Acct Code 620/820 620/820	INSURANCE CONTINGENCY (8%) FANGIBLE ESTIMATED COST TANGIBLE DESCRIPTION CONDUCTOR	\$10,000 \$81,000 \$1,715,500 COST BEFORE CASING POINT	\$10,000 \$355,000 \$4,801,566 COMPLETION	\$20,000 \$436,000 \$6,517,066 TOTAL WELL COST
515/705 509/705 TOTAL INT Acet Code 620/820 620/820 620/820	INSURANCE CONTINGENCY (8%) TANGIBLE ESTIMATED COST TANGIBLE DESCRIPTION CONDUCTOR SURFACE	\$10,000 \$81,000 \$1,715,500 COST BEFORE CASING POINT \$42,000 \$96,000	\$10,000 \$355,000 \$4,801,566 COMPLETION	\$20,000 \$436,000 \$6,517,066 TOTAL WELL COST \$42,000 \$96,000
515/705 509/705 TOTAL INT Acet Code 620/820 620/820 620/820 620/820	INSURANCE CONTINGENCY (8%) FANGIBLE ESTIMATED COST TANGIBLE DESCRIPTION CONDUCTOR SURFACE INTERMEDIATE	\$10,000 \$81,000 \$1,715,500 COST BEFORE CASING POINT	\$10,000 \$355,000 \$4,801,566 COMPLETION	\$20,000 \$436,000 \$6,517,066 TOTAL WELL COST
515/705 509/705 TOTAL INT Acct Code 620/820 620/820 620/820 620/820 620/820	INSURANCE CONTINGENCY (8%) FANGIBLE ESTIMATED COST TANGIBLE DESCRIPTION CONDUCTOR SURFACE INTERMEDIATE INTERMEDIATE INTERMEDIATE	\$10,000 \$81,000 \$1,715,500 COST BEFORE CASING POINT \$42,000 \$96,000	\$10,000 \$355,000 \$4,801,566 COMPLETION COST	\$20,000 \$436,000 \$6,517,066 TOTAL WELL COST \$42,000 \$96,000 \$120,000
515/705 509/705 TOTAL INT Acct Code 620/820 620/820 620/820 620/820 820	INSURANCE CONTINGENCY (8%) FANGIBLE ESTIMATED COST TANGIBLE DESCRIPTION CONDUCTOR SURFACE INTERMEDIATE INTERMEDIATE PRODUCTION	\$10,000 \$81,000 \$1,715,500 COST BEFORE CASING POINT \$42,000 \$96,000	\$10,000 \$355,000 \$4,801,566 COMPLETION	\$20,000 \$436,000 \$6,517,066 TOTAL WELL COST \$42,000 \$96,000
515/705 509/705 TOTAL INT Acet Code 620/820 620/820 620/820 620/820 620/820 820 820 820	INSURANCE CONTINGENCY (8%) FANGIBLE ESTIMATED COST TANGIBLE DESCRIPTION CONDUCTOR SURFACE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION LINER	\$10,000 \$81,000 \$1,715,500 COST BEFORE CASING POINT \$42,000 \$96,000	\$10,000 \$355,000 \$4,801,566 COMPLETION COST	\$20,000 \$436,000 \$6,517,066 TOTAL WELL COST \$42,000 \$96,000 \$120,000
515/705 509/705 TOTAL INT Acet Code 620/820 620/820 620/820 620/820 820 820 820 821	INSURANCE CONTINGENCY (8%) FANGIBLE ESTIMATED COST TANGIBLE DESCRIPTION CONDUCTOR SURFACE INTERMEDIATE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION LINER TUBING (Coated)	\$10,000 \$81,000 \$1,715,500 COST BEFORE CASING POINT \$42,000 \$96,000 \$120,000	\$10,000 \$355,000 \$4,801,566 COMPLETION COST	\$20,000 \$436,000 \$6,517,066 TOTAL WELL COST \$42,000 \$96,000 \$120,000
515/705 509/705 TOTAL INT Acet Code 620/820 620/820 620/820 620/820 820 820 820 821 621/824	INSURANCE CONTINGENCY (8%) FANGIBLE ESTIMATED COST TANGIBLE DESCRIPTION CONDUCTOR SURFACE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION LINER TUBING (Coated) WELLHEAD EQUIPMENT	\$10,000 \$81,000 \$1,715,500 COST BEFORE CASING POINT \$42,000 \$96,000	\$10,000 \$355,000 \$4,801,566 COMPLETION COST \$310,640 \$120,000 \$18,000	\$20,000 \$436,000 \$6,517,066 TOTAL WELL COST \$42,000 \$96,000 \$120,000 \$310,640 \$120,000
515/705 509/705 TOTAL INT Acet Code 620/820 620/820 620/820 620/820 820 820 821 621/824 825	INSURANCE CONTINGENCY (8%) IANGIBLE ESTIMATED COST TANGIBLE DESCRIPTION CONDUCTOR SURFACE INTERMEDIATE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION LINER TUBING (Costed) WELLHEAD EQUIPMENT PRODUCTION FACILITY ENCLOSURE	\$10,000 \$81,000 \$1,715,500 COST BEFORE CASING POINT \$42,000 \$96,000 \$120,000	\$10,000 \$355,000 \$4,801,566 COMPLETION COST \$310,640 \$120,000 \$18,000 \$25,000	\$20,000 \$436,000 \$6,517,066 TOTAL WELL COST \$42,000 \$96,000 \$120,000 \$310,640 \$120,000 \$4,000 \$120,000 \$25,000
515/705 509/705 TOTAL INT Acct Code 620/820 620/820 620/820 620/820 820 820 821 621/824 825	INSURANCE CONTINGENCY (8%) TANGIBLE ESTIMATED COST TANGIBLE ESTIMATED COST CONDUCTOR SURFACE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION PRODUCTION LINER TUBING (Coated) WELLHEAD EQUIPMENT PRODUCTION FACILITY ENCLOSURE POWER SOURCE	\$10,000 \$81,000 \$1,715,500 COST BEFORE CASING POINT \$42,000 \$96,000 \$120,000	\$10,000 \$355,000 \$4,801,566 COMPLETION COST \$310,640 \$120,000 \$18,000	\$20,000 \$436,000 \$6,517,066 TOTAL WELL COST \$42,000 \$96,000 \$120,000 \$310,640 \$120,000
515/705 509/705 TOTAL INT Acet Code 620/820 620/820 620/820 620/820 620/820 620/820 820 820 821 621/824 825 825	INSURANCE CONTINGENCY (8%) FANGIBLE ESTIMATED COST TANGIBLE DESCRIPTION CONDUCTOR SURFACE INTERMEDIATE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION LINER TUBING (Coated) WELLHEAD EQUIPMENT PRODUCTION FACILITY ENCLOSURE POWER SOURCE RODS AND PUMP (FG & STEEL)	\$10,000 \$81,000 \$1,715,500 COST BEFORE CASING POINT \$42,000 \$96,000 \$120,000	\$10,000 \$355,000 \$4,801,566 COMPLETION COST \$310,640 \$120,000 \$18,000 \$25,000	\$20,000 \$436,000 \$436,000 \$5,517,066 TOTAL WELL COST \$42,000 \$96,000 \$120,000 \$310,640 \$120,000 \$46,000 \$25,000 \$25,000
515/705 509/705 TOTAL INT Acet Code 620/820 620/820 620/820 620/820 820 820 820 821 621/824 825 825 822 822 823	INSURANCE CONTINGENCY (8%) TANGIBLE ESTIMATED COST TANGIBLE ESTIMATED COST CONDUCTOR SURFACE INTERMEDIATE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION LINER TUBING (Coated) WELLHEAD EQUIPMENT PRODUCTION FACILITY ENCLOSURE POWER SOURCE RODS AND PUMP (FG & STEEL) PACKERS, BPS, ESP, DOWNHOLE EQUIPMENT	\$10,000 \$81,000 \$1,715,500 COST BEFORE CASING POINT \$42,000 \$96,000 \$120,000	\$10,000 \$355,000 \$4,801,566 COMPLETION COST \$310,640 \$120,000 \$18,000 \$25,000 \$25,000	\$20,000 \$436,000 \$436,000 \$6,517,066 TOTAL WELL COST \$42,000 \$96,000 \$120,000 \$120,000 \$46,000 \$25,000 \$25,000 \$25,000
515/705 509/705 TOTAL INT Acet Code 620/820 620/820 620/820 820 820 820 821 621/824 825 825 822 823	INSURANCE CONTINGENCY (8%) FANGIBLE ESTIMATED COST TANGIBLE DESCRIPTION CONDUCTOR SURFACE INTERMEDIATE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION LINER TUBING (Coated) WELLHEAD EQUIPMENT PRODUCTION FACILITY ENCLOSURE POWER SOURCE RODS AND PUMP (FG & STEEL) PACKERS, BPS, ESP, DOWNHOLE EQUIPMENT HEATER TREATER, SEPERATOR, FWKO	\$10,000 \$81,000 \$1,715,500 COST BEFORE CASING POINT \$42,000 \$96,000 \$120,000	\$10,000 \$355,000 \$4,801,566 COMPLETION COST \$310,640 \$120,000 \$18,000 \$25,000 \$25,000 \$26,000 \$175,000	\$20,000 \$436,000 \$436,000 \$6,517,066 TOTAL WELL COST \$42,000 \$96,000 \$120,000 \$120,000 \$120,000 \$25,000 \$25,000 \$25,000 \$25,000 \$175,000
515/705 509/705 TOTAL INT Acet Code 620/820 620/820 620/820 620/820 820 820 821 621/825 822 825 822 823 827 831	INSURANCE CONTINGENCY (8%) TANGIBLE ESTIMATED COST TANGIBLE ESTIMATED COST CONDUCTOR SURFACE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION PRODUCTION LINER TUBING (Coated) WELLHEAD EQUIPMENT PRODUCTION FACILITY ENCLOSURE POWER SOURCE RODS AND PUMP (FG & STEEL) PACKERS, BPS, ESP, DOWNHOLE EQUIPMENT HEATER TREATER, SEPERATOR, FWKO GAS SALES LINE & METER RUN	\$10,000 \$81,000 \$1,715,500 COST BEFORE CASING POINT \$42,000 \$96,000 \$120,000	\$10,000 \$355,000 \$4,801,566 COMPLETION COST \$310,640 \$120,000 \$18,000 \$25,000 \$25,000 \$25,000 \$175,000 \$175,000 \$5175,000	\$20,000 \$436,000 \$436,000 \$56,517,066 TOTAL WELL COST \$42,000 \$96,000 \$120,000 \$120,000 \$5120,000 \$5120,000 \$525,000 \$525,000 \$525,000 \$525,000 \$525,000 \$525,000 \$525,000 \$525,000 \$525,000 \$525,000 \$525,000
515/705 509/705 TOTAL INT Acet Code 620/820 620/820 620/820 620/820 620/820 620/820 820 820 821 621/824 825 822 823 827 821 823 827 821 823 824 825 826 821 828 829 820 830 831 830	INSURANCE CONTINGENCY (8%) TANGIBLE ESTIMATED COST TANGIBLE ESTIMATED COST CONDUCTOR SURFACE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION INFER TUBING (Coated) WELLHEAD EQUIPMENT PRODUCTION FACILITY ENCLOSURE POWER SOURCE RODS AND PUMP (FG & STEEL) PACKERS, BP'S, ESP, DOWNHOLE EQUIPMENT HEATER TREATER, SEPERATOR, FWKO GAS SALES LINE & METER RUN FLOWLINES, VALVES, CONNECTIONS	\$10,000 \$81,000 \$1,715,500 COST BEFORE CASING POINT \$42,000 \$96,000 \$120,000	\$10,000 \$355,000 \$4,801,566 COMPLETION COST \$310,640 \$120,000 \$18,000 \$25,000 \$25,000 \$175,000 \$515,000 \$515,000	\$20,000 \$436,000 \$436,000 \$6,517,066 TOTAL WELL COST \$42,000 \$96,000 \$120,000 \$120,000 \$46,000 \$25,000 \$25,000 \$25,000 \$175,000 \$175,000 \$15,000 \$15,000 \$15,000
515/705 509/705 TOTAL INT Acet Code 620/820 620/820 620/820 620/820 820 820 820 821 621/824 825 825 822 823 827 831 830 827	INSURANCE CONTINGENCY (8%) TANGIBLE ESTIMATED COST TANGIBLE ESTIMATED COST CONDUCTOR SURFACE INTERMEDIATE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION LINER TUBING (Coated) WELLHEAD EQUIPMENT PRODUCTION FACILITY ENCLOSURE POWER SOURCE RODS AND PUMP (FG & STEEL) PACKERS, BPS, ESP, DOWNHOLE EQUIPMENT HEATER TREATER, SEPERATOR, FWKO GAS SALES LINE & METER RIN FLOWLINES, VALVES, CONNECTIONS TANKS (WATER AND PRODUCTION)	\$10,000 \$81,000 \$1,715,500 COST BEFORE CASING POINT \$42,000 \$120,000	\$10,000 \$355,000 \$4,801,566 COMPLETION COST \$310,640 \$120,000 \$18,000 \$25,000 \$175,000 \$175,000 \$15,000 \$15,000	\$20,000 \$436,000 \$436,000 \$6,517,066 TOTAL WELL COST \$42,000 \$120,000 \$120,000 \$120,000 \$120,000 \$25,000 \$25,000 \$25,000 \$175,000 \$55,500 \$110,000 \$110,000 \$110,000
515/705 509/705 TOTAL INT Acet Code 620/820 620/820 620/820 820 820 821 621/820 825 825 825 827 831 830 827 622/820	INSURANCE CONTINGENCY (8%) TANGIBLE ESTIMATED COST TANGIBLE ESTIMATED COST CONDUCTOR SURFACE INTERMEDIATE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION PRODUCTION LINER TUBING (Costed) WELLHEAD EQUIPMENT PRODUCTION FACILITY ENCLOSURE POWER SOURCE RODS AND PUMP (FG & STEEL) PACKERS, BPS, ESP, DOWNHOLE EQUIPMENT HEATTER TREATER, SEPERATOR, FWKO GAS SALES LINE & METER RUN FLOWLINES, VALVES, CONNECTIONS TANKS (WATER AND PRODUCTION) CONTINGENCY (8%)	\$10,000 \$81,000 \$1,715,500 COST BEFORE CASING POINT \$42,000 \$120,000 \$28,000	\$10,000 \$355,000 \$4,801,566 COMPLETION COST \$310,640 \$120,000 \$18,000 \$25,000 \$25,000 \$175,000 \$5,500 \$110,000 \$150,000 \$180,000 \$150,000 \$150,000	\$20,000 \$436,000 \$436,000 \$6,517,066 TOTAL WELL COST \$42,000 \$96,000 \$120,000 \$120,000 \$310,640 \$120,000 \$25,000 \$25,000 \$25,000 \$175,000 \$1,000
515/705 509/705 TOTAL INT Acet Code 620/820 620/820 620/820 620/820 820 820 821 621/824 825 822 823 827 831 830 841 850 850 850 850 850 850 850 850	INSURANCE CONTINGENCY (8%) TANGIBLE ESTIMATED COST TANGIBLE ESTIMATED COST TANGIBLE DESCRIPTION CONDUCTOR SURFACE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION LINER TUBING (Coated) WELLHEAD EQUIPMENT PRODUCTION FACILITY ENCLOSURE POWER SOURCE RODS AND PUMP (FG & STEEL) PACKERS, BPS, ESP, DOWNHOLE EQUIPMENT HEATER TREATER, SEPERATOR, FWKO GAS SALES LINE & METER RUN FLOWLINES, VALVES, CONNECTIONS TANKS (WATER AND PRODUCTION) CONTINGENCY (8%) NGIBLE ESTIMATED COST	\$10,000 \$81,000 \$1,715,500 COST BEFORE CASING POINT \$42,000 \$96,000 \$120,000 \$228,000	\$10,000 \$355,000 \$4,801,566 COMPLETION COST \$310,640 \$120,000 \$18,000 \$25,000 \$175,000 \$175,000 \$15,000 \$15,000	\$20,000 \$436,000 \$436,000 \$6,517,066 TOTAL WELL COST \$42,000 \$120,000 \$120,000 \$120,000 \$120,000 \$25,000 \$25,000 \$25,000 \$175,000 \$55,500 \$110,000 \$110,000 \$110,000
515/705 509/705 TOTAL INT Acet Code 620/820 620/820 620/820 820 820 820 821 621/824 825 825 822 823 827 831 830 827 827 827 827 827 827 827 827	INSURANCE CONTINGENCY (8%) TANGIBLE ESTIMATED COST TANGIBLE ESTIMATED COST CONDUCTOR SURFACE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION INER TUBING (Coated) WELLHEAD EQUIPMENT PRODUCTION FACILITY ENCLOSURE POWER SOURCE RODS AND PUMP (FG & STEEL) PACKERS, BP'S, ESP, DOWNHOLE EQUIPMENT HEATER TREATER, SEPERATOR, FWKO GAS SALES LINE & METER RUN FLOWLINES, VALVES, CONNECTIONS TANKS (WATER AND PRODUCTION) CONTINGENCY (8%) PR&A Costs, Rig, Cnt, Cleanup, Misc., Services	\$10,000 \$81,000 \$1,715,500 COST BEFORE CASING POINT \$42,000 \$96,000 \$120,000 \$228,000 \$29,000 \$315,000 \$315,000 \$50,000	\$10,000 \$355,000 \$4,801,566 COMPLETION COST \$310,640 \$120,000 \$18,000 \$25,000 \$25,000 \$175,000 \$5,500 \$110,000 \$150,000 \$180,000 \$150,000 \$150,000 \$150,000	\$20,000 \$436,000 \$436,000 \$6,517,066 TOTAL WELL COST \$42,000 \$96,000 \$120,000 \$120,000 \$310,640 \$120,000 \$25,000 \$25,000 \$25,000 \$175,000 \$1,000
515/705 509/705 TOTAL INT Acet Code 620/820 620/820 620/820 620/820 820 820 820 821 621/824 825 825 822 823 827 831 827 831 827 831 827 831 830 827 622/820 TOTAL TAY 941-945 ESTIMATEI	INSURANCE CONTINGENCY (8%) TANGIBLE ESTIMATED COST TANGIBLE ESTIMATED COST CONDUCTOR SURFACE INTERMEDIATE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION LINER TUBING (Coated) WELLHEAD EQUIPMENT PRODUCTION FACILITY ENCLOSURE POWER SOURCE RODS AND PUMP (FG & STEEL) PACKERS, BPS, ESP, DOWNHOLE EQUIPMENT HEATER TREATER, SEPERATOR, FWKO GAS SALES LINE & METER RUN FLOWLINES, VALVES, CONNECTIONS TANKS (WATER AND PRODUCTION) CONTINGENCY (8%) NGIBLE ESTIMATED COST P&A Costs, Rig. Cmt, Cleanup, Misc., Services D DRY HOLE COST	\$10,000 \$81,000 \$1,715,500 COST BEFORE CASING POINT \$42,000 \$96,000 \$120,000 \$228,000 \$228,000 \$315,000 \$315,000 \$50,000 \$2,080,500	\$10,000 \$4,801,566 COMPLETION COST \$310,640 \$120,000 \$18,000 \$25,000 \$175,000 \$175,000 \$15,000 \$15,000 \$15,000 \$15,000 \$11,000 \$11,000 \$11,000	\$20,000 \$436,000 \$436,000 \$6,517,066 TOTAL WELL COST \$42,000 \$96,000 \$120,000 \$120,000 \$46,000 \$25,000 \$25,000 \$175,000 \$117,000 \$110,000 \$110,000 \$110,000 \$110,000 \$110,000 \$110,000 \$110,000 \$110,000 \$110,000 \$110,000
515/705 509/705 509/705 TOTAL INT Acet Code 620/820 620/820 620/820 820 820 821 621/820 825 825 825 825 827 831 830 TOTAL TAP 941-945 ESTIMATE! TOTAL AFF	INSURANCE CONTINGENCY (8%) TANGIBLE ESTIMATED COST TANGIBLE ESTIMATED COST CONDUCTOR SURFACE INTERMEDIATE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION LINER TUBING (Costed) WELLHEAD EQUIPMENT PRODUCTION FACILITY ENCLOSURE POWER SOURCE RODS AND PUMP (FG & STEEL) PACKERS, BPS, ESP, DOWNHOLE EQUIPMENT HEATTER TREATTER, SEPERATOR, FWKO GAS SALES LINE & METER RUN FLOWLINES, VALVES, CONNECTIONS TANKS (WATER AND PRODUCTION) CONTINGENCY (8%) NGIBLE ESTIMATED COST P&A Costs, Rig. Cmt. Cleanup, Misc., Services D D BY HOLE COST E ESTIMATED COST E ESTIMATED COST	\$10,000 \$81,000 \$1,715,500 COST BEFORE CASING POINT \$42,000 \$96,000 \$120,000 \$228,000 \$29,000 \$315,000 \$315,000 \$50,000	\$10,000 \$355,000 \$4,801,566 COMPLETION COST \$310,640 \$120,000 \$18,000 \$25,000 \$25,000 \$175,000 \$5,500 \$110,000 \$150,000 \$180,000 \$150,000 \$150,000 \$150,000	\$20,000 \$436,000 \$436,000 \$6,517,066 TOTAL WELL COST \$42,000 \$96,000 \$120,000 \$120,000 \$310,640 \$120,000 \$25,000 \$25,000 \$25,000 \$175,000 \$1,000
515/705 509/705 509/705 TOTAL INT Acet Code 620/820 620/820 620/820 820 820 820 821 621/825 825 822 823 827 831 830 827 621/820 TOTAL TAN 941-945 ESTIMATEI TOTAL AFF	INSURANCE CONTINGENCY (8%) TANGIBLE ESTIMATED COST TANGIBLE ESTIMATED COST CONDUCTOR SURFACE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION LINER TUBING (Coated) WELLHEAD EQUIPMENT PRODUCTION FACILITY ENCLOSURE POWER SOURCE RODS AND PUMP (FG & STEEL) PACKERS, BPS, ESP, DOWNHOLE EQUIPMENT HEATER TREATER, SEPERATOR, FWKO GAS SALES LINE & METER RUN FLOWLINES, VALVES, CONNECTIONS TANKS (WATER AND PRODUCTION) CONTINGENCY (8%) NGIBLE ESTIMATED COST P&A COST, Rig, Cmt, Cleanup, Misc., Services DD DRY HOLE COST E ESTIMATED COST E ESTIMATED COST AL AND ACCEPTANCE: IT IS IS AUTH OPER.	\$10,000 \$81,000 \$1,715,500 COST BEFORE CASING POINT \$42,000 \$96,000 \$120,000 \$228,000 \$228,000 \$315,000 \$315,000 \$2,080,500 \$2,030,500	\$10,000 \$355,000 \$4,801,566 COMPLETION COST \$310,640 \$120,000 \$18,000 \$25,000 \$255,000 \$150,000 \$1150,000 \$11,192,140 \$5,993,706	\$20,000 \$436,000 \$436,000 \$5,517,066 TOTAL WELL COST \$42,000 \$96,000 \$120,000 \$120,000 \$5120,000 \$546,000 \$525,000 \$525,000 \$525,000 \$525,000 \$525,000 \$515,000
515/705 509/705 TOTAL INT Acet Code 620/820 620/820 620/820 620/820 820 820 821 621/824 825 825 822 823 827 831 830 827 TOTAL TAY 941-945 ESTIMATE! TOTAL AFF	INSURANCE CONTINGENCY (8%) TANGIBLE ESTIMATED COST TANGIBLE ESTIMATED COST CONDUCTOR SURFACE INTERMEDIATE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION LINER TUBING (Coated) WELLHEAD EQUIPMENT PRODUCTION FACILITY ENCLOSURE POWER SOURCE RODS AND PUMP (FG & STEEL) PACKERS, BP'S, ESP, DOWNHOLE EQUIPMENT HEATER TREATER, SEPERATOR, FWKO GAS SALES LINE & METER RUN FLOWLINES, VALVES, CONNECTIONS TANKS (WATER AND PRODUCTION) CONTINGENCY (8%) NGIBLE ESTIMATED COST P&A Costs, Rig, Cmt, Cleanup, Misc., Services D DRY HOLE COST E ESTIMATED COST AL AND ACCEPTANCE: IT IS I AUTH OPER	\$10,000 \$81,000 \$1,715,500 COST BEFORE CASING POINT \$42,000 \$96,000 \$120,000 \$120,000 \$228,000 \$315,000 \$2,080,500 \$2,080,500 \$2,030,500	\$10,000 \$355,000 \$4,801,566 COMPLETION COST \$310,640 \$120,000 \$18,000 \$25,000 \$255,000 \$150,000 \$1150,000 \$11,192,140 \$5,993,706	\$20,000 \$436,000 \$436,000 \$5,517,066 TOTAL WELL COST \$42,000 \$96,000 \$120,000 \$120,000 \$5120,000 \$546,000 \$525,000 \$525,000 \$525,000 \$525,000 \$525,000 \$515,000
515/705 509/705 TOTAL INT Acet Code 620/820 620/820 620/820 620/820 820 820 821 621/824 825 822 823 827 821 830 827 TOTAL TAN 941-945 ESTIMATE! TOTAL AFI APPROV/ WI OWNER	INSURANCE CONTINGENCY (8%) TANGIBLE ESTIMATED COST TANGIBLE ESTIMATED COST CONDUCTOR SURFACE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION LINER TUBING (Coated) WELLHEAD EQUIPMENT PRODUCTION FACILITY ENCLOSURE POWER SOURCE RODS AND PUMP (FG & STEEL) PACKERS, BPS, ESP, DOWNHOLE EQUIPMENT HEATER TREATER, SEPERATOR, FWKO GAS SALES LINE & METER RUN FLOWLINES, VALVES, CONNECTIONS TANKS (WATER AND PRODUCTION) CONTINGENCY (8%) NGIBLE ESTIMATED COST P&A COSIS, RIG, CINI, Cleanup, Misc., Services DD DRY HOLE COST E ESTIMATED COST AL AND ACCEPTANCE: IT IS IS AUTH OPER	\$10,000 \$81,000 \$1,715,500 COST BEFORE CASING POINT \$42,000 \$96,000 \$120,000 \$120,000 \$228,000 \$315,000 \$2,080,500 \$2,080,500 \$2,030,500 \$2,030,500 \$2,030,500 \$315,000 \$42,030,500 \$42,0	\$10,000 \$355,000 \$4,801,566 COMPLETION COST \$310,640 \$120,000 \$18,000 \$25,000 \$255,000 \$150,000 \$1150,000 \$11,192,140 \$5,993,706	\$20,000 \$436,000 \$436,000 \$56,517,066 TOTAL WELL COST \$42,000 \$96,000 \$120,000 \$310,640 \$120,000 \$46,000 \$25,000 \$255,000 \$175,000 \$175,000 \$175,000 \$150,000 \$117,000 \$1,500,000 \$117,000 \$1,500,000 \$1,700,00
515/705 509/705 509/705 TOTAL INT Acet Code 620/820 620/820 620/820 620/820 820 821 621/825 822 823 827 831 830 827 621/825 827 621/825 827 831 830 827 TOTAL TAN 941-945 ESTIMATEI TOTAL AFF APPROV/ WI OWNER W.I. Title	INSURANCE CONTINGENCY (8%) TANGIBLE ESTIMATED COST TANGIBLE ESTIMATED COST CONDUCTOR SURFACE INTERMEDIATE INTERMEDIATE INTERMEDIATE PRODUCTION INER TUBING (Coated) WELLHEAD EQUIPMENT PRODUCTION FACILITY ENCLOSURE POWER SOURCE RODS AND PUMP (FG & STEEL) PACKERS, BP'S, ESP, DOWNHOLE EQUIPMENT HEATER TREATER, SEPERATOR, FWKO GAS SALES LINE & METER RUN FLOWLINES, VALVES, CONNECTIONS TANKS (WATER AND PRODUCTION) CONTINGENCY (8%) NGIBLE ESTIMATED COST P&A Costs, Rig. Cmt, Cleanup, Misc., Services D DRY HOLE COST AL AND ACCEPTANCE: TI ISI AUTH OPER	\$10,000 \$81,000 \$1,715,500 COST BEFORE CASING POINT \$42,000 \$96,000 \$120,000 \$120,000 \$228,000 \$315,000 \$2,080,500 \$2,080,500 \$2,030,500 \$2,030,500 \$2,030,500 \$315,000 \$42,030,500 \$42,0	\$10,000 \$355,000 \$4,801,566 COMPLETION COST \$310,640 \$120,000 \$18,000 \$25,000 \$255,000 \$150,000 \$1150,000 \$11,192,140 \$5,993,706	\$20,000 \$436,000 \$436,000 \$56,517,066 TOTAL WELL COST \$42,000 \$96,000 \$120,000 \$310,640 \$120,000 \$46,000 \$25,000 \$255,000 \$175,000 \$175,000 \$175,000 \$150,000 \$117,000 \$1,500,000 \$117,000 \$1,500,000 \$1,700,00







OFFICE 432.695.4222 **FAX** 432.695.4063

August 16, 2024

Via Certified Mail & Email

V-F Petroleum, Inc. Attn: Land Dept. P.O. Box 1889 Midland, TX 79702

RE: Slim Jim 14-15 Fed Com – Well Proposals

S/2N/2 of Sections 14 & 15, T18S-R31E

Eddy County, New Mexico

To Whom It May Concern:

Permian Resources Operating, LLC, as Operator for Read & Stevens, Inc. ("Permian"), hereby proposes the drilling and completion of the following two (2) Bone Spring wells, the Slim Jim 14-15 Fed Com at the following approximate locations within Township 18 South, Range 31 East:

1. Slim Jim 14-15 Fed Com 122H

SHL: 300' FEL & 2024' FNL, or at a legal location within the NE4 of Section 14

BHL: 100' FWL & 1650' FNL of Section 15 FTP: 100' FEL & 1650' FNL of Section 14 LTP: 100' FWL & 1650' FNL of Section 15

TVD: Approximately 8,595' TMD: Approximately 18,880'

Proration Unit: S/2N/2 of Sections 14 & 15, T18S-R31E

Targeted Interval: 2nd Bone Spring Total Cost: See attached AFE

2. Slim Jim 14-15 Fed Com 123H

SHL: 330' FEL & 2024' FNL, or at a legal location within the NE4 of Section 14

BHL: 100' FWL & 2310' FNL of Section 15 FTP: 100' FEL & 2310' FNL of Section 14 LTP: 100' FWL & 2310' FNL of Section 15

TVD: Approximately 8,810' TMD: Approximately 19,095'

Proration Unit: S/2N/2 of Sections 14 & 15, T18S-R31E

Targeted Interval: 2nd Bone Spring Total Cost: See attached AFE

[Continued on Next Page]

EXHIBIT A-8



OFFICE 432.695.4222 **FAX** 432.695.4063

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 available upon request. The Operating Agreement has the following general provisions:

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

Please indicate your election to participate in the drilling and completion of the proposed wells on the enclosed ballot. Please sign and return one copy of this letter, signed copies of the proposed AFEs, a signed copy of the enclosed insurance declaration, 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 spacing units for the proposed wells. 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 by email at Travis.Macha@permianres.com

Respectfully,

Travis Macha Permian Resources

NM Land Lead

Enclosures



OFFICE 432.695.4222 FAX 432.695.4063

Slim Jim 14-15 Fed Com Elections:

Well El (Please indicate your resp		ce below)
Well(s)	Elect to Participate	Elect <u>NOT</u> to Participate
Slim Jim 14-15 Fed Com 122H		
Slim Jim 14-15 Fed Com 123H		

Company Name (If Applica	ble):
By:	
Printed Name:	
Date:	



OFFICE 432.695.4222 **FAX** 432.695.4063

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.

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

PERMIAN

Cost Estimate

Printed Date: Aug 13, 2024

AFE Number: Description: SLIM JIM 14-15 FED COM 122H

AFE Name: SLIM JIM 14-15 FED COM 122H AFE TYPE: Drill and Complete

PERMIAN RESOURCES

Operator AFE #:

Well Operator:

Account	Description		Gross Est. (\$)
Drilling Tangible			
8020.1400	TDC - CASING - PRODUCTION		\$350,952.83
8020.1500	TDC - WELLHEAD EQUIPMENT		\$53,125.00
8020.1100	TDC - CASING - SURFACE		\$18,253.75
8020.1200	TDC - CASING - INTERMEDIATE - 1		\$82,972.75
		Sub-total	\$505,304.33
Artificial Lift Tangible			
8065.2000	TAL - WELLHEAD EQUIPMENT		\$50,000.00
8065.1100	TAL - TUBING		\$125,000.00
8065.1310	TAL - ESP EQUIPMENT/INSTALL		\$100,000.00
8065.1300	TAL - DOWNHOLE ARTIFICIAL LIFT EQPT		\$15,000.00
8065.2100	TAL - WELL SITE POWER EQUIPMENT/INSTALL		\$75,000.00
8065.2200	TAL - OHP INFRASTRUCTURE EQUIPMENT/INSTALL		\$50,000.00
8065.2500	TAL - VALVES/CONNECTIONS/FTGS		\$15,000.00
8065.3100	TAL - MEASUREMENT EQUIPMENT		\$5,000.00
8065.3200	TAL - COMM, TELEMETRY & AUTOMA		\$5,000.00
		Sub-total	\$440,000.00
Facilities			
8035.3000	FAC - HEATER TREATER/SEPARATOR		\$101,429.00
8035.3800	FAC - FLARE/COMBUSTER		\$15,714.00
8035.4500	FAC - CONTINGENCY		\$13,969.00
8035.3400	FAC - METER & LACT		\$61,286.00
8035.3300	FAC - CIRCULATING TRNSFER PUMP		\$10,000.00
8035.1400	FAC - ROAD LOCATIONS PITS		\$25,000.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL		\$571.00
8035.1900	FAC - WATER DISPOSAL / SWD		\$286.00
8035.2900	FAC - TANK BATTERY		\$51,429.00
8035.3700	FAC - AUTOMATION MATERIAL		\$17,857.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB		\$28,571.00
8035.1600	FAC - TRANSPORTATION TRUCKING		\$2,143.00
8035.2500	FAC - CONSULTING SERVICES		\$714.00
8035.1310	FAC - PEMANENT EASEMENT		\$3,571.00
8035.2100	FAC - INSPECTION & TESTING		\$357.00
8035.1500	FAC - MATERIALS & SUPPLIES		\$714.00
8035.1700	FAC - RENTAL EQUIPMENT		\$11,429.00
8035.2400	FAC - SUPERVISION		\$8,571.00
8035.3200	FAC - VALVES FITTINGS & PIPE		\$85,714.00
8035.1300	FAC - SURFACE DAMAGE / ROW		\$286.00
8035.4400	FAC - COMPANY LABOR		\$714.00
8035.3600	FAC - ELECTRICAL		\$39,286.00
		Sub-total	\$479,611.00

300 N Marienfeld Street, Suite 1000, Midland, TX 79701 TEL (432) 695-4222 www.permianres.com

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PERMIAN RESOURCES

Cost Estimate

Printed Date: Aug 13, 2024

Account	Description		Gross Est. (\$)
Completion Intangib	ole		
8025.3050	ICC - SOURCE WATER		\$173,069.00
8025,1600	ICC - COILED TUBING		\$184,906.00
8025,2600	ICC - CONTRACT LABOR/ROUSTABOUT		\$15,000.00
8025.3100	ICC - WELLHEAD/FRACTREE REPAIR		\$40,000.00
8025.3000	ICC - WATER HANDLING		\$175,070.00
8025.3500	ICC - WELLSITE SUPERVISION		\$51,300.00
8025.1500	ICC - FUEL / POWER		\$505,363.00
8025.3600	ICC - SUPERVISION/ENGINEERING		\$5,000.00
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK		\$16,748.00
8025.2300	ICC - COMPLETION FLUIDS		\$10,000.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL		\$15,000.00
8025.1100	ICC - ROAD, LOCATIONS, PITS		\$10,500.00
8025.2500	ICC - WELL STIMULATION/FRACTUR		\$2,088,688.00
8025.3800	ICC - OVERHEAD		\$10,000.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING		\$397,992.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE		\$40,000.00
8025.3400	ICC - RENTAL EQUIPMENT		\$168,408.00
8025.2000	ICC - TRUCKING		\$14,375.00
		Sub-total	\$3,921,419.00
Drilling Intangible			
8015.2400	IDC - RIG WATER		\$13,125.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE		\$42,500.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP		\$143,200.00
8015.1700	IDC - DAYWORK CONTRACT		\$391,584.38
8015.5000	IDC - WELL CONTROL INSURANCE		\$5,775.00
8015.1200	IDC - LEGAL, TITLE SERVICES		\$13,000.00
8015.1310	IDC - PERMANENT EASEMENT		\$12,000.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP		\$15,750.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING		\$174,332.52
8015.1600	IDC - RIG MOB / STANDBY RATE		\$35,100.00
8015.1400	IDC - ROAD, LOCATIONS, PITS		\$95,625.00
8015.3400	IDC - MATERIALS & SUPPLIES		\$5,000.00
8015.3100	IDC - CASING CREW & TOOLS		\$47,500.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR		\$12,500.00
8015.4100	IDC - RENTAL EQUIPMENT		\$57,750.00
8015.4200	IDC - MANCAMP		\$27,300.00
8015.1300	IDC - SURFACE DAMAGE / ROW		\$35,000.00
8015.1500	IDC - RIG MOB / TRUCKING		\$127,500.00
8015.1100	IDC - STAKING & SURVEYING		\$15,000.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY		\$172,921.88
8015.2350	IDC - FUEL/MUD		\$64,500.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS		\$50,046.00
8015.5200	IDC - CONTINGENCY		\$93,085.83
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM		\$41,278.13
8015.4300	IDC - WELLSITE SUPERVISION		\$60,900.00

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PERMIAN

Cost Estimate

Printed	Date:	Aug	13,	2024
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		Grand Total	\$8,291,484.42
		Sub-total	\$47,250.00
Completion Tangible 8030,2000	TCC - WELLHEAD EQUIPMENT		\$47,250.00
Completion Tanaihla		ann-total	Ψ220,000.00
8036.3610	PLN - POWER DISTRIBUTION MATERIAL	Sub-total	\$220,000.00
8036.3620	PLN - POWER DISTRIBUTION LABOR		\$37,500.00
8036.3200	PLN - VALVES FITTINGS & PIPE		\$12,500.00
8036.1310	PLN - PEMANENT EASEMENT		\$10,000.00
8036.2200	PLN - CONTRACT LABOR		\$66,000.00 \$28,000.00
8036.2800	PLN - FLOWLINE MATERIAL		
Pipeline			\$66,000.00
		Sub-total	\$406,240.35
8040.2900	IFC - WELL TESTING / FLOWBACK		\$125,000.00
8040.2000	IFC - TRUCKING/VACUUM/TRANSP		\$20,000.00
8040.4000	IFC - CHEMICALS		\$15,000.00
8040.3420	IFC - TANK RENTALS		\$20,000.00
8040.3500	IFC - WELLSITE SUPERVISION		\$10,000.00
8040.3430	IFC - SURFACE PUMP RENTAL		\$20,000.00
8040.1899	IFC - FRAC WATER RECOVERY		\$196,240.35
Flowback Intangible			0400 040 05
8060.1210	IAL - SPOOLING SERVICES	Sub-total	\$110,000.00
8060.1200	IAL - WORKOVER RIG		\$6,000.00
8060.1900	IAL - INSPECTION & TESTING		\$15,000.00
8060.3420	IAL - REVERSE UNIT RENTAL		\$3,000.00
8060.3410	IAL - LAYDOWN MACHINE		\$5,000.00
8060.2000	IAL - TRUCKING/VACUUM/TRANSP		\$5,000.00
8060.3400	IAL - RENTAL EQUIPMENT		\$7,000.00
8060.1400	IAL - WIRELINE OPEN/CASED HOLE		\$10,000.00
8060.2010	IAL - KILL TRUCK		\$5,000.00
8060.2300	IAL - COMPLETION FLUIDS		\$5,000.00
8060.2600	IAL - CONTRACT LABOR/ROUSTABOUT		\$5,000.00
8060.3500	IAL - WELLSITE SUPERVISION		\$10,000.00
8060.3810	IAL - ACID		\$9,000.00
Artificial Lift Intangib			\$25,000.00
		Sub-total	\$2,101,035.14
8015.2700	IDC - INSPECTION, TESTING & REPAIR	Sub-total	\$2,161,659.74
8015.4600	IDC - SAFETY / ENVIRONMENTAL		\$37,000.00
8015.2150	IDC - DRILL BIT		\$11,550.00
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT		\$98,000.00
8015.1000	IDC - PERMITS,LICENSES,ETC		\$27,000.00
8015.2300	IDC - FUEL / POWER		\$15,000.00
8015.3700	IDC - DISPOSAL		\$122,661.00 \$98,175.00
			0400 004 00
Account	Description		Gross Est. (\$)

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Cost Estimate

Printed Date: Aug 13, 2024

AFE Number: Description: SLIM JIM 14-15 FED COM 123H

AFE Name: SLIM JIM 14-15 FED COM 123H AFE TYPE: Drill and Complete
Well Operator: PERMIAN RESOURCES

Well Operator: Operator AFE #:

Account	Description		Gross Est. (\$)
Drilling Tangible			6250 050 00
8020.1400	TDC - CASING - PRODUCTION		\$350,952.83
8020.1500	TDC - WELLHEAD EQUIPMENT		\$53,125.00
8020,1100	TDC - CASING - SURFACE		\$18,253.75
8020.1200	TDC - CASING - INTERMEDIATE - 1	Sub-total	\$82,972.75 \$505,304.33
Artificial Lift Tangible		Sub-total	4000 ,000
8065.2000	TAL - WELLHEAD EQUIPMENT		\$50,000.00
8065.1100	TAL - TUBING		\$125,000.00
8065.1310	TAL - ESP EQUIPMENT/INSTALL		\$100,000.00
8065.1300	TAL - DOWNHOLE ARTIFICIAL LIFT EQPT		\$15,000.00
8065.2100	TAL - WELL SITE POWER EQUIPMENT/INSTALL		\$75,000.00
8065.2200	TAL - OHP INFRASTRUCTURE EQUIPMENT/INSTALL		\$50,000.00
8065.2500	TAL - VALVES/CONNECTIONS/FTGS		\$15,000.00
8065.3100	TAL - MEASUREMENT EQUIPMENT		\$5,000.00
8065.3200	TAL - COMM, TELEMETRY & AUTOMA		\$5,000.00
		Sub-total	\$440,000.00
Facilities			
8035.3000	FAC - HEATER TREATER/SEPARATOR		\$101,429.00
8035.3800	FAC - FLARE/COMBUSTER		\$15,714.00
8035.4500	FAC - CONTINGENCY		\$13,969.00
8035.3400	FAC - METER & LACT		\$61,286.00
8035.3300	FAC - CIRCULATING TRNSFER PUMP		\$10,000.00
8035.1400	FAC - ROAD LOCATIONS PITS		\$25,000.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL		\$571.00
8035.1900	FAC - WATER DISPOSAL / SWD		\$286.00
8035.2900	FAC - TANK BATTERY		\$51,429.00
8035.3700	FAC - AUTOMATION MATERIAL		\$17,857.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB		\$28,571.00
8035.1600	FAC - TRANSPORTATION TRUCKING		\$2,143.00
8035.2500	FAC - CONSULTING SERVICES		\$714.00
8035.1310	FAC - PEMANENT EASEMENT		\$3,571.00
8035.2100	FAC - INSPECTION & TESTING		\$357.00
8035.1500	FAC - MATERIALS & SUPPLIES		\$714.00
8035.1700	FAC - RENTAL EQUIPMENT		\$11,429.00
8035.2400	FAC - SUPERVISION		\$8,571.00
8035.3200	FAC - VALVES FITTINGS & PIPE		\$85,714.00
8035.1300	FAC - SURFACE DAMAGE / ROW		\$286.00
8035.4400	FAC - COMPANY LABOR		\$714.00
8035.3600	FAC - ELECTRICAL		\$39,286.00
		Sub-total	\$479,611.00

300 N Marienfeld Street, Suite 1000, Midland, TX 79701 TEL (432) 695-4222 www.permianres.com

Page: 1 of 3 - 502047

PERMIAN RESOURCES

Cost Estimate

Printed Date: Aug 13, 2024

Account	<u>Description</u>		Gross Est. (\$)
Completion Intangible			
8025.3050	ICC - SOURCE WATER		\$173,069.00
8025.1600	ICC - COILED TUBING		\$184,906.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT		\$15,000.00
8025.3100	ICC - WELLHEAD/FRACTREE REPAIR		\$40,000.00
8025.3000	ICC - WATER HANDLING		\$175,070.00
8025.3500	ICC - WELLSITE SUPERVISION		\$51,300.00
8025.1500	ICC - FUEL / POWER		\$505,363.00
8025.3600	ICC - SUPERVISION/ENGINEERING		\$5,000.00
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK		\$16,748.00
8025.2300	ICC - COMPLETION FLUIDS		\$10,000.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL		\$15,000.00
8025.1100	ICC - ROAD, LOCATIONS, PITS		\$10,500.00
8025.2500	ICC - WELL STIMULATION/FRACTUR		\$2,088,688.00
8025.3800	ICC - OVERHEAD		\$10,000.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING		\$397,992.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE		\$40,000.00
8025.3400	ICC - RENTAL EQUIPMENT		\$168,408.00
8025.2000	ICC - TRUCKING		\$14,375.00
		Sub-total	\$3,921,419.00
Drilling Intangible			
8015.2400	IDC - RIG WATER		\$13,125.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE		\$42,500.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP		\$143,200.00
8015.1700	IDC - DAYWORK CONTRACT		\$391,584.38
8015.5000	IDC - WELL CONTROL INSURANCE		\$5,775.00
8015.1200	IDC - LEGAL, TITLE SERVICES		\$13,000.00
8015.1310	IDC - PERMANENT EASEMENT		\$12,000.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP		\$15,750.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING		\$174,332.52
8015.1600	IDC - RIG MOB / STANDBY RATE		\$35,100.00
8015.1400	IDC - ROAD, LOCATIONS, PITS		\$95,625.00
8015.3400	IDC - MATERIALS & SUPPLIES		\$5,000.00
8015.3100	IDC - CASING CREW & TOOLS		\$47,500.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR		\$12,500.00
8015.4100	IDC - RENTAL EQUIPMENT		\$57,750.00
8015.4200	IDC - MANCAMP		\$27,300.00
8015.1300	IDC - SURFACE DAMAGE / ROW		\$35,000.00
8015.1500	IDC - RIG MOB / TRUCKING		\$127,500.00
8015.1100	IDC - STAKING & SURVEYING		\$15,000.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY		\$172,921.88
8015.2350	IDC - FUEL/MUD		\$64,500.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS		\$50,046.00
8015.5200	IDC - CONTINGENCY		\$93,085.83
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM		\$41,278.13
8015.4300	IDC - WELLSITE SUPERVISION		\$60,900.00

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Printed Date: Aug 13, 2024

Grand Total

PERMIAN RESOURCES

Cost Estimate

Gross Est. (\$) Description **Account** \$122,661.00 IDC - DISPOSAL 8015.3700 \$98,175.00 IDC - FUEL / POWER 8015.2300 \$15,000.00 8015.1000 IDC - PERMITS, LICENSES, ETC \$27,000.00 IDC - CONTRACT LABOR/ROUSTABOUT 8015.3200 \$98,000.00 IDC - DRILL BIT 8015.2150 \$11,550.00 IDC - SAFETY / ENVIRONMENTAL 8015.4600 \$37,000.00 IDC - INSPECTION, TESTING & REPAIR 8015.2700 \$2,161,659.74 Sub-total Artificial Lift Intangible \$25,000.00 IAL - ACID 8060.3810 \$9,000.00 IAL - WELLSITE SUPERVISION 8060.3500 \$10,000.00 IAL - CONTRACT LABOR/ROUSTABOUT 8060.2600 \$5,000.00 IAL - COMPLETION FLUIDS 8060.2300 \$5,000.00 IAL - KILL TRUCK 8060.2010 \$5,000.00 IAL - WIRELINE OPEN/CASED HOLE 8060.1400 \$10,000.00 8060.3400 IAL - RENTAL EQUIPMENT \$7,000.00 IAL - TRUCKING/VACUUM/TRANSP 8060.2000 \$5,000.00 IAL - LAYDOWN MACHINE 8060.3410 \$5,000.00 IAL - REVERSE UNIT RENTAL 8060.3420 \$3,000.00 8060.1900 IAL - INSPECTION & TESTING \$15,000.00 IAL - WORKOVER RIG 8060.1200 \$6,000.00 IAL - SPOOLING SERVICES 8060.1210 Sub-total \$110,000.00 Flowback Intangible \$196,240.35 IFC - FRAC WATER RECOVERY 8040.1899 \$20,000.00 IFC - SURFACE PUMP RENTAL 8040.3430 \$10,000.00 IFC - WELLSITE SUPERVISION 8040.3500 \$20,000.00 8040.3420 **IFC - TANK RENTALS** \$15,000.00 **IFC - CHEMICALS** 8040.4000 \$20,000.00 IFC - TRUCKING/VACUUM/TRANSP 8040.2000 \$125,000.00 IFC - WELL TESTING / FLOWBACK 8040.2900 \$406,240.35 Sub-total Pipeline \$66,000.00 PLN - FLOWLINE MATERIAL 8036.2800 \$66,000.00 PLN - CONTRACT LABOR 8036.2200 \$28,000.00 8036.1310 PLN - PEMANENT EASEMENT \$10,000.00 PLN - VALVES FITTINGS & PIPE 8036.3200 \$12,500.00 PLN - POWER DISTRIBUTION LABOR 8036.3620 \$37,500.00 PLN - POWER DISTRIBUTION MATERIAL 8036,3610 Sub-total \$220,000.00 **Completion Tangible** \$47,250.00 TCC - WELLHEAD EQUIPMENT 8030.2000 \$47,250.00 Sub-total \$8,291,484.42

Page: 3 of 3 - 502047



OFFICE 432.695.4222 FAX 432.695.4063

August 16, 2024

Via Certified Mail & Email

V-F Petroleum, Inc. P.O. Box 1889 Midland, TX 79702

RE: Slim Jim 14-15 Fed Com – Well Proposals

S/2 of Sections 14 & 15, T18S-R31E

Eddy County, New Mexico

To Whom It May Concern:

Permian Resources Operating, LLC, as Operator for Read & Stevens, Inc. ("Permian"), hereby proposes the drilling and completion of the following three (3) Bone Spring wells, the Slim Jim 14-15 Fed Com at the following approximate locations within Township 18 South, Range 31 East:

1. Slim Jim 14-15 Fed Com 124H (Infill)

SHL: 300' FEL & 1400' FSL, or at a legal location within the SW4 of Section 15

BHL: 100' FWL & 2200' FSL of Section 14 FTP: 100' FWL & 2200' FSL of Section 15 LTP: 100' FWL & 2200' FSL of Section 14

TVD: Approximately 8,510' TMD: Approximately 18,795'

Proration Unit: S/2 of Sections 14 & 15, T18S-R31E

Targeted Interval: 2nd Bone Spring Total Cost: See attached AFE

2. Slim Jim 14-15 Fed Com 125H (Defining Well)

SHL: 330' FEL & 1400' FSL, or at a legal location within the SW4 of Section 15

BHL: 100' FWL & 1430' FSL of Section 14 FTP: 100' FWL & 1430' FSL of Section 15 LTP: 100' FWL & 1430' FSL of Section 14

TVD: Approximately 8,670' TMD: Approximately 18,955'

Proration Unit: S/2 of Sections 14 & 15, T18S-R31E

Targeted Interval: 2nd Bone Spring Total Cost: See attached AFE

[Continued on Next Page]



OFFICE 432,695,4222 **FAX** 432,695,4063

3. Slim Jim 14-15 Fed Com 126H (Infill)

SHL: 330' FEL & 1370' FSL, or at a legal location within the SW4 of Section 15

BHL: 100' FWL & 660' FSL of Section 14 FTP: 100' FWL & 660' FSL of Section 15 LTP: 100' FWL & 660' FSL of Section 14

TVD: Approximately 8,510' TMD: Approximately 18,795'

Proration Unit: S/2 of Sections 14 & 15, T18S-R31E

Targeted Interval: 2nd 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 available upon request. The Operating Agreement has the following general provisions:

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

Please indicate your election to participate in the drilling and completion of the proposed wells on the enclosed ballot. Please sign and return one copy of this letter, signed copies of the proposed AFEs, a signed copy of the enclosed insurance declaration, 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 spacing units for the proposed wells. 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 by email at Travis.Macha@permianres.com

Respectfully,

Travis Macha Permian Resources NM Land Lead

INIVI Land Load

Enclosures



OFFICE 432.695.4222 FAX 432.695.4063

Slim Jim 14-15 Fed Com Elections:

Well El (Please indicate your resp		ce below)
Well(s)	Elect to Participate	Elect <u>NOT</u> to Participate
Slim Jim 14-15 Fed Com 124H		
Slim Jim 14-15 Fed Com 125H		
Slim Jim 14-15 Fed Com 126H		

Company Name (If Ap	pplicable):
By:	
Printed Name:	
Date:	



OFFICE 432.695.4222 **FAX** 432.695.4063

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.

Company Name (li	f Applicab	le):	
			-
Ву:			
Printed Name:			
Date:			

PERMIAN

Cost Estimate

Printed Date: Aug 13, 2024

AFE Number: Description: SLIM JIM 14-15 FED COM 124H

AFE TYPE: Drill and Complete

AFE Name: SLIM JIM 14-15 FED COM 124H AFE TYPE:
Well Operator: PERMIAN RESOURCES

Operator AFE #:

Account	Description		Gross Est. (\$)
Drilling Tangible			2050 050 00
8020.1400	, TDC - CASING - PRODUCTION		\$350,952.83
8020.1500	TDC - WELLHEAD EQUIPMENT		\$53,125.00
3020.1100	TDC - CASING - SURFACE		\$18,253.75
8020.1200	TDC - CASING - INTERMEDIATE - 1		\$82,972.75
		Sub-total	\$505,304.33
Artificial Lift Tangib	ole		\$50,000.00
8065.2000	TAL - WELLHEAD EQUIPMENT		\$35,000.00 \$125,000.00
8065,1100	TAL - TUBING		
8065.1310	TAL - ESP EQUIPMENT/INSTALL		\$100,000.00
8065.1300	TAL - DOWNHOLE ARTIFICIAL LIFT EQPT		\$15,000.00
8065.2100	TAL - WELL SITE POWER EQUIPMENT/INSTALL		\$75,000.00
8065.2200	TAL - OHP INFRASTRUCTURE EQUIPMENT/INSTALL		\$50,000.00
8065.2500	TAL - VALVES/CONNECTIONS/FTGS		\$15,000.00
8065.3100	TAL - MEASUREMENT EQUIPMENT		\$5,000.00
8065.3200	TAL - COMM, TELEMETRY & AUTOMA		\$5,000.00
		Sub-total	\$440,000.00
Facilities			
3035.3000	FAC - HEATER TREATER/SEPARATOR		\$101,429.00
8035.3800	FAC - FLARE/COMBUSTER		\$15,714.00
8035.4500	FAC - CONTINGENCY		\$13,969.00
8035.3400	FAC - METER & LACT		\$61,286.00
8035.3300	FAC - CIRCULATING TRNSFER PUMP		\$10,000.00
8035.1400	FAC - ROAD LOCATIONS PITS		\$25,000.00
3035.4000	FAC - SAFETY / ENVIRONMENTAL		\$571.00
8035.1900	FAC - WATER DISPOSAL / SWD		\$286.00
3035.2900	FAC - TANK BATTERY		\$51,429.00
3035.3700	FAC - AUTOMATION MATERIAL		\$17,857.00
3035.2200	FAC - CONTRACT LABOR / ROUSTAB		\$28,571.00
3035.1600	FAC - TRANSPORTATION TRUCKING		\$2,143.00
3035.2500	FAC - CONSULTING SERVICES		\$714.00
3035.1310	FAC - PEMANENT EASEMENT		\$3,571.00
8035.2100	FAC - INSPECTION & TESTING		\$357.00
3035.1500	FAC - MATERIALS & SUPPLIES		\$714.00
3035.1700	FAC - RENTAL EQUIPMENT		\$11,429.00
3035.2400	FAC - SUPERVISION		\$8,571.00
3035.3200	FAC - VALVES FITTINGS & PIPE		\$85,714.00
3035.1300	FAC - SURFACE DAMAGE / ROW		\$286.00
3035.4400	FAC - COMPANY LABOR		\$714.00
3035.3600	FAC - ELECTRICAL		\$39,286.00
,000.000		Sub-total	\$479,611.00

300 N Marienfeld Street, Suite 1000, Midland, TX 79701 TEL (432) 695-4222 www.permianres.com

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PERMIAN RESOURCES

Cost Estimate

Printed Date: Aug 13, 2024

Account	Description		Gross Est. (\$)
Completion Intangible			
8025.3050	ICC - SOURCE WATER		\$173,069.00
8025.1600	ICC - COILED TUBING		\$184,906.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT		\$15,000.00
8025.3100	ICC - WELLHEAD/FRACTREE REPAIR		\$40,000.00
8025.3000	ICC - WATER HANDLING		\$175,070.00
8025.3500	ICC - WELLSITE SUPERVISION		\$51,300.00
8025.1500	ICC - FUEL / POWER		\$505,363.00
8025,3600	ICC - SUPERVISION/ENGINEERING		\$5,000.00
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK		\$16,748.00
8025.2300	ICC - COMPLETION FLUIDS		\$10,000.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL		\$15,000.00
8025.1100	ICC - ROAD, LOCATIONS, PITS		\$10,500.00
8025.2500	ICC - WELL STIMULATION/FRACTUR		\$2,088,688.00
8025.3800	ICC - OVERHEAD		\$10,000.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING		\$397,992.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE		\$40,000.00
8025.3400	ICC - RENTAL EQUIPMENT		\$168,408.00
8025.2000	ICC - TRUCKING		\$14,375.00
		Sub-total	\$3,921,419.00
Drilling Intangible			440 405 00
8015.2400	IDC - RIG WATER		\$13,125.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE		\$42,500.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP		\$143,200.00
8015.1700	IDC - DAYWORK CONTRACT		\$391,584.38
8015.5000	IDC - WELL CONTROL INSURANCE		\$5,775.00
8015.1200	IDC - LEGAL, TITLE SERVICES		\$13,000.00
8015.1310	IDC - PERMANENT EASEMENT		\$12,000.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP		\$15,750.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING		\$174,332.52
8015.1600	IDC - RIG MOB / STANDBY RATE		\$35,100.00
8015.1400	IDC - ROAD, LOCATIONS, PITS		\$95,625.00 \$5,000.00
8015.3400	IDC - MATERIALS & SUPPLIES		\$47,500.00
8015.3100	IDC - CASING CREW & TOOLS		
8015.3800	IDC - WELLHEAD PREPARE/REPAIR		\$12,500.00 \$57,750.00
8015.4100	IDC - RENTAL EQUIPMENT		\$27,300.00
8015.4200	IDC - MANCAMP		\$35,000.00
8015.1300	IDC - SURFACE DAMAGE / ROW		\$127,500.00
8015.1500	IDC - RIG MOB / TRUCKING		\$15,000.00
8015.1100	IDC - STAKING & SURVEYING		\$172,921.88
8015.1900	IDC - DIRECTNL DRILL & SURVEY		\$64,500.00
8015.2350	IDC - FUEL/MUD		\$50,046.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS		\$93,085.83
8015.5200	IDC - CONTINGENCY		\$41,278.13
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM		\$60,900.00
8015.4300	IDC - WELLSITE SUPERVISION		\$30,000.00

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PERMIAN

Cost Estimate

Printed Date: Aug 13, 2024

Account	Description		Gross Est. (\$
8015.3700	IDC - DISPOSAL		\$122,661.00
8015.2300	IDC - FUEL / POWER		\$98,175.00
8015.1000	IDC - PERMITS, LICENSES, ETC		\$15,000.00
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT		\$27,000.00
8015.2150	IDC - DRILL BIT		\$98,000.00
8015.4600	IDC - SAFETY / ENVIRONMENTAL		\$11,550.00
8015.2700	IDC - INSPECTION, TESTING & REPAIR		\$37,000.00
		Sub-total	\$2,161,659.74
Artificial Lift Intangi	ble		
8060.3810	IAL - ACID		\$25,000.00
8060.3500	IAL - WELLSITE SUPERVISION		\$9,000.00
8060.2600	IAL - CONTRACT LABOR/ROUSTABOUT		\$10,000.00
8060.2300	IAL - COMPLETION FLUIDS		\$5,000.00
8060.2010	IAL - KILL TRUCK		\$5,000.00
8060.1400	IAL - WIRELINE OPEN/CASED HOLE		\$5,000.00
8060.3400	IAL - RENTAL EQUIPMENT		\$10,000.00
8060.2000	IAL - TRUCKING/VACUUM/TRANSP		\$7,000.00
8060.3410	IAL - LAYDOWN MACHINE		\$5,000.00
8060.3420	IAL - REVERSE UNIT RENTAL		\$5,000.00
8060.1900	IAL - INSPECTION & TESTING		\$3,000.00
8060.1200	IAL - WORKOVER RIG		\$15,000.00
8060.1210	IAL - SPOOLING SERVICES	Sub-total	\$6,000.00 \$110,000.00
Flowback Intangible			
8040.1899	IFC - FRAC WATER RECOVERY		\$196,240.35
8040.3430	IFC - SURFACE PUMP RENTAL		\$20,000.00
8040.3500	IFC - WELLSITE SUPERVISION		\$10,000.00
8040.3420	IFC - TANK RENTALS		\$20,000.00
8040.4000	IFC - CHEMICALS		\$15,000.00
8040.2000	IFC - TRUCKING/VACUUM/TRANSP		\$20,000.00
8040.2900	IFC - WELL TESTING / FLOWBACK		\$125,000.00
		Sub-total	\$406,240.35
Pipeline			\$66,000.00
8036.2800	PLN - FLOWLINE MATERIAL		
8036.2200	PLN - CONTRACT LABOR		\$66,000.00 \$28,000.00
8036.1310	PLN - PEMANENT EASEMENT		\$10,000.00
8036.3200	PLN - VALVES FITTINGS & PIPE		\$12,500.00
8036.3620	PLN - POWER DISTRIBUTION LABOR		\$37,500.00
8036.3610	PLN - POWER DISTRIBUTION MATERIAL	Sub-total	\$220,000.00
Completion Tangibl	e		
8030.2000	TCC - WELLHEAD EQUIPMENT		\$47,250.00
		Sub-total	\$47,250.00
		Grand Total	\$8,291,484.42

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Cost Estimate

Printed Date: Aug 13, 2024

AFE Number: Description: SLIM JIM 14-15 FED COM 125H

AFE Name: SLIM JIM 14-15 FED COM 125H AFE TYPE: Drill and Complete
Well Operator: PERMIAN RESOURCES

Operator AFE #:

Account	<u>Description</u>		Gross Est. (\$)
Drilling Tangible			6250 052 82
8020.1400	TDC - CASING - PRODUCTION		\$350,952.83
8020.1500	TDC - WELLHEAD EQUIPMENT		\$53,125.00
8020.1100	TDC - CASING - SURFACE		\$18,253.75
8020.1200	TDC - CASING - INTERMEDIATE - 1	Sub-total	\$82,972.75 \$505,304.33
Artificial Lift Tangible			050 000 00
8065.2000	TAL - WELLHEAD EQUIPMENT		\$50,000.00
8065.1100	TAL - TUBING		\$125,000.00
8065.1310	TAL - ESP EQUIPMENT/INSTALL		\$100,000.00
8065.1300	TAL - DOWNHOLE ARTIFICIAL LIFT EQPT		\$15,000.00
8065.2100	TAL - WELL SITE POWER EQUIPMENT/INSTALL		\$75,000.00
8065.2200	TAL - OHP INFRASTRUCTURE EQUIPMENT/INSTALL		\$50,000.00
8065.2500	TAL - VALVES/CONNECTIONS/FTGS		\$15,000.00
8065.3100	TAL - MEASUREMENT EQUIPMENT		\$5,000.00
8065.3200	TAL - COMM, TELEMETRY & AUTOMA		\$5,000.00
		Sub-total	\$440,000.00
Facilities .			
3035.3000	FAC - HEATER TREATER/SEPARATOR		\$101,429.00
3035.3800	FAC - FLARE/COMBUSTER		\$15,714.00
3035.4500	FAC - CONTINGENCY		\$13,969.00
3035.3400	FAC - METER & LACT		\$61,286.00
8035.3300	FAC - CIRCULATING TRNSFER PUMP		\$10,000.00
8035.1400	FAC - ROAD LOCATIONS PITS		\$25,000.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL		\$571.00
8035.1900	FAC - WATER DISPOSAL / SWD		\$286.00
3035.2900	FAC - TANK BATTERY		\$51,429.00
3035.3700	FAC - AUTOMATION MATERIAL		\$17,857.00
3035.2200	FAC - CONTRACT LABOR / ROUSTAB		\$28,571.00
3035.1600	FAC - TRANSPORTATION TRUCKING		\$2,143.00
3035.2500	FAC - CONSULTING SERVICES		\$714.00
3035.1310	FAC - PEMANENT EASEMENT		\$3,571.00
8035.2100	FAC - INSPECTION & TESTING		\$357.00
3035.1500	FAC - MATERIALS & SUPPLIES		\$714.00
3035.1700	FAC - RENTAL EQUIPMENT		\$11,429.00
3035.2400	FAC - SUPERVISION		\$8,571.00
3035.3200	FAC - VALVES FITTINGS & PIPE		\$85,714.00
3035.1300	FAC - SURFACE DAMAGE / ROW		\$286.00
3035.4400	FAC - COMPANY LABOR		\$714.00
3035.3600	FAC - ELECTRICAL		\$39,286.00

300 N Marienfeld Street, Suite 1000, Midland, TX 79701 TEL (432) 695-4222 www.permianres.com

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PERMIAN

Cost Estimate

Printed Date: Aug 13, 2024

Account	Description		Gross Est. (\$)
Completion Intangib	ole		
8025.3050	ICC - SOURCE WATER		\$173,069.00
8025.1600	ICC - COILED TUBING		\$184,906.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT		\$15,000.00
8025.3100	ICC - WELLHEAD/FRACTRÉE REPAIR		\$40,000.00
8025.3000	ICC - WATER HANDLING		\$175,070.00
8025.3500	ICC - WELLSITE SUPERVISION		\$51,300.00
8025.1500	ICC - FUEL / POWER		\$505,363.00
8025.3600	ICC - SUPERVISION/ENGINEERING		\$5,000.00
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK		\$16,748.00
8025.2300	ICC - COMPLETION FLUIDS		\$10,000.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL		\$15,000.00
8025.1100	ICC - ROAD, LOCATIONS, PITS		\$10,500.00
8025.2500	ICC - WELL STIMULATION/FRACTUR		\$2,088,688.00
8025.3800	ICC - OVERHEAD		\$10,000.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING		\$397,992.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE		\$40,000.00
8025.3400	ICC - RENTAL EQUIPMENT		\$168,408.00
8025.2000	ICC - TRUCKING		\$14,375.00
		Sub-total	\$3,921,419.00
Drilling Intangible			£42 425 00
8015.2400	IDC - RIG WATER		\$13,125.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE		\$42,500.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	14.1	\$143,200.00 \$391,584.38
8015.1700	IDC - DAYWORK CONTRACT		\$5,775.00
8015.5000	IDC - WELL CONTROL INSURANCE		\$13,000.00
8015.1200	IDC - LEGAL, TITLE SERVICES		\$12,000.00
8015.1310	IDC - PERMANENT EASEMENT		\$15,750.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP		\$174,332.52
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING		\$35,100.00
8015.1600	IDC - RIG MOB / STANDBY RATE		\$95,625.00
8015.1400	IDC - ROAD, LOCATIONS, PITS		\$5,000.00
8015.3400	IDC - MATERIALS & SUPPLIES		\$47,500.00
8015.3100	IDC - CASING CREW & TOOLS		\$12,500.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR IDC - RENTAL EQUIPMENT		\$57,750.00
8015.4100	IDC - MANCAMP		\$27,300.00
8015.4200 8015.1300	IDC - SURFACE DAMAGE / ROW		\$35,000.00
	IDC - RIG MOB / TRUCKING		\$127,500.00
8015.1500 8015.1100	IDC - STAKING & SURVEYING		\$15,000.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY		\$172,921.88
8015.2350	IDC - FUEL/MUD		\$64,500.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS		\$50,046.00
8015.5200	IDC - CONTINGENCY		\$93,085.83
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM		\$41,278.13
8015.4300	IDC - WELLSITE SUPERVISION		\$60,900.00
2315.1003			•

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\$47,250.00

\$47,250.00 \$8,291,484.42

Sub-total

Grand Total

PERMIAN

Cost Estimate

Printed Date: Aug 13, 2024 RESOURCES Gross Est. (\$) Description Account \$122,661.00 IDC - DISPOSAL 8015.3700 \$98,175.00 IDC - FUEL / POWER 8015.2300 \$15,000.00 IDC - PERMITS, LICENSES, ETC 8015.1000 \$27,000.00 IDC - CONTRACT LABOR/ROUSTABOUT 8015,3200 \$98,000.00 8015.2150 IDC - DRILL BIT \$11,550.00 IDC - SAFETY / ENVIRONMENTAL 8015.4600 \$37,000.00 IDC - INSPECTION, TESTING & REPAIR 8015.2700 \$2,161,659.74 Sub-total Artificial Lift Intangible \$25,000.00 8060.3810 IAL - ACID \$9,000.00 IAL - WELLSITE SUPERVISION 8060.3500 \$10,000.00 IAL - CONTRACT LABOR/ROUSTABOUT 8060.2600 \$5,000.00 IAL - COMPLETION FLUIDS 8060.2300 \$5,000.00 8060.2010 IAL - KILL TRUCK \$5,000.00 IAL - WIRELINE OPEN/CASED HOLE 8060.1400 \$10,000.00 IAL - RENTAL EQUIPMENT 8060.3400 \$7,000.00 IAL - TRUCKING/VACUUM/TRANSP 8060.2000 \$5,000.00 **JAL - LAYDOWN MACHINE** 8060.3410 \$5,000.00 IAL - REVERSE UNIT RENTAL 8060,3420 \$3,000.00 IAL - INSPECTION & TESTING 8060.1900 \$15,000.00 IAL - WORKOVER RIG 8060.1200 \$6,000.00 IAL - SPOOLING SERVICES 8060.1210 \$110,000.00 Sub-total Flowback Intangible \$196,240.35 8040.1899 IFC - FRAC WATER RECOVERY \$20,000.00 IFC - SURFACE PUMP RENTAL 8040.3430 \$10,000.00 8040.3500 IFC - WELLSITE SUPERVISION \$20,000.00 **IFC - TANK RENTALS** 8040.3420 \$15,000.00 **IFC - CHEMICALS** 8040,4000 \$20,000.00 IFC - TRUCKING/VACUUM/TRANSP 8040.2000 \$125,000.00 IFC - WELL TESTING / FLOWBACK 8040.2900 \$406,240.35 Sub-total Pipeline \$66,000.00 PLN - FLOWLINE MATERIAL 8036.2800 \$66,000.00 8036.2200 PLN - CONTRACT LABOR \$28,000.00 PLN - PEMANENT EASEMENT 8036.1310 \$10,000.00 PLN - VALVES FITTINGS & PIPE 8036.3200 \$12,500.00 PLN - POWER DISTRIBUTION LABOR 8036.3620 \$37,500.00 PLN - POWER DISTRIBUTION MATERIAL 8036,3610 \$220,000.00 Sub-total

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Completion Tangible

TCC - WELLHEAD EQUIPMENT

8030.2000



Cost Estimate

Printed Date: Aug 13, 2024

AFE Number: Description: SLIM JIM 14-15 FED COM 126H

AFE Name: SLIM JIM 14-15 FED COM 126H AFE TYPE: Drill and Complete

Well Operator: PERMIAN RESOURCES

Operator AFE #:

Sub-total	\$505,304.33 \$50,000.00 \$125,000.00 \$100,000.00
Sub-total	\$53,125.00 \$18,253.75 \$82,972.75 \$505,304.33 \$50,000.00 \$125,000.00 \$100,000.00
Sub-total	\$18,253.75 \$82,972.75 \$505,304.33 \$50,000.00 \$125,000.00 \$100,000.00
Sub-total	\$82,972.75 \$505,304.33 \$50,000.00 \$125,000.00 \$100,000.00
Sub-total	\$505,304.33 \$50,000.00 \$125,000.00 \$100,000.00
Sub-total	\$50,000.00 \$125,000.00 \$100,000.00
	\$50,000.00 \$125,000.00 \$100,000.00 \$15,000.00
	\$125,000.00 \$100,000.00
	\$100,000.00
	Q10100.01
	\$75,000.00
	\$50,000.00
	\$15,000.00
	\$5,000.00
	\$5,000.00
Sub total	\$440,000.00
Sub-total	\$440,000.00
	\$101,429.00
	\$15,714.00
	\$13,969.00
	\$61,286.00
	\$10,000.00
	\$25,000.00
	\$571.00
	\$286.00
	\$51,429.00
	\$17,857.00
	\$28,571.00
	\$2,143.00
	\$714.00
	\$3,571.00
	\$3,371.00
	\$714.00
	\$11,429.00
	\$8,571.00
	\$85,714.00
	\$286.00
	\$714.00
	\$39,286.00
Sub-total	\$479,611.00
	Sub-total

300 N Marienfeld Street, Suite 1000, Midland, TX 79701 TEL (432) 695-4222 www.permianres.com

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PERMIAN

Cost Estimate

Printed Date: Aug 13, 2024

Account	<u>Description</u>		Gross Est. (\$)
Completion Intangible			
8025.3050	ICC - SOURCE WATER		\$173,069.00
8025.1600	ICC - COILED TUBING		\$184,906.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT		\$15,000.00
8025.3100	ICC - WELLHEAD/FRACTREE REPAIR		\$40,000.00
8025.3000	ICC - WATER HANDLING		\$175,070.00
8025.3500	ICC - WELLSITE SUPERVISION		\$51,300.00
8025.1500	ICC - FUEL / POWER		\$505,363.00
8025.3600	ICC - SUPERVISION/ENGINEERING		\$5,000.00
8025,1800	ICC - WATER DISPOSAL/VACUUM TRUCK		\$16,748.00
8025.2300	ICC - COMPLETION FLUIDS		\$10,000.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL		\$15,000.00
8025.1100	ICC - ROAD, LOCATIONS, PITS		\$10,500.00
8025.2500	ICC - WELL STIMULATION/FRACTUR		\$2,088,688.00
8025.3800	ICC - OVERHEAD		\$10,000.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING		\$397,992.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE		\$40,000.00
8025.3400	ICC - RENTAL EQUIPMENT		\$168,408.00
8025.2000	ICC - TRUCKING		\$14,375.00
		Sub-total	\$3,921,419.00
Drilling Intangible			
8015.2400	IDC - RIG WATER		\$13,125.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE		\$42,500.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP		\$143,200.00
8015.1700	IDC - DAYWORK CONTRACT		\$391,584.38
8015.5000	IDC - WELL CONTROL INSURANCE		\$5,775.00
8015.1200	IDC - LEGAL, TITLE SERVICES		\$13,000.00
8015.1310	IDC - PERMANENT EASEMENT		\$12,000.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP		\$15,750.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING		\$174,332.52
8015.1600	IDC - RIG MOB / STANDBY RATE		\$35,100.00
8015.1400	IDC - ROAD, LOCATIONS, PITS		\$95,625.00
8015.3400	IDC - MATERIALS & SUPPLIES		\$5,000.00 \$47,500.00
8015.3100	IDC - CASING CREW & TOOLS		
8015.3800	IDC - WELLHEAD PREPARE/REPAIR		\$12,500.00 \$57,750.00
8015.4100	IDC - RENTAL EQUIPMENT		\$27,300.00
8015.4200	IDC - MANCAMP		\$35,000.00
8015.1300	IDC - SURFACE DAMAGE / ROW		\$127,500.00
8015.1500	IDC - RIG MOB / TRUCKING		\$15,000.00
8015.1100	IDC - STAKING & SURVEYING		\$172,921.88
8015.1900	IDC - DIRECTNL DRILL & SURVEY		\$64,500.00
8015.2350	IDC - FUEL/MUD		\$50,046.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS		\$93,085.83
8015.5200	IDC - CONTINGENCY		\$41,278.13
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM		\$60,900.00
8015.4300	IDC - WELLSITE SUPERVISION		ψου,σοσίσο

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PERMIAN

Cost Estimate

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E'S O U R C E S		Printed Date: Aug 13, 2024

Pipeline 8036.2800 PLN - FLOWLINE MATERIAL \$66,000.00 8036.2200 PLN - CONTRACT LABOR \$66,000.00 8036.1310 PLN - PEMANENT EASEMENT \$28,000.00 8036.3200 PLN - VALVES FITTINGS & PIPE \$10,000.00 8036.3620 PLN - POWER DISTRIBUTION LABOR \$12,500.00 8036.3610 PLN - POWER DISTRIBUTION MATERIAL \$37,500.00 Completion Tangible 8030.2000 TCC - WELLHEAD EQUIPMENT \$47,250.00	Account	Description		Gross Est. (\$)
101-5-1700 IDC - FUEL / POWER				\$122,661,00
\$15,000.00 IDC - PERMITS,LICENSES,ETC \$15,000.00 IDC - ONTRACT LABOR/ROUSTABOUT \$527,000.00 IDC - SAFETY / ENVIRONMENTAL \$527,000.00 IDC - SAFETY / ENVIRONMENTAL \$11,550.00 IDC - SAFETY / ENVIRONMENTAL \$11,550.00 IDC - SAFETY / ENVIRONMENTAL \$11,550.00 IDC - INSPECTION, TESTING & REPAIR \$37,000.00 IDC - INSPECTION, TESTING \$37,000.00 I				
\$27,000.00 \$015.3200 \$015.4200 \$015.				
101-3-200 100 - ORILL BIT	8015.1000			
\$1015.2100 IDC - SAFETY / ENVIRONMENTAL \$11,550.00 S015.2700 IDC - INSPECTION, TESTING & REPAIR \$21,650.00 S37,000.00 S015.2700 IDC - INSPECTION, TESTING & REPAIR \$21,659.74 Artificial Lift Intangible \$606.3810 IAL - ACID \$22,600.00 S000 S000 IAL - WELLSITE SUPERVISION \$9,000.00 S000.2800 IAL - CONTRACT LABOR/ROUSTABOUT \$10,000.00 S000.2800 IAL - WIRELINE OPEN/CASED HOLE \$5,000.00 S000.2800 IAL - WIRELINE OPEN/CASED HOLE \$5,000.00 S000.2800 IAL - WIRELINE OPEN/CASED HOLE \$5,000.00 S000.2800 IAL - TRUCKING/VACUUMTRANSP \$7,000.00 S000.2800 IAL - TRUCKING/VACUUMTRANSP \$7,000.00 S000.3420 IAL - REVERSE UNIT RENTAL \$5,000.00 S000.3420 IAL - REVERSE UNIT RENTAL \$5,000.00 S000.3420 IAL - INSPECTION & TESTING \$3,000.00 S000.1210 IAL - SPOOLING SERVICES \$0,000.00 S000.3430 IFC - SURFACE PUMP RENTAL \$20,000.00 S000.3	8015,3200			
\$37,000.00 \$016.2700 IDC - INSPECTION, TESTING & REPAIR \$37,000.00 \$2,161,659,74 Artificial Lift Intangible 8060.3810 IAL - ACID \$25,000.00 8060.2800 IAL - WELLSITE SUPERVISION 8060.2800 IAL - COMPLETION FLUIDS \$5,000.00 8060.2300 IAL - COMPLETION FLUIDS \$5,000.00 8060.2300 IAL - COMPLETION FLUIDS \$5,000.00 8060.2400 IAL - RENTAL EQUIPMENT \$10,000.00 8060.3400 IAL - RENTAL EQUIPMENT \$10,000.00 8060.3400 IAL - RENTAL EQUIPMENT \$10,000.00 8060.3401 IAL - RENTAL EQUIPMENT \$10,000.00 8060.3402 IAL - REVERSE UNIT RENTAL 8060.3410 IAL - LAYDOWN MACHINE 8060.3420 IAL - REVERSE UNIT RENTAL 8060.1200 IAL - WORKOVER RIG 8060.1200 IAL - WORKOVER RIG 8060.1200 IAL - SPOOLING SERVICES \$10,000.00 8060.1200 IAL - SPOOLING SERVICES \$10,000.00 8060.1200 IAL - WORKOVER RIG 8060.1200 IFC - FRAC WATER RECOVERY 8060.3420 IFC - SURFACE PUMP RENTAL 8060.300.00 8060.300 IFC - WELLSITE SUPERVISION 8060.200 IFC - TANK RENTALS 8060.200 IFC - TRUCKING/VACUUM/TRANSP 8060.200 IFC - TRUCKING/VACUUM/TRANSP 8060.200 IFC - TANK RENTALS 8060.200 IFC - WELL TESTING / FLOWBACK 8060.300 PLN - FLOWLINE MATERIAL 8060.300 PLN - POWER DISTRIBUTION LABOR 8060.300 PLN - POWER DISTRIBUTION MATERIAL 8060.200 PLN - POWER DISTRIBUTION MATE	8015.2150			
Sub-total \$2,161,659,74	8015.4600			•
Artificial Lift Intangible 8060.3810 IAL - ACID \$25,000.00 8060.3800 IAL - WELLSITE SUPERVISION \$5,000.00 8060.2800 IAL - COMTRACT LABOR/ROUSTABOUT \$10,000.00 8060.2800 IAL - COMPLETION FLUIDS \$5,000.00 8060.2910 IAL - KILL TRUCK \$5,000.00 8060.2400 IAL - RENTAL EQUIPMENT \$10,000.00 8060.3400 IAL - RENTAL EQUIPMENT \$10,000.00 8060.3400 IAL - TRUCKING/NACUUM/TRANSP \$7,000.00 8060.3410 IAL - LAYDOWN MACHINE \$5,000.00 8060.3420 IAL - REVERSE UNIT RENTAL \$5,000.00 8060.3420 IAL - REVERSE UNIT RENTAL \$5,000.00 8060.3420 IAL - REVERSE UNIT RENTAL \$5,000.00 8060.1900 IAL - INSPECTION & TESTING \$3,000.00 8060.1900 IAL - WORKOVER RIG \$3,000.00 8060.1200 IAL - WORKOVER RIG \$8,000.00 8060.1210 IAL - SPOOLING SERVICES \$000.00 8060.1210 IAL - SPOOLING SERVICES \$000.00 8060.1210 IAL - SPOOLING SERVICES \$000.00 8060.1200 IAL - REVERSE UNIT RENTAL \$20,000.00 8060.1200 IAL - SPOOLING SERVICES \$110,000.00 8060.1210 IAL - SPOOLING SERVICES \$1000.00 8060.1210 IAL - SPOOLING SERVICES \$1000.00 8060.1210 IAL - SPOOLING SERVICES \$000.00 8060.1210 IAL - SPOOLING SERVICES \$1000.00 8060.1210 IAL - SPOOLING SER	8015.2700	IDC - INSPECTION, TESTING & REPAIR	Cult Antol	
Section Sect			Sub-total	\$2,101,000.14
Main	_			\$25,000,00
SECOLOGIC IAL - CONTRACT LABOR/ROUSTABOUT \$10,000.00	-			
Main	8060.3500			
Main	8060.2600			
SERIOR S	8060.2300			·
Section Sect	8060.2010			
8660.2000	8060.1400	IAL - WIRELINE OPEN/CASED HOLE		
Main	8060.3400			
Main	8060.2000	IAL - TRUCKING/VACUUM/TRANSP		
Mathematical State	8060.3410	IAL - LAYDOWN MACHINE		
Mail	8060.3420	IAL - REVERSE UNIT RENTAL		
Sub-total Sub-total Sub-total Sub-total Sub-total Stab-total Sub-total Sub	8060.1900	IAL - INSPECTION & TESTING		
Sub-total \$110,000.00	8060.1200	IAL - WORKOVER RIG		
Flowback Intangible	8060.1210	IAL - SPOOLING SERVICES		
8040.1899 IFC - FRAC WATER RECOVERY \$196,240.35 8040.3430 IFC - SURFACE PUMP RENTAL \$20,000.00 8040.3500 IFC - WELLSITE SUPERVISION \$110,000.00 8040.3420 IFC - TANK RENTALS \$20,000.00 8040.4000 IFC - CHEMICALS \$15,000.00 8040.2000 IFC - TRUCKING/VACUUM/TRANSP \$20,000.00 8040.2900 IFC - WELL TESTING / FLOWBACK \$125,000.00 8040.2900 PLN - FLOWLINE MATERIAL \$66,000.00 8036.2800 PLN - FLOWLINE MATERIAL \$66,000.00 8036.3200 PLN - PEMANENT EASEMENT \$28,000.00 8036.3300 PLN - PEMANENT EASEMENT \$28,000.00 8036.3620 PLN - POWER DISTRIBUTION LABOR \$110,000.00 8036.3620 PLN - POWER DISTRIBUTION MATERIAL \$37,500.00			Sub-total	\$110,000.00
SUB-1899 IFC - YMELESOVER \$20,000.00	Flowback Intangible			M400 040 0E
Sub-total Sub-	8040.1899	IFC - FRAC WATER RECOVERY		
8040.3420 IFC - TANK RENTALS \$20,000.00 8040.4000 IFC - CHEMICALS \$15,000.00 8040.2000 IFC - TRUCKING/VACUUM/TRANSP \$20,000.00 8040.2900 IFC - WELL TESTING / FLOWBACK \$125,000.00 8040.2900 PLN - FLOWLINE MATERIAL \$66,000.00 8036.2800 PLN - CONTRACT LABOR \$66,000.00 8036.3200 PLN - PEMANENT EASEMENT \$28,000.00 8036.3200 PLN - VALVES FITTINGS & PIPE \$10,000.00 8036.3620 PLN - POWER DISTRIBUTION LABOR \$12,500.00 8036.3610 PLN - POWER DISTRIBUTION MATERIAL \$37,500.00 8036.3600 TCC - WELLHEAD EQUIPMENT \$447,250.00 8030.2000 TCC - WELLHEAD EQUIPMENT \$447,250.00	8040.3430	IFC - SURFACE PUMP RENTAL		
Sub-total Sub-	8040.3500	IFC - WELLSITE SUPERVISION		
8040.2000 IFC - TRUCKING/VACUUM/TRANSP \$20,000.00 8040.2900 IFC - WELL TESTING / FLOWBACK \$125,000.00 Pipeline 8036.2800 PLN - FLOWLINE MATERIAL \$66,000.00 8036.2200 PLN - CONTRACT LABOR \$66,000.00 8036.1310 PLN - PEMANENT EASEMENT \$28,000.00 8036.3200 PLN - VALVES FITTINGS & PIPE \$10,000.00 8036.3620 PLN - POWER DISTRIBUTION LABOR \$312,500.00 8036.3610 PLN - POWER DISTRIBUTION MATERIAL \$37,500.00 Completion Tangible 8030.2000 TCC - WELLHEAD EQUIPMENT \$47,250.00	8040.3420	IFC - TANK RENTALS		
## 125,000.00 ##	8040.4000	IFC - CHEMICALS		
Pipeline Sub-total \$406,240.38	8040.2000	IFC - TRUCKING/VACUUM/TRANSP		
Pipeline 8036.2800 PLN - FLOWLINE MATERIAL \$66,000.00 8036.2200 PLN - CONTRACT LABOR \$66,000.00 8036.1310 PLN - PEMANENT EASEMENT \$28,000.00 8036.3200 PLN - VALVES FITTINGS & PIPE \$10,000.00 8036.3620 PLN - POWER DISTRIBUTION LABOR \$12,500.00 8036.3610 PLN - POWER DISTRIBUTION MATERIAL \$37,500.00 Completion Tangible 8030.2000 TCC - WELLHEAD EQUIPMENT \$47,250.00 Sub-total \$47,250.00	8040.2900	IFC - WELL TESTING / FLOWBACK		•
8036.2800 PLN - FLOWLINE MATERIAL \$66,000.00 8036.2200 PLN - CONTRACT LABOR \$66,000.00 8036.1310 PLN - PEMANENT EASEMENT \$28,000.00 8036.3200 PLN - VALVES FITTINGS & PIPE \$10,000.00 8036.3620 PLN - POWER DISTRIBUTION LABOR \$12,500.00 8036.3610 PLN - POWER DISTRIBUTION MATERIAL \$37,500.00 Completion Tangible 8030.2000 TCC - WELLHEAD EQUIPMENT \$47,250.00 Sub-total \$47,250.00			Sub-total	\$406,240.35
### ### ### ### ### ### ### ### ### ##	Pipeline			&cc 000 00
### CONTROL EASEMENT	8036.2800			• (•
8036.3510 PLN - VALVES FITTINGS & PIPE \$10,000.00 8036.3620 PLN - POWER DISTRIBUTION LABOR \$12,500.00 8036.3610 PLN - POWER DISTRIBUTION MATERIAL \$37,500.00 Completion Tangible 8030.2000 TCC - WELLHEAD EQUIPMENT \$47,250.00	8036.2200			
8036.3620 PLN - POWER DISTRIBUTION LABOR \$12,500.00 8036.3610 PLN - POWER DISTRIBUTION MATERIAL \$37,500.00 \$220,00	8036.1310	PLN - PEMANENT EASEMENT		
8036.3610 PLN - POWER DISTRIBUTION MATERIAL \$37,500.00 Completion Tangible 8030.2000 TCC - WELLHEAD EQUIPMENT \$47,250.00	8036.3200	PLN - VALVES FITTINGS & PIPE		
Sub-total \$220,000.00	8036.3620			
Completion Tangible \$47,250.00 8030.2000 TCC - WELLHEAD EQUIPMENT Sub-total \$47,250.00	8036.3610	PLN - POWER DISTRIBUTION MATERIAL	0.1.4.4.1	
8030.2000 TCC - WELLHEAD EQUIPMENT \$47,250.00 Sub-total \$47,250.00			Sup-total	\$220,000.00
Sub-total \$47,250.00	•	TCC - WELLHEAD FOLIPMENT		\$47,250.00
Grand Total \$8,291,484.4	0030.2000	100 - MEELIEND ERON MEM!	Sub-total	\$47,250.00
			Grand Total	\$8,291,484.42

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DISTRICT I 1625 N. French Dr., Hobbs, NM 68240

State of New Mexico Energy, Minerals and Natural Resources Department Form C-102 Revised October 15, 2009

Submit one copy to appropriate
District Office

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec NM 87410

1000 Rio Brazos Rd., Aztec, NM 87410 DISTRICT IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

OIL CONSERVATION DIVISION

1220 South St. Francis Dr. Santa Fe, New Mexico 87505

AMENDED REPORT

	WELL LOCATION AND .	ACREAGE DEDICATION PLAT	AMENDED REPORT	
API Number	Pool Code	Pool Name		
30-015-4086	8 58040	Tamano Bone Spring		
Property Code 39575	-	TAMANO 15 AD FEDERAL		
ogrid no. 14744	•	Operator Name MEWBOURNE OIL COMPANY		

Surface Location UL or lot No. Section Township Range Lot Idn Feet from the North/South line Feet from the East/West line County 15 **EAST EDDY** 18 S 31 E 680 NORTH 180 Α

Bottom Hole Location If Different From Surface

	UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
	D	15	18 S	31 E		9.72	NORTH ,	338	WEST	EDDY
Γ	Dedicated Acres	Joint o	r Infill C	onsolidation	Code Or	der No.				
L	160									

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	ON A NON STAN	DAILD CIVIT HAS BE	EN AFFROVED BI IN	B Division
	223505			OPERATOR CERTIFICATION
	kdell F	ath «	Eudo (7')	I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole
838 B.H.			1	location or has a right to drill this well at this location pursuant to a contract with an
Endol Well Bore	[Producing	Avea		owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.
	2	Project Area	SURFACE LOCATION Lat - N 32*45'10.08" Long - W 103*50'55.86"	Signature HAVON 5,13
	 	i 	NMSPCE	NM Young Printed Name
	 	 -		SURVEYOR CERTIFICATION
			 	I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervison and that the same is true and correct to the best of my belief.
	 	 	 	Date Surjeyed MEX.
	 		 	Profesional Sarveyor
-	 			Certificate No. EXHIBIT 7977
	<u>.</u>	<u> </u>		BASII A-9

TAB 3

Exhibit B: Self-Affirmed Statement of Stephen Burke, Geologist

Exhibit B-1: Structure Map

Exhibit B-2: Stratigraphic Cross Section

Exhibit B-3: Gross Isopach Exhibit B-4: Gun Barrel View

Exhibit B-5: Structural Cross-Section

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

APPLICATION OF V-F PETROLEUM INC., FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case No. 25116

SELF-AFFIRMED STATEMENT OF STEPHEN BURKE

- I, Stephen Burke, being duly sworn on oath, state the following:
- 1. I am over the age of 18, and I have personal knowledge of the matters stated herein.
- 2. I am employed as a petroleum geologist for V-F Petroleum Inc., and I am familiar with the subject application and the geology involved.
- 3. I graduated in 1980 from Stephen F. Austin State University with a bachelor's degree in Geology. I have worked at V-F Petroleum Inc. for under a year, and I have been working in New Mexico for 25 years. My credentials as a petroleum geologist have been accepted by the New Mexico Oil Conservation Division ("Division") and made a matter of record.
- 4. This affidavit is submitted in connection with the filing by V-F Petroleum Inc. of the above-referenced compulsory pooling application pursuant to 19.15.4.12.A(1) NMAC.
- 5. **Exhibit B-1** is a structure map of the top of 2nd Bone Spring Sand with contour interval of 50'. The unit being pooled is outlined by red rectangle. The structure



map shows that there is a regional down-dip to the southeast. I do not observe any faulting, pinchouts, or other geologic impediments to developing this targeted interval

- 6. **Exhibit B-2** is a stratigraphic cross-section flattened on the top of the 2nd Bone Spring Sand. Each well in the cross-section contains a gamma ray, resistivity, and porosity log. The cross-section demonstrates continuity and slight thinning to north of the target zone. The well logs on the cross-section give a representative sample of the 2nd Bone Spring Sand. The landing zone is highlighted by light, brown shading.
- 7. **Exhibit B-3** is a gross isopach map of the 2nd Bone Spring Sand, this map demonstrates the continuity of the target zone across this vicinity.
- 8. **Exhibits B-4** is gun barrel diagram of the unit demonstrating the vertical and lateral location of the wellbore.
- 9. **Exhibit B-5** is a structural cross section built along the wellbore trajectories. Exhibits B-1 through B-5 are the same for the 2nd Bone Spring Sand's applications in Cases Nos. 24994 and 24995.
 - 10. I conclude from the attached exhibits that:
 - a. The horizontal spacing and proration unit is justified from a geologic standpoint.
 - b. There are no structural impediments or faulting that will interfere with horizontal development.
 - c. Each quarter-quarter section in the unit will contribute more or less equally to production.
- 11. The preferred well orientation in this area is west to east so that the wells run sub-perpendicular to the inferred orientation of the maximum horizontal stress.

- 12. The Exhibits to this Affidavit were prepared by me or compiled from V-F Petroleum Inc.'s company business records under my direct supervision.
- 13. The granting of this Application is in the interests of conservation, the prevention of waste and the drilling of unnecessary wells, and the protection of correlative rights.
- 14. The foregoing is correct and complete to the best of my knowledge and belief.

[Signature page follows]

Signature page of Self-Affirmed Statement of Stephen Burke:

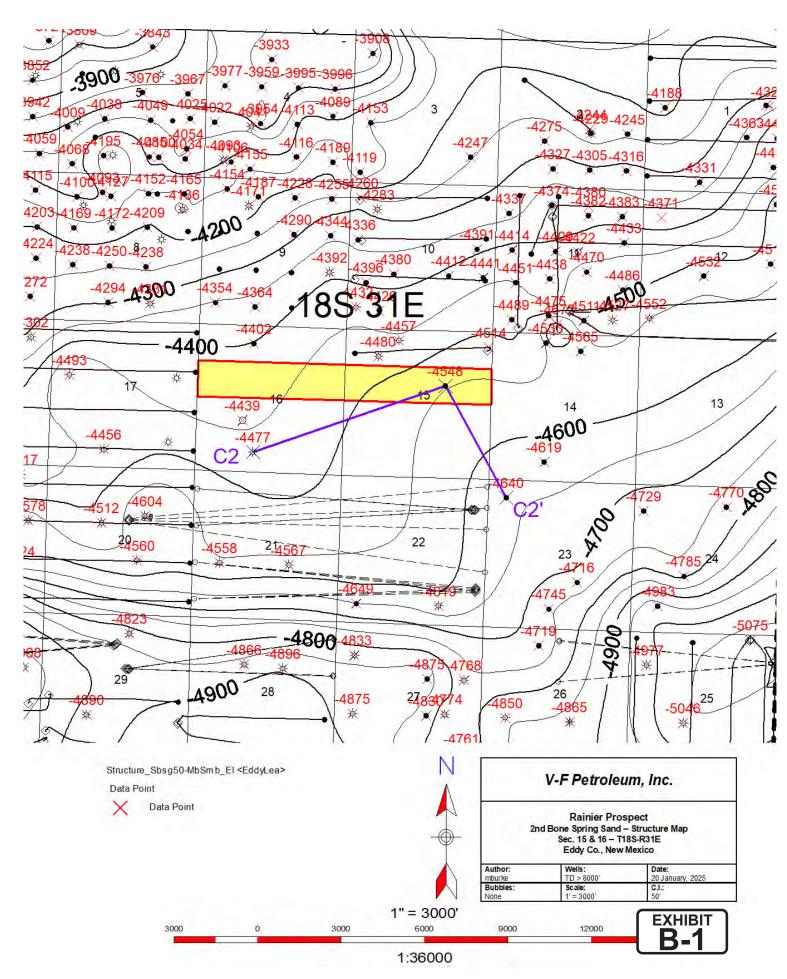
I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case No. 25116 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.

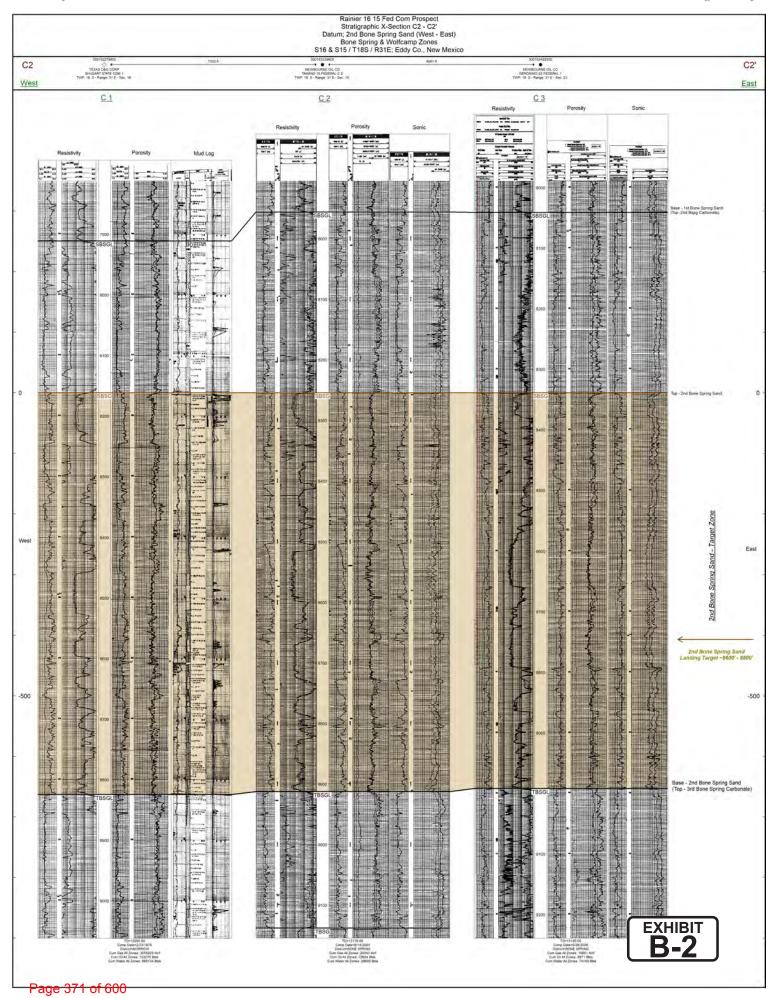
Stephen Burke

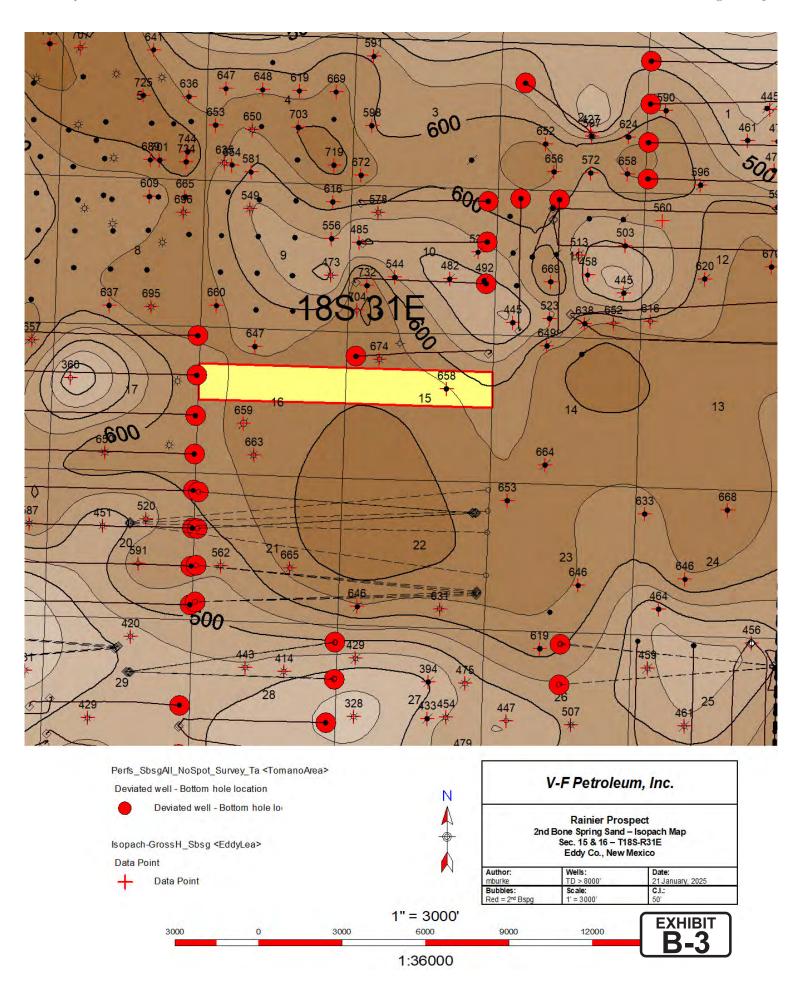
Arphu M. Bure

___1/21/2025

Date Signed







V-F Petroleum Inc.

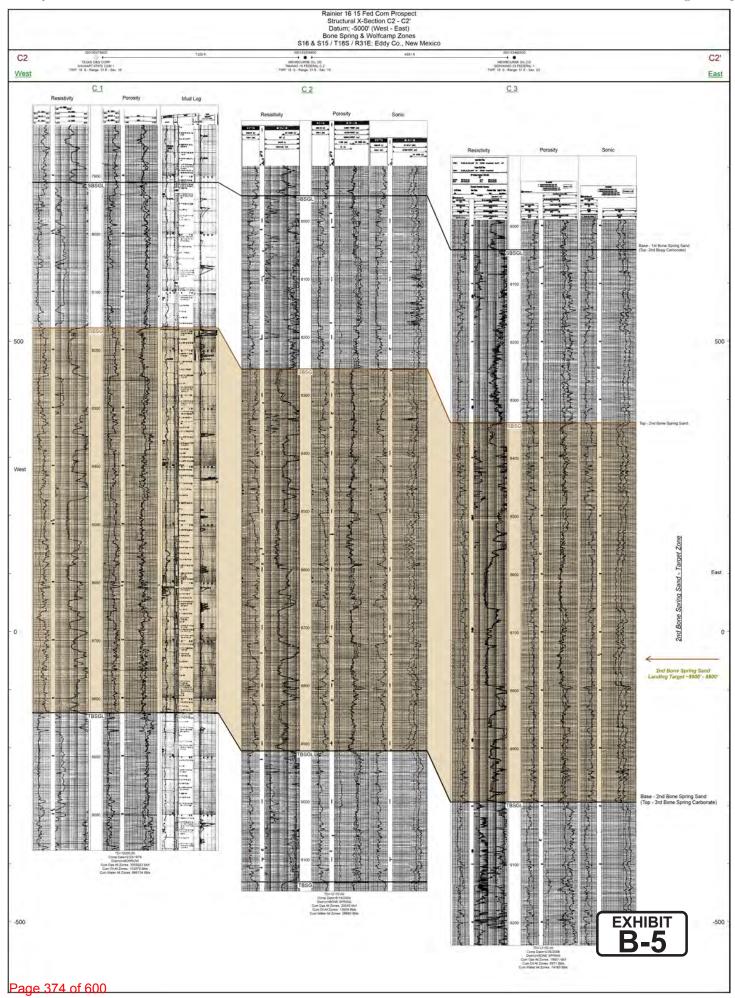
Rainier 16 15 Fed Com #223H

T18S - R32E / Eddy Co., New Mexico

Zone &	Well &	Well &	Well &	Well &
Vertical	Operator	Operator	Operator	Operator
Depth	N/2 - N/2	S/2 - N/2	N/2-S/2	S/2-S/2
	D16-A15	E16-H15	L16 - I15	M16 - P16
Bspg1	XXX-MOC	XXX-VE	XXX-VE	XXX-VE
Denso.	Tomano 1H	Rainier	Rainier	Rainier
Bspg2	MOC	223H-VE	222H-VF	221H-VE
Bspg3	Rainier	Rainier	Rainler	Rainier
Dapga	234H-VE	233H-VF	232H-VF	231H-VF
WfmpXy	XXX-VF	XXX-VF	XXX-VF	XXX-VF
	North) - V	South

	R	ange 31 Eas	t / Section 1	6	R	lange 31 Eas	t / Section 1	5
	D	c	В	Α	D	С	В	Α
Township 18 South	m	F	G	н	E	F	G	н
Township	L	к	ı	J	L	к	u.	1
	м	N	0	Р	м	N	0	P

B-4



TAB 4

Exhibit C: Self-Affirmed Statement of Notice, Darin C. Savage

Exhibit C-1: Notice Letters Exhibit C-2: Mailing List Exhibit C-3: Affidavits of Publication

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

APPLICATION OF V-F PETROLEUM INC. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case No. 25116

SELF-AFFIRMED STATEMENT OF NOTICE

- I, Darin C. Savage, attorney and authorized representative of V-F Petroleum Inc. ("V-F"), the Applicant herein, states and affirms the following:
- 1. Notice of the application and hearing in the above-referenced case was timely sent by certified mail, return receipt requested, through the United States Postal Service on December 18, 2024, to all uncommitted interest owners sought to be pooled in this proceeding. *See* Exhibit C-2, attached hereto. Copies of the notice letters and evidence of mailing to parties are attached hereto as Exhibits C-1 and C-2.
- 2. Notice for the above-referenced case was sent to the Carlsbad Current-Argus, a newspaper of general circulation in Eddy County, New Mexico, and timely published in said newspaper on December 21, 2024. *See* Exhibit C-3.



Signature page of Self-Affirmed Statement of Darin C. Savage:

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case No. 25116 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.

Darin Savage

1/20/2025

Date Signed



ABADIE I SCHILL PC

Colorado New Mexico
Louisiana Texas
Nebraska Kansas
Montana Wyoming
Oklahoma California
North Dakota

December 18, 2024

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of V-F Petroleum Inc., for Compulsory Pooling, Eddy

County, New Mexico

Rainier 16-15 Fed Com #223H Well

Case No. 25116:

Dear Interest Owners:

This letter is to advise you that V-F Petroleum Inc., ("V-F" or "Applicant"), has filed the enclosed application, Case No. 25116, with the New Mexico Oil Conservation Division ("Division") for an order pooling all uncommitted mineral interests in the First and Second Bone Spring formations, designated as an oil pool, from the top of the First Bone Spring formation, at an approximate depth of 6,048' beneath the surface, to the base of the Second Bone Spring formation, at an approximate depth of 8,913' beneath the surface, as shown in that certain Dual Lateralog, Micro Laterlog, Gamma Ray well log in the Tamano 15 Fed Com #2 well (API # 30-015-33398), located in Sec. 15, Township 18 South, Rage 31 East, Eddy County, New Mexico, underlying a standard 320-acre, more or less, spacing unit comprised of the S/2 N/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico ("Subject Lands").

V-F requested that this Application be set for hearing before an Examiner of the Oil Conservation Division on January 9, 2025. The status of the hearing, including any continuances, can be monitored through the Division's website. Division hearings will commence at 9:00 a.m., in the Wendell Chino Building, Pecos Hall located on the 1st Floor, at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. If so desired, you can attend the hearing in person at Pecos Hall or you can attend virtually through remote online

abadieschill.com

214 McKenzie Street, Santa Fe, New Mexico, 87501

O: 970.385.4401 • F: 970.385.4901

C-1

access. For information about attending by remote access and reviewing the status of the case, you can visit the Division's website at: https://www.emnrd.nm.gov/ocd/hearing-info/ or call (505) 476-3441.

You are being notified as an interest owner (subject to title examination) and are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 19.15.4.13.B NMAC to file a Prehearing Statement at least four business days in advance of a scheduled hearing, but in no event later than 5 p.m. Mountain Time on the Thursday preceding the scheduled hearing date. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: The names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Jordan Shaw at (432) 269-0569 or at jordan@vfpetroleum.com.

Sincerely,

Darin C. Savage

Attorney for V-F Petroleum, Inc.

			Mail Activity Report - RAINIER 223H 25116 Mailed 12/18/2024 to 12/18/2024 Generated: 01/20/2025 8:10:17 AM	2 223H 25116 12/18/2024 8:10:17 AM					
USPS Article Number	Reference Number Date Mailed	Date Mailed Name 1	Name 2	Address 1	City	State	State Zip	Mailing Status	Service Options
9314869904300129539423 4217.10 - Rainier 223H	4217.10 - Rainier 223H	I 12/18/24 XTO Holdings, LLC	Delaware Basin Land Manager	22777 Springwoods Village Pkwy. Spring		TX 77389		Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129539430 4217.10 - Rainier 223H	4217.10 - Rainier 223H	I 12/18/24 Permian Resources Operating, LLC Delaware Basin Land Department	LC Delaware Basin Land Department	300 N. Marienfeld St., Suite 1000 Midland	Midland	7 X	79701	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129539447 4217.10 - Rainier 223H	4217.10 - Rainier 223H	12/18/24 Delmar Hudson Lewis Living Trust, Bank of America, N.A., Trustee	ist, Bank of America, N.A., Trustee	P.O. Box 830308	Dallas T	7 X	75283-0308 Delivered	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129539454 4217.10 - Rainier 223H	4217.10 - Rainier 223H	l 12/18/24 Ard Oil, LTD	Joel T. Sawyer, Agent	P.O. Box 101027	Fort Worth TX		76185	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129539461 4217.10 - Rainier 223H	4217.10 - Rainier 223H	l 12/18/24 Frost Bank,	TTR of Josephine T. Hudson Testamentary Trust P.O. Box 1600	.ust P.O. Box 1600	San Antonio TX	- 1	18296	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129539478 4217.10 - Rainier 223H	4217.10 - Rainier 223H	I 12/18/24 Marathon Oil Permian LLC	Chase Rice, Permian Land Supervisor	990 Town and Country Boulevard Houston	Houston	XT	77024	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129539485 4217.10 - Rainier 223H	4217.10 - Rainier 223H	l 12/18/24 Bureau of Land Management		620 E. Greene Street	Carlsbad	NM 88	88220-6292 Delivered	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129557397 4217.10 - Rainier 223H	4217.10 - Rainier 223H	I 12/18/24 Curtis W. Mewbourne, Trustee		P.O. Box 7698	Tyler	7 X	75711	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129557403	4217.10 - Rainier 223H	l 12/18/24 Javelina Partners	Edward Hudson, Land Manager	616 Texas Street	Fort Worth TX		76102	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129557410	4217.10 - Rainier 223H	l 12/18/24 Hudson, Francis Hill, Trustee	Lindy's Living Trust	4200 South Hulen Street, Suite 302 Fort Worth	Fort Worth T	37 XT	. 6109	To be Returned	To be Returned Return Receipt - Electronic, Certified Mail
9314869904300129557427 4217.10 - Rainier 223H	4217.10 - Rainier 223H	12/18/24 Moore & Shelton Company, Ltd.	. Michael R. Moore, Agent	P.O. Box 3070	Galveston T	7, XT	77552	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129557434 4217.10 - Rainier 223H	4217.10 - Rainier 223H	l 12/18/24 Ralph A. Shugart Jr. Trust	Elizabeth Duncan, Trustee	1960 Forest Parkway	Denver	00 80	80220-1337 Delivered	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129557441 4217.10 - Rainier 223H	4217.10 - Rainier 223H	l 12/18/24 Zorro Partners, Ltd.	W.A. Hudson II, Agent	616 Texas Street	Fort Worth TX 76102	7 X		Delivered	Return Receipt - Electronic, Certified Mail

C-2



Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0129 5574 41.

Item Details

Status: Delivered, Left with Individual Status Date / Time: December 23, 2024, 01:18 p.m.

Location: FORT WORTH, TX 76102

Postal Product: First-Class Mail®
Extra Services: Certified Mail™

Return Receipt Electronic

Recipient Name: Zorro Partners Ltd W A Hudson II Agent

Shipment Details

Weight: 3.0oz

Destination Delivery Address

City, State ZIP Code: FORT WORTH, TX 76102-4662

Recipient Signature

Signature of Recipient:

Address of Recipient:

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service® for your mailing needs. If you require additional assistance, please contact your local Post Office™ or a Postal representative at 1-800-222-1811.

Sincerely, United States Postal Service® 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

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Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0129 5574 34.

Item Details

Status: Delivered, Left with Individual Status Date / Time: December 24, 2024, 03:21 p.m.

Location:DENVER, CO 80220Postal Product:First-Class Mail®Extra Services:Certified Mail™

Return Receipt Electronic

Recipient Name: Ralph A Shugart Jr Trust Elizabeth Duncan Tru

Shipment Details

Weight: 3.0oz

Destination Delivery Address

Street Address: 1960 FOREST PKWY
City, State ZIP Code: DENVER, CO 80220-1337

Recipient Signature

Signature of Recipient:

Address of Recipient:

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Information in this section provided by Covius Document Services, LLC.



December 30, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0129 5574 27.

Item Details

Status: Delivered, Individual Picked Up at Post Office

Status Date / Time: December 28, 2024, 11:50 a.m.

Location: GALVESTON, TX 77551

Postal Product: First-Class Mail®
Extra Services: Certified Mail™

Return Receipt Electronic

Recipient Name: Moore Shelton Company Ltd Michael R Moore

Shipment Details

Weight: 3.0oz

Recipient Signature

Signature of Recipient:

SHEVE NIELSEN

Address of Recipient:

POBOK 3076

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Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0129 5574 03.

Item Details

Status:Delivered, Left with IndividualStatus Date / Time:December 23, 2024, 01:18 p.m.Location:FORT WORTH, TX 76102

Postal Product: First-Class Mail®
Extra Services: Certified Mail™

Return Receipt Electronic

Recipient Name: Javelina Partners Edward Hudson Land Manager

Shipment Details

Weight: 3.0oz

Destination Delivery Address

City, State ZIP Code: FORT WORTH, TX 76102-4662

Recipient Signature

Signature of Recipient:

Address of Recipient:

The state of the s

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Sincerely, United States Postal Service® 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.



Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0129 5573 97.

Item Details

Status: Delivered, PO Box

Status Date / Time: December 23, 2024, 12:02 p.m.

Location:TYLER, TX 75711Postal Product:First-Class Mail®Extra Services:Certified Mail™

Return Receipt Electronic

Recipient Name: Curtis W Mewbourne Trustee

Shipment Details

Weight: 3.0oz

Destination Delivery Address

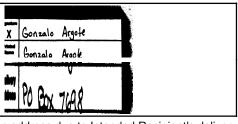
Street Address: PO BOX 7698

City, State ZIP Code: TYLER, TX 75711-7698

Recipient Signature

Signature of Recipient:

Address of Recipient:



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Information in this section provided by Covius Document Services, LLC.



Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0129 5394 85.

Item Details

Status: Delivered, Left with Individual Status Date / Time: December 23, 2024, 01:44 p.m.

Location: CARLSBAD, NM 88220

Postal Product: First-Class Mail®
Extra Services: Certified Mail™

Return Receipt Electronic

Recipient Name: Bureau of Land Management

Shipment Details

Weight: 3.0oz

Destination Delivery Address

Street Address: 620 E GREENE ST

City, State ZIP Code: CARLSBAD, NM 88220-6292

Recipient Signature

Signature of Recipient:

Address of Recipient:

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

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Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0129 5394 78.

Item Details

Status: Delivered, Front Desk/Reception/Mail Room

Status Date / Time: December 23, 2024, 03:07 p.m.

Location: HOUSTON, TX 77024

Postal Product: First-Class Mail®
Extra Services: Certified Mail™

Return Receipt Electronic

Recipient Name: Marathon Oil Permian LLC Chase Rice Permian Lan

Shipment Details

Weight: 3.0oz

Destination Delivery Address

Street Address: 990 TOWN AND COUNTRY BLVD

City, State ZIP Code: HOUSTON, TX 77024-2217

Recipient Signature

Signature of Recipient:

Address of Recipient:

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

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Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0129 5394 61.

Item Details

Status: Delivered, PO Box

Status Date / Time:December 23, 2024, 11:18 a.m.Location:SAN ANTONIO, TX 78205

Postal Product: First-Class Mail®
Extra Services: Certified Mail™

Return Receipt Electronic

Recipient Name: Frost Bank TTR of Josephine T Hudson Testament

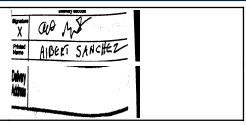
Shipment Details

Weight: 3.0oz

Recipient Signature

Signature of Recipient:

Address of Recipient:



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Information in this section provided by Covius Document Services, LLC.



December 30, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0129 5394 54.

Item Details

Status: Delivered, Individual Picked Up at Post Office

Status Date / Time: December 27, 2024, 12:10 p.m.
Location: FORT WORTH, TX 76109

Postal Product: First-Class Mail®
Extra Services: Certified Mail™

Return Receipt Electronic

Recipient Name: Ard Oil LTD Joel T Sawyer Agent

Shipment Details

Weight: 3.0oz

Recipient Signature

Signature of Recipient:

Just Gras

Address of Recipient:

0/02/

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

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Sincerely, United States Postal Service® 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.



Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0129 5394 47.

Item Details

Status: Delivered, Individual Picked Up at Postal Facility

Status Date / Time: December 24, 2024, 08:54 a.m.

Location:DALLAS, TX 75260Postal Product:First-Class Mail®Extra Services:Certified Mail™

Return Receipt Electronic

Recipient Name: Delmar Hudson Lewis Living Trust Bank of Americ

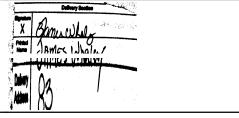
Shipment Details

Weight: 3.0oz

Recipient Signature

Signature of Recipient:

Address of Recipient:



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Information in this section provided by Covius Document Services, LLC.



Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0129 5394 30.

Item Details

Status: Delivered, Left with Individual Status Date / Time: December 23, 2024, 01:18 p.m.

Location:MIDLAND, TX 79701Postal Product:First-Class Mail®Extra Services:Certified Mail™

Return Receipt Electronic

Recipient Name: Permian Resources Operating LLC Delaware Basin

Shipment Details

Weight: 3.0oz

Destination Delivery Address

Street Address: 300 N MARIENFELD ST STE 1000

City, State ZIP Code: MIDLAND, TX 79701-4688

Recipient Signature

Signature of Recipient:

Address of Recipient:

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

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Information in this section provided by Covius Document Services, LLC.



Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0129 5394 23.

Item Details

Status: Delivered, Left with Individual Status Date / Time: December 26, 2024, 09:38 a.m.

Location:SPRING, TX 77389Postal Product:First-Class Mail®Extra Services:Certified Mail™

Return Receipt Electronic

Recipient Name: XTO Holdings LLC Delaware Basin Land Manager

Shipment Details

Weight: 3.0oz

Destination Delivery Address

Street Address: 22777 SPRINGWOODS VILLAGE PKWY

City, State ZIP Code: SPRING, TX 77389-1425

Recipient Signature

Signature of Recipient:

Address of Recipient:

38. 1/1/19

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CAICOSOLME

Sincerely, United States Postal Service® 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.



Proof of Acceptance (Electronic)

Date: 12/19/2024

Company Name : Abadie & Schill PC

Certified Mail Article Number 9314869904300129557410 addressed to Hudson, Francis Hill, Trustee Lindy's Living Trust

USPS Event Date/Time	USPS Event Description	USPS Event Location
12/19/2024 9:31 PM	ORIGIN ACCEPTANCE	DURANGO, CO 81301

The article number and United States Postal Service (USPS®) tracking event details provided above is a true extract of information provided by the USPS to CertifiedPro.net, a solution provided by Covius Document Services, LLC.

Recipient Mailing Address:

Hudson, Francis Hill, Trustee Lindy's Living Trust 4200 South Hulen Street, Suite 302 Fort Worth, TX 76109

The above information is for the sole use of CertifiedPro.net clients and represents information provided by the United States Postal Service.

AFFIDAVIT OF PUBLICATION

CARLSBAD CURRENT-ARGUS PO BOX 507 HUTCHINSON, KS 67504-0507

STATE OF NEW MEXICO SS COUNTY OF EDDY

Account Number: 1227 Ad Number: 27250

Description: 25116 - S2N2 - 2nd BS Rainer

Ad Cost: \$146.60

Sherry Groves, being first duly sworn, says:

That she is the Agent of the the Carlsbad Current-Argus, a Weekly newspaper of general circulation, printed and published in Carlsbad, Eddy County, New Mexico; that the publication, a copy of which is attached hereto, was published in said newspaper on the following dates:

December 21, 2024

That said newspaper was regularly issued and circulated on those dates. SIGNED:

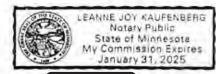
Sherry Lines Agent

Subscribed to and sworn to me this 21th day of December 2024.

Leanne Kaufenberg, Notal Public, Reswood County

Minnesota

KAIYA TOOP ABADIE SCHILL 555 RIVERGATE LANE, SUITE B-4-180 **DURANGO, CO 81301** kaiya@abadieschill.com



PUBLIC NOTICE

CASE No. 25116: Notice — to all parties and persons having any right, title, interest or claim in this case, including owners of working interest, overriding royalty interest, and record title, among others, whether such parties or persons are listed herein or not, as well as notice to all known and unknown heirs, devisees, assigns and successors of such affected parties and persons, which based on reasonable diligence include, XTO HOLDINGS, LLC; PERMIAN RESOURCES OPERATING, LLC; DELMAR HUDSON LEWIS LIVING TRUST, BANK OF AMERICA, N.A. TRUSTEE; ARD OIL, I.T.D.; JOSEPHINE T. HUDSON TESTAMENTARY TRUST FBO J. TERRELL ARD, FROST BANK, TRUSTEE; CURTIS W. MEWBOURNE, TRUSTE; JAVELINA PARTNERS; HUDSON, FRANCIS HILL, TRUSTEE, LINDY'S LIVING TRUST; MOORE & SHELTON COMPANY, LTD.; RALPH A. SHUGART JR. TRUST, ELIZABETH DUNCAN, TRUSTEE; ZORRO PARTNERS, LTD. AND MARATHON OIL PERMIAN LLC of V-F Petroleum, Inc. application for approval of a compulsory pooling, Eddy County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division Examiner will conduct a public hearing at 9:00 a.m. on January 9:2025, in the Wendell Chino Building, Pecos Hall located on the 1st Floor, at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You can attend the hearing in person at Pecos Hall or you can attend virtually through remote online access. For information about attending by remote access and retviewing the status of the case, you can visit the Division's website at: https://www.emmrd.nm.gov/ocd/hearing-info/ or call (505) 476-3441. It is recommended that you check with the Division to determine the best option for attendance. V-F Petroleum Inc., at 550 W. Texas Ave., Suite 300, Midland, TX 79701, seeks an order from the Division pooling all uncommitted mineral interests in the First and Second Bone Spring formation, designated as an oil pool, from the top of the First Bone Spring formation, at an approximate depth of 6,048 beneath the surface, as shown in that certain Dual Later

Published in the Carlsbad Current-Argus December 21, 2024. #27250

TAB 5

Exhibit 5: Amended Hearing Packet Case No. 25117

BEFORE THE OIL CONSERVATION DIVISION EXAMINER HEARING FEBRUARY 27, 2025

APPLICATION OF V-F PETROLEUM INC. FOR A COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

AMENDED HEARING PACKET

Case No. 25117:

Rainier 16-15 Fed Com 233H

Consolidated for a Contested Hearing with: Case Nos. 24994, 24995, 25115 & 25116 (V-F Petroleum Inc. Cases) Case Nos. 24941-24942 & 25145-25148 (Read & Stevens, Inc. Cases)

V-F PETROLEUM INC.

EXHIBIT 5

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TAB 1

Reference for Case No. 25117 Application Case No. 25117: Rainier 16-15 Fed Com 233H Revised NMOCD Checklist Case No. 25117

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

APPLICATION OF V-F PETROLEUM INC. FOR A COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case No. 25117

APPLICATION

V-F Petroleum Inc. ("V-F Petroleum"), OGRID No. 24010, through its undersigned attorneys, hereby files this Application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, Section 70-2-17, for an order pooling all uncommitted mineral interests in the Third Bone Spring formation, from the top of the Third Bone Spring, at a depth of 8,914' beneath the surface, to the base of the Third Bone Spring formation, which has a depth of 9,516' beneath the surface, as shown in that certain Dual Lateralog, Micro Laterlog, Gamma Ray well log in the Tamano 15 Fed Com #2 well (API # 30-015-33398), located in Sec. 15, Township 18 South, Rage 31 East, Eddy County, New Mexico, designated as an oil pool, underlying a standard 320-acre, more or less, spacing unit comprised of the S/2 N/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. In support of its Application, V-F Petroleum states the following:

- 1. V-F Petroleum is a working interest owner in the proposed horizontal spacing unit ("HSU") and has a right to drill a well thereon.
- 2. V-F Petroleum proposes and dedicates to the HSU the Rainier 16-15 Fed Com #233H Well, as an initial well, to be drilled to a sufficient depth to test the Third Bone Spring formations.

Received by OCD: 3/10/2025 2:34:36 PM Received by OCD: 12/10/2024 7:00:38 PM Page 401 of 600 Page 2 of 5

3. V-F Petroleum proposes the Rainier 16-15 Fed Com #233H Well, an oil well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 16 to a

bottom hole location in the SE/4 NE/4 (Unit H) of Section 15.

4. The well proposed herein is orthodox in its location, and the take points and

completed interval complies with setback requirements under the statewide rules.

5. V-F Petroleum has sought in good faith, but has been unable to obtain, voluntary

agreement from all interest owners to participate in the drilling of the wells or in the commitment

of their interests to the wells for their development within the proposed HSU.

6. The pooling of all interests in the Bone Spring formation within the proposed HSU

will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

7. In this application, V-F Petroleum is pooling only the Third Bone Spring formation

because there is a depth severance between the base on the Second Bone Spring and the top of the

Third Bone Spring, and importantly, there is a geological barrier between the Second Bone Spring

and Third Bone Spring that maintains the integrity of production within the partitioned zone

thereby allowing for the partition. V-F Petroleum will provide notice to adjacent owners in the

Second Bone Spring formation, above and adjacent to the Third Bone Spring to account for any

concerns the vertical offset owners might have.

8. In order to provide for its just and fair share of the oil and gas underlying the subject

lands, V-F Petroleum requests that all uncommitted interests in this HSU be pooled and that V-F

Petroleum be designated the operator of the proposed horizontal wells and HSU.

WHEREFORE, V-F Petroleum requests that this Application be set for hearing on January

9, 2025, before an Examiner of the Oil Conservation Division, and after notice and hearing as

required by law, the Division enter an order:

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Page 3 of 5

A. Pooling all uncommitted mineral interests in the Third Bone Spring formation, from

the top of the Third Bone Spring, at a depth of 8,914' beneath the surface, to the base of the Third

Bone Spring formation, which has a depth of 9,516' beneath the surface, as shown in that certain

Dual Lateralog, Micro Laterlog, Gamma Ray well log in the Tamano 15 Fed Com #2 well (API

30-015-33398), located in Sec. 15, Township 18 South, Rage 31 East, Eddy County, New

Mexico, designated as an oil pool, underlying a standard 320-acre, more or less, spacing unit

comprised of the S/2 N/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM,

Eddy County, New Mexico.

B. Approving the **Rainier 16-15 Fed Com #233H Well** as the well for the HSU.

C. Designating V-F Petroleum as operator of this HSU and the horizontal well to be

drilled thereon;

D. Authorizing V-F Petroleum to recover its costs of drilling, equipping, and

completing the well;

E. Approving actual operating charges and costs of supervision, to the maximum

extent allowable, while drilling and after completion, together with a provision adjusting the rates

pursuant to the COPAS accounting procedures; and

F. Setting a 200% charge for the risk assumed by V-F Petroleum in drilling and

completing the wells in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

3

Darin C. Savage

Andrew D. Schill William E. Zimsky 214 McKenzie Street Santa Fe, New Mexico 87501 Telephone: 970.385.4401 Facsimile: 970.385.4901 darin@abadieschill.com andrew@abadieschill.com bill@abadieschill.com

Attorneys for V-F Petroleum, Inc.

Application of V-F Petroleum Inc. for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted mineral interests in the Third Bone Spring, at a depth of 8,914' beneath the surface, to the base of the Third Bone Spring formation, which has a depth of 9,516' beneath the surface, as shown in that certain Dual Lateralog, Micro Laterlog, Gamma Ray well log in the Tamano 15 Fed Com #2 well (API # 30-015-33398), located in Sec. 15, Township 18 South, Rage 31 East, Eddy County, New Mexico, designated as an oil pool, underlying a standard 320-acre, more or less, spacing unit comprised of the S/2 N/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. The proposed well to be dedicated to the horizontal spacing unit is the Rainier 16-15 Fed Com #233H Well, an oil well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 16 to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 15. The proposed well will be orthodox, and its take points and completed interval will comply with the setback requirements under statewide rules. Also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the well and unit; and a 200% charge for the risk involved in drilling and completing the wells. The well and lands are located approximately 31 miles southeast of Artesia, New Mexico.

COMPULSORY POOLING APPLICATION CHECKLIST ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS Case: 25117 **APPLICANT'S RESPONSE** Date: January 28, 2025 (Scheduled Hearing) **Applicant** V-F Petroleum Inc. Designated Operator & OGRID (affiliation if applicable) 24010 Applicant's Counsel: Darin C. Savage, Abadie & Schill, P.C. Case Title: APPLICATION OF V-F PETROLUEM INC. FOR A COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO Entries of Appearance/Intervenors: Read & Stevens, Inc. Permian Resources Operating, LLC Well Family Rainier 16-15 Fed Com Formation/Pool Formation Name(s) or Vertical Extent: **Bone Spring Formation** Primary Product (Oil or Gas): Oil Pooling this vertical extent: Top of the Third Bone Spring Formation to the base of the Third Bone Spring Formation Pool Name and Pool Code (Only if NSP is requested): Well Location Setback Rules (Only if NSP is Requested): **Spacing Unit** Type (Horizontal/Vertical) Horizontal Size (Acres) 320-acre, more or less **Building Blocks:** Quarter - Quarter Sections (40 Acre Blocks) Orientation: West to East Description: TRS/County S/2 N/2 of Sections 16 and 15, all in Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico Standard Horizontal Well Spacing Unit (Y/N), If No, describe and Yes, Standard Spacing Unit is approval of non-standard unit requested in this application? Other Situations Depth Severance: Y/N. If yes, description No, N/A Proximity Tracts: If yes, description No, N/A Proximity Defining Well: if yes, description Applicant's Ownership in Each Tract See Exhibit A-3, breakdown of ownership Well(s) Name & API (if assigned), surface and bottom hole location, Add wells as needed footages, completion target, orientation, completion status

(standard or non-standard)

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Well #1	Rainier 16-15 Fed Com 233H Well (API No. Pending), SHL: Unit E, 1592.5' FNL, 728' FWL, Section 16, T18S- R31E; BHL: Unit H, 2085' FNL, 100' FEL, Section 15, T18S- R31E, laydown, standard location
Horizontal Well First and Last Take Points	Rainier 16-15 Fed Com 233H Well: FTP: Unit E, 2085' FNL, 100' FWL, Section 16; LTP: Unit H, 2085' FNL, 100' FEL, Section 15
Completion Target (Formation, TVD and MD)	Rainier 16-15 Fed Com 233H Well: Landing TVD approx. 9,275', Bottom Hole TVD approx. 9,275'; TMD 20,526'; 3rd Bone Spring formation, See Exhibit A
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,500, Exhibit A, A-5
Production Supervision/Month \$	\$850, Exhibit A, A-5
Justification for Supervision Costs	Exhibit A, A-5
Requested Risk Charge	200%, Exhibit A
Notice of Hearing	
Proposed Notice of Hearing	Exhibit C, C-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-2
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-3
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, includes Working Interest owners and ORRI owners
Unlocatable Parties to be Pooled	Exhibit A, Para. 10
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	Eulethia A. E.
Sample Copy of Proposal Letter	Exhibit A-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-4
Overhead Rates In Proposal Letter	Exhibit A, A-5 Exhibit A-5
Cost Estimate to Drill and Complete	
Cost Estimate to Equip Well	Exhibit A-5
Cost Estimate for Production Facilities	Exhibit A-5
Geodegy06 of 600	

Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1, B-3
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-4
Well Orientation (with rationale)	Exhibit B, B-1, B-3
Target Formation	Exhibit B-2, B-4
HSU Cross Section	Exhibit B-2, B-4
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit A-1
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit A-2, A-3
Well Bore Location Map	Exhibit A-1, A-7, B-4
Structure Contour Map - Subsea Depth	Exhibit B-1
Cross Section Location Map (including wells)	Exhibit B-1, B-4
Cross Section (including Landing Zone)	Exhibit B-2, B-5
Additional Information	
Special Provisions/Stipulations	
CERTIFICATION: I hereby certify that the information pro	ovided in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Darin C. Savage
Signed Name (Attorney or Party Representative):	/s/ Darín Savage
Date:	Revised and signed 2/4/2025; original 1/21/2025

TAB 2

Exhibit A: Self-Affirmed Statement of Jordan Shaw, Landman

Exhibit A-1: C-102 Forms Exhibit A-2: Location Plat Map

Exhibit A-3: Revised Tract Map and Ownership Breakdown Exhibit A-4: Chronology of Contacts with Uncommitted Owners

Exhibit A-5: Well Proposal Letters and AFEs

Exhibit A-6: Sample Well Proposal for Rainier 16-15 Fed Com #213H Well

Exhibit A-7: Aerial View Map of Surrounding Development

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

APPLICATION OF V-F PETROLEUM, INC. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case No. 25117

SELF-AFFIRMED STATEMENT OF JORDAN SHAW

I, Jordan Shaw, state and affirm the following:

- 1. I am over the age of eighteen years and have the capacity to execute this Self-Affirmed Statement, which is based on my personal knowledge.
- 2. I am a Landman/Attorney with V-F Petroleum Inc. ("V-F"), and I am familiar with the subject application and the lands involved.
- 3. I graduated in 2009 from the Indiana University of Pennsylvania with a bachelor's degree in Political Science, Pre-Law and graduated in 2013 from Texas Tech University, School of Law with a Juris Doctor and am licensed to practice law in the State of Texas. I have worked at V-F Petroleum Inc. for approximately three years and have been working as a Landman/Attorney for three years. I have previously testified before the New Mexico Oil Conservation Division ("Division") as an expert witness in petroleum land matters and my credentials have been accepted by the Division and made a matter of record.
- 4. This Self-Affirmed Statement is submitted in connection with the filing by V-F of the above-referenced spacing and compulsory pooling applications pursuant to 19.15.4.12.A(1).
- 5. V-F seeks an order pooling all uncommitted mineral interest in the Third Bone Spring formation in the Shugart; Bone Spring North, Pool Code 56405, from the top of the Third



Bone Spring, at an approximate depth of 8,914' beneath the surface, to the base of the Third Bone Spring formation, which has an approximate depth of 9,450' beneath the surface, as shown in that certain Dual Lateralog, Micro Laterlog, Gamma Ray well log in the Tamano 15 Fed Com #2 well (API # 30-015-33398), located in Sec. 15, Township 18 South, Rage 31 East, Eddy County, New Mexico, underlying a standard 320-acre, more or less, spacing and proration unit comprised of the S/2 N/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico.

- 6. Under <u>Case No. 25117</u>, V-F seeks to dedicate the **Rainier 16-15 Fed Com #233H Well,** (API 30-015-pending) as an initial well, to be horizontally drilled from a surface location in the SW/4 NW/4 (Unit E) of Section 16 to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 15; approximate TVD of 9,275'; approximate TMD of 20,526'; FTP in Section 16: 2,085' FNL, 100' FWL; LTP in Section 15: 2,085' FNL, 100' FEL.
 - 7. The proposed C-102 for each well is attached as **Exhibit A-1**.
- 8. A general location plat and a plat outlining the units being pooled is attached hereto as **Exhibit A-2**, which show the location of the proposed well within the unit. The location of each well is orthodox, and it meets the Division's offset requirements.
- 9. The parties being pooled, the nature of their interests, and their last known addresses are listed on **Exhibit A-3** attached hereto. **Exhibit A-3** includes information regarding working interest owners, overriding royalty interest owners and royalty interest owners.
- 10. I provided the law firm of Abadie & Schill P.C. a list of names and addresses for the uncommitted interest owners shown on **Exhibit A-2**. In compiling these addresses, I conducted a diligent search of the public records in Eddy County, New Mexico, where the wells are located, and of phone directories and did computer searches to locate the contact information

for parties entitled to notification. All working interest owners were locatable and noticed. Notice to one overriding royalty interest owner, Francis Hill Hudson, Trustee of Lindy's Living Trust, is listed as To Be Returned. V-F published notice in the Carlsbad Current-Argus, a newspaper of general circulation in Eddy County, New Mexico to cover any contingencies regarding notice.

- 11. There are no depth severances in the Third Bone Spring formation in this acreage.
- 12. V-F has made a good faith effort to negotiate with the interest owners, but has been unable to obtain, voluntary agreement from all interest owners to participate in the drilling of the well or in the commitment of their interests to the well for its development within the proposed horizontal spacing unit. **Exhibit A-4** provides a chronology and history of contacts with the owners.
- 13. The interest owners being pooled have been contacted regarding the proposed wells but have failed or refused to voluntarily commit their interest in the wells. However, VF-Petroleum has been in ongoing discussions with some of the interest owners to voluntarily enter into a Joint Operating Agreement. If a mutually agreeable Joint Operating Agreement is reached between VF-Petroleum and another interest owner or owners, VF-Petroleum requests that the voluntary agreement become operative and supersede the Division's order for said parties, except to the extent the Division deems it necessary to maintain spacing criteria for the purpose of conservation, the prevention of waste, and protection of correlative rights.
- 14. **Exhibit A-5** is a sample proposal letter, supplemental proposal letter and the AFEs for each proposed well. The estimated cost of the wells set forth in the AFEs attached as **Exhibit A-5** are fair, reasonable, and comparable to the costs of other wells of similar depths and lengths drilled in this area of New Mexico.

- 15. V-F requests overhead and administrative rates of \$8,500/month for drilling each well and \$850/month for producing each well. These rates are fair and comparable to the rates charged by other operators for wells of this type in this area of southeastern New Mexico. V-F requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.
- 16. V-F requests the maximum cost, plus 200% risk charge be assessed against non-consenting working interest owners.
 - 17. V-F requests that it be designated operator of the units and wells.
- 18. Additionally, although not technically part of <u>Case No. 25117</u>, but in order for V-F to present this case to the best of its ability so that the Division has an opportunity to see the role <u>Case No. 25117</u> plays in V-F's future development plans underlying the S/2 N/2 Sec. 16 & 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico, I have provided as **Exhibit A-6** a sample well proposal letter and the AFE for the **Rainier 16-15 Fed Com #213H Well,** (API 30-015-pending) that has been proposed to all working interest owners in the First Bone Spring formation.
- established in this area by Permian Resources to the immediate south of Section 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico, and other Operators to the immediate west of Section 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. Should the Division grant an order in V-F's favor in this Case, it would make efforts to continue the development pattern that are consistent with, and build upon, what has been successful with other Operators in this area; if V-F's plan is approved, it would not undermine or preempt Permian Resources opportunity for development because their subject lands are unbounded to the east, and Permian Resources could simply develop two mile horizontal

Second Bone Spring and Third Bone Spring wells in Sections 14 and 13, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. V-F's geology in this area that Permian Resources expanding east is feasible, and this in turn would avoid stranding the State of New Mexico's minerals in Section 16, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico to one mile horizontal development in the Bone Spring formation.

- 20. The Exhibits to this Self-Affirmed Statement were prepared by me or compiled from V-F's company business records under my direct supervision.
- 21. The granting of this Application is in the best interests of conservation, the prevention of waste, and the protection of correlative rights, and will avoid the drilling of unnecessary wells.
 - 22. The foregoing is correct and complete to the best of my knowledge and belief.

[Signature page follows]

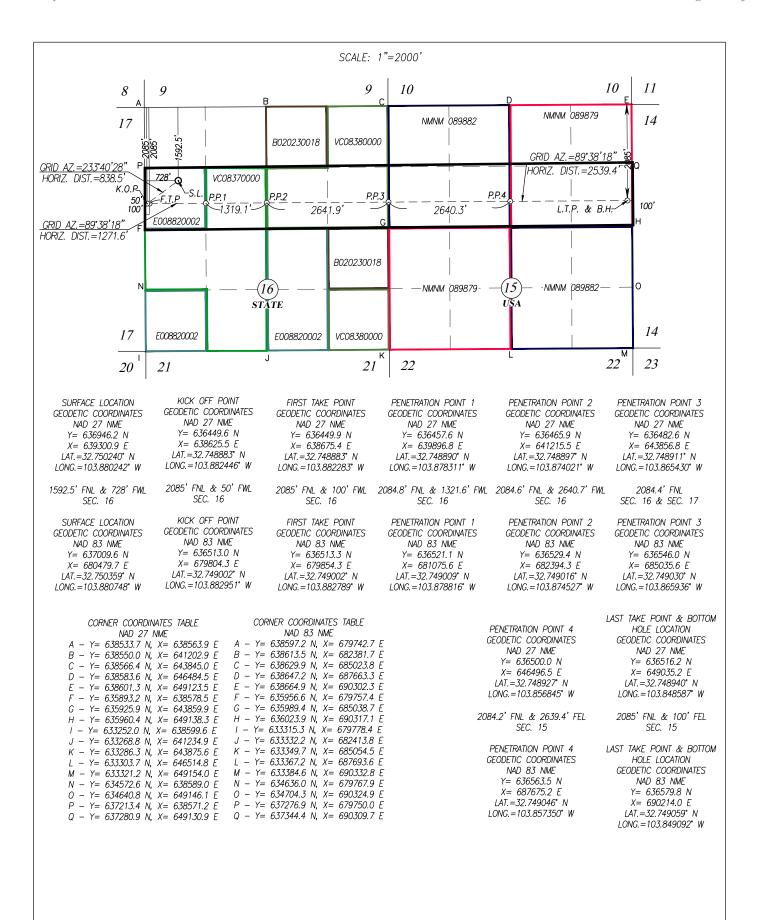
Signature page of Self-Affirmed Statement of Jordan Shaw:

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case No. 25117 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.

Jordan Shaw

01/21/2025 Date Signed

C-102 Submit Electronically			Ene			w Mexico al Resources Depart FION DIVISION	ment			Revised July 9, 20
Via OCD Permitting OIL CONSERVA					TION DIVISION			☐ Initial Sub	omittal	
							Submitta Type:	l ☐ Amended	Report	
								- 7 - 7	☐ As Drilled	I
				•	WELL LOCAT	ION INFORMATION	N			
API Nı	umber		Pool Code			Pool Name				
Proper	ty Code		Property Na		DANIED 1	6 15 EED COM			Well Number	
OGRII	O No.		Operator N		KANIEK I	6 15 FED COM			Ground Level	233H Elevation
					V-F PETR	OLEUM INC.				3665'
Surface	e Owner: 🗆 :	State Fee	Tribal 🗆 Fed	leral		Mineral Owner:	State Fee	□ Tribal □	☐ Federal	
					Surfa	ice Location				
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude		Longitude	County
E	16	18-S	31-E	_	1592.5 FNL	728 FWL	32.750	359°	103.880748°	EDDY
	1	1			Bottom	Hole Location				
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude		Longitude	County
Н	15	18-S	31-E	-	2085 FNL	100 FEL	32.749	059°	103.849092°	EDDY
Dedica	ted Acres	Infill or Defi	ning Well	Defining	Well API	Overlapping Spacing	Unit (Y/N)	Consolid	ation Code	
Ordor N	Numbers.					Well setbacks are unde	or Common Ov	marchin:	Vas □Na	
Order	Numbers.					wen setbacks are unde	er Common Ov	vnersnip: \Box	res 🗆 No	
					Kick O	ff Point (KOP)				
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude		Longitude	County
Е	16	18-S	31-E	-	2085 FNL	50 FWL	32.749	002°	103.882951°	EDDY
			1			ke Point (FTP)	1			
UL —	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude		Longitude	County
Е	16	18-S	31-E	-	2085 FNL	100 FWL	32.749	002°	103.882789°	EDDY
	T a .:	T	T p	T .		ke Point (LTP)	T 1		T 10 T	
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	0500	Longitude	County
Н	15	18-S	31-E	-	2085 FNL	100 FEL	32.749	059	103.849092°	EDDY
Unitize	ed Area or Area	a of Uniform Int	erest	Spacing U	Jnit Type □ Horiz	contal Vertical	Groun	nd Floor El	evation:	
						I				
		TIFICATIONS ne information c		is true and o	omnlete to the	SURVEYOR CERTIFI	CATIONS			
best of i	my knowledge	e and belief, and either owns a w	, if the well is a	vertical or d	irectional well,	I hereby certify that the w was plotted from field no	ell location she	own on this	plat by	C. C.
in the la	and including t	the proposed bot ursuant to a cont	tom hole location	on or has a ri	ght to drill this	me or under my supervisi and correct to the best of	ion, and that the	e same is tri	ue R	U. EIDSO
unlease	d mineral inte	rest, or to a volu ore entered by the	ntary pooling a			and content to the best of	,		E CIN	MEXIC
		ntal well, I furth		nis organizat	ion has					2641
receive	d the consent of	of at least one les	ssee or owner o	f a working i	nterest or					2041
any pari	t of the well's	completed intervorder from the di	al will be locat						11/1/20	J. J. J. S.
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Signatu	re		Date			Signature and Seal of Pro	fessional Surve	eyor		
						Gary G. Eidson 12641		SEPT	EMBER 30, 2	024
Printed	Name					Certificate Number	Date of Sur	vey	۲	EXHIBIT
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E-mail .	Address					PAGE 1 OF 2	ACK REL	. W.O.:24110	354 .	JWSC W.O.: 25.13.0



 DISTRICT I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 DISTRICT II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720

1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

□AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

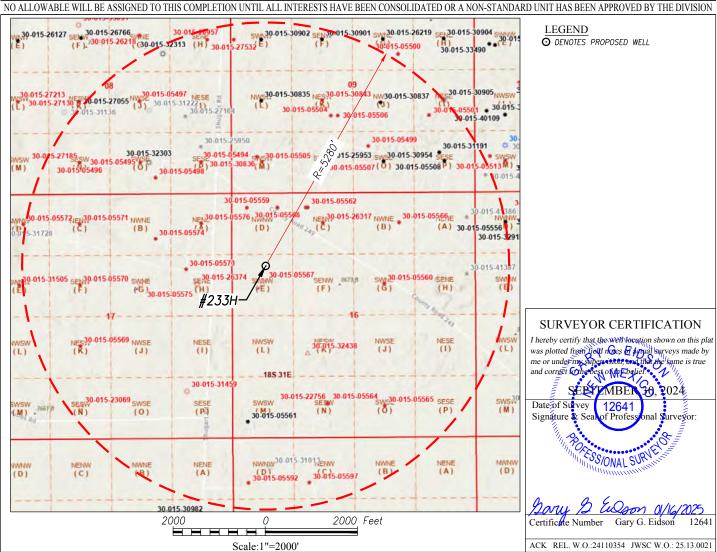
API Number	Pool Code	Pool Name	
Property Code	Property Name		
	RANIER 16	233Н	
OGRID No.	Operator Name		
	V-F PETR	3665'	

Surface Location

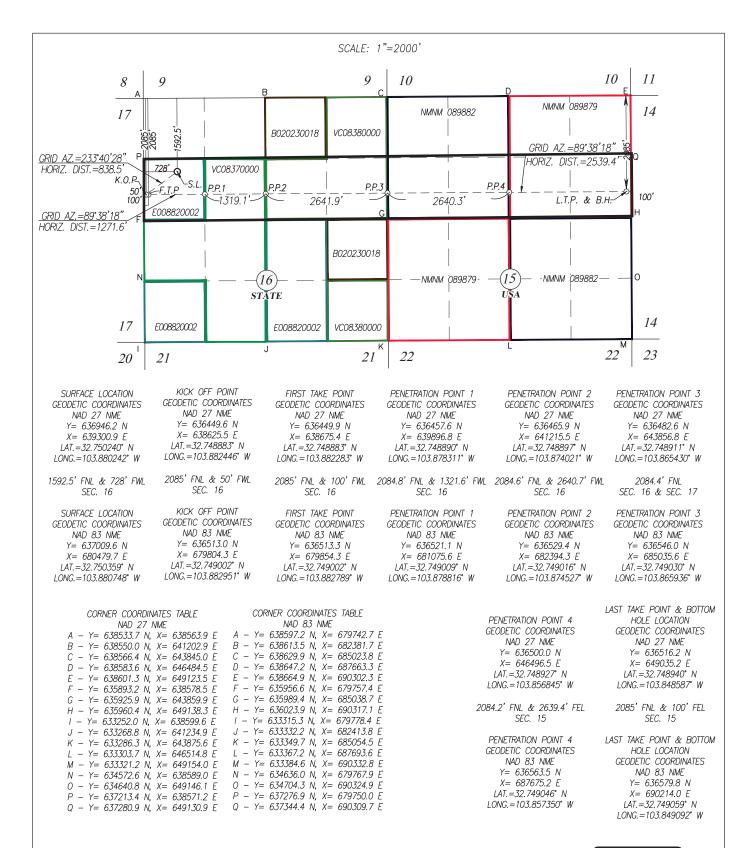
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	16	18-S	31-E		1592.5	NORTH	728	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Н	15	18-S	31-E		2085	NORTH	100	EAST	EDDY
Dedicated Acres	Joint or	Infill (Consolidation C	ode Ord	er No.	,			



21 of 73

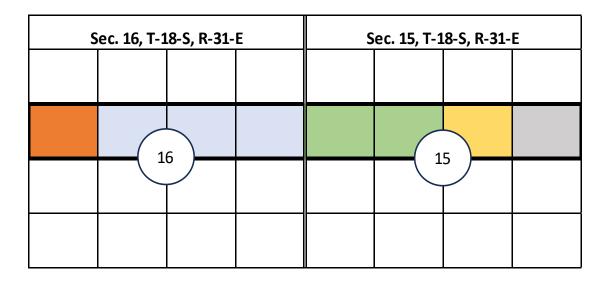


A-2

RANIER 16 15 FED COM #233H

PAGE 2 OF 2 ACK REL. W.O.:24110354 JWSC W.O.: 25.13.0021

EXHIBIT A-3



SW/4NW/4 Sec. 16 (State Lease E-822)

Working Interest Owner	Decimal
XTO Holdings, LLC	1.00000000
TOTAL	1.00000000

Royalty Interest Owner	Decimal
State of New Mexico	0.12500000

SE/4NW/4 (State Lease VC-837) & **S/2NE/4 Sec. 16** (State Lease VC-838)

Working Interest Owner	Decimal
V-F Petroleum Inc.	1.00000000
TOTAL	1.00000000

Overriding Royalty Interest Owners	Decimal
V-F Petroleum Inc.	0.00050000
Gahr Ranch & Investments Partnership, Ltd.	0.02343750
Thomas M. Beall	0.02343750
Jason J. Lodge	0.00125000
Sarah M. Loudenback	0.00125000
Mid-Western Energy, L.L.C.	0.00012500



EXHIBIT A-3

Royalty Interest Owner	Decimal
State of New Mexico	0.20000000

S/2NW/4 Sec. 15 (Federal Lease NMNM 089882 (Out of NMLC 029388-D))

Working Interest Owners	
V-F Petroleum Inc.	0.09916668
Permian Resources Operating, LLC	0.85125000
Ard Oil, LTD	0.03718750
Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard.	0.01239582
TOTAL	1.00000000

Overriding Royalty Interest Owners	Decimal
Zorro Partners, Ltd.	0.00619790
Javelina Partners	0.00619790
Hudson, Francis Hill, Trustee of Lindy's Living Trust created by Trust	
Agreement dated July 8, 1994	0.00929688
Moore and Shelton Co. Ltd.	0.00498750
Mewbourne, Curtis W., Trustee	0.02107500
Marathon Oil Permian LLC	0.08125000

Royalty Interest Owner	Decimal
United States of America	0.12500000

SW/4NE/4 Sec. 15 (Federal Lease NMNM 089879)

Working Interest Owner	Decimal
V-F Petroleum Inc.	0.14166666
Permian Resources Operating, LLC	0.78750000
Ard Oil, LTD	0.05312500
Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J.	
Terrell Ard.	0.01770834
TOTAL	1.00000000

EXHIBIT A-3

Overriding Royalty Interest Owners	Decimal
Zorro Partners, Ltd.	0.00531250
Javelina Partners	0.00531250
Hudson, Francis Hill, Trustee of Lindy's Living Trust created by Trust Agreement dated July 8, 1994	0.00796875
Ralph A. Shugart Jr. Trust dated 5/26/1983	0.05000000
Moore and Shelton Co. Ltd.	0.00337500
Mewbourne, Curtis W., Trustee	0.01725000
Marathon Oil Permian LLC	0.03750000

Royalty Interest Owner	Decimal
United States of America	0.12500000

SE/4NE/4 Sec. 15 (Federal Lease NMNM 089879)

Working Interest Owner	Decimal
V-F Petroleum Inc.	0.21666667
Permian Resources Operating, LLC	0.10625000
Bank of America, N.A., Trustee of the Delmar Hudson Lewis Living Trust	0.10625000
created by Trust Agreement dated September 9, 2002 Ard Oil, LTD	0.10625000
Ald Oil, LTD	0.03312300
Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J.	
Terrell Ard.	0.01770833
Marathon Oil Permian LLC	0.50000000

Overriding Royalty Interest Owners	Decimal
Zorro Partners, Ltd.	0.00531251
Javelina Partners	0.00531251
Hudson, Francis Hill, Trustee of Lindy's Living Trust created by Trust Agreement dated July 8, 1994	0.00796875
Ralph A. Shugart Jr. Trust dated 5/26/1983	0.05000000
Moore and Shelton Co. Ltd.	0.00562500

Royalty Interest Owner	Decimal
United States of America	0.12500000

EXHIBIT A-3

UNIT RECAPITULATION

(Yellow denotes the Parties to be Pooled)

Working Interest Owner	Decimal
XTO Holdings, LLC (uncommitted)	0.12500000
V-F Petroleum Inc.	0.44458334
Permian Resources Operating, LLC (uncommitted)	0.32453125
Bank of America, N.A., Trustee of the Delmar Hudson Lewis Living Trust created by Trust Agreement dated September 9, 2002 (uncommitted)	0.01328124
Ard Oil, LTD (committed)	0.02257813
Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard. (uncommitted)	0.00752604
Marathon Oil Permian LLC (uncommitted)	0.06250000

Overriding Royalty Interest Owners	Decimal
V-F Petroleum Inc. (committed)	0.00018750
Zorro Partners, Ltd. (committed)	0.00287760
Javelina Partners (committed)	0.00287760
Hudson, Francis Hill, Trustee of Lindy's Living Trust created by Trust	0.00424644
Agreement dated July 8, 1994 (uncommitted)	0.00431641
Gahr Ranch & Investments Partnership, Ltd. (committed)	0.00878906
Thomas M. Beall (committed)	0.00878906
Jason J. Lodge (committed)	0.00046875
Sarah M. Loudenback (committed)	0.00046875
Mid-Western Energy, L.L.C. (committed)	0.00004688
Ralph A. Shugart Jr. Trust dated 5/26/1983 (uncommitted)	0.01250000
Moore and Shelton Co. Ltd. (committed)	0.00237188
Mewbourne, Curtis W., Trustee (uncommitted)	0.00742500
Marathon Oil Permian LLC (uncommitted)	0.02500000

Royalty Interest Owner	Decimal
United States of America	0.06250000
State of New Mexico	0.09062500

EXHIBIT A-3

LIST OF ALL UNCOMMITTED WORKING INTEREST OWNERS TO BE POOLED

Working Interest Owner							
XTO Holdings, LLC							
Permian Resources Operating, LLC							
Bank of America, N.A., Trustee of the Delmar Hudson Lewis Living Trust created by Trust Agreement dated September 9, 2002							
Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard.							
Marathon Oil Permian LLC							

LIST OF ALL UNCOMMITTED OVERRIDING ROYALTY INTEREST OWNERS TO BE POOLED

Overriding Royalty Interest Owners						
Hudson, Francis Hill, Trustee of Lindy's Living Trust created by Trust Agreement dated July 8, 1994						
Ralph A. Shugart Jr. Trust dated 5/26/1983						
Mewbourne, Curtis W., Trustee						
Marathon Oil Permian LLC						

Owner	Attn	Address 1	City	State	Zip Code
XTO Holdings, LLC	Delaware Basin Land Manager	22777 Springwoods Village Pkwy.	Spring	Texas	77389
Permian Resources Operating, LLC	Delaware Basin Land Department	300 N. Marienfeld St., Suite 1000	Midland	Texas	79701
Delmar Hudson Lewis Living Trust created by Trust Agreement dated September 9, 2002	Bank of America, N.A., Trustee	P.O. Box 830308	Dallas	Texas	75283-0308
Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard	Frost Bank, Trustee	P.O. Box 1600	San Antonio	Texas	78296
Marathon Oil Permian LLC	Chase Rice, Permian Land Supervisor	990 Town and Country Boulevard	Houston	Texas	77024
Moore & Shelton Company, Ltd.	Michael R. Moore, Agent	P.O. Box 3070	Galveston	Texas	77552
Lindy's Living Trust u/t/a dated July 8, 1994	Hudson, Francis Hill, Trustee	4200 South Hulen Street, Suite 302	Fort Worth	Texas	76109
Curtis W. Mewbourne, Trustee		P.O. Box 7698	Tyler	Texas	75711
Marathon Oil Permian LLC	Chase Rice, Permian Land Supervisor	990 Town and Country Boulevard	Houston	Texas	77024
Ralph A. Shugart Jr. Trust dated 5/26/1983	Elizabeth Duncan, Trustee	1960 Forest Parkway	Denver	Colorado	80220-1337

Rainier 16 15 Fed COM #233H

Chronological Contracts with Uncommitted Owners

XTO Holdings, LLC

- 9/13/23: Emailed Chad Smith, Landman and extended an offer extended offer for an Assignment, Bill of Sale for all working interest in Sec. 16;
- 9/20/23: Received email from Chad Smith requesting additional information and sent requested information that same day;
- 6/27/24: Received email from Chad Smith requesting certain additional information and Jordan Shaw with V-F called Chad Smith to provide requested information and verbally extended offer to acquire interest by either Term Assignment or Assignment, Bill of Sale for all working interest in Sec. 16;
- 11/15/24: Proposed Joint Operating Agreement; and
- 1/14/25: Received a call from Chad Smith requesting certain additional information and parties continue to negotiate.

Permian Resources Operating, LLC

- **8/28/24**: Sent email to Travis Macha, NM Land Lead to see if he was available to discuss Permian's Slim Jim proposals;
- 8/30/24: Jordan Shaw with V-F met Travis Macha with Permian for lunch and V-F proposed Permian and V-F split Sec. 15 down the middle wherein V-F would drill 1.5 mile wells in Sec. 16 & W/2 Sec. 15 and Permian would drill 1.5 mile wells in Sec. 14 & E/2 Sec. 15;
- 9/5/24: V-F sent Travis Macha at Permian what V-F owns in the E/2 Sec. 15;
- 9/9/24: Travis Macha sent Jordan Shaw with V-F an email of potential deal points to consider:
- 9/11/24: Jumped on a call with Travis to discuss deal points Travis sent on 9/9/24;
- 9/24/24: Received email stating that reservoir and geology can't justify shortened laterals based on the deal points discussed;
- 11/15/24: Proposed Joint Operating Agreement by mail;
- 1/17/25: Jordan Shaw with V-F met Travis Macha with Permian for beers and V-F proposed 3-mile development covering all Sec. 16, 15 & 14; and
- 1/20/25: V-F sent Permian a Letter Agreement based on proposal extended 1/17/25 and Permian responded with email stating that they are considering the proposal.

Bank of America, N.A., Trustee of the Delmar Hudson Lewis Living Trust created by Trust Agreement dated September 9, 2002

- 9/13/23: Responded two emails from Jeff Adams, Trustee asking about ownership which V-F answered and V-F extended offer for an Assignment, Bill of Sale for entire interest in Section 15;
- 9/29/23: V-F extended by email to Jeff Adams a Term Assignment offer;
- 11/1/23: V-F re-extended by email to Jeff Adams a Term Assignment offer; and
- 11/15/24: Proposed Joint Operating Agreement.

Ard Oil, LTD

- 9/14/23: Ried Marley, Landman emailed V-F asking about ownership and V-F responded answering his questions and extended an offer for a Term Assignment; and
- 11/15/24: Proposed Joint Operating Agreement.



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

- 9/18/23: Called Brad Ince, Trustee and left message and followed up with an email containing an offer for an Assignment, Bill of Sale for all of Section 15;
- 10/2/23: Debbie Dorsett, Geologist with Frost reached out and I extended offer verbally to her and added Term Assignment offer;
- 10/31/23: Email Brad Ince and re-extended both offers;
- 11/15/24: Proposed Joint Operating Agreement by mail.

Marathon Oil Permian LLC

- 9/8/23: Emailed Chase Rise, Permian Land Supervisor an offer for an Assignment, Bill of Sale for all of Section 15;
- 9/14/23: Followed up by email. Chase responded and said Farley Duvall was overseeing this project;
- 9/18/23: Emailed Farley Duvall and re-extended offer and extended Term Assignment offer;
- 10/2/23: Followed up by email to see if Marathon would consider either offer; and
- 11/15/24: Proposed Joint Operating Agreement by mail.

V-F Petroleum Inc.

Physical Address: 500 W. Texas, Suite 350, Midland, Texas, 79701; Phone 432-269-0569, Mailing Address: P.O. Box 1889, Midland, Texas, 79702; e-mail: jordan@vfpetroleum.com

November 6, 2024

Transmitted Via United States Postal System - Certified Mail - Return Receipt Requested

Marathon Oil Permian LLC 990 Town and Country Boulevard Houston , Tx. 77024 ATTN: Chase Rice, Permian Land Supervisor

RE: Horizontal Well Proposals – 2nd & 3rd Bone Spring Formation;

Standard Horizontal Spacing Unit - S/2N/2 Sections 16 & 15, Township 18 South, Range 31 East, Eddy County, New Mexico

Rainier 16 15 Fed Com #223H; 2nd Bone Spring

SHL: 1,130 FNL, 90 FWL of Section 16 (Unit D), T-18 South, R-31 East, Eddy County, NM FTP: 2,085 FNL, 100 FWL of Section 16 (Unit E), T-18 South, R-31 East, Eddy County, NM BHL/LTP: 2,085 FNL, 100 FEL of Section 15 (Unit H), T-18 South, R-31 East, Eddy County, NM

Rainier 16 15 Fed Com #233H; 3nd Bone Spring

SHL: 1,105 FNL, 90 FWL of Section 16 (Unit D), T-18 South, R-31 East, Eddy County, NM FTP: 2,085 FNL, 100 FWL of Section 16 (Unit E), T-18 South, R-31 East, Eddy County, NM BHL/LTP: 2,085 FNL, 100 FEL of Section 15 (Unit H), T-18 South, R-31 East, Eddy County, NM

Ladies and/or Gentlemen:

Please be advised that V-F Petroleum Inc. ("V-F") hereby proposes to drill, complete and equip each of the above referenced horizontal wells at the locations so indicated, to respectively test the 2nd and 3rd Bone Spring formations as more or less articulated herein.

The projected total vertical depth of the above stated <u>Rainier 16 15 Fed Com #223H</u> in order to test the 2rd Bone Spring formation is estimated to be 8,395 feet (TVD) with an approximate total measured depth of 19,415 feet. The costs to drill, complete and equip said well are estimated at <u>\$8,526,516.00</u> as indicated on the enclosed AFE.

The projected total vertical depth of the above stated <u>Rainier 16 15 Fed Com #233H</u> in order to test the 3rd Bone Spring formation is estimated to be 9,275 feet (TVD) with an approximate total measured depth of 20,325 feet. The costs to drill, complete and equip said well are estimated at <u>\$9,571,750.00</u> as indicated on the enclosed AFE.

For those who elect to participate in the captioned horizontal wells, V-F has enclosed an A.A.P.L. Form 610 – 1989 Model Form Operating Agreement, Horizontal Modifications ("Operating Agreement"), designating V-F Petroleum Inc. as Operator, covering the South Half of the North Half (S/2N/2) of Sections 16 & 15, Township 18 South, Range 31 East, Eddy County, New Mexico, containing approximately 320 acres, more or less, covering the Bone Spring formation ("Contract Area") with the following general provisions:

- 100/300/300 Non-Consenting Penalty;
- \$8,500/\$850 Drilling and Producing Rate; and
- V-F Petroleum Inc. named as Operator.

EXHIBIT A-5

Rainier 16 15 Fed Com #223H & #233H Marathon Oil Permian LLC November 6, 2024

In the interest of time, if we do not reach an agreement within 30 days of the date of this letter, V-F will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a standard horizontal spacing unit for the proposed wells.

Please indicate your intention to either <u>participate or not participate</u> in the drilling, completion and equipping of each of the above referenced wells by placing an "X" in the appropriate spaces provided below, and return one (1) executed copy of this letter, one (1) executed AFE for each well you have elected <u>to participate</u>, one original (1) Joint Operating Agreement body signature page, and one (1) original executed and notarized Memorandum of Operating Agreement signature page. If you should desire not to participate in the drilling and completion of the wells herein proposed, V-F is willing to discuss an alternative proposal to acquire your oil and gas interests in this area. Should you have any questions regarding this matter, please do not hesitate in contacting Jordan Shaw, Landman/Attorney for V-F Petroleum Inc. by phone at (432) 269-0569 or by email at jordan@vfpetroleum.com.

Best Regards,

Jordan Shaw Landman/Attorney

Enclosures

Elections set forth on the following pages

Rainier 16 15 Fed Com #223H & #233H Marathon Oil Permian LLC November 6, 2024

ELECTIONS Rainier 16 15 Fed Com #223H Well & Rainier 16 15 Fed Com #233H Well

Occidental Permian, LP

	Elect to Participate in the Rainier 16 15 Fed Com #223H Well	
	Elect Not to Participate in the Rainier 16 15 Fed Com #223H Well	
Ву: _	Title:	Date:
	_ Elect <u>to</u> Participate in the <u>Rainier 16 15 Fed Com #233H Well</u> _ Elect <u>Not to</u> Participate in the <u>Rainier 16 15 Fed Com #233H Well</u>	
R _V .	Title	Deta

	V-F Petroleum			API No. AFE Number		
	October 14, 2024	DITORE		Well Type	Third BS Horizontal Oil Well	
X	The state of the s	vision	Re-Entry	Projected TD:	9,275' TVD 20,325' MD	
X		cilities	Plug & Abandon	Proposal	Two Mile Horizontal Lateral	
Lease Name/W	/ell# County / State Formation	Basin	Field or Prospect		WL, Section 16, T-18-S, R-31-E	
Ranier 16-15	Federal Com #233H Eddy NM 3rd Bone Sprin		Shugart: Bone Spring N.		FEL, Section 15, T-18-S, R-31-E	
Acct	INTANGIBLE DESCRIPTION	100	COST BEFORE	COMPLETION	TOTAL	
Code	INTANGIBLE BESCRIPTION		CASING POINT	COST	WELL COST	
501	PERMITS & ENVIROMENTAL SERVICES		\$15,000	\$10,000	\$25,000	
516	TITLE OPINION, CURATIVE & POOLING		\$15,000		\$15,000	
501	SURVEYING STAKE LOCATION		\$7.500		\$7,500	
501	DAMAGES & R-O-W'S		\$15,000		\$15,000	
502/711	ROADS, LOCATION, PITS, LINERS, ETC.		\$1,500	\$25,000	\$26,500	
503	DRILLING RIG MOBILIZATION COST		\$10,000		\$10,000	
503	DRILLING - DAYS 20 days @ \$19	9,000	\$380,000		\$380,000	
503	MUD MOTORS & DIRECTIONAL		\$175,000		\$175,000	
517	CLOSED LOOP & DISPOSAL 21 days @ \$5,	,500	\$115,500		\$115,500	
505	MUD & FRAC CHEMICALS		\$125,000	\$350,000	\$475,000	
505/716	WATER (Brine & Fresh); FRAC WATER		\$58,000	\$400,000	\$458,000	
503	BITS, REAMERS, ETC		\$65,000	2100,000	\$65,000	
503	FUEL 75000 gallons @ \$6		\$450,000		\$450,000	
504	CEMENTING SURFACE		\$25,000		\$25,000	
504	CEMENTING INTERMEDIATE		\$55,000		\$55,000	
701	CEMENTING PRODUCTION		355,000	\$165,000		
509/705	TUBULAR SERVICES AND TOOLS		\$55,000		\$165,000	
509/705	CASING CREWS PU LD MACHINE			\$90,000	\$145,000	
			\$45,000	\$50,000	\$95,000	
507	FLOAT EQUIPMENT, CENTRALIZERS, ECP'S, DV TOOLS		\$15,000	\$25,000	\$40,000	
	TESTING; COMPLETION, FLOWBACK			\$175,000	\$175,000	
508	OPEN HOLE LOGGING		-			
508		,500	\$70,000		\$70,000	
509/705	WELDING, HOURLY LABOR, ROUSTABOUT CREWS, SAFETY	PAY	\$36,000	\$250,000		
509/713	EQUIPMENT RENTAL		\$42,000	\$125,000	\$167,000	
509/714	TRUCKING, TRANSPORTATION, FORKLIFT		\$57,000	\$85,000	\$142,000	
715	COMPLETION UNIT; COIL TUBING UNIT			\$600,000	\$600,000	
704	FORMATION STIMULATION (60 STAGES)			\$2,435,500	\$2,435,500	
702/03	CASED HOLE LOGGING, PERFORATING & FRAC PLUGS			\$280,000	\$280,000	
510/11/706	GEOLOGIC / ENGINEERING		\$55,000	\$80,000	\$135,000	
509/705		,500	\$70,000	\$52,000	\$122,000	
514	DRILLING WELL RATE (A/O) 21 days @ \$50	00	\$10,500	\$5,000	\$15,500	
	INSURANCE		\$10,000	\$10,000	\$20,000	
509/705	CONTINGENCY (8%)		\$98,000	\$416,000	\$514,000	
TOTAL INT	ANGIBLE ESTIMATED COST		\$2,076,000	\$5,628,500	\$7,704,500	
Acct	TANGIBLE DESCRIPTION		COST BEFORE	COMPLETION	TOTAL	
Code			CASING POINT	COST	WELL COST	
620/820						
620/820	CONDUCTOR		\$42,000		\$42,000	
620/820	SURFACE		\$96,000	71	\$96,000	
620/820	INTERMEDIATE		\$120,000		\$120,000	
620/820	INTERMEDIATE					
820	PRODUCTION			\$609,750	\$609,750	
820	PRODUCTION LINER					
821	TUBING (Coated)			\$128,000	\$128,000	
621/824	WELLHEAD EQUIPMENT		\$28,000	\$18,000	\$46,000	
825	PRODUCTION FACILITY ENCLOSURE			\$25,000	\$25,000	
825	POWER SOURCE			\$25,000	\$25,000	
822	RODS AND PUMP (FG & STEEL)					
823	PACKERS, BP'S, ESP, DOWNHOLE EQUIPMENT			\$265,000	\$265,000	
827	HEATER TREATER, SEPERATOR, FWKO			\$175,000	\$175,000	
831	GAS SALES LINE & METER RUN		7	\$5,500	\$5,500	
830	FLOWLINES, VALVES, CONNECTIONS			\$10,000	\$10,000	
827	TANKS (WATER AND PRODUCTION)		1	\$150,000	\$150,000	
622/820	CONTINGENCY (10%)		\$29,000		\$170,000	
TOTAL TAI	NGIBLE ESTIMATED COST		\$315,000	÷	ì	
-	P&A Costs, Rig. Cmt, Cleanup, Misc., Services		\$50,000			
	D DRY HOLE COST		\$2,441,000			
TOTAL AFE	E ESTIMATED COST		\$2,391,000	\$7,180,750	\$9,571,750	
WI OWNER		AUTHOF OPERAT		THE ACTUAL COSTS I	ES ONLY AND APPROVAL OF THIS INCURRED IN CONDUCTING THE THE HEREIN SET OUT. Date: 10/14/2024	

V-F Petroleum Inc.

Physical Address: 500 W. Texas, Suite 350, Midland, Texas, 79701; Phone 432-269-0569; Mailing Address: P.O. Box 1889, Midland, Texas, 79702; e-mail: jordan@yfpetroleum.com

January 21, 2025

<u>Transmitted Via United States Postal System – Certified Mail – Return Receipt Requested</u>

Marathon Oil Permian LLC 990 Town and County Boulevard Houston, Texas 77024

RE: Supplemental Horizontal Well Proposals – 2nd & 3rd Bone Spring Formation;
Standard Horizontal Spacing Unit – S/2N/2 Sections 16 & 15, Township 18 South, Range 31 East,
Eddy County, New Mexico

Rainier 16 15 Fed Com #223H; 2nd Bone Spring

SHL: 1,618 FNL, 728 FWL of Section 16 (Unit E), T-18 South, R-31 East, Eddy County, NM FTP: 2,085 FNL, 100 FWL of Section 16 (Unit E), T-18 South, R-31 East, Eddy County, NM 2,085 FNL, 100 FEL of Section 15 (Unit H), T-18 South, R-31 East, Eddy County, NM

Rainier 16 15 Fed Com #233H; 3nd Bone Spring

SHL: 1,592 FNL, 728 FWL of Section 16 (Unit E), T-18 South, R-31 East, Eddy County, NM FTP: 2,085 FNL, 100 FWL of Section 16 (Unit E), T-18 South, R-31 East, Eddy County, NM BHL/LTP: 2,085 FNL, 100 FEL of Section 15 (Unit H), T-18 South, R-31 East, Eddy County, NM

Ladies and/or Gentlemen:

Please be advised that V-F Petroleum Inc. ("V-F") has moved the surface hole location for the **Rainier 16 15 Fed Com #223H** from 1,130 FNL, 90 FWL of Section 16 to 1,618 FNL, 728 FWL of Section 16 (Unit E) and enclosed for your consideration is the updated AFE containing the new surface hole location and updated lateral length.

Please be advised that V-F Petroleum Inc. ("V-F") has moved the surface hole location for the **Rainier 16 15 Fed Com #233H** from 1,105 FNL, 90 FWL of Section 16 to 1,592 FNL, 728 FWL of Section 16 (Unit E) and enclosed for your consideration is the updated AFE containing the new surface hole location and updated lateral length.

The rest and the remainder of the Horizontal Well Proposal remains the same and this Supplemental Horizontal Well Proposal and its accompanying AFEs shall be deemed to be retroactively effective for all purposes as of the date the original Horizontal Well Proposal was sent.

Should you have any questions regarding this matter, please do not hesitate in contacting Jordan Shaw, Landman/Attorney for V-F Petroleum Inc. by phone at (432) 269-0569 or by email at jordan@vfpetroleum.com.

Best Regards,

Jordan Shaw Landman/Attorney

	V-F Petroleum Inc.							API No.		
	AUTHORIZATION FOR EXPENDITURE							AFE Number		
	January 20, 2025						7	Well Type	Second BS Horizontal Oil Well	
X	Original Supplement Revision						Re-Entry	Projected TD:	8,395' TVD 19,631' MD	
X	Drill Well		Workover	р .:	Facilities	p :	Plug & Abandon	Proposal	Two Mile Horizontal Lateral	
Lease Name/V	=					Permian Permian	Field or Prospect Shugart; Bone Spring N.		WL, Section 16, T-18-S, R-31-E FEL, Section 15, T-18-S, R-31-E	
Acct	T cucran con	1/122011			opring .		COST BEFORE	COMPLETION	TOTAL	
Code	INTANGIBLE DESCRIPTION						CASING POINT	COST	WELL COST	
501	PERMITS &	& ENVIROME	NTAL SERVICES				\$15,000	\$10,000	\$25,000	
516			IVE & POOLING				\$15,000		\$15,000	
501		IG STAKE LO	CATION				\$7,500		\$7,500	
501		& R-O-W'S	C I DIEDO ETO				\$15,000	625,000	\$15,000 \$85,000	
502/711 503		RIG MOBILIZ	S, LINERS, ETC.				\$60,000 \$10,000	\$25,000	\$10,000	
503	DRILLING			days @	\$19,000		\$342,000		\$342,000	
503		ORS & DIREC		,- ()	***,***		\$150,000		\$150,000	
517	CLOSED L	OOP & DISPO	SAL 19	days @	\$5,500		\$104,500		\$104,500	
505		AC CHEMICA					\$125,000	\$150,000	\$275,000	
505/716		rine & Fresh); I	FRAC WATER				\$40,000	\$400,000	\$440,000	
503		MERS, ETC.	65000		0.0		\$65,000		\$65,000	
503 504	FUEL	NG SURFACE	65000	gallons @	36		\$390,000 \$25,000		\$390,000 \$25,000	
504		NG INTERMEI	DIATE				\$45,000		\$45,000	
701		NG PRODUCT						\$126,000	\$126,000	
509/705	TUBULAR	SERVICES AN	ND TOOLS				\$45,000	\$65,000	\$110,000	
509/705	CASING C	REWS PU LD	MACHINE				\$35,000	\$45,000	\$80,000	
513/708			NTRALIZERS, ECP'S, DV	TOOLS			\$10,000	\$18,000	\$28,000	
507			, FLOWBACK					\$175,000	\$175,000	
508 508	MUD LOG	E LOGGING	10	days @	\$3,500		\$63,000		\$63,000	
509/705			BOR, ROUSTABOUT CR				\$26,000	\$250,000	303,000	
509/713		NT RENTAL	ibon, noosii iboo i en	2 0, 0			\$42,000	\$105,000	\$147,000	
509/714	TRUCKING	G, TRANSPOR	TATION, FORKLIFT				\$57,000	\$35,000	\$92,000	
715	COMPLET	ION UNIT; CO	IL TUBING UNIT					\$550,000	\$550,000	
704			TON (60 STAGES)					\$2,085,566	\$2,085,566	
702/03			, PERFORATING & FRAC	PLUGS			655,000	\$260,000	\$260,000	
510/11/706 509/705		C / ENGINEER T CONSULTA		days @	\$3,500		\$55,000 \$63,000	\$80,000 \$52,000	\$135,000 \$115,000	
514		WELL RATE		days @	\$5,000		\$9,000	\$5,000	\$14,000	
515/705	INSURANG			,- 0			\$10,000	\$10,000	\$20,000	
509/705	CONTING	ENCY (8%)					\$91,000	\$355,000	\$446,000	
TOTAL INT	ANGIBLE E	STIMATED C	OST				\$1,915,000	\$4,801,566	\$6,716,566	
Acct			TANGIBLE DESCRI	PTION			COST BEFORE	COMPLETION	TOTAL	
Code 620/820							CASING POINT	COST	WELL COST	
620/820	CONDUCT	OR					\$42,000		\$42,000	
620/820	SURFACE						\$96,000		\$96,000	
620/820	INTERMEI	DIATE					\$120,000		\$120,000	
620/820	INTERMEI									
820	PRODUCT							\$582,450	\$582,450	
820		ION LINER						£120.000	\$128,000	
821 621/824	TUBING (C	.oatea) D EQUIPMEN	т				\$28,000	\$128,000 \$18,000	\$128,000 \$46,000	
825			' ENCLOSURE				\$20,000	\$25,000	\$25,000	
825	POWER SO							\$25,000	\$25,000	
822	RODS ANI	PUMP (FG &	STEEL)							
823			WNHOLE EQUIPMENT					\$265,000	\$265,000	
827			ERATOR, FWKO					\$175,000	\$175,000	
831 830		S LINE & MET	ER RUN CONNECTIONS					\$5,500 \$10,000	\$5,500 \$10,000	
827		ATER AND PE						\$150,000	\$15,000	
622/820		ENCY (8%)	1000011011)				\$29,000	\$111,000	\$140,000	
TOTAL TAI	NGIBLE EST	TIMATED COS	T				\$315,000	\$1,494,950	\$1,809,950	
941-945 P&A Costs, Rig, Cmt, Cleanup, Misc., Services ESTIMATED DRY HOLE COST						\$50,000				
							\$2,280,000 \$2,230,000			
	E ESTIMATI	CEPTANCE:					\$2,230,000	\$6,296,516	\$8,526,516	
WI OWNER					_	AUTHORI		THE ACTUAL COSTS I	S ONLY AND APPROVAL OF THIS NCURRED IN CONDUCTING THE HE HEREIN SET OUT.	
					=	Dr 11	: Bill Pierce		Peter 10/14/2024	
Title Signature					_	riepared by	. om rieice		Date: 10/14/2024	
Signature					_					
Date					-					

	V-F Petroleum Inc.		API No.	
	AUTHORIZATION FOR EXPENDITURE		AFE Number	m: ipay : iaiw ii
	October 14, 2024		Well Type	Third BS Horizontal Oil Well
X	Original Supplement Revision Drill Well Workover Facilities	Re-Entry Plug & Abandon	Projected TD:	9,275' TVD 20,325' MD
			Proposal	Two Mile Horizontal Lateral
Lease Name/W	Vell # County / State Formation Basin Federal Com #233H Eddy NM 3rd Bone Spring Permian	Field or Prospect Shugart; Bone Spring N.		' FWL, Section 16, T-18-S, R-31-E FEL, Section 15, T-18-S, R-31-E
Acct		COST BEFORE		TOTAL
Code	INTANGIBLE DESCRIPTION	CASING POINT	COMPLETION COST	WELL COST
501	PERMITS & ENVIROMENTAL SERVICES	\$15,000	\$10,000	\$25,000
516	TITLE OPINION, CURATIVE & POOLING	\$15,000	310,000	\$15,000
501	SURVEYING STAKE LOCATION	\$7,500		\$7,500
501	DAMAGES & R-O-W'S	\$15,000		\$15,000
502/711	ROADS, LOCATION, PITS, LINERS, ETC.	\$1,500	\$25,000	\$26,500
503	DRILLING RIG MOBILIZATION COST	\$10,000	\$25,000	\$10,000
503	DRILLING - DAYS 20 days @ \$19,000	\$380,000		\$380,000
503	MUD MOTORS & DIRECTIONAL	\$175,000		\$175,000
517	CLOSED LOOP & DISPOSAL 21 days @ \$5,500	\$115,500		\$115,500
505	MUD & FRAC CHEMICALS	\$125,000	\$350,000	\$475,000
505/716	WATER (Brine & Fresh); FRAC WATER	\$58,000	\$400,000	\$458,000
503	BITS, REAMERS, ETC.	\$65,000	\$100,000	\$65,000
503	FUEL 75000 gallons @ \$6	\$450,000		\$450,000
504	CEMENTING SURFACE	\$25,000		\$25,000
504	CEMENTING INTERMEDIATE	\$55,000		\$55,000
701	CEMENTING INTERMEDIATE CEMENTING PRODUCTION	\$55,000	\$165,000	\$165,000
509/705	TUBULAR SERVICES AND TOOLS	\$55,000	\$90,000	\$145,000
509/705	CASING CREWS PU LD MACHINE	\$45,000	\$50,000	\$95,000
513/708	FLOAT EQUIPMENT, CENTRALIZERS, ECPS, DV TOOLS	\$15,000	\$25,000	\$40,000
507	TESTING; COMPLETION, FLOWBACK	313,000	\$175,000	\$175,000
508	OPEN HOLE LOGGING		\$175,000	\$175,000
508	MUD LOGGING 20 days @ \$3,500	\$70,000		\$70,000
509/705	WELDING, HOURLY LABOR, ROUSTABOUT CREWS, SAFETY PAY	\$36,000	\$250,000	370,000
509/713	EQUIPMENT RENTAL	\$42,000	\$125,000	\$167,000
509/714	TRUCKING, TRANSPORTATION, FORKLIFT	\$57,000	\$85,000	\$142,000
715	COMPLETION UNIT: COIL TUBING UNIT	337,000	\$600,000	\$600,000
704	FORMATION STIMULATION (60 STAGES)		\$2,435,500	\$2,435,500
702/03	CASED HOLE LOGGING, PERFORATING & FRAC PLUGS		\$280,000	\$280,000
510/11/706	GEOLOGIC / ENGINEERING	\$55,000	\$80,000	\$135,000
509/705	CONTRACT CONSULTANTS 21 days @ \$3,500	\$70,000	\$52,000	\$122,000
514	DRILLING WELL RATE (A/O) 21 days @ \$500	\$10,500	\$5,000	\$15,500
515/705	INSURANCE 21 days @ 3500	\$10,000	\$10,000	\$20,000
313/703	INSURANCE	\$10,000	\$10,000	320,000
509/705	CONTINGENCY (8%)	\$98,000	\$416,000	\$514,000
509/705 TOTAL INT	CONTINGENCY (8%) CANGIRI E ESTIMATED COST	\$98,000 \$2,076,000	\$416,000 \$5,628,500	\$514,000 \$7,704,500
TOTAL INT	FANGIBLE ESTIMATED COST	\$2,076,000	\$5,628,500	\$7,704,500
TOTAL INT		\$2,076,000 COST BEFORE	\$5,628,500 COMPLETION	\$7,704,500 TOTAL
TOTAL INT Acct Code	FANGIBLE ESTIMATED COST	\$2,076,000	\$5,628,500	\$7,704,500
TOTAL INT Acct Code 620/820	TANGIBLE ESTIMATED COST TANGIBLE DESCRIPTION	\$2,076,000 COST BEFORE CASING POINT	\$5,628,500 COMPLETION	\$7,704,500 TOTAL WELL COST
TOTAL INT Acct Code 620/820 620/820	TANGIBLE ESTIMATED COST TANGIBLE DESCRIPTION CONDUCTOR	\$2,076,000 COST BEFORE CASING POINT \$42,000	\$5,628,500 COMPLETION	\$7,704,500 TOTAL WELL COST
TOTAL INT Acct Code 620/820 620/820 620/820	TANGIBLE ESTIMATED COST TANGIBLE DESCRIPTION CONDUCTOR SURFACE	\$2,076,000 COST BEFORE CASING POINT \$42,000 \$96,000	\$5,628,500 COMPLETION	\$7,704,500 TOTAL WELL COST \$42,000 \$96,000
TOTAL INT Acct Code 620/820 620/820 620/820 620/820	TANGIBLE ESTIMATED COST TANGIBLE DESCRIPTION CONDUCTOR SURFACE INTERMEDIATE	\$2,076,000 COST BEFORE CASING POINT \$42,000	\$5,628,500 COMPLETION	\$7,704,500 TOTAL WELL COST
TOTAL INT Acct Code 620/820 620/820 620/820 620/820 620/820 620/820	TANGIBLE ESTIMATED COST TANGIBLE DESCRIPTION CONDUCTOR SURFACE INTERMEDIATE INTERMEDIATE	\$2,076,000 COST BEFORE CASING POINT \$42,000 \$96,000	S5,628,500 COMPLETION COST	\$7,704,500 TOTAL WELL COST \$42,000 \$56,000 \$120,000
TOTAL INT Acct Code 620/820 620/820 620/820 620/820	TANGIBLE ESTIMATED COST TANGIBLE DESCRIPTION CONDUCTOR SURFACE INTERMEDIATE	\$2,076,000 COST BEFORE CASING POINT \$42,000 \$96,000	\$5,628,500 COMPLETION	\$7,704,500 TOTAL WELL COST \$42,000 \$96,000
TOTAL INT Acet Code 620/820 620/820 620/820 620/820 620/820 820 820	TANGIBLE ESTIMATED COST TANGIBLE DESCRIPTION CONDUCTOR SURFACE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION LINER	\$2,076,000 COST BEFORE CASING POINT \$42,000 \$96,000	S5,628,500 COMPLETION COST \$609,750	\$7,704,500 TOTAL WELL COST \$42,000 \$96,000 \$120,000
TOTAL INT Acct Code 620/820 620/820 620/820 620/820 620/820 820 820 820	TANGIBLE ESTIMATED COST TANGIBLE DESCRIPTION CONDUCTOR SURFACE INTERMEDIATE INTERMEDIATE PRODUCTION	\$2,076,000 COST BEFORE CASING POINT \$42,000 \$96,000	S5,628,500 COMPLETION COST	\$7,704,500 TOTAL WELL COST \$42,000 \$96,000 \$120,000 \$609,750
TOTAL INT Acct Code 620/820 620/820 620/820 620/820 620/820 820 820 820 821	TANGIBLE ESTIMATED COST TANGIBLE DESCRIPTION CONDUCTOR SURFACE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION PRODUCTION LINER TUBING (Coated)	\$2,076,000 COST BEFORE CASING POINT \$42,000 \$96,000 \$120,000	\$5,628,500 COMPLETION COST \$609,750 \$128,000	\$7,704,500 TOTAL WELL COST \$42,000 \$96,000 \$120,000 \$609,750 \$128,000
TOTAL INT Acet Code 620/820 620/820 620/820 620/820 620/820 820 820 820 821 621/824	TANGIBLE ESTIMATED COST TANGIBLE DESCRIPTION CONDUCTOR SURFACE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION PRODUCTION LINER TUBING (Coated) WELLHEAD EQUIPMENT	\$2,076,000 COST BEFORE CASING POINT \$42,000 \$96,000 \$120,000	\$5,628,500 COMPLETION COST \$609,750 \$128,000 \$18,000	\$7,704,500 TOTAL WELL COST \$42,000 \$96,000 \$120,000 \$609,750 \$128,000 \$46,000
TOTAL INT Acet Code 620/820 620/820 620/820 620/820 620/820 820 820 820 821 621/824 825	TANGIBLE ESTIMATED COST TANGIBLE DESCRIPTION CONDUCTOR SURFACE INTERMEDIATE INTERMEDIATE PRODUCTION LINER TUBING (Coated) WELLHEAD EQUIPMENT PRODUCTION FACILITY ENCLOSURE	\$2,076,000 COST BEFORE CASING POINT \$42,000 \$96,000 \$120,000	\$5,628,500 COMPLETION COST \$609,750 \$128,000 \$18,000 \$25,000	\$7,704,500 TOTAL WELL COST \$42,000 \$96,000 \$120,000 \$609,750 \$128,000 \$46,000 \$525,000
TOTAL INT Acet Code 620/820 620/820 620/820 620/820 820 820 820 821 621/824 825 825	TANGIBLE ESTIMATED COST TANGIBLE DESCRIPTION CONDUCTOR SURFACE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION LINER TUBING (Coated) WELLHEAD EQUIPMENT PRODUCTION FACILITY ENCLOSURE POWER SOURCE	\$2,076,000 COST BEFORE CASING POINT \$42,000 \$96,000 \$120,000	\$5,628,500 COMPLETION COST \$609,750 \$128,000 \$18,000 \$25,000	\$7,704,500 TOTAL WELL COST \$42,000 \$96,000 \$120,000 \$609,750 \$128,000 \$46,000 \$525,000
TOTAL INT Acet Code 620/820 620/820 620/820 620/820 820 820 820 821 621/824 825 825 822	TANGIBLE ESTIMATED COST TANGIBLE DESCRIPTION CONDUCTOR SURFACE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION LINER TUBING (Coated) WELLHEAD EQUIPMENT PRODUCTION FACILITY ENCLOSURE POWER SOURCE RODS AND PUMP (FG & STEEL)	\$2,076,000 COST BEFORE CASING POINT \$42,000 \$96,000 \$120,000	\$5,628,500 COMPLETION COST \$609,750 \$128,000 \$18,000 \$25,000 \$25,000	\$7,704,500 TOTAL WELL COST \$42,000 \$96,000 \$120,000 \$120,000 \$128,000 \$46,000 \$25,000 \$25,000
TOTAL INT Acet Code 620/820 620/820 620/820 620/820 620/820 820 821 621/824 825 825 822 823	TANGIBLE ESTIMATED COST TANGIBLE DESCRIPTION CONDUCTOR SURFACE INTERMEDIATE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION PRODUCTION LINER TUBING (Coated) WELLHEAD EQUIPMENT PRODUCTION FACILITY ENCLOSURE POWER SOURCE POWER SOURCE RODS AND PUMP (FG & STEEL) PACKERS, BP'S, ESP, DOWNHOLE EQUIPMENT	\$2,076,000 COST BEFORE CASING POINT \$42,000 \$96,000 \$120,000	\$5,628,500 COMPLETION COST \$609,750 \$128,000 \$18,000 \$25,000 \$25,000	\$7,704,500 TOTAL WELL COST \$42,000 \$96,000 \$120,000 \$128,000 \$128,000 \$25,000 \$25,000 \$25,000 \$26,000
TOTAL INT Acet Code 620/820 620/820 620/820 620/820 620/820 620/820 820 820 820 821 621/824 825 825 822 823	TANGIBLE ESTIMATED COST TANGIBLE DESCRIPTION CONDUCTOR SURFACE INTERMEDIATE INTERMEDIATE INTERMEDIATE PRODUCTION LINER TUBING (Coated) WELLHEAD EQUIPMENT PRODUCTION FACILITY ENCLOSURE POWER SOURCE RODS AND PUMP (FG & STEEL) PACKERS, BPS, ESP, DOWNHOLE EQUIPMENT HEATER TREATER, SEPERATOR, FWKO	\$2,076,000 COST BEFORE CASING POINT \$42,000 \$96,000 \$120,000	\$5,628,500 COMPLETION COST \$609,750 \$128,000 \$18,000 \$25,000 \$25,000 \$15,000	\$7,704,500 TOTAL WELL COST \$42,000 \$96,000 \$120,000 \$120,000 \$128,000 \$46,000 \$25,000 \$25,000 \$25,000 \$125,000 \$175,000
TOTAL INT	TANGIBLE ESTIMATED COST TANGIBLE DESCRIPTION CONDUCTOR SURFACE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION LINER TUBING (Coated) WELLHEAD EQUIPMENT PRODUCTION FACILITY ENCLOSURE POWER SOURCE RODS AND PUMP (FG & STEEL) PACKERS, BPS, ESP, DOWNHOLE EQUIPMENT HEATTER TREATER, SEPERATOR, FWKO GAS SALES LINE & METER RUN	\$2,076,000 COST BEFORE CASING POINT \$42,000 \$96,000 \$120,000	\$5,628,500 COMPLETION COST \$609,750 \$128,000 \$18,000 \$25,000 \$25,000 \$175,000 \$175,000 \$55,500	\$7,704,500 TOTAL WELL COST \$42,000 \$96,000 \$120,000 \$128,000 \$46,000 \$25,000 \$25,000 \$15,000 \$175,000 \$175,000 \$175,000
TOTAL INT Acet Code 620/820 620/820 620/820 620/820 820 820 821 621/824 825 822 823 827 831	TANGIBLE ESTIMATED COST TANGIBLE DESCRIPTION CONDUCTOR SURFACE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION LINER TUBING (Coated) WELLHEAD EQUIPMENT PRODUCTION FACILITY ENCLOSURE POWER SOURCE RODS AND PUMP (FG & STEEL) PACKERS, BPS, ESP, DOWNHOLE EQUIPMENT HEATER TREATER, SEPERATOR, FWKO GAS SALES LINE & METER RUN FLOWLINES, VALVES, CONNECTIONS	\$2,076,000 COST BEFORE CASING POINT \$42,000 \$96,000 \$120,000	\$5,628,500 COMPLETION COST \$609,750 \$128,000 \$18,000 \$25,000 \$25,000 \$175,000 \$5,500 \$10,000	\$7,704,500 TOTAL WELL COST \$42,000 \$96,000 \$120,000 \$120,000 \$46,000 \$25,000 \$25,000 \$25,000 \$175,000 \$175,000 \$175,000 \$15,000 \$15,000
TOTAL INT Acet Code 620/820 620/820 620/820 620/820 620/820 820 820 820 821 621/824 825 825 822 823 827 831 830 827 622/820	TANGIBLE ESTIMATED COST TANGIBLE DESCRIPTION CONDUCTOR SURFACE INTERMEDIATE INTERMEDIATE INTERMEDIATE PRODUCTION LINER TUBING (Coated) WELLHEAD EQUIPMENT PRODUCTION FACILITY ENCLOSURE POWER SOURCE RODS AND PUMP (FG & STEEL) PACKERS, BPS, ESP, DOWNHOLE EQUIPMENT HEATER TREATER, SEPERATOR, FWKO GAS SALES LINE & METER RUN FLOWLINES, VALVES, CONNECTIONS TANKS (WATER AND PRODUCTION)	\$2,076,000 COST BEFORE CASING POINT \$42,000 \$96,000 \$120,000	\$5,628,500 COMPLETION COST \$609,750 \$128,000 \$18,000 \$25,000 \$25,000 \$175,000 \$5,500 \$110,000 \$150,000	\$7,704,500 TOTAL WELL COST \$42,000 \$96,000 \$120,000 \$120,000 \$128,000 \$5128,000 \$5128,000 \$5128,000 \$5128,000 \$5128,000 \$5128,000 \$5128,000 \$5128,000 \$5128,000 \$5128,000 \$5128,000 \$5128,000 \$5128,000 \$5128,000 \$5128,000
TOTAL INT	TANGIBLE ESTIMATED COST TANGIBLE DESCRIPTION CONDUCTOR SURFACE INTERMEDIATE INTERMEDIATE PRODUCTION INNER TUBING (Coated) WELLHEAD EQUIPMENT PRODUCTION FACILITY ENCLOSURE POWER SOURCE RODS AND PUMP (FG & STEEL) PACKERS, BPS, ESP, DOWNHOLE EQUIPMENT HEATER TREATER, SEPERATOR, FWKO GAS SALES LINE & METER RUN FLOWLINES, VALVES, CONNECTIONS TANKS (WATER AND PRODUCTION) CONTINGENCY (10%)	\$2,076,000 COST BEFORE CASING POINT \$42,000 \$96,000 \$120,000	\$5,628,500 COMPLETION COST \$609,750 \$128,000 \$18,000 \$25,000 \$25,000 \$175,000 \$5,500 \$10,000 \$110,000 \$141,000	\$7,704,500 TOTAL WELL COST \$42,000 \$96,000 \$120,000 \$120,000 \$128,000 \$46,000 \$25,000 \$25,000 \$25,000 \$175,000 \$5,500 \$1,000 \$1,0000 \$1,0000 \$1,0000 \$1,0000 \$1,0000 \$1,0000 \$1,0000
TOTAL INT	TANGIBLE ESTIMATED COST TANGIBLE DESCRIPTION CONDUCTOR SURFACE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION PRODUCTION LINER TUBING (Coated) WELLHEAD EQUIPMENT PRODUCTION FACILITY ENCLOSURE POWER SOURCE RODS AND PUMP (FG & STEEL) PACKERS, BPS, ESP, DOWNHOLE EQUIPMENT HEATTER TREATER, SEPERATOR, FWKO GAS SALES LINE & METER RUN FLOWLINES, VALVES, CONNECTIONS TANKS (WATER AND PRODUCTION) CONTINGENCY (10%) NGIBLE ESTIMATED COST	\$2,076,000 COST BEFORE CASING POINT \$42,000 \$96,000 \$120,000 \$28,000 \$28,000	\$5,628,500 COMPLETION COST \$609,750 \$128,000 \$18,000 \$25,000 \$25,000 \$175,000 \$5,500 \$10,000 \$110,000 \$141,000	\$7,704,500 TOTAL WELL COST \$42,000 \$96,000 \$120,000 \$120,000 \$128,000 \$46,000 \$25,000 \$25,000 \$25,000 \$175,000 \$5,500 \$1,000 \$1,0000 \$1,0000 \$1,0000 \$1,0000 \$1,0000 \$1,0000 \$1,0000
TOTAL INT Act Code 620/820 620/820 620/820 620/820 820 820 820 820 821 621/824 825 825 822 827 831 830 827 622/820 TOTAL TAN 941-945	TANGIBLE ESTIMATED COST TANGIBLE DESCRIPTION CONDUCTOR SURFACE INTERMEDIATE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION LINER TUBING (Coated) WELLHEAD EQUIPMENT PRODUCTION FACILITY ENCLOSURE POWER SOURCE RODS AND PUMP (FG & STEEL) PACKERS, BP'S, ESP, DOWNHOLE EQUIPMENT HEATER TREATER, SEPERATOR, FWKO GAS SALES LINE & METER RUN FLOWLINES, VALVES, CONNECTIONS TANKS (WATER AND PRODUCTION) CONTINGENCY (10%) NGBILE ESTIMATED COST P&A Costs, Rig, Cmt, Cleanup, Misc., Services	\$2,076,000 COST BEFORE CASING POINT \$42,000 \$596,000 \$120,000 \$228,000 \$2315,000 \$315,000 \$500,000	\$5,628,500 COMPLETION COST \$609,750 \$128,000 \$18,000 \$25,000 \$25,000 \$175,000 \$5,500 \$10,000 \$110,000 \$141,000	\$7,704,500 TOTAL WELL COST \$42,000 \$96,000 \$120,000 \$120,000 \$128,000 \$46,000 \$25,000 \$25,000 \$25,000 \$175,000 \$5,500 \$1,000 \$1,0000 \$1,0000 \$1,0000 \$1,0000 \$1,0000 \$1,0000 \$1,0000
TOTAL INT Acet Code 620/820 620/820 620/820 620/820 820 820 820 821 621/824 825 825 827 831 830 827 622/820 TOTAL TAY 941-945 ESTIMATE! TOTAL AFF	TANGIBLE ESTIMATED COST TANGIBLE DESCRIPTION CONDUCTOR SURFACE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION LINER TUBING (Coated) WELLHEAD EQUIPMENT PRODUCTION FACILITY ENCLOSURE POWER SOURCE RODS AND PUMP (FG & STEEL) PACKERS, BPS, ESP, DOWNHOLE EQUIPMENT HEATER TREATER, SEPERATOR, FWKO GAS SALES LINE & METER RUN FLOWLINES, VALVES, CONNECTIONS TANKS (WATER AND PRODUCTION) CONTINGENCY (10%) NGIBLE ESTIMATED COST P&A COST, RIG, CMI, Cleanup, Misc., Services D DRY HOLE COST E ESTIMATED COST AL AND ACCEPTANCE: IT IS RI AUTHE	\$2,076,000 COST BEFORE CASING POINT \$42,000 \$96,000 \$120,000 \$120,000 \$28,000 \$28,000 \$315,000 \$50,000 \$2,441,000 \$2,441,000 \$2,241,000 \$2,241,000 \$2,241,000 \$3,000 \$3,000 \$3,000 \$3,000 \$3,000 \$4,000 \$4,000 \$4,000 \$5,0	\$5,628,500 COMPLETION COST \$609,750 \$128,000 \$18,000 \$25,000 \$25,000 \$175,000 \$150,000 \$150,000 \$1552,250 \$7,180,750	\$7,704,500 TOTAL WELL COST \$42,000 \$96,000 \$120,000 \$120,000 \$128,000 \$46,000 \$25,000 \$25,000 \$15,000 \$15,000 \$15,000 \$15,000 \$1,000
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TOTAL INT Acet Code 620/820 620/820 620/820 620/820 820 820 820 821 621/824 825 825 822 823 827 831 830 827 622/820 TOTAL TAY 941-945 ESTIMATE! TOTAL AFF	TANGIBLE ESTIMATED COST TANGIBLE DESCRIPTION CONDUCTOR SURFACE INTERMEDIATE INTERMEDIATE INTERMEDIATE PRODUCTION PRODUCTION LINER TUBING (Coated) WELLHEAD EQUIPMENT PRODUCTION FACILITY ENCLOSURE POWER SOURCE RODS AND PUMP (FG & STEEL) PACKERS, BP'S, ESP, DOWNHOLE EQUIPMENT HEATER TREATER, SEPERATOR, FWKO GAS SALES LINE & METER RUN FLOWLINES, VALVES, CONNECTIONS TANKS (WATER AND PRODUCTION) CONTINGENCY (10%) NORBIGE ESTIMATED COST P&A COSS, Rig. Cmt, Cleanup, Mise., Services D DRY HOLE COST E ESTIMATED COST AL AND ACCEPTANCE: IT IS RI AUTHE OPERA	\$2,076,000 COST BEFORE CASING POINT \$42,000 \$96,000 \$120,000 \$120,000 \$28,000 \$28,000 \$315,000 \$50,000 \$2,441,000 \$2,441,000 \$2,241,000 \$2,241,000 \$2,241,000 \$3,000 \$3,000 \$3,000 \$3,000 \$3,000 \$4,000 \$4,000 \$4,000 \$5,0	\$5,628,500 COMPLETION COST \$609,750 \$128,000 \$18,000 \$25,000 \$25,000 \$175,000 \$150,000 \$150,000 \$1552,250 \$7,180,750	\$7,704,500 TOTAL WELL COST \$42,000 \$96,000 \$120,000 \$120,000 \$128,000 \$46,000 \$25,000 \$25,000 \$15,500 \$175,000 \$150,000 \$150,000 \$150,000 \$1,867,250 \$1,867,250 \$1,867,250 \$1,867,250
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V-F Petroleum Inc.

Physical Address: 500 W. Texas, Suite 350, Midland, Texas, 79701; Phone 432-269-0569; Mailing Address: P.O. Box 1889, Midland, Texas, 79702; e-mail: jordan@yfpetroleum.com

January 20, 2025

Transmitted Via United States Postal System - Certified Mail - Return Receipt Requested

Marathon Oil Permian LLC 990 Town and Country Boulevard Houston, Texas 77025

RE: <u>Horizontal Well Proposals – 1st Bone Spring Formation;</u>

<u>Standard Horizontal Spacing Unit – S/2N/2 Sections 16 & 15, Township 18 South, Range 31 East, Eddy County, New Mexico</u>

Rainier 16 15 Fed Com #213H; 1st Bone Spring

SHL: 1,492 FNL, 728 FWL of Section 16 (Unit E), T-18 South, R-31 East, Eddy County, NM FTP: 2,085 FNL, 100' FWL of Section 16 (Unit E), T-18 South, R-31 East, Eddy County, NM BHL/LTP: 2,085 FNL, 100 FEL of Section 15 (Unit H), T-18 South, R-31 East, Eddy County, NM

Ladies and/or Gentlemen:

Please be advised that V-F Petroleum Inc. ("V-F") hereby proposes to drill, complete and equip each of the above referenced horizontal wells at the locations so indicated, to respectively test the 2^{nd} and 3^{rd} Bone Spring formations as more or less articulated herein.

The projected total vertical depth of the above stated <u>Rainier 16 15 Fed Com #213H</u> in order to test the 1st Bone Spring formation is estimated to be 7,750 feet (TVD) with an approximate total measured depth of 18,709 feet. The costs to drill, complete and equip said well are estimated at <u>\$8,024,206.00</u> as indicated on the enclosed AFE.

For those who elect to participate in the captioned horizontal wells, V-F has enclosed an A.A.P.L. Form 610 – 1989 Model Form Operating Agreement, Horizontal Modifications ("Operating Agreement"), designating V-F Petroleum Inc. as Operator, covering the South Half of the North Half (S/2N/2) of Sections 16 & 15, Township 18 South, Range 31 East, Eddy County, New Mexico, containing approximately 320 acres, more or less, covering the Bone Spring formation ("Contract Area") with the following general provisions:

- 100/300/300 Non-Consenting Penalty;
- \$8,500/\$850 Drilling and Producing Rate; and
- V-F Petroleum Inc. named as Operator.

In the interest of time, if we do not reach an agreement within 30 days of the date of this letter, V-F will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a standard horizontal spacing unit for the proposed wells.

Please indicate your intention to either <u>participate or not participate</u> in the drilling, completion and equipping of each of the above referenced wells by placing an "X" in the appropriate spaces provided below, and return one (1) executed copy of this letter, one (1) executed AFE for each well you have <u>elected</u>

to participate, one original (1) Joint Operating Agreement body signature page, and one (1) executed and notarized Memorandum of Operating Agreement signature page. If you should desir participate in the drilling and completion of the wells herein proposed. V-F is willing to discuss an alternative page.

A-6

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Page 434 of 600

Rainier 16 15 Fed Com #213H Marathon Oil Permian LLC January 20, 2025

proposal to acquire your oil and gas interests in this area. Should you have any questions regarding this matter, please do not hesitate in contacting Jordan Shaw, Landman/Attorney for V-F Petroleum Inc. by phone at (432) 269-0569 or by email at jordan@vfpetroleum.com.

Best Regards,

Jordan Shaw Landman/Attorney

Enclosures

Election set forth on the following page

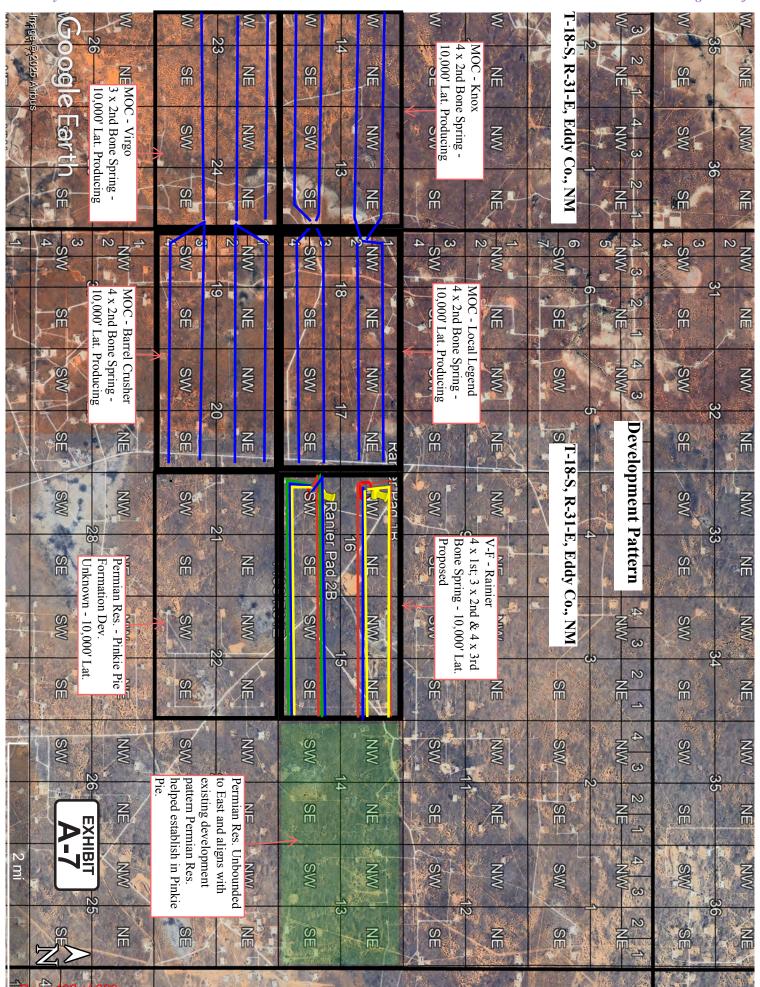
Rainier 16 15 Fed Com #213H Marathon Oil Permian LLC January 20, 2025

ELECTION Rainier 16 15 Fed Com #213H Well

Marathon Oil Permian LLC

	_ Elect to Participate in the Rainier 16 15 Fed Com #213H Well		
	Elect Not to Participate in the Rainier 16 15 Fed Com #213H Well		
By:	Title:	Date:	

V-F Petroleum Inc.							API No.		
			AUTHORIZATION	FOR EXP	ENDITURE			AFE Number	
	7		_	er 14, 2024	7		7	Well Type	First BS Horizontal Oil Well
X	Original		Supplement		Revision		Re-Entry	Projected TD:	7,750' TVD 18,709' MD
X	Drill Well		Workover		Facilities		Plug & Abandon	Proposal	Two Mile Horizontal Lateral
Lease Name/V Ranier 16-15		. #213H	County / State Eddy NM	Formation 1st Bone S	nring	Basin Permian	Field or Prospect Shugart; Bone Spring N.		FWL, Section 16, T-18-S, R-31-E FEL, Section 15, T-18-S, R-31-E
Acct							COST BEFORE	COMPLETION	TOTAL
Code			INTANGIBLE DESCR	RIPTION			CASING POINT	COST	WELL COST
501	PERMITS &	È ENVIROME	NTAL SERVICES				\$15,000	\$10,000	\$25,000
516							\$15,000		\$15,000
501	SURVEYIN	IG STAKE LO	CATION				\$7,500		\$7,500
501		& R-O-W'S					\$15,000		\$15,000
502/711			S, LINERS, ETC.				\$60,000	\$25,000	\$85,000
503		RIG MOBILIZ					\$10,000		\$10,000
503 503	DRILLING - DAYS 16 days @ \$19,000 MUD MOTORS & DIRECTIONAL						\$304,000 \$150,000		\$304,000 \$150,000
517							\$88,000		\$88,000
505		AC CHEMICA		days (a)	33,300		\$125,000	\$150,000	\$275,000
505/716		rine & Fresh); I					\$40,000	\$400,000	\$440,000
503	BITS, REAMERS, ETC.						\$65,000		\$65,000
503	FUEL 45000 gallons @ \$6						\$270,000		\$270,000
504	CEMENTING SURFACE						\$25,000		\$25,000
504		NG INTERMEI					\$45,000		\$45,000
701		NG PRODUCT						\$126,000	\$126,000
509/705		SERVICES A					\$45,000	\$65,000	\$110,000
509/705 513/708		REWS PU LD	MACHINE NTRALIZERS, ECP'S, DV	TOOLS			\$35,000 \$10,000	\$45,000 \$18,000	\$80,000 \$28,000
507			I, FLOWBACK	TOOLS			\$10,000	\$175,000	\$175,000
508		E LOGGING	, I LO WELLER					\$175,000	#175,000
508	MUD LOG		16	days @	\$3,500		\$56,000		\$56,000
509/705	WELDING	HOURLY LA	ABOR, ROUSTABOUT CR		ETY PAY		\$26,000	\$250,000	
509/713	EQUIPMEN	NT RENTAL					\$42,000	\$105,000	\$147,000
509/714			TATION, FORKLIFT				\$57,000	\$35,000	\$92,000
715			IL TUBING UNIT					\$550,000	\$550,000
704			TION (60 STAGES)	DILLICG				\$2,085,566	\$2,085,566
702/03 510/11/706	CASED HOLE LOGGING, PERFORATING & FRAC PLUGS GEOLOGIC / ENGINEERING						\$55,000	\$260,000 \$80,000	\$260,000 \$135,000
509/705		T CONSULTA		days @	\$3,500		\$56,000	\$52,000	\$108,000
514		WELL RATE		days @	\$500		\$8,000	\$5,000	\$13,000
515/705	INSURANG		,	,- 0			\$10,000	\$10,000	\$20,000
509/705)5 CONTINGENCY (8%)						\$81,000	\$355,000	\$436,000
TOTAL INT	OTAL INTANGIBLE ESTIMATED COST						\$1,715,500	\$4,801,566	\$6,517,066
Acct			TANGIBLE DESCRI	IPTION			COST BEFORE	COMPLETION	TOTAL
Code							CASING POINT	COST	WELL COST
620/820 620/820	CONDUCT	OD					\$42,000		\$42,000
620/820	SURFACE	OK					\$96,000		\$96,000
620/820	INTERMEI	DIATE					\$120,000		\$120,000
620/820	INTERMEI								,,,,,
820	PRODUCT	ION						\$310,640	\$310,640
820	PRODUCT	ION LINER							
821	TUBING (C							\$120,000	\$120,000
621/824		D EQUIPMEN					\$28,000	\$18,000	\$46,000
825			/ ENCLOSURE					\$25,000	\$25,000
825 822	POWER SO	OURCE O PUMP (FG &	eteri)					\$25,000	\$25,000
823			WNHOLE EQUIPMENT					\$265,000	\$265,000
827			ERATOR, FWKO					\$175,000	\$175,000
831		S LINE & MET						\$5,500	\$5,500
830	FLOWLINI	ES, VALVES, O	CONNECTIONS					\$10,000	\$10,000
827	TANKS (W	ATER AND PI	RODUCTION)					\$150,000	\$150,000
622/820		ENCY (8%)					\$29,000	\$88,000	\$117,000
		TIMATED COS					\$315,000	\$1,192,140	\$1,507,140
	P&A Costs, D DRY HOL		nup, Misc., Services				\$50,000 \$2,080,500		
	E ESTIMATI						\$2,080,500	\$5,993,706	\$8,024,206
		CEPTANCE:					\$2,030,300	\$3,773,700	30,024,200
WI OWNER	<u> </u>				_	AUTHORI		THE ACTUAL COSTS I	S ONLY AND APPROVAL OF THIS NCURRED IN CONDUCTING THE HE HEREIN SET OUT.
					-		P.W.P.		D. 1044
						Prepared by:	Bill Pierce		Date: 10/14/2024
Title					-				
Signature					-				



TAB 3

Exhibit B: Self-Affirmed Statement of Stephen Burke, Geologist

Exhibit B-1: Structure Map

Exhibit B-2: Stratigraphic Cross Section Exhibit B-3: Gross Isopach Exhibit B-4: Gun Barrel View

Exhibit B-5: Structural Cross-Section

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

APPLICATION OF V-F PETROLEUM INC., FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case No. 25117

SELF-AFFIRMED STATEMENT OF STEPHEN BURKE

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

- 1. I am over the age of 18, and I have personal knowledge of the matters stated herein.
- 2. I am employed as a petroleum geologist for V-F Petroleum Inc., and I am familiar with the subject application and the geology involved.
- 3. I graduated in 1980 from Stephen F. Austin State University with a bachelor's degree in Geology. I have worked at V-F Petroleum Inc. for under a year, and I have been working in New Mexico for 25 years. My credentials as a petroleum geologist have been accepted by the New Mexico Oil Conservation Division ("Division") and made a matter of record.
- 4. This affidavit is submitted in connection with the filing by V-F Petroleum Inc. of the above-referenced compulsory pooling application pursuant to 19.15.4.12.A(1) NMAC.
- 5. **Exhibit B-1** is a structure map of the top of 3rd Bone Spring Sand with contour interval of 50°. The unit being pooled is outlined by red rectangle. The structure



map shows that there is a regional down-dip to the southeast. I do not observe any faulting, pinchouts, or other geologic impediments to developing this targeted interval

- 6. **Exhibit B-2** is a stratigraphic cross-section flattened on the top of the 3rd Bone Spring Sand. Each well in the cross-section contains a gamma ray, resistivity, and porosity log. The cross-section demonstrates continuity and slight thinning to north of the target zone. The well logs on the cross-section give a representative sample of the 3rd Bone Spring Sand. The landing zone is highlighted by light, brown shading.
- 7. **Exhibit B-3** is a gross isopach map of the 3rd Bone Spring Sand, this map demonstrates the continuity of the target zone across this vicinity.
- 8. **Exhibits B-4** is gun barrel diagram of the unit demonstrating the vertical and lateral location of the wellbore.
- 9. **Exhibit B-5** is a structural cross section built along the wellbore trajectories. Exhibits B-1 through B-5 are the same for the 3rd Bone Spring Sand's applications in Cases Nos. 2494, 2595 and 2515.
 - 10. I conclude from the attached exhibits that:
 - a. The horizontal spacing and proration unit is justified from a geologic standpoint.
 - There are no structural impediments or faulting that will interfere with horizontal development.
 - c. Each quarter-quarter section in the unit will contribute more or less equally to production.
- 11. The preferred well orientation in this area is west to east so that the wells run sub-perpendicular to the inferred orientation of the maximum horizontal stress.

- 12. The Exhibits to this Affidavit were prepared by me or compiled from V-F Petroleum Inc.'s company business records under my direct supervision.
- 13. The granting of this Application is in the interests of conservation, the prevention of waste and the drilling of unnecessary wells, and the protection of correlative rights.
- 14. The foregoing is correct and complete to the best of my knowledge and belief.

[Signature page follows]

Signature page of Self-Affirmed Statement of Stephen Burke:

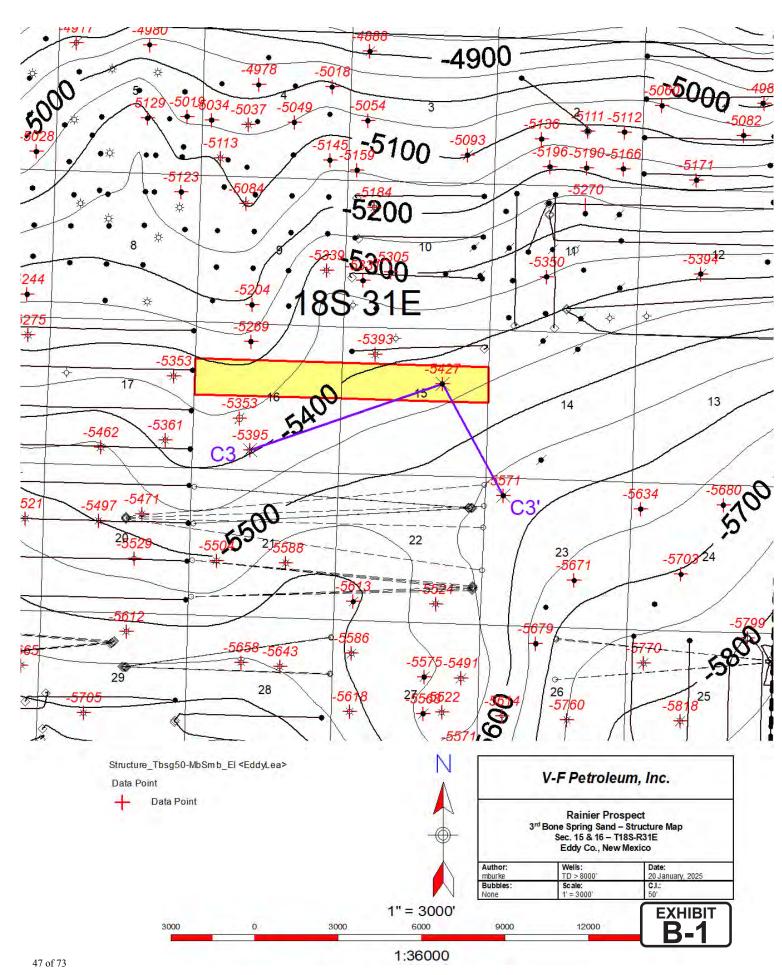
I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case No. 25117 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.

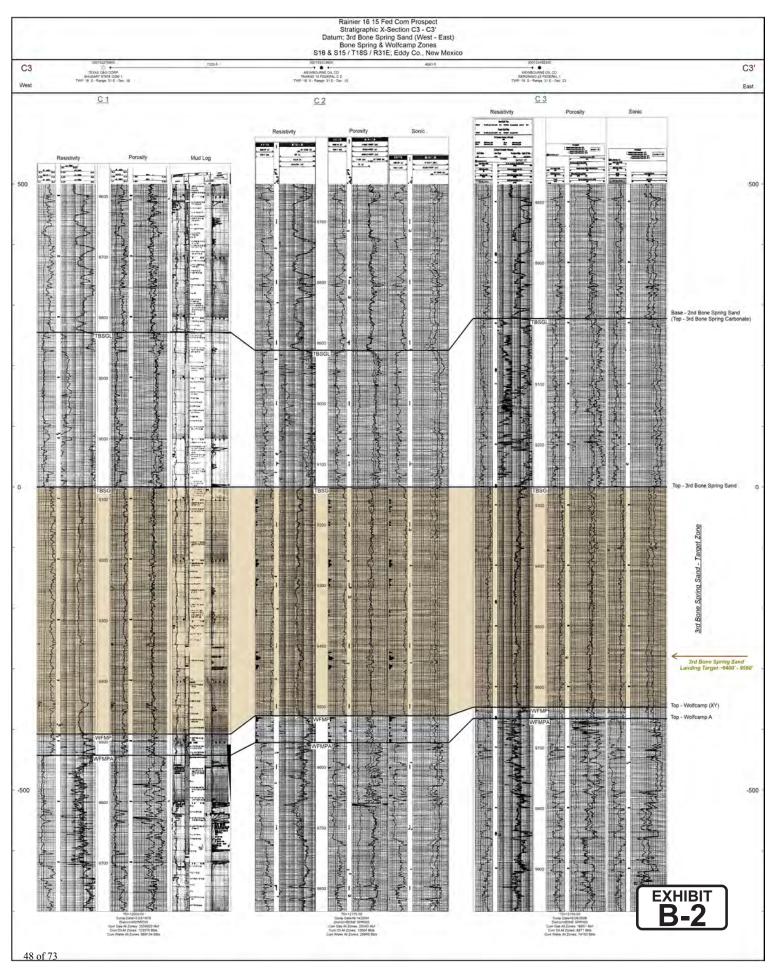
Stephen Burke

Arphu M. Bure

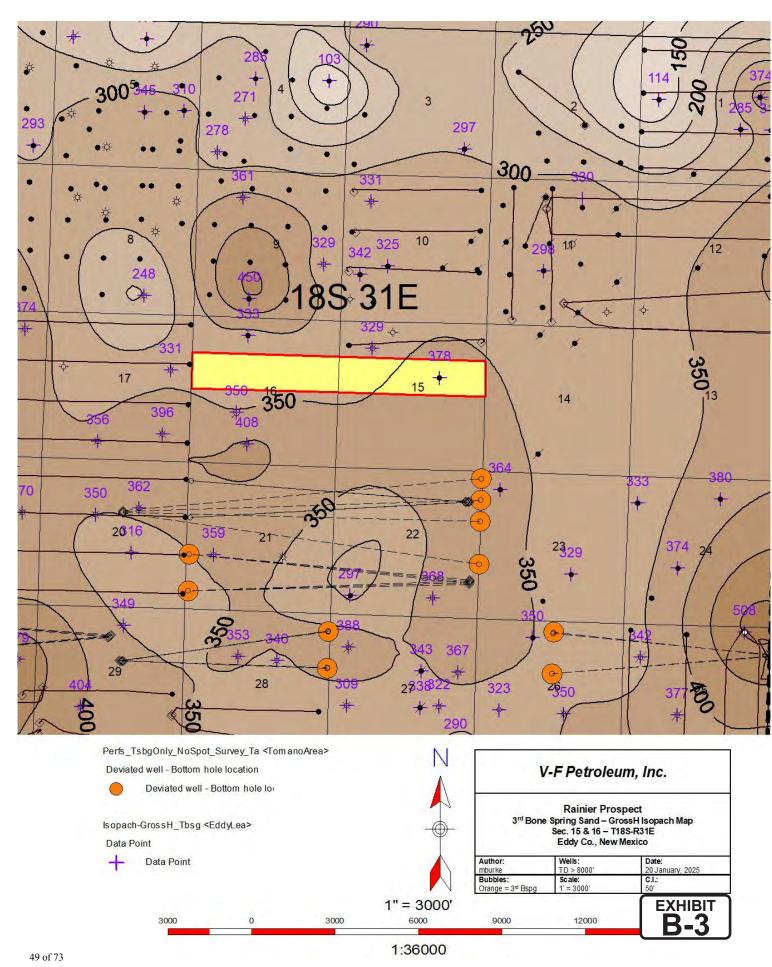
1/21/2025 Date Signed

4





Page 445 of 600



V-F Petroleum Inc.

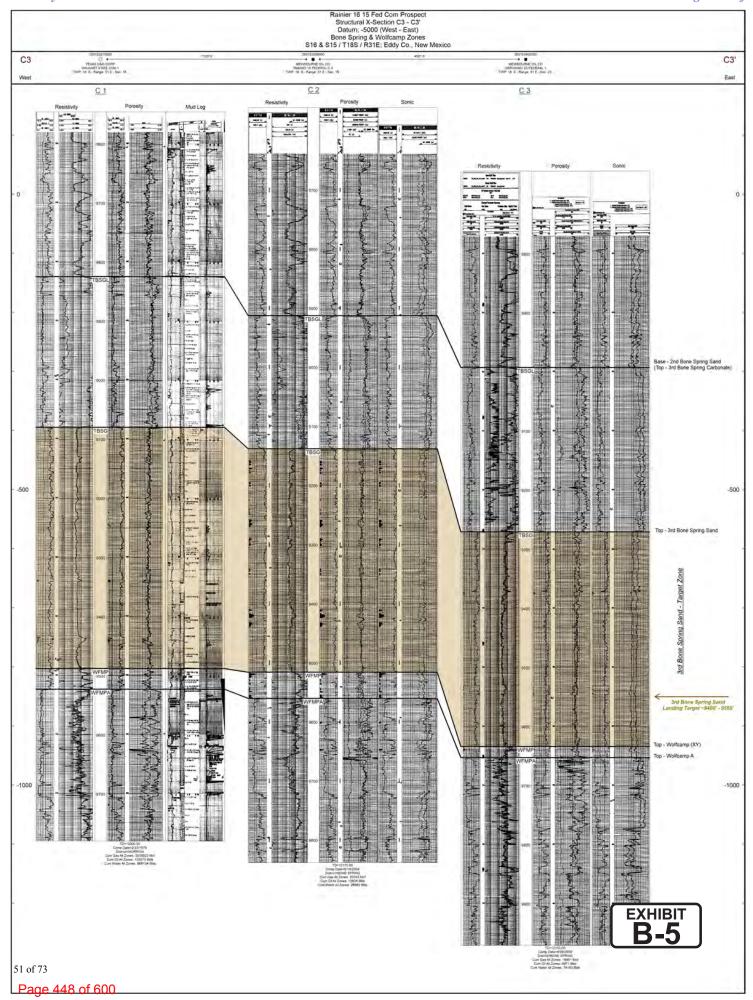
Rainier 16 15 Fed Com #233H

T18S - R32E / Eddy Co., New Mexico

Zone &	Well &	Well &	Well &	Well &
Vertical	Operator	Operator	Operator	Operator
Depth	N/2 - N/2	S/2 - N/2	N/2-S/2	S/2-S/2
	D16-A15	E16 - H15	L16 - I15	M16 - P16
Bspg1	XXX-MOC	XXX-VE	XXX-VE	XXX-VE
D0	Tomano 1H	Rainier	Rainier	Rainier
Bspg2	MOC	223H-VE	222H-VE	221H-VF
Bspg3	Rainier	Rainler	Rainler	Rainier
pshgo	234H-VE	233H-VE	232H-VF	231H-VF
WfmpXy	XXX-VF	XXX-VF	XXX-VF	XXX-VF
	North			South

	R	ange 31 Eas	t / Section 1	6	R	ange 31 Eas	t / Section 1	5
	D	c	В	Α	D.	С	В	Α
Township 18 South	E	F	G	н	Ē	F	G	н
Township	<u> </u>	к	J	J	L	к	II.	1
	м	N	0	P	М	N	0	Р

EXHIBIT **B-4**



TAB 4

Self-Affirmed Statement of Notice, Darin C. Savage Exhibit C:

Exhibit C-1: Notice Letters Exhibit C-2: Mailing List Exhibit C-3: Affidavits of Publication

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

APPLICATION OF V-F PETROLEUM INC. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case No. 25117

SELF-AFFIRMED STATEMENT OF NOTICE

- I, Darin C. Savage, attorney and authorized representative of V-F Petroleum Inc. ("V-F"), the Applicant herein, states and affirms the following:
- 1. Notice of the application and hearing in the above-referenced case was timely sent by certified mail, return receipt requested, through the United States Postal Service on December 18, 2024, to all uncommitted interest owners sought to be pooled in this proceeding. *See* Exhibit C-2, attached hereto. Copies of the notice letters and evidence of mailing to parties are attached hereto as Exhibits C-1 and C-2.
- 2. Notice for the above-referenced case was sent to the Carlsbad Current-Argus, a newspaper of general circulation in Eddy County, New Mexico, and timely published in said newspaper on December 21, 2024. *See* Exhibit C-3.



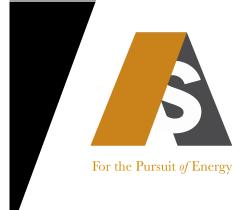
Signature page of Self-Affirmed Statement of Darin C. Savage:

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case No. 25117 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.

Darin Savage

1/20/2025

Date Signed



ABADIE I SCHILL PC

Colorado New Mexico
Louisiana Texas
Nebraska Kansas
Montana Wyoming
Oklahoma California
North Dakota

December 18, 2024

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of V-F Petroleum Inc., for Compulsory Pooling, Eddy

County, New Mexico

Rainier 16-15 Fed Com #233H Well

Case No. 25117:

Dear Interest Owners:

This letter is to advise you that V-F Petroleum Inc., ("V-F" or "Applicant"), has filed the enclosed application, Case No. 25117, with the New Mexico Oil Conservation Division ("Division") for an order pooling all uncommitted mineral interests in the Third Bone Spring formation, from the top of the Third Bone Spring, at a depth of 8,914' beneath the surface, to the base of the Third Bone Spring formation, which has a depth of 9,516' beneath the surface, as shown in that certain Dual Lateralog, Micro Laterlog, Gamma Ray well log in the Tamano 15 Fed Com #2 well (API # 30-015-33398), located in Sec. 15, Township 18 South, Rage 31 East, Eddy County, New Mexico, designated as an oil pool, underlying a standard 320-acre, more or less, spacing unit comprised of the S/2 N/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico ("Subject Lands").

V-F requested that this Application be set for hearing before an Examiner of the Oil Conservation Division on January 9, 2025. The status of the hearing, including any continuances, can be monitored through the Division's website. Division hearings will commence at 9:00 a.m., in the Wendell Chino Building, Pecos Hall located on the 1st Floor, at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. If so desired, you can attend the hearing in person at Pecos Hall or you can attend virtually through remote online

abadieschill.com

214 McKenzie Street, Santa Fe, New Mexico, 87501

O: 970.385.4401 • F: 970.385.4901



access. For information about attending by remote access and reviewing the status of the case, you can visit the Division's website at: https://www.emnrd.nm.gov/ocd/hearing-info/ or call (505) 476-3441.

You are being notified as an interest owner (subject to title examination) and are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 19.15.4.13.B NMAC to file a Prehearing Statement at least four business days in advance of a scheduled hearing, but in no event later than 5 p.m. Mountain Time on the Thursday preceding the scheduled hearing date. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: The names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Jordan Shaw at (432) 269-0569 or at jordan@vfpetroleum.com.

Sincerely,

Darin C. Savage

Attorney for V-F Petroleum, Inc.

105PS Article Number Reference Number Date Mailed Nami 9314869904300129539737 4217.10 - Rainier 233H 12/18/24 XTO Holdings, LLC 93148699043001295399751 4217.10 - Rainier 233H 12/18/24 Permian Resource 9314869904300129539754 4217.10 - Rainier 233H 12/18/24 Demart Hudson Le 9314869904300129539775 4217.10 - Rainier 233H 12/18/24 Per Partners 12/18/24 Fost Bank 9314869904300129539879 4217.10 - Rainier 233H 12/18/24 Frost Bank 9314869904300129539805 4217.10 - Rainier 233H 12/18/24 Moore & Shelton 9314869904300129539812 4217.10 - Rainier 233H 12/18/24 Moore & Shelton 9314869904300129539812 4217.10 - Rainier 233H 12/18/24 Moore & Shelton 93148699043001295398812 4217.10 - Rainier 233H 12/18/24 Moore & Shelton 93148699043001295398812 4217.10 - Rainier 233H 12/18/24 Moore & Shelton 93148699043001295398812 4217.10 - Rainier 233H 12/18/24 Moore & Shelton 93148699043001295398812	Reference Number Date Mailed 4217.10 - Rainier 233H 12/18/24	Date Mailed 12/18/24 XTO Holdings, LLC 12/18/24 Permian Resources 12/18/24 Delmar Hudson Lev 12/18/24 Act Oil, LTD 12/18/24 Act Oil, LTD 12/18/24 Act Oil, LTD 12/18/24 Frost Bank 12/18/24 Harathon Oil Perm 12/18/24 Marathon Oil Perm 12/18/24 Moore & Shelton Cf 12/18/24 Moore & Shelton Cf 12/18/24 Cf Cottis W Mowbown 12/18/24 Cf Cott	Mailed Cenerat Balled Cenerat Cener	Mail Activity Report - RAINIER 233H 25117	5117 4 AM adeas 1 oods Village Pkwy. Fed St., Suite 1000 87 et et et Country Boulevard Street	iddress 2 S	City Ste Spring TX Midland TX Modeland TX Boallas TY Fort Worth TX Fort	ate Zip 77389 77389 75283-01 76102 76102 76102 76102 77024 77024 77024 77024 77024 77024	Address 2 City State Zip Mailing Status Spring TX 77389 Delivered Midland TX 79701 Delivered Dallas TX 75284-3030 Delivered Fort Worth TX 75185 Delivered Fort Worth TX 75102 Delivered Fort Worth TX 75102 Delivered Fort Worth TX 77512 Delivered Houston TX 77024 Delivered Galveston TX 77024 Delivered Galveston TX 77024 Delivered Galveston TX 77024 Delivered TA 77031 Delivered TA 77031 Delivered TA 77031 Delivered	Service Options Return Receipt - Electronic, Certified Mail
9314869904300129557533 4217.10 - Rainier 233H 9314869904300129557540 4217.10 - Rainier 233H	4217.10 - Rainier 233H 4217.10 - Rainier 233H			Lindy's Living Trust	ilen Street	Suite 302 Fort Worth Galveston	Fort Worth TX Galveston TX	76109	To be Return Delivered	To be Returnec Return Receipt - Electronic, Certified Mail Delivered Return Receipt - Electronic, Certified Mail
9314869904300129557557 4217.10 - Rainier 233H	4217.10 - Rainier 233H		12/18/24 Ralph A. Shugart Jr. Trust	Elizabeth Duncan, Trustee	1960 Forest Parkway	٥	Denver CO	CO 80220-13	80220-1337 Delivered	Return Receipt - Electronic, Certified Mail

C-2



Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0129 5575 57.

Item Details

Status: Delivered, Left with Individual
Status Date / Time: December 24, 2024, 03:21 p.m.

Location:DENVER, CO 80220Postal Product:First-Class Mail®Extra Services:Certified Mail™

Return Receipt Electronic

Recipient Name: Ralph A Shugart Jr Trust Elizabeth Duncan Tru

Shipment Details

Weight: 3.0oz

Destination Delivery Address

Street Address: 1960 FOREST PKWY
City, State ZIP Code: DENVER, CO 80220-1337

Recipient Signature

Signature of Recipient:

Address of Recipient:

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December 30, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0129 5575 40.

Item Details

Status: Delivered, Individual Picked Up at Post Office

Status Date / Time: December 28, 2024, 11:50 a.m.

Location: GALVESTON, TX 77551

Postal Product: First-Class Mail® **Extra Services:** Certified Mail™

Return Receipt Electronic

Recipient Name: Moore and Shelton Co Ltd

Shipment Details

Weight: 3.0oz

Recipient Signature

Signature of Recipient:

SHEVE NIELSEN

Address of Recipient:

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The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0129 5575 26.

Item Details

Status: Delivered, PO Box

Status Date / Time: December 23, 2024, 12:02 p.m.

Location:TYLER, TX 75711Postal Product:First-Class Mail®Extra Services:Certified Mail™

Return Receipt Electronic

Recipient Name: Curtis W Mewbourne Trustee

Shipment Details

Weight: 3.0oz

Destination Delivery Address

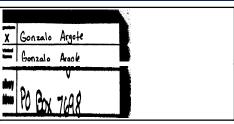
Street Address: PO BOX 7698

City, State ZIP Code: TYLER, TX 75711-7698

Recipient Signature

Signature of Recipient:

Address of Recipient:



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Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0129 5398 29.

Item Details

Status: Delivered, Left with Individual Status Date / Time: December 23, 2024, 01:44 p.m.

Location: CARLSBAD, NM 88220

Postal Product: First-Class Mail®
Extra Services: Certified Mail™

Return Receipt Electronic

Recipient Name: Bureau of Land Management

Shipment Details

Weight: 3.0oz

Destination Delivery Address

Street Address: 620 E GREENE ST

City, State ZIP Code: CARLSBAD, NM 88220-6292

Recipient Signature

Signature of Recipient:

Address of Recipient:

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December 30, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0129 5398 12.

Item Details

Status: Delivered, Individual Picked Up at Post Office

Status Date / Time: December 28, 2024, 11:50 a.m.

Location: GALVESTON, TX 77551

Postal Product: First-Class Mail® **Extra Services:** Certified Mail™

Return Receipt Electronic

Recipient Name: Moore Shelton Company Ltd Michael R Moore

Shipment Details

Weight: 3.0oz

Recipient Signature

Signature of Recipient:

SHEVE NIELSEN

Address of Recipient:

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Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0129 5398 05.

Item Details

Status: Delivered, Front Desk/Reception/Mail Room

Status Date / Time: December 23, 2024, 03:08 p.m.

Location: HOUSTON, TX 77024

Postal Product: First-Class Mail®
Extra Services: Certified Mail™

Return Receipt Electronic

Recipient Name: Marathon Oil Permian LLC Chase Rice Permian Lan

Shipment Details

Weight: 3.0oz

Destination Delivery Address

Street Address: 990 TOWN AND COUNTRY BLVD

City, State ZIP Code: HOUSTON, TX 77024-2217

Recipient Signature

Signature of Recipient:

Address of Recipient:

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The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0129 5397 99.

Item Details

Status: Delivered, PO Box

Status Date / Time: December 23, 2024, 11:18 a.m.
Location: SAN ANTONIO, TX 78205

Postal Product: First-Class Mail®
Extra Services: Certified Mail™

Return Receipt Electronic

Recipient Name: Frost Bank TTR of Josephine T Hudson Testament

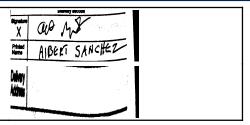
Shipment Details

Weight: 3.0oz

Recipient Signature

Signature of Recipient:

Address of Recipient:



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The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0129 5397 82.

Item Details

Status: Delivered, Left with Individual

Status Date / Time: December 23, 2024, 01:17 p.m.
Location: FORT WORTH, TX 76102

Postal Product: First-Class Mail®
Extra Services: Certified Mail™

Return Receipt Electronic

Recipient Name: Javelina Partners Edward Hudson Land Manager

Shipment Details

Weight: 3.0oz

Destination Delivery Address

City, State ZIP Code: FORT WORTH, TX 76102-4662

Recipient Signature

Signature of Recipient:

Address of Recipient:

The second secon

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The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0129 5397 75.

Item Details

Status:Delivered, Left with IndividualStatus Date / Time:December 23, 2024, 01:17 p.m.Location:FORT WORTH, TX 76102

Postal Product: First-Class Mail®
Extra Services: Certified Mail™

Return Receipt Electronic

Recipient Name: Zorro Partners Ltd W A Hudson II Agent

Shipment Details

Weight: 3.0oz

Destination Delivery Address

City, State ZIP Code: FORT WORTH, TX 76102-4662

Recipient Signature

Signature of Recipient:

Address of Recipient:

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December 30, 2024

Dear Covius Document Services:

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Item Details

Status: Delivered, PO Box

Status Date / Time: December 28, 2024, 10:29 a.m.
Location: FORT WORTH, TX 76185

Postal Product: First-Class Mail®
Extra Services: Certified Mail™

Return Receipt Electronic

Recipient Name: Ard Oil LTD Joel T Sawyer Agent

Shipment Details

Weight: 3.0oz

Destination Delivery Address

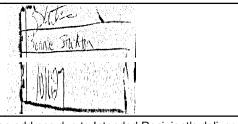
Street Address: PO BOX 101027

City, State ZIP Code: FORT WORTH, TX 76185-1027

Recipient Signature

Signature of Recipient:

Address of Recipient:



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Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0129 5397 51.

Item Details

Status: Delivered, Individual Picked Up at Postal Facility

Status Date / Time: December 24, 2024, 08:54 a.m.

Location: **DALLAS, TX 75260 Postal Product:** First-Class Mail® **Extra Services:** Certified Mail™

Return Receipt Electronic

Recipient Name: Delmar Hudson Lewis Living Trust Bank of Americ

Shipment Details

Weight: 3.0oz

Recipient Signature

Signature of Recipient:

Address of Recipient:

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Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0129 5397 44.

Item Details

Status: Delivered, Left with Individual Status Date / Time: December 23, 2024, 01:18 p.m.

Location: MIDLAND, TX 79701 **Postal Product:** First-Class Mail® **Extra Services:** Certified Mail™

Return Receipt Electronic

Recipient Name: Permian Resources Operating LLC Delaware Basin

Shipment Details

Weight: 3.0oz

Destination Delivery Address

Street Address: 300 N MARIENFELD ST STE 1000

City, State ZIP Code: MIDLAND, TX 79701-4688

Recipient Signature

Signature of Recipient:

Address of Recipient:

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December 30, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0129 5397 37.

Item Details

Status: Delivered, Left with Individual Status Date / Time: December 28, 2024, 09:33 a.m.

Location:SPRING, TX 77389Postal Product:First-Class Mail®Extra Services:Certified Mail™

Return Receipt Electronic

Recipient Name: XTO Holdings LLC Delaware Basin Land Manager

Shipment Details

Weight: 3.0oz

Destination Delivery Address

Street Address: 22777 SPRINGWOODS VILLAGE PKWY

City, State ZIP Code: SPRING, TX 77389-1425

Recipient Signature

Signature of Recipient:

Address of Recipient:

Wholland W

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Proof of Acceptance (Electronic)

Date: 12/19/2024

Company Name : Abadie & Schill PC

Certified Mail Article Number 9314869904300129557533 addressed to Hudson, Francis Hill, Trustee Lindy's Living Trust

USPS Event Date/Time	USPS Event Description	USPS Event Location
12/19/2024 10:31 PM	ORIGIN ACCEPTANCE	DURANGO, CO 81301

The article number and United States Postal Service (USPS®) tracking event details provided above is a true extract of information provided by the USPS to CertifiedPro.net, a solution provided by Covius Document Services, LLC.

Recipient Mailing Address:

Hudson, Francis Hill, Trustee Lindy's Living Trust 4200 South Hulen Street Suite 302 Fort Worth, TX 76109

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AFFIDAVIT OF PUBLICATION

CARLSBAD CURRENT-ARGUS PO BOX 507 HUTCHINSON, KS 67504-0507

STATE OF NEW MEXICO } SS COUNTY OF EDDY }

Account Number: 1227 Ad Number: 27220

Description: 25117 - S2N2 3rd BS Rainier

Ad Cost: \$146.60

Sherry Groves, being first duly sworn, says:

That she is the Agent of the the Carlsbad Current-Argus, a Weekly newspaper of general circulation, printed and published in Carlsbad, Eddy County, New Mexico; that the publication, a copy of which is attached hereto, was published in said newspaper on the following dates:

December 21, 2024

Sperry Lanes

That said newspaper was regularly issued and circulated on those dates.
SIGNED:

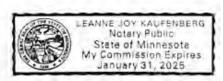
Agent

Subscribed to and sworn to me this 21th day of December 2024.

Leanne Kaufenberg, Notary Public, Redwood County

Minnesota

KAIYA TOOP ABADIE SCHILL 555 RIVERGATE LANE, SUITE B-4-180 DURANGO, CO 81301 kaiya@abadieschill.com



C-3

PUBLIC NOTICE

CASE No. 25117: Notice -- to all parties and persons having any right, title, interest or claim in this case, including owners of working interest, overriding royalty interest, and record title, among others, whether auch parties or persons are listed herein or not, as well as notice to all known and unknown heirs, devisees, assigns and successors of such affected parties and persons, which based on reasonable diligence include, NTO HOLDINGS, LLC: PERMIAN RESOURCES OPERATING, LLC: DELMAR HUDSON LEWIS LIVING TRUST, BANK OF AMERICA, N.A., TRUSTEE; ARD OIL, LTD; ZORRO PARTNERS, LTD.; JAVELINA PARTNERS; JOSEPHINE T. HUDSON TESTAMENTARY TRUST FBO J. TERRELL ARD, FRONT BANK, TRUSTEE; MARATHON OIL PERMIAN LLC: CURTIS W. MEWBOURNE, TRUSTEE; HUDSON, FRANCIS HILL, TRUSTEE, LINDY'S LIVING TRUST; MOORE AND SHELTON CO., LTD.; RALPH A. SHUGART JR. TRUST, ELIZABETH DUNCAN, TRUSTEE, AND MOORE & SHELTON COMPANY, LTD. of V-F Petroleum, inc. application for approval of a compulsory pooling, Eddy County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division Examiner will conduct a public hearing at 9:00 a.m. on January 9, 2025, in the Wendell Chino Building, Pecos Hall located on the 1st Floor, at 1220 South Saint Francis Drive. Santa Fe, New Mexico 87505. You can attend the hearing in person at Pecos Hall or you can attend virtually through remote online access. For information about attending by remote access and reviewing the status of the case, you can visit the Division's website at: https://www.emmrd.nm.gov/ocd/hearing-info/ or call (505) 476-3441. It is recommended that you check with the Division to determine the best option for attendance. V-F Petroleum Inc., at 550 W. Texas Ave., Suite 300, Midland, TX 79701, seeks an order from the Division pooling all uncommitted mineral interests in the Third Bone Spring, at a depth of 8,914' beneath the surface, to the base of

the base of the Third Bone Spring formation, which has a depth of 9,516' beneath the surface, as shown in that certain Dual Lateralog, Micro Laterlog, Gamma Ray well log in the Tamano 15 Fed Com #2 well (API # 30-015-33398), located in Sec. 15, Township 18 South, Rage 31 East, Eddy County, New Mexico, designated as an oil pool, underlying a standard 320-acre, more or less, spacing unit comprised of the S/2 N/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico, The proposed well to be dedicated to the horizontal spacing unit is the Ralnier 16-15 Fed Com #233H Well, an oil well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 16 to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 15. The proposed well will be orthodox, and its take points and completed interval will comply with the setback requirements under statewide rules. Also to be considered will be the cost of drilling and completing the well and the allocation of the costs the regot actual operating costs and charges for completing the well and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the well and unit; and a 200% charge for the risk involved in drilling and completing the wells. The well and lands are located approximately 31 miles southeast of Artesia, New Mexico.

Published in the Carlsbad Current-Argus December 21, 2024.

TAB 6

Rebuttal Exhibits -1A, 1B, 1C, and 2-14 and Rebuttal Exhibit 15Exhibit 6: Exhibit 6:

BEFORE THE OIL CONSERVATION DIVISION EXAMINER HEARING JANUARY 28, 2025

AMENDED REBUTTAL EXHIBITS IN SUPPORT OF APPLICATIONS OF V-F PETROLEUM INC. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

V-F Petroleum Inc. Cases

Case No. 24994

Case No. 24995

Case No. 25115

Case No. 25116

Case No. 25117

Read & Stevens, Inc. Cases

Case No. 24941

Case No. 24942

Case No. 25145

Case No. 25146

Case No. 25147

Case No. 25148

V-F PETROLEUM INC.

EXHIBIT 6

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Rebuttal Exhibit 1A: 1st Assignment of Operating Rights Rebuttal Exhibit 1B: 2nd Assignment of Operating Rights

Rebuttal Exhibit 1C: Stratigraphic Cross Section Showing Third Bone

Spring Depth Severance

Rebuttal Exhibit 2: Permian Resources' Slim Jim Well Proposals &

Location Plats

Rebuttal Exhibit 3: Affidavit of Fact & Comparison of Working Interests

Rebuttal Exhibit 4: Plains Marketing Oil Statement

Rebuttal Exhibit 5: Comparison of Permian Resources' Lajitas Well Proposals

Rebuttal Exhibit 6: 43 CFR §3171.12 & Onshore Oil and Gas Order

No. 1

TAB 2 Exhibits in Rebuttal of Permian Resources' Exhibits E-3, E-4, E-6 & E-7

Rebuttal Exhibit 7: Second Bone Spring Well Locator Map Rebuttal Exhibit 8: Second Bone Spring Cross Section Rebuttal Exhibit 9: Second Bone Spring Gross Isopach Second Bone Spring Net Pay Map Rebuttal Exhibit 10: Rebuttal Exhibit 11: Third Bone Spring Well Locator Map Rebuttal Exhibit 12: Third Bone Spring Cross Section Rebuttal Exhibit 13: Third Bone Spring Gross Isopach Third Bone Spring Net Pay Map Rebuttal Exhibit 14:

TAB 1

Rebuttal Land Exhibits

Rebuttal Exhibit 1A: 1st Assignment of Operating Rights Rebuttal Exhibit 1B: 2nd Assignment of Operating Rights

Rebuttal Exhibit 1C: Stratigraphic Cross Section Showing Third Bone

Spring Depth Severance

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Rebuttal Exhibit 4: Plains Marketing Oil Statement

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Rebuttal Exhibit 6: 43 CFR §3171.12 & Onshore Oil and Gas Order

No. 1

Exhibit 1A Rebutting Paragraphs 4 & 7 of Self-Affirmed Statement of Travis Macha: First Assignment of Operating Rights

BOOK 71 PAGE 382

Jamie Federal #1 (Amoco F/O) R&S 9394W R&S 8495

ASSIGNMENT OF OPERATING RIGHTS

THIS ASSIGNMENT, made and entered into this 10th day of May, 1990 by and between Read & Stevens, Inc., P.O. Box 1518, Roswell, NM 88202, hereinafter referred to as "Assignor" and those parties set out on Exhibit "A" attached hereto and made a part hereof, hereinafter referred to as "Assignees".

WITNESSETH:

WHEREAS, Pursuant to that certain Farmout Contract dated March 1, 1989 by and between Amoco Production Co. and Assignor covering the herein described lands, Assignor is the owner of an undivided 50.00% interest before payout of the Jamie Federal #1 well and an undivided 37.50% interest after payout* of the Jamie Federal #1 well in an oil and gas lease dated November 1, 1981, from the United States of America as Lessor, to Read & Stevens, Inc., as Lessee, bearing Serial No. NM-28096 (lease) covering the following described lands in Eddy County, New Mexico:

TOWNSHIP 18 SOUTH, RANGE 31 EAST N.M.P.M. Section 14: NE/4NW/4 containing 40.00 acres, more or less (lands) insofar as said lease covers those depths from 3,900 feet down to and including 9,290 feet, but in no event below the base of the Bone Springs Formation

and,

WHEREAS, Assignor desires to assign unto Assignees an undivided 33.70000% of 8/8ths interest before payout of the Jamie Federal #1 well and an undivided 25.27500% of 8/8ths interest after payout* of the Jamie Federal #1 well, in and to the operating rights in said lease and lands, ("the operating rights" being defined as the exclusive right and privilege to test, drill for, mine, extract, remove, and dispose of all of the oil and gas deposits), and to retain an undivided 16.30000% of 8/8ths interest before payout of the Jamie Federal #1 well and an undivided 12.22500% of 8/8ths interest after payout* of the Jamie Federal #1 well in and to said operating rights.

NOW, THEREFORE, for and in consideration of the premises and the sum of Ten Dollars (\$10.00) and other valuable consideration paid to Assignor by the Assignees, the receipt of which is hereby acknowledged, Assignor does hereby grant, convey, set over and assign unto Assignees the interests set out above in and to the operating rights in said lease and lands, together with a like interest in and to all of the well equipment and personal property located on said lands and used or obtained in connection therewith in the following proportions, to wit:

(See Exhibit "A" Attached Hereto And Made a Part Hereof); subject to the following:

- The terms and provisions of the above described oil and gas lease.
- Operating Agreement dated January 20, 1989, between Read & Stevens, Inc. as Operator and T.T. Sanders, Jr., et al, as Non-Operators.
- 3. Participation Agreements between Read & Stevens, Inc. and the Assignees herein, for the drilling of the Jamie Federal #1 well on the above described acreage.

RECEPTION 905912

Red & Stevens Inc. P.D. Box 1518 Kosavell, N/M 88200

800K 71 PAGE 383

Assignment of Operating Rights Jamie Federal #1 (Amoco F/O) Page 2

- 4. Farmout Contract dated March 1, 1989 by and between Amoco Production Co. and Read & Stevens, Inc. covering the herein described lands.
- Assignment from Amoco Production Co. to Read & Stevens, Inc. made pursuant to the Farmout Contract set out in Paragraph #4 above, covering the herein described lands.

TO HAVE AND TO HOLD said interests unto the Assignees, heirs, personal representatives, (or successor) and assigns, for the full term of said lease and any extensions or renewals thereof.

This Assignment is made without warranty whatsoever express, statutory or implied as to description, title, condition, quality, fitness for purposes, merchantability or otherwise.

IN WITNESS WHEREOF, this Assignment is executed the day and year first above written but effective as of September 1, 1989.

ATTEST:

Read & Stevens, Inc.

yoeDMJ Wigley, Secretary

Charles B. Read, President

SEAL

STATE OF NEW MEXICO

COUNTY OF CHAVES

ss

The foregoing instrument was acknowledged before me this /// day of ________, 1990, by Charles B. Read, President of Read & Stevens, Inc., a New Mexico corporation on behalf of said corporation.

Notary Public

g H. My Commassion expires:

¥100

ASGN.JAM3 ASGN.JAM4/NAD#3 BOOK 71 PAGE 384

Exhibit "A" Jamie Federal #1

	Before Payout of Jamie Federal #1 Well	After Payout* of Jamie Federal #1 Wel	.1
James A. Clark 7501 Bear Canyon Rd. N.E. Albuquerque, NM 87109	2.5500%	1.91250%	
T. T. Sanders, Jr. P.O. Box 550 Roswell, NM 88202	8.50000%	6.3750%	
Effco Investments P.O. Box 1085 Roswell, NM 88201	-8500%	.63750%	
Charles B. Read Trust A P.O. Box 1518 Roswell, NM 88201	2.00000%	1.500000%	. ,
Carolyn Beall P.O. Box 3098 Midland, TX 79702	1.00000%	.75000%	
Arnold Ballard P.O. Box 26355 Fort Worth, TX 76116	1.00000%	.75000%	
Rex V. Desmond United Bank Plaza 400 No. Pennsylvania, Suite 90 Roswell, NM 88201	.42500%	.31875%	
Karen Outland 4405 Emerson Dallas, TX 75205	.85000%	.63750%	
David K. Henderson P.O. Box 1518 Roswell, NM 88202	.50000%	.37500%	
Rottman Group Six 12100 Wilshire Blvd., Suite 98 Los Angeles, CA 90025	2.12500%	1.59375%	
Rottman 1984 Family Trust 12100 Wilshire Blvd., Suite 98 Los Angeles, CA 90025	2.12500%	1.593750%	
Southwestern Resources, Inc. 1111 West Country Club Roswell, NM 88201	.85000%	-63750%	
New Mexico Salt Water Disposal Company, Inc. P.O. Box 1518 Roswell, NM 88202	2.00000%	1.500000%	
Robert or Leah Angevine 3601 Imperial Midland, TX 79707	1.70000%	1.27500%	
Pam Adams 1604 Tulane Roswell, NM 88201	.42500%	-31875%	

EXJF/WD#4

BOOK 71 PAGE 385

	Before Payout of Jamie Federal #1 Well	After Payout* of Jamie Federal #1 Well
Dr. Terry Angevine 150 Willow Oak Ct. Double Oak, TX 75067-8264	.85000%	.63750%
Richard L. Lust 3805 Ridge Crest Flowermound, TX 75028	.85000%	.63750%
Gordon E. Holland 1984 Revocable Trust 87 Stoneridge Ponca City, OK 74601	4.25000%	3.18750%
James G. Smith P.O. Box 3234 Midland, TX 79702	.85000%	.63750%
Tot	tal: 33.70000%	25.27500%

^{*} The after payout interests set out for the Assignees herein assume an election by Amoco Production Co. to convert its before payout reserved overriding royalty to a working interest at payout of the subject well.

STATE OF NEW I	MEXICO, County of E	ddy, ss. I hereby	certify that this ins	trument was filed	for record on the
27day of	June	, A.D. 19_90	at 4:35 o'clo	ck P. M., a	nd duly recorded
	1 PAGE 382	of the Eddy Coun	ty Records.	1/20	^
	KAREN DAVIS, Co	ounty Clerk	ty Records.	Lileni	Len Deputy
			' /		

EXJF1

Jamie Fed. #1 (Industry Partners, 1988 Drilling Program & Internal Partners and Amoco F/O Partners) R&S #9394W

ASSIGNMENT OF OPERATING RIGHTS

THIS ASSIGNMENT, made and entered into this 20th day of January, 1992 by and between Read & Stevens, Inc., P.O. Box 1518, Roswell, NM 88202, hereinafter referred to as "Assignor" and those parties set out on Exhibit "A" attached hereto and made a part hereof, hereinafter referred to as "Assignees".

WITNESSETH:

WHEREAS, Assignor is the owner of an undivided 100.00% of 8/8ths before payout interest and an 87.5% of 8/8ths after payout interest in the oil and gas lease set out below, covering the following described lands in Eddy County, New Mexico.

R&S #: 8495

Lessor: USA (NM-28096) Lessee: S.V. Perry etal

Date: 5/1/89

Book/Page: BLM Records

TOWNSHIP 18 SOUTH, RANGE 31 EAST, N.M.P.M. Section 14: NE/4NW/4 Containing 40.00 acres, more or less,

LIMITED IN DEPTH from 3,900 feet below the surface of the earth down to and including, but not below, that subsurface depth of 9,293 feet but in no event below the base of the Bone Spring formation, (lands), and,

WHEREAS, Assignor desires to assign unto Assignees an undivided 70.29012% of 8/8ths before payout interest and a 60.61512% of 8/8ths after payout interest in and to the operating rights in said lease and lands, ("the operating rights" being defined as the exclusive right and privilege to test, drill for, mine, extract, remove, and dispose of all of the oil and gas deposits), and to retain an undivided 29.70988% of 8/8ths before payout interest and a 26.88488% of 8/8ths after payout interest in and to said operating rights. The term "payout" used herein refers to the Jamie Federal #1 well.

NOW, THEREFORE, and in consideration of the premises and the sum of Ten Dollars (\$10.00) and other valuable consideration paid to the Assignor by the Assignees, the receipt of which is hereby acknowledged, Assignor does hereby grant, convey, set over and assign unto Assignees the interests set out above in and to the interest in and to all of the well equipment and personal property located on said lands and used or obtained in connection therewith in the following proportions, to wit:

(See Exhibit "A" Attached Hereto And Made a Part Hereof);

Subject to the following:

- The terms and provision of the oil and gas lease set out
- Operating Agreement dated January 20, 1990 between Read & Stevens, Inc., as Operator, and Amoco Production Company etal, as Non-Operators, and all Amendments thereto.
- 3.) Purchase and Sale Agreements dated December 18, 1988 between Assignor and Assignees.

RECEPTION

Kezd + Stevens Inc POBOK ISIB ROSWELL NM BBZOZ Assignment of Operating Rights Jamie Fed. #1 Page 2

- Farmout Agreement dated March 1, 1989 between Amoco Production Company, as farmor, and Read & Stevens, Inc., as farmee.
- 5.) Read & Stevens, Inc. 1988 Drilling Program.
- 6.) Assignment dated January 8, 1991 but effective October 6, 1990 from Amoco Production Company to Read & Stevens, Inc., recorded in Book 85 at Page 1044 of the Records of Eddy County, New Mexcio.

(See Exhibit "A" to determine which interests are subject to which instruments listed above).

TO HAVE AND TO HOLD said interests unto the Assignees, heirs personal representatives, (or successor) and assigns, for the full term of said lease and any extensions or renewals thereof.

This Assignment is made without warranty whatsoever express, statutory or implied as to description, title, condition, quality, fitness for purposes, merchantability or otherwise.

IN WITNESS WHEREOF, this Assignment is executed the day and year first above written but effective as of September 1, 1989.

ATTEST:

READ & STEVENS, INC.

Joel M. Wigley, Secretary

Charles B. Read, President

STATE OF NEW MEXICO

COUNTY OF CHAVES

SS

The foregoing instrument was acknowledged before me this 20th day of January, 1992, by Charles B. Read, President of Read & Stevens, Inc., a New Mexico Corporation on behalf of said Corporation.

My Commission expires:

Motary Sublic

assi.jamiel

EXHIBIT "A" JAMIE FEDERAL #1

÷	SUBJECT TO	OPERATIN BPO	G RIGHTS
H.W. Allen Company 4835 South Peoria Tulsa, OK 74105	1,2,3,6	1.84312%	1,84312%
N.M. Western Minerals, Inc. P.O. Box 1738 Roswell, NM 88202-1738	1,2,3,6	.372%	.372%
T.T. Sanders, Jr. P.O. Box 550 Roswell, NM 88202	1,2,3,6	2.25% 8.50% 10.75%	2.250% 6.375% 8.625%
Haskell H. Bass, Jr. 6823 S. Florence Ave. Tulsa, OK 74136	1,2,3,6	3.75%	3.75%
JasDec Oil Partners 308 East Carrillo Street Santa Barbara, CA 93101	1,2,3,6	3.75% 4.25% 8.00%	3.7500% 3.8175% 6.9375%
Bernhardt Oil Company 9413 Nawassa Midwest City, OK 73130	1,2,3,6	3.000%	3.000%
DHB Partnership 8144 Walnut Hill Lane Suite 982, LB 51 Dallas, TX 75240	1,2,5,6	.4216%	.372%
Merry Lou Christiansen 5121 S. Pratt Springfield, MO 65807	1,2,5,6	.4216%	.372%
Mamie L. Anderson 9005 Santa Clara Dallas, TX 75218	1,2,5,6	.4216%	.372%
Cavin C. Desmond Trust 400 N. Penn., Suite 900 Roswell, NM 88202	1,2,5,6	.4216%	.372%
Virginia C. Desmond Trust 400 N. Penn., Suite 900 Roswell, NM 88202	1,2,5,6	.4216%	.372%
Gordon E. Holland 1984 Revocable Trust P.O. Box 1364 Ponca City, OK 74601-1364	1,2,5,6	.4216% 4.2500% 4.6716%	.372% 3.1875% 3.5595%
Florence Ann Holland 1979 Revocable Trust 87 Stoneridge Ponca City, OK 74601	1,2,5,6	.84328%	.74407%
Don A. Buchholz 1201 Elm St., Ste. 4300 Dallas, TX 75270	1,2,5,6	1.2648%	1.1160%
Marion Turner c/o Wanda Warren 3131 McKinney, Suite 490 Lock Box 102 Dallas, TX 75204	1,2,5,6	.4216%	.3720%

EXHIBIT "A" JAMIE FEDERAL #1

Page 2

SUBJECT TO ITEM # ON P. 1	OPERATING BPO	RIGHTS APO
1,2,5,6	.4216%	.3720%
1,2,5,6	.50601%	.44648%
1,2,5,6	.42168%	.37208%
1,2,5,6	.42169%	.37208%
1,2,5,6	.42160%	.3720%
1,2,5,6	.42160%	.3720%
1,2,5,6	.42168%	.37208%
1,2,5,6	.4216%	.3720%
1,2,5,6	.4216%	.3720%
1,2,5,6	.4216%	.3720%
1,2,3,6	2.0000%	2.0000%
1,2,3,6	1.0000%	1.0000%
1,2,3,6	1.0000% 2.0000% 3.0000%	1.0000% 1.5000% 2.5000%
1,2,3,6	1.0000%	1.0000%
1,2,3,6	1.0000% .5000% 1.5000%	1.0000% .3750% 1.3750%
	1,2,5,6 1,2,5,6 1,2,5,6 1,2,5,6 1,2,5,6 1,2,5,6 1,2,5,6 1,2,5,6 1,2,5,6 1,2,5,6 1,2,5,6 1,2,5,6 1,2,5,6 1,2,5,6 1,2,5,6 1,2,5,6 1,2,5,6 1,2,3,6 1,2,3,6 1,2,3,6	ITEM # ON P. 1 BPO 1,2,5,6 .4216% 1,2,5,6 .50601% 1,2,5,6 .42168% 1,2,5,6 .42160% 1,2,5,6 .42160% 1,2,5,6 .42160% 1,2,5,6 .42168% 1,2,5,6 .4216% 1,2,5,6 .4216% 1,2,5,6 .4216% 1,2,5,6 .4216% 1,2,3,6 .4000% 1,2,3,6 1.0000% 1,2,3,6 1.0000% 1,2,3,6 1.0000% 1,2,3,6 1.0000% 1,2,3,6 1.0000% 1,2,3,6 1.0000% 1,2,3,6 1.0000% 1,2,3,6 1.0000%

BODA 113 PAGE 705

EXHIBIT "A" JAMIE FEDERAL #1

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*	SUBJECT TO ITEM # ON P. 1	OPERATING BPO	RIGHTS APO
Dan Lough 830 West Gore Lovington, NM 88260	1,2,3,6	.5000%	.5000%
Marion Riley P.O. 1518 Roswell, NM 88202-1518	1,2,3,6	.5000%	.5000%
Jamie Dennis P.O. 1518 Roswell, NM 88202-1518	1,2,3,6	.5000%	.5000%
Lisa Chambers 1901 N. Garden Roswell, NM 88201	1,2,3,6	.2500%	.2500%
New Mexico Salt Water Disposal Company P.O. Box 1518 Roswell, NM 88202-1518	1,2,4,6	2,0000%	1.5000%
James Clark 7501 Bear Canyon Rd. N.E. Albuquerque, NM 87109	1,2,4,6	2.55%	1.9125%
Rex V. Desmond United Bank Plaza, Suite 900 Roswell, NM 88201	1,2,4,6	.425%	.31875%
Southwestern Resources, Inc. 1111 West Coutry Club Roswell, NM 88201	1,2,4,6	.850%	.6375%
Arnold Ballard P.O. Box 122208 Fort Worth, TX 76121-2208	1,2,6	.500% .500% 1.000%	.375% .375% .750%
James B. & Mary Read P.O. Box 638 Ardmore, OK 73402	1,2,3,6	.2500%	.2500%
Pam Adams 1604 Tulane Roswell, NM 88201	1,2,4,6	.425%	.31875%
L. Richard Lust 3805 Ridgecrest Flower Mound, TX 75028	1,2,4,6	.850%	.6375%
Dr. Terry Angevine 150 Willow Oak Ct. Double Oak, TX 75067-8264	1,2,4,6	.850%	.6375%
Effco Investments P.O. Box 1085 Roswell, NM 88202-1085	1,2,4,6	.850%	.6375%
Robert & Leah Angevine 3601 Imperial Midland, TX 79707	1,2,4,6	1.700%	1.275%
Carolyn Beall P.O. Box 3098 Midland, TX 79702-3098	1,2,4,6	1.000%	.750%

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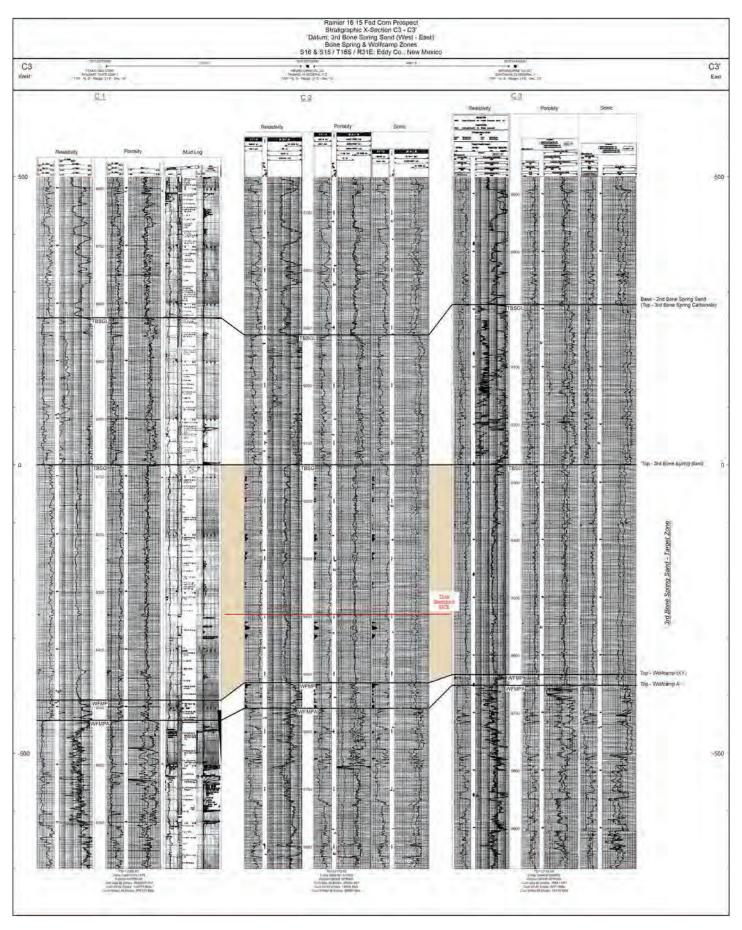
EXHIBIT "A" JAMIE FEDERAL #1

Page 4

	SUBJECT TO	OPERATIN BPO	G RIGHTS APO
James Smith P.O. Box 3234 Midland, TX 79702-3234	1,2,4,6	.850%	.6375%
James R. Cavalieri 10 Chapman Road East Hampton, CT 06424	1,2,5,6	.84328%	.74407%
Anthony L. & Carol Schuman 5622 Twin Brooks Drive Dallas, TX 75252	1,2,5,6	.21089%	.18607%
Frank Montgomery 9 Moss Forest Place Jackson, MS 39211	1,2,5,6	.21089%	.18607%
Neil Sisson P.O. Box 2234 Ardmore, OK 73402	1,2,3,6	1.0000%	1.0000%
John C. Maxey, Jr. P.O. Box 1518 Roswell, NM 88202-1518	1,2,3,6	.2500%	.2500%
William A. Bradshaw, III P.O. Box 1518 Roswell, NM 88202-1518	1,2,3,6	.5000%	.5000%
Mike Jones 4704 79th Street Lubbock, TX 79424	1,2,3,6	.5000%	.5000%
Bryan & Nancy C. Bilderbac 3810 Midforest Drive Houston, TX 77068	k 1,2,3,6	.7500%	.7500%
Karen Outland 4405 Emerson Dallas, TX 75205	1,2,4,6	.850%	.6375%
TOTAL IN	TEREST CONVEYED:	70.29012%	60.61512%

STA	ATE OF NEW MEX	ICO, County o	fEddy, ss. Ih	ereby co	rtify that t	hisinstrun	nent w	as filed for record on the
	21 day of	January	, A.D. 19_	92_at	1:40	_o'clock_	P.	_M., and duly recorded
in _	- BOOK 113 PAGE	701	of the Eddy	County	Records.			
	KA	REN DAVIS,	County Clerk		By Se	nda d	lon	_M., and duly recorded

Received by OCD: 3/10/2025 2:34:36 PM Exhibit 1C Rebutting Paragraphs 4 & 7 of Self-Affimrmed Statement of Travis Macha: Stratigraphic Cross Section Indicating 3rd Bone Spring Depth Severance



Received by OCD: 3/10/2025 2:34:36 PM Exhibit 2 Rebutting Paragraph 13 of Self-Affirmed Statement of Travis Macha: Permian

Resources' Well Proposals & Location Plats



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

OFFICE 432.695.4222 FAX 432.695.4063

August 16, 2024

Via Certified Mail & Email

V-F Petroleum, Inc. Attn: Land Dept. P.O. Box 1889 Midland, TX 79702

RE: Slim Jim 14-15 Fed Com – Well Proposals

S/2N/2 of Sections 14 & 15, T18S-R31E

Eddy County, New Mexico

To Whom It May Concern:

Permian Resources Operating, LLC, as Operator for Read & Stevens, Inc. ("Permian"), hereby proposes the drilling and completion of the following two (2) Bone Spring wells, the Slim Jim 14-15 Fed Com at the following approximate locations within Township 18 South, Range 31 East:

1. Slim Jim 14-15 Fed Com 122H

SHL: 300' FEL & 2024' FNL, or at a legal location within the NE4 of Section 14

BHL: 100' FWL & 1650' FNL of Section 15 FTP: 100' FEL & 1650' FNL of Section 14 LTP: 100' FWL & 1650' FNL of Section 15

TVD: Approximately 8,595' TMD: Approximately 18,880'

Proration Unit: S/2N/2 of Sections 14 & 15, T18S-R31E

Targeted Interval: 2nd Bone Spring Total Cost: See attached AFE

2. Slim Jim 14-15 Fed Com 123H

SHL: 330' FEL & 2024' FNL, or at a legal location within the NE4 of Section 14

BHL: 100' FWL & 2310' FNL of Section 15 FTP: 100' FEL & 2310' FNL of Section 14 LTP: 100' FWL & 2310' FNL of Section 15

TVD: Approximately 8,810' TMD: Approximately 19,095'

Proration Unit: S/2N/2 of Sections 14 & 15, T18S-R31E

Targeted Interval: 2nd Bone Spring Total Cost: See attached AFE

[Continued on Next Page]



OFFICE 432.695.4222 FAX 432.695.4063

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 available upon request. The Operating Agreement has the following general provisions:

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

Please indicate your election to participate in the drilling and completion of the proposed wells on the enclosed ballot. Please sign and return one copy of this letter, signed copies of the proposed AFEs, a signed copy of the enclosed insurance declaration, 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 spacing units for the proposed wells. 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 by email at Travis.Macha@permianres.com

Respectfully,

Travis Macha Permian Resources

NM Land Lead

Enclosures



OFFICE 432.695.4222 FAX 432.695.4063

Slim Jim 14-15 Fed Com Elections:

Well El (Please indicate your resp	ections: oonses in the spac	ce below)
Well(s)	Elect to Participate	Elect <u>NOT</u> to Participate
Slim Jim 14-15 Fed Com 122H		
Slim Jim 14-15 Fed Com 123H		

Company Name (If Application	ble):
Ву:	
Printed Name:	
Date:	



OFFICE 432.695.4222 FAX 432.695.4063

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.

Company Na	me (If Appl	icable):	
-	***		-
Ву:			_
Printed Name	e:		
Date:			



OFFICE 432.695.4222 FAX 432.695.4063

August 16, 2024

Via Certified Mail & Email

V-F Petroleum, Inc. P.O. Box 1889 Midland, TX 79702

RE: Slim Jim 14-15 Fed Com – Well Proposals

S/2 of Sections 14 & 15, T18S-R31E

Eddy County, New Mexico

To Whom It May Concern:

Permian Resources Operating, LLC, as Operator for Read & Stevens, Inc. ("Permian"), hereby proposes the drilling and completion of the following three (3) Bone Spring wells, the Slim Jim 14-15 Fed Com at the following approximate locations within Township 18 South, Range 31 East:

1. Slim Jim 14-15 Fed Com 124H (Infill)

SHL: 300' FEL & 1400' FSL, or at a legal location within the SW4 of Section 15

BHL: 100' FWL & 2200' FSL of Section 14 FTP: 100' FWL & 2200' FSL of Section 15 LTP: 100' FWL & 2200' FSL of Section 14

TVD: Approximately 8,510' TMD: Approximately 18,795'

Proration Unit: S/2 of Sections 14 & 15, T18S-R31E

Targeted Interval: 2nd Bone Spring Total Cost: See attached AFE

2. Slim Jim 14-15 Fed Com 125H (Defining Well)

SHL: 330' FEL & 1400' FSL, or at a legal location within the SW4 of Section 15

BHL: 100' FWL & 1430' FSL of Section 14 FTP: 100' FWL & 1430' FSL of Section 15 LTP: 100' FWL & 1430' FSL of Section 14

TVD: Approximately 8,670' TMD: Approximately 18,955'

Proration Unit: S/2 of Sections 14 & 15, T18S-R31E

Targeted Interval: 2nd Bone Spring Total Cost: See attached AFE

[Continued on Next Page]



OFFICE 432 695 4222 **FAX** 432.695.4063

3. Slim Jim 14-15 Fed Com 126H (Infill)

SHL: 330' FEL & 1370' FSL, or at a legal location within the SW4 of Section 15

BHL: 100' FWL & 660' FSL of Section 14 FTP: 100' FWL & 660' FSL of Section 15 LTP: 100' FWL & 660' FSL of Section 14

TVD: Approximately 8,510' TMD: Approximately 18,795'

Proration Unit: S/2 of Sections 14 & 15, T18S-R31E

Targeted Interval: 2nd 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 available upon request. The Operating Agreement has the following general provisions:

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

Please indicate your election to participate in the drilling and completion of the proposed wells on the enclosed ballot. Please sign and return one copy of this letter, signed copies of the proposed AFEs, a signed copy of the enclosed insurance declaration, 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 spacing units for the proposed wells. 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 by email at Travis.Macha@permianres.com

Respectfully,

Travis Macha Permian Resources NM Land Lead

Enclosures



OFFICE 432.695.4222 **FAX** 432.695.4063

Slim Jim 14-15 Fed Com Elections:

Well El (Please indicate your resp		ce below)
Well(s)	Elect to Participate	Elect <u>NOT</u> to Participate
Slim Jim 14-15 Fed Com 124H		
Slim Jim 14-15 Fed Com 125H		
Slim Jim 14-15 Fed Com 126H		

Company Name (If Applicable):		
Ву:		
Printed Name:		
Date:		



OFFICE 432.695.4222 FAX 432.695.4063

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.

Company Name (If Applicable):			
Ву:			
Printed Name			
Date:			



OFFICE 432.695.4222 **FAX** 432.695.4063

January 9, 2025

Via Certified Mail & Email

V-F Petroleum Inc. 500 W. Texas, Suite 350 Midland, TX 79701

RE: Slim Jim 14-15 Fed Com

Third Bone Spring Well Proposals / Second Bone Spring Informational All of Sections 14 & 15, T18S-R31E Eddy County, New Mexico

To Whom It May Concern:

Permian Resources Operating, LLC, as Operator for Read & Stevens, Inc. ("Permian"), previously proposed the Slim Jim 2nd Bone Spring development being the 121H-126H wellbores. As you may be aware, V-F Petroleum, Inc. has contested Permian's development utilizing their September 2023 proposals to Permian's predecessors.

Whereas a depth severance exists in Section 14 so Permian previously limited any compulsory pooling application to the base of the 2nd Bone Spring formation. However, V-F is attempting to pool the 3rd Bone Spring under Permian's proposals therefore Permian is hereby proposing it's planned Slim Jim 14-15 Fed Com 131H-134H wellbores as its competing applications. I would *likely* expect these applications to be consolidated with the 2nd Bone Spring and set for a new contested hearing date.

Slim Jim Third Bone Spring Formation Development:

1. Slim Jim 14-15 Fed Com 131H

SHL: 350' FEL &100' FNL, or at a legal location within the NE4 of Section 14

BHL: 100' FWL & 660' FNL of Section 15 FTP: 100' FEL & 660' FNL of Section 14 LTP: 100' FWL & 660' FNL of Section 15

TVD: Approximately 9,530' TMD: Approximately 19,815'

Proration Unit: N/2N/2 of Sections 14 & 15, T18S-R31E

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

*Please note the 131H SHL is subject to BLM conversation on moving the NENE quarter of Section 14 monument marker for pad expansion. No material changes expected.

*Additionally, please note that the 131H wellbore will be an overlapping spacing unit to the Mewbourne operated Tamano 15 AD Federal Com 1H

[Continued on Next Page]

2. Slim Jim 14-15 Fed Com 132H

SHL: 2,161' FSL & 291' FWL, or at a legal location within the SW4 of Section 13

BHL: 100' FWL & 1,980' FNL of Section 15 FTP: 100' FEL & 1,980' FNL of Section 14 LTP: 100' FWL & 1,980' FNL of Section 15

TVD: Approximately 9,530' TMD: Approximately 19,815'

Proration Unit: S/2N/2 of Sections 14 & 15, T18S-R31E

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

3. Slim Jim 14-15 Fed Com 133H

SHL: 566' FSL & 351' FWL, or at a legal location within the SW4 of Section 15

BHL: 100' FWL & 1,980' FSL of Section 15 FTP: 100' FEL & 1,980' FSL of Section 14 LTP: 100' FWL & 1,980' FSL of Section 15

TVD: Approximately 9,660 TMD: Approximately 19,945'

Proration Unit: N/2S/2 of Sections 14 & 15, T18S-R31E

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

4. Slim Jim 14-15 Fed Com 134H

SHL: 546' FSL & 325' FWL, or at a legal location within the SW4 of Section 15

BHL: 100' FWL & 660' FSL of Section 15 FTP: 100' FEL & 660' FSL of Section 14 LTP: 100' FWL & 660' FSL of Section 15

TVD: Approximately 9,660 TMD: Approximately 19,945'

Proration Unit: S/2S/2 of Sections 14 & 15, T18S-R31E

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

Slim Jim Second Bone Spring Formation Development Restated:

1. Slim Jim 14-15 Fed Com 121H

SHL: 400' FEL &100' FNL, or at a legal location within the NE4 of Section 14

BHL: 100' FWL & 330' FNL of Section 14 FTP: 100' FEL & 330' FNL of Section 14 LTP: 100' FWL & 330' FNL of Section 14

TVD: Approximately 8,760' TMD: Approximately 14,045'

Proration Unit: N/2N/2 of Section 14, T18S-R31E

Targeted Interval: 2nd Bone Spring

Total Cost: See attached AFE

2. Slim Jim 14-15 Fed Com 122H

SHL: 2,132' FSL & 274' FWL, or at a legal location within the SW4 of Section 13

BHL: 100' FWL & 1650' FNL of Section 15 FTP: 100' FEL & 1650' FNL of Section 14 LTP: 100' FWL & 1650' FNL of Section 15

TVD: Approximately 8,595' TMD: Approximately 18,880'

Proration Unit: S/2N/2 of Sections 14 & 15, T18S-R31E

Targeted Interval: 2nd Bone Spring Total Cost: See attached AFE

3. Slim Jim 14-15 Fed Com 123H

SHL: 2,104' FSL & 257' FWL, or at a legal location within the SW4 of Section 13

BHL: 100' FWL & 2310' FNL of Section 15 FTP: 100' FEL & 2310' FNL of Section 14 LTP: 100' FWL & 2310' FNL of Section 15

TVD: Approximately 8,810' TMD: Approximately 19,095'

Proration Unit: S/2N/2 of Sections 14 & 15, T18S-R31E

Targeted Interval: 2nd Bone Spring Total Cost: See attached AFE

4. Slim Jim 14-15 Fed Com 124H (Infill)

SHL: 485' FSL & 457' FWL, or at a legal location within the SW4 of Section 15

BHL: 100' FEL & 2200' FSL of Section 14 FTP: 100' FWL & 2200' FSL of Section 15 LTP: 100' FEL & 2200' FSL of Section 14

TVD: Approximately 8,510' TMD: Approximately 18,795'

Proration Unit: S/2 of Sections 14 & 15, T18S-R31E

Targeted Interval: 2nd Bone Spring Total Cost: See attached AFE

5. Slim Jim 14-15 Fed Com 125H (Defining Well)

SHL: 464' FSL & 431' FWL, or at a legal location within the SW4 of Section 15

BHL: 100' FEL & 1430' FSL of Section 14 FTP: 100' FWL & 1430' FSL of Section 15 LTP: 100' FEL & 1430' FSL of Section 14

TVD: Approximately 8,670' TMD: Approximately 18,955'

Proration Unit: S/2 of Sections 14 & 15, T18S-R31E

Targeted Interval: 2nd Bone Spring

Total Cost: See attached AFE

[Continued on Next Page]

6. Slim Jim 14-15 Fed Com 126H (Infill)

SHL: 444' FSL & 406' FWL, or at a legal location within the SW4 of Section 15

BHL: 100' FEL & 660' FSL of Section 14 FTP: 100' FWL & 660' FSL of Section 15 LTP: 100' FEL & 660' FSL of Section 14

TVD: Approximately 8,510' TMD: Approximately 18,795'

Proration Unit: S/2 of Sections 14 & 15, T18S-R31E

Targeted Interval: 2nd 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 available upon request. The Operating Agreement has the following general provisions:

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

Please indicate your election to participate in the drilling and completion of the proposed wells on the enclosed ballot. Please sign and return one copy of this letter, signed copies of the proposed AFEs, a signed copy of the enclosed insurance declaration, 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 spacing units for the proposed wells. 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 by email at Travis.Macha@permianres.com

Respectfully,

Travis Macha Permian Resources NM Land Manager

Enclosures

Slim Jim 14-15 Fed Com Elections:

Well Elections: (Please indicate your responses in the space below)		
Well(s)	Elect to Participate	Elect <u>NOT</u> to Participate
Slim Jim 14-15 Fed Com 131H		
Slim Jim 14-15 Fed Com 132H		
Slim Jim 14-15 Fed Com 133H		
Slim Jim 14-15 Fed Com 134H		

Company Name (If Applicable):	
Ву:	
Printed Name:	
Date:	

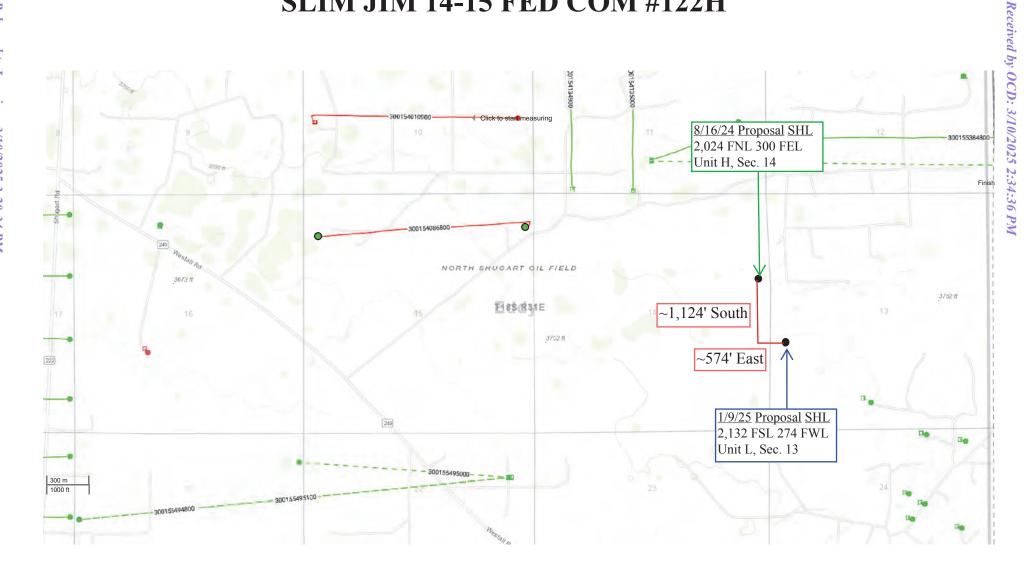
Participate / Rejection Declaration

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.

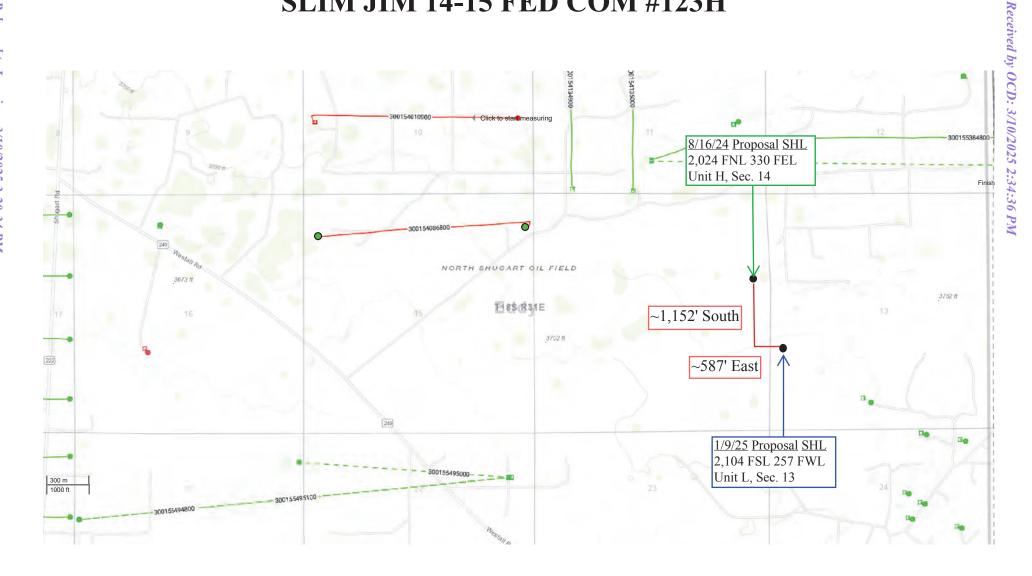
- □ I hereby elect to participate in the insurance coverage arranged by Permian Resources Operating, LLC and understand that I will be charged for such participation.
- □ I hereby elect to reject the insurance coverage arranged by Permian Resources Operating, LLC.

Company Name (If Applicable):			
By:			
Printed Name:			
Data			

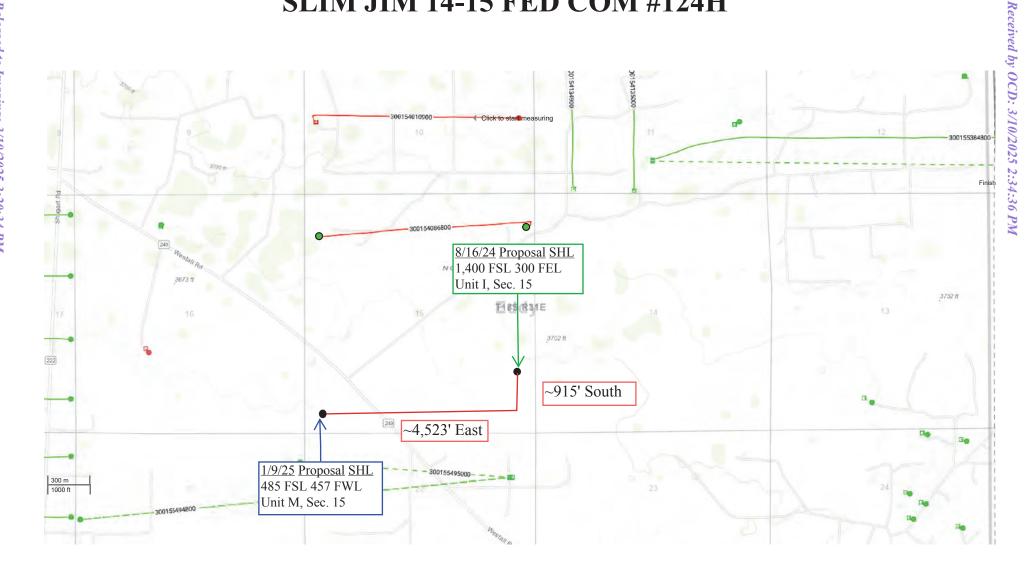
SLIM JIM 14-15 FED COM #122H



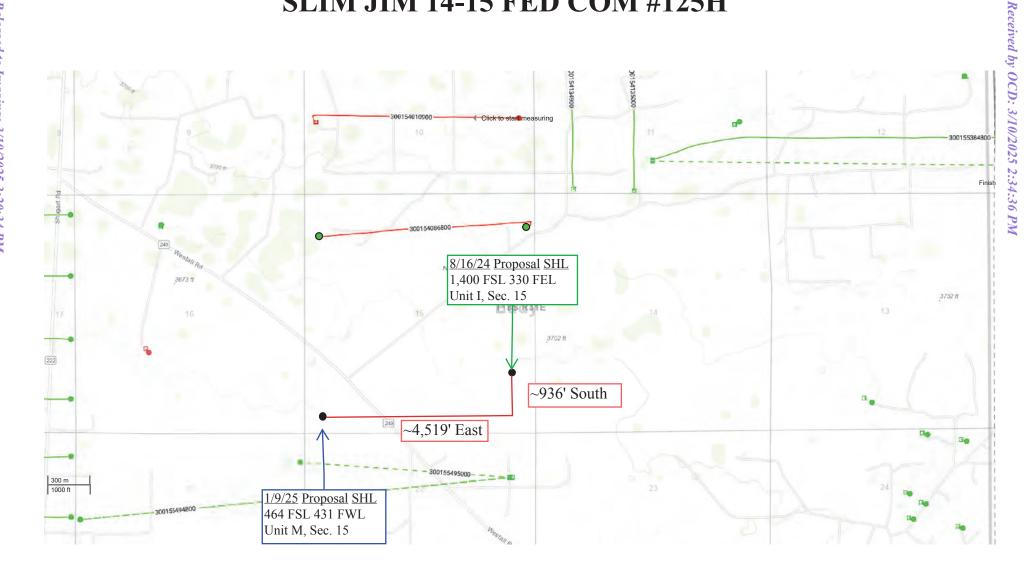
SLIM JIM 14-15 FED COM #123H



SLIM JIM 14-15 FED COM #124H



SLIM JIM 14-15 FED COM #125H



SLIM JIM 14-15 FED COM #126H

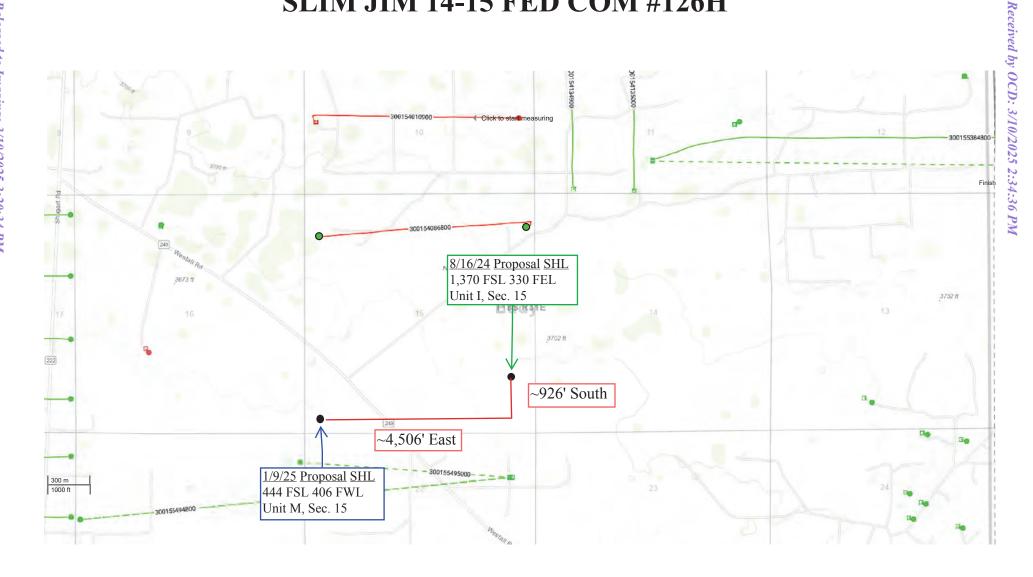


Exhibit 3 Rebutting Permian Resources' Exhibit C-3: Affidavit of Fact and Comparison of Working Interests

AFFIDAVIT OF FACT

STATE OF NEW MEXICO §
COUNTY OF EDDY §

BEFORE ME, the undersigned authority, on this day personally appeared Sandra K. Lawlis, who swore or affirmed to tell the truth, and stated as follows:

"My name is Sandra K. Lawlis. I am over 18 years of age, have never been convicted of a felony, am of sound mind, and am capable of making this affidavit. The facts stated in this affidavit are within my personal knowledge and are true and correct."

I am the Controller and Office Manager for V-F Petroleum Inc. ("V-F") and in this capacity I manage the business records for V-F. I am aware that on or about February 16, 2024, V-F received an executed Offer Letter, Memorandum of Term Assignment and Term Assignment dated effective February 1, 2024, from Moore & Shelton Company, Ltd. On or about February 16, 2024, V-F placed the agreed upon consideration in the mail to Moore & Shelton Company, Ltd. and the check containing the agreed upon consideration did clear the bank. V-F has somehow misplaced Moore & Shelton Company, Ltd.'s original executed Memorandum of Term Assignment and Term Assignment and V-F had made several attempts to obtain re-executed originals of the referenced documents above, but these efforts are currently unsuccessful.

Please find attached as Exhibit "A" a fully executed copy of the Offer Letter, with the consideration amount redacted and attached as Exhibit "B" an unexecuted copy of the Memorandum of Term Assignment that was executed by Moore & Shelton Company, Ltd., with Exhibit "A" and Exhibit "B" both being incorporated herein by reference for all purposes.

The purpose of this Affidavit of Fact is to put the public on notice that V-F has obtained a Term Assignment from Moore & Shelton Company, Ltd. and is the current holder of the referenced leasehold estate listed on Exhibit "B". V-F may be contacted by mail at P.O. Box 1889, Midland, Texas 79702 by any party wishing to inquire about the status of this leasehold interest.

Further affiant sayeth naught.

Dated this 24th day of January 2025.

V-F Petroleum Inc.

By: Sardra K. Lawlis

STATE OF TEXAS

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COUNTY OF MIDLAND

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This instrument was acknowledged before me on this 24th day of January 2025, by Sandra K. Lawlis, as Controller and Office Manager for V-F Petroleum Inc., on behalf of said company.

PAMELA M. O'NEIL
NOTARY PUBLIC. STATE OF TEXAS
NOTARY ID 580984-1
MY COMMISSION EXP. 10-21-2026

Reception: 2500970 Book: 1191 Page: 0578 Pages: 6

Notary Public, State of Texas

Recorded: 01/24/2025 03:29 PM Fee: \$25.00 Eddy County, New Mexico ~ Cara Cooke, County Clerk

eRecorded Document



Exhibit "A"

to that certain Affidavit of Fact dated January 24, 2025

V-F Petroleum Inc.

500 W. Texas, Suite 350, Midland, Texas 79701 Mailing Address: P.O. Box 1889, Midland, TX 79702 432/683-3344 E-mail: jordanl@vfpetroleum.com 432/683-3352FAX www.vfpetroleum.com

February 12, 2024

Moore & Shelton Company, Ltd. P.O. Box 3070
Galveston, Texas 77552

Re:

Offer Letter - Term Assignment of Oil and Gas Lease

Fownship 18 South, Range 31 East. N.M.P.M., Eddy Co., NM

SE/4NE/4 & SE/4 Section 15

Limited to the Bone Spring Formation Only

After a thorough review of your title, it has been determined that Moore & Shelton Company, Ltd. owns 15 Net Mineral Acres ("NMA") of Working Interest in Leases covering the above captioned lands ("Lands"). V-F Petroleum Inc. ("V-F") is here and now offering you

("Consideration") in exchange for your execution of the enclosed Memorandum of Term Assignment of Oil and Gas Lease and Term Assignment of Oil and Gas Lease containing a three (3) Initial Term, 180 day CDC, while retaining the positive difference between existing lease burdens and a 25% royalty as an overriding royalty interest.

Since due diligence has already been performed, within five (5) business days from V-F Petroleum Inc.'s receipt of your original executed Offer Letter, enclosed Memorandum of Term Assignment of Oil and Gas Lease, Term Assignment of Oil and Gas Lease and W-9, V-F Petroleum Inc. will place in the Consideration check in the mail to the above listed address or any other address of your choosing. This offer shall remain in full force and effect until 5:00 p.m. Central Standard Time on February 23, 2023, at which point it shall automatically terminate.

Should you find the terms of this Offer Letter agreeable, please execute and date this Offer Letter in the place provided below. Should you have any questions or concerns, please feel free to give V-F's landman, Jordan Shaw a call at (432) 269-0569 or you may email him at jordan@vfpetroleum.com. Thank you for your time and consideration of V-F's offer.

Sincerely

AGREED TO AND ACCEPTED

Moore & Shelton Company, Ltd.

Jordan Shaw, Landman/Attorney

By: Paul C Moore

Name: PAUL C. MODRE

Title: GENERAL PARTNER

Date: 2-13-24

05238 Page 1 of 1

Eddy County, New Mexico 01/24/2025 03:29 PM Received by OCD: 3/10/2025 2:34:36 PM

2500970

Page 3 of 6 Page 507 of 600

Exhibit "B"

to that certain Affidavit of Fact dated January 24, 2025

NOTICE OF CONFIDENTIALITY RIGHTS; IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS; YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

MEMORANDUM OF TERM ASSIGNMENT OF OIL AND GAS LEASE

STATE OF NEW MEXICO	§ §	KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF EDDY	§	

That effective as of the 1ST day of February 2024 ("Effective Date"), a Memorandum Term Assignment of Oil and Gas Lease ("Term Assignment") was entered into between **MOORE & SHELTON COMPANY**, LTD., whose address is P.O. Box 3070, Galveston, Texas 77552 (referred to as "Assignor"), and V-F **PETROLEUM INC.**, whose address is P.O. Box 1889, Midland, TX 79702 ("Assignee").

The Assignor assigned to Assignee by Term Assignment of Oil and Gas Lease dated as of the Effective Date herein ("Term Assignment") all of its operating interest in and to those certain Oil and Gas Leases and lands listed on Exhibit "A" ("Leases"), which is attached hereto and incorporated herein by reference. The Term Assignment is for a primary term of three (3) years from the Effective Date and is effective so long thereafter as oil and/or gas is produced in paying quantities from the Leases, according to and by the terms and provisions of the Term Assignment.

Assignor therein reserves and retains unto itself, its successors and assigns, an overriding royalty interest being equal to the positive difference, if any, between Twenty-Five percent (25.00%) and existing burdens of record covering the Assigned Premises, and should the Term Assignment cover less than the entire leasehold interest in and to the Assigned Premises, this reserved overriding royalty interest shall be proportionately reduced to correspond with the interest assigned herein. Assignor's overriding royalty will be paid on the same basis as required in the underlying oil and gas lease(s) where production originates from.

This Memorandum of Term Assignment of Oil and Gas Lease is executed by Assignor and placed of record in the County in which the Leases are located for the purpose of placing all persons on notice of the existence of the Term Assignment, which is not being placed of record. Copies of the Term Assignment are in the possession of Assignor and Assignee.

IN WITNESS WHEREOF, the undersigned Assignor and Assignee signed this instrument as of the dates of the respective acknowledgements, but shall be effective for all purposes as of the Effective Date.

[Signatures and acknowledgements to follow]

"ASSIGNOR"			
MOORE & SHELTON COMP	PANY, LTD.		
By:			
Name:			
Title:			
STATE OF TEXAS COUNTY OF GALVESTON			
	cknowledged before me this	day of of MOORE & SHELTO	, 2024 ON COMPANY
LID., on behalf of said entity.			
	NOTARY P	PUBLIC-STATE OF TEXAS	<u> </u>

"ASSIGNEE"		
V-F PETROLEUM INC.		
By:Sandy K. Lawlis, Vice-Preside	nt	
STATE OF TEXAS	\$ \$ \$	
COUNTY OF MIDLAND	§	
This instrument was acknown SANDY K. LAWLIS as Vice-Press	wledged before me this day of, 2024, dent of V-F PETROLEUM INC., on behalf of said entity.	by
	NOTARY PUBLIC-STATE OF TEXAS	

EXHIBIT "A"

Attached to and made part of that certain Memorandum of Term Assignment dated effective the 1st day of February 2024, by and between **MOORE & SHELTON COMPANY, LTD.**, as Assignor, and **V-F PETROLEUM INC.**, as Assignee.

Assignor assigns their interests insofar as and only insofar as it covers operating rights they own as of the effective date of the Term Assignment in and to the leases and lands listed below, <u>INSOFAR AS AND</u> ONLY INSOFAR AS IT COVERS THE BONE SPRING FORMATION ONLY:

Lease No: NMNM 089879 (Out of IC 062052)

Date: December 1, 1959
Lessor: United States of America
Original Lessee: Hudson & Hudson, Inc.

Recording: Volume 102, Page 291 Eddy County, NM Land Description: Insofar as and only insofar as Lease covers:

Township 18 South, Range 31 East, N.M.P.M., Eddy Co., NM

SE/4NE/4 Section 15, containing 40 acres, more or less

Lease No: NMNM 089882 (Out of NMLC 029388-D)

Date: February 3, 1992

Lessor: United States of America Original Lessee: Marathon Oil Company

Recording: Memorandum of Lease Volume 119, Page 290 in Eddy County, NM

Land Description: Insofar as and only insofar as Lease covers:

Township 18 South, Range 31 East, N.M.P.M., Eddy Co., NM

SE/4 Section 15, containing 160 acres, more or less

END OF EXHIBIT

V-F Proposals - V-F v Permian WI

Rainier 221H (2nd BS) & 231H (3rd BS)	S/2S/2 Sec. 16 & 15, T-18-S, R-31-E, Eddy				
WI Owner	WI	NRI	ORRI		
V-F Petroleum Inc.	0.32895834	0.24671876	0.00012500		
Permian Resources Operating, LLC	0.23937500	0.17605079	0.00000000		

Rainier 222H (2nd BS) & 232H (3rd BS) N/2S/2 Sec. 16 & 15, T-18-S, R-31-E						
WI Owner	WI	NRI	ORRI			
V-F Petroleum Inc.	0.32895834	0.24671876	0.00012500			
Permian Resources Operating, LLC	0.23937500	0.17605079	0.00000000			

Rainier 223H (2BS)	S/2N/2 Sec. 16 & 15, T-18-S, R-31-E, Eddy					
WI Owner	WI	NRI	ORRI			
V-F Petroleum Inc.	0.44458334	0.33343750	0.00018750			
Permian Resources Operating, LLC	0.32453125	0.24653126	0.00000000			

Rainier 233H (3rd BS)	S/2N/2 Sec. 16 & 15, T-18-S, R-31-E, Eddy					
WI Owner	WI	NRI	ORRI			
V-F Petroleum Inc.	0.44458334	0.33343750	0.00018750			
Permian Resources Operating, LLC	0.32453125	0.24653126	0.00000000			

Rainier 234H (3rd BS	N/2N/2 Sec. 16 & 15, T-18-S, R-31-E, Eddy					
WI Owner	WI	NRI	ORRI			
V-F Petroleum Inc.	0.12500000	0.09375000	0.00006250			
Permian Resources Operating, LLC	0.42480468	0.31372851	0.00000000			



CRUDE OIL STATEMENT

PLAINS MARKETING L.P.

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H)F0Ā;8E/B;6?0@9A Ā/01/20\$&&-?@CB<9C**8**20*-*'+ PROPERTY NUMBER 240761(992288)

OPERATOR: H)F0Ā;8E/B;6?0@9A

PROPERTY: 7A<9B/90CE< >0Q307&8;0+Q\$5

FIELD: 69=9/>9
COUNTY: ;CCD
PRODUCT: /@B

STATE: 9;>0?;2@A/

STATE PROPERTY NUMBER: 69=9/>9
STATE DISTRICT NUMBER: '+'

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** WHEN INQUIRING PLEASE REFER TO PROPERTY NUMBER ABOVE **

ACTIVITY DATE	CODE	TANK	TICKET NUMBER	GRAVITY	GROSS PRICE	NET BARRELS	GROSS VALUE	ADJUSTMENTS	STATE TAXES	NET VALUE	
12/01/24	4	NX741	1240081	40.7	68.428	5 3,194.36	218,585.26	0.0	00 17,690.11 T	200,895.15	
12/30/24	4	NX741	1240092	40.7	68.428	5 231.70	15,854.88	0.0	1,283.14 T	14,571.74	
		STATEMENT T	OTAL:	40.7		3,426.06	234,440.14	0.0	18,973.25	215,466.89	
						ACCOUNTING CLOSE DATE			STATEMENT PREPARED DATE		
Page 1 of 1							December 2024				

KEY TO CODE:

\$.0E6908@A=;8 3.0A/EE;A8@/9 +.0;78@?-8;C0E690 8@A=;8 ,.0FE<A0/@**B**7/BC Q.0B**&**;0E690 8@A=;8 4.0E;86E9;C0FE<A0/@B

38;0E690 8@A=;8 4.0E; Page 512 of 600 THIS INFORMATION HAS BEEN FURNISHED BY PLAINS MARKETING L.P. AS AN ACCOMMODATION ONLY. IT DOES NOT NECESSARILY REFLECT RECORD TITLE. ANYONE RELYING ON THIS INFORMATION FOR ANY OTHER USE DOES SO AT HIS/HER OWN RISK AND WITHOUT RECOURSE ON PLAINS MARKETING L.P.. THESE PROCEEDS WERE PAID PURSUANT TO APPLICABLE DIVISION ORDERS OR OTHER CONTRACTS, STATEMENTS AVAILABLE AT WWW.PAALP.COM

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Releas	Oil					Gas	;			Wate					Days Prod
ease	221	231	222	232	221	231	222	232	221	231	222	232	221	231	222
2/31/2024		120				650				373				1	
1/1/2025		118				646				382				1	
1/1/2025 1/2/2025		106				514	:			324				1	
1/3/2025		119				653				384				1	
1/4/2025		110				584				353				1	
2 1/5/2025		112				577				350				1	
		112				606				360				1	
£ 1/7/2025		108				533				322				1	
1/8/2025		104				480				287				1	
1/9/2025		143				452				247				1	
1/10/2025		66				372				239				1	
1/11/2025		29				189				168				1	
1/12/2025		159				478	1			308				1	
1/13/2025		129				619				362				1	
1/14/2025		113				555				327				1	
1/15/2025		99				430				271				1	
1/16/2025		28				152				127				1	
1/17/2025		27				173				167				1	
1/18/2025		193				539				323				1	
1/19/2025		114				511				303				1	
1/20/2025		68				337	:			219				1	
1/21/2025		148				595				348				1	
				i										_	

Exhibit 5 Rebutting Permian Resources' Exhibit C-9: Comparison of Permian Resources' Lajitas Well Proposals

Well Name	Formation	TVD	TMD	AFE Cost	Percentage of Original AFE
Lajitas 5-4 State COM 121H (1/16/24)	2BS	6,810	17,095		OTIGITION I
Lajitas 5-4 State COM 121H (1/16/24)	2BS	6,810	· · · · · ·	. , ,	75.60%
		•			
Lajitas 5-4 State COM 122H (1/16/24)	2BS	6,810	17,095	\$12,441,256.00	
Lajitas 5-4 State COM 122H (9/11/24)	2BS	6,810	17,095	\$9,405,555.04	75.60%
Lajitas 5-4 State COM 123H (1/16/24)	2BS	6,810	17,095	\$12,441,256.00	
Lajitas 5-4 State COM 123H (9/11/24)	2BS	6,910	17,195	\$9,405,555.04	75.60%
Lajitas 5-4 State COM 124H (1/16/24)	2BS	6,910	17,195		
Lajitas 5-4 State COM 124H (9/11/24)	2BS	6,910	17,195	\$9,405,555.04	75.60%
					_
Lajitas 5-4 State COM 131H (1/16/24)	3 BS	8040	18325	\$12,985,976.00	
Lajitas 5-4 State COM 131H (9/11/24)	3 BS	8040	18325	\$9,706,793.73	74.75%
Lajitas 5-4 State COM 132H (1/16/24)	3 BS	8110	18325	\$12,985,976.00	
Lajitas 5-4 State COM 132H (9/11/24)	3 BS	8110	18395	\$9,706,793.73	74.75%
Lajitas 5-4 State COM 133H (1/16/24)	3 BS	8115	18400	\$12,985,976.00	
Lajitas 5-4 State COM 133H (9/11/24)	3 BS	8115	18400	\$9,706,793.73	74.75%
			T		
Lajitas 5-4 State COM 134H (1/16/24)	3 BS	8115	18400	\$12,985,976.00	
Lajitas 5-4 State COM 134H (9/11/24)	3 BS	8185	18470	\$9,706,793.73	74.75%

WELL PROPOSALS (WORKOVER) (DRLG) (LSG) (OUTSIDE OPERATED)

(File with the AFE)

wo lsg
115 (8 Well Proposic)
115 (8 Well Fig. 4)
Compl
ach / 4 Wells #12, 985,976 Ed
isted.
compl act 14 wells #12, 985,976 Ed isted: FPI GEC/JMG/Fac/
Date
Date
Date
r file name)/(well name) (afe date)



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

OFFICE 432.695.4222 FAX 432.695.4063

January 16, 2024

V-F Petroleum, Inc. P.O. Box 1889 Midland, Texas 79702 Via Certified Mail

Rec'd 1/22/24.

RE:

Well Proposals - Lajitas 5-4 State Com

All of Section 5 & All of Section 4, T19S-R28E

Eddy County, New Mexico

To Whom It May Concern:

Permian Resources Operating, LLC ("Permian"), as operator for Colgate Production, LLC, hereby proposes the drilling and completion of the following eight (8) wells, the Lajitas 5-4 State Com at the following approximate locations within Township 19 South, Range 28 East, Eddy Co., NM:

1. Lajitas 5-4 State Com 121H

SHL: At a legal location within the W/2 of the NE/4 of Section 5

BHL: 10' FEL & 990' FNL of Section 4 FTP: 100' FWL & 990' FNL of Section 5 LTP: 100' FEL & 990' FNL of Section 4

TVD: Approximately 6,810' TMD: Approximately 17,095'

Proration Unit: N/2N/2 of Sections 4 & 5 Targeted Interval: 2nd Bone Spring Total Cost: See attached AFE

2. Lajitas 5-4 State Com 122H

SHL: At a legal location within the W/2 of the NE/4 of Section 5

BHL: 10' FEL & 2,190' FNL of Section 4 FTP: 100' FWL & 2,190' FNL of Section 5 LTP: 100' FEL & 2,190' FNL of Section 4

TVD: Approximately 6,810' TMD: Approximately 17,095'

Proration Unit: S/2N/2 of Sections 4 & 5 Targeted Interval: 2nd Bone Spring Total Cost: See attached AFE

3. Lajitas 5-4 State Com 123H

SHL: At a legal location with the E/2 of the SE/4 of Section 6

BHL: 10' FEL & 1,890' FNL of Section 4 FTP: 100' FWL & 1,890' FSL of Section 5 LTP: 100' FEL & 1,890' FSL of Section 4

TVD: Approximately 6,910' TMD: Approximately 17,195'

Proration Unit: N/2S/2 of Sections 4 & 5 Targeted Interval: 2nd Bone Spring Total Cost: See attached AFE

4. Lajitas 5-4 State Com 124H

SHL: At a legal location with the E/2 of the SE/4 of Section 6

BHL: 10' FEL & 690' FSL of Section 4 FTP: 100' FWL & 690' FSL of Section 5 LTP: 100' FEL & 690' FSL of Section 4

TVD: Approximately 6,910' TMD: Approximately 17,195'

Proration Unit: S/2S/2 of Sections 4 & 5 Targeted Interval: 2nd Bone Spring Total Cost: See attached AFE

5. Lajitas 5-4 State Com 131H

SHL: At a legal location within the W/2 of the NE/4 of Section 5

BHL: 10' FEL & 330' FNL of Section 4 FTP: 100' FWL & 330' FNL of Section 5 LTP: 100' FEL & 330' FNL of Section 4

TVD: Approximately 8,040' TMD: Approximately 18,325'

Proration Unit: N/2N/2 of Sections 4 & 5 Targeted Interval: 3rd Bone Spring Total Cost: See attached AFE

6. Lajitas 5-4 State Com 132H

SHL: At a legal location within the W/2 of the NE/4 of Section 5

BHL: 10' FEL & 1,650' FNL of Section 4 FTP: 100' FWL & 1,650' FNL of Section 5 LTP: 100' FEL & 1,650' FNL of Section 4

TVD: Approximately 8,110' TMD: Approximately 18,395'

Proration Unit: S/2N/2 of Sections 4 & 5 Targeted Interval: 3rd Bone Spring Total Cost: See attached AFE

7. Lajitas 5-4 State Com 133H

SHL: At a legal location with the E/2 of the SE/4 of Section 6

BHL: 10' FEL & 2,310' FSL of Section 4 FTP: 100' FWL & 2,310' FSL of Section 5 LTP: 100' FEL & 2,310' FSL of Section 4

TVD: Approximately 8,115' TMD: Approximately 18,400'

Proration Unit: N/2S/2 of Sections 4 & 5 Targeted Interval: 3rd Bone Spring

Total Cost: See attached AFE

8. Lajitas 5-4 State Com 134H

SHL: At a legal location with the E/2 of the SE/4 of Section 6

BHL: 10' FEL & 990' FNL of Section 4 FTP: 100' FWL & 990' FSL of Section 5 LTP: 100' FEL & 990' FSL of Section 4

TVD: Approximately 8,185° TMD: Approximately 18,470°

Proration Unit: S/2S/2 of Sections 4 & 5 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. 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 available upon request. The Operating Agreement has the following general provisions:

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

Please indicate your election to participate in the drilling and completion of the proposed wells on the enclosed ballot. Please sign and return one copy of this letter, signed copies of the proposed AFEs, a signed copy of the enclosed insurance declaration, 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 spacing units for the proposed wells. 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.

Please further note that it is the intention of Colgate Production, LLC to relinquish all interest in this unit unto its parent company, Permian Resources Operating, LLC in the near future.

Thank you for your time and consideration, if you have any questions at all, please don't hesitate to contact me at 432.400.1037 or by email at mark.hajdik@permianres.com.

Respectfully,

Mark Hajdik Senior Landman

Mattley like

Enclosures

ELECTIONS ON PAGE TO FOLLOW

Lajitas 5-4 State Com Elections:

(Please indicate	Well Elections: your responses in the sp	paces below)
Well(s)	Elect to Participate	Elect to <u>NOT</u> Participate
Lajitas 5-4 State Com 121H		
Lajitas 5-4 State Com 122H		
Lajitas 5-4 State Com 123H		
Lajitas 5-4 State Com 124H		
Lajitas 5-4 State Com 131H		
Lajitas 5-4 State Com 132H		
Lajitas 5-4 State Com 133H		
Lajitas 5-4 State Com 134H		

Company Name (If Applica	able):
Ву:	
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.

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

		N. Marienfeld St., Ste. 1 Phone (432) 695-4222 •	Fax (432) 695-4063		
	ESTIMATE O	F COSTS AND AUTHO	RIZATION FOR EXPENDI		
DATE:	1.12.2024			AFE NO.:	1
VELL NAME:	Lajtas 5-4 State 121H			FIELD:	+= 00=1 / / 0401
OCATION:	Section 5, T19S-R28E			MD/TVD:	17,095' / 6,810'
COUNTY/STATE:	Eddy County, New Mexic	0		LATERAL LENGTH:	10,000'
ennian WI:				DRILLING DAYS:	19.6
GEOLOGIC TARGET:	SBSG			COMPLETION DAYS:	18.6
	Drill a horizontal SBSG w	ell and complete with	44 stages. AFE includes	drilling, completions, flo	owback and Initial AI
EMARKS:	install cost				
		DRILLING	COMPLETION	PRODUCTION	TOTAL
INTANGIBLE	COSTS	COSTS	COSTS	COSTS	COSTS
Land/Legal/Regulatory	5	48,916		7	\$ 48,910
Location, Surveys & Dama	iges	318,597	19,981		338,579
Freight / Transportation		52,673	48,416	24,038 114,178	125,12
Rental - Surface Equipme		137,497	238,238	114,170	293,32
Rental - Downhole Equip	ment -	53,176	60,251		113,42
Rental - Living Quarters DDirectional Drilling, Sur	103/6	475,047	00/201	-	475,04
1 Drilling	-	833,677			833,67
2 Drill Bits	-	110,788		-	110,78
3 Fuel & Power	-	208,950	801,871	-	1,010,82
4 Cementing & Float Equip	,	269,070	-	-	269,07
5 Completion Unit, Swab,	CIU -	-	-	18,028	18,02
6 Perforating, Wireline, Sli		-	434,783	-	434,78
7 High Pressure Pump Tru			136,333	-	136,33
8 Completion Unit, Swab,	CTU	-	162,002	-	116,35
Mud Circulation System		116,354 19,386	-		110,33
Mud Logging	nation	8,040	9,222		17,26
Z Logging / Formation Eva 3 Mud & Chemicals	· ·	400,155	484,605	12,019	896,78
4 Water		48,062	731,714	300,469	1,080,24
5 Stimulation			900,269		900,26
6 Stimulation Flowback &	Disp	-	134,489	180,281	314,77
Mud/Wastewater Dispo		213,560	67,629	-	281,18
Rig Supervision / Engine		134,035	147,554	18,028	299,61
2 Drlg & Completion Over	head	11,528		-	11,52
5 Labor		169,604	76,851	18,028	264,41
4 Proppant		-	1,388,201		1,388,20
5 Insurance		16,213	27,008		27,00
7 Contingency			27,008	-	27,00
9 Plugging & Abandonme	TOTAL INTANGIBLES >	3,872,526	5,935,556	685,069	10,493,1
	TOTAL INTIMIGIBLES	DRILLING	COMPLETION	PRODUCTION	TOTAL
TANGIBLE	COSTS	COSTS	COSTS	COSTS	COSTS
O Surface Casing	5	135,183			\$ 135,18
1 Intermediate Casing	9	402,911	-	8	402,9
2 Drilling Liner	- '		-		-
Production Casing		759,821		-	759,82
4 Production Liner			-	* 1	
5 Lubing				168,263	168,2
6 WeШhead		71,686	*	48,075 24,038	119,70
7 Packers, Liner Hangers		16,292		24,030	40,3
8 I'anks 9 Production Vessels	74				
9 Flow Lines				-	
1 Rod string				-	-
2 A rtificial L ift Equipmen	t		-	108,169	108,1
Compressor		-	-		-
4 Installation Costs		-	-	66,771	66,7
5 Surface Pumps		-	-	97	
6 Downhole Pumps		-		*	
7 Measurement & Meter I		-	-	36,056	36,0
Gas Conditioning/Deh	dration	-	*	114 12/11	
9 Interconnecting Facility	riping			24,038	24,0
0 Gathering / Bulk Lines 1 Valves, Dumps, Control	ers				
1 vaives, Dumps, Control 2 Lank / Facility Containπ		1.4			
3 Flare Stack		1	-	20,031	20,0
4 Electrical / Grounding		-	-	46,740	46,7
5 Communications / SCA1)A	-		13,354	13,3
6 Instrumentation / Safety		-	-	6,677	6,6
	TOTAL TANGIBLES >	1,385,895		562,211	1,948,
	TOTAL COSTS >	5,258,420	5,935,556	1,247,280	12,441,
		,			
ARED BY Permian Da	sources Operating, LLC:				
THE DITTERBURK	ourses operating, and				
Drilling Engine	er: PS				
Completions Engine					
Production Engine					
Production Engine	IN THE APPROVATA				
Production Engine					
Production Engine	30	Co-C		VP - Ope	
Production Engine tian Resources Operation Co-Cl	BOWH		JW	VP - Ope	rations
Production Engine	BOWH	Co-C VP - Geoscies	JW	VP - Ope	

NON OPERATING PARTNER APPROVAL:

Company Name: Working Interest (%):

The east and the AET was particult willy and may sen be commend as entirely as any appelled than in the held cost of the project. The long baselmones appeals entire to AET was be delayed up as a year than the well has been completed. In amounting the AET, the functionals appear to pay, in a particular and the appear to the action of the

Permian Resources Operating, LLC 300 N. Marienfeld St., Ste. 2000 Midland, TX 79701

300 IV. Manientela 31., Ste. 2000 Milatano, 27. 75702
Phone (432) 695-4222 • Fax (432) 695-4063
ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

MILLANAME Section 5.195.0285 May1700 17,569 16,000 10,	DATE:	1.12,2024			AFE NO.:	1
IDIOATION Section 5, TISS, E208E					FIELD:	
ATTERAL LINGTITE 10,000						17,0951 / 6,8101
DRILLING DATE 20.5						
April		Eddy County, New Mexico	0			
Delia Porticontal SBSG well and complete with 46 stages. APE includes dralling, completions, flowback and installations		-				
IRAARINS Intellicons	GEOLOGIC TARGET:	SBSG				
NATANGRILE COSTS	DEMARKS.		ell and complete with	1 44 stages. AFE includes	ariling, completions, no	WDack and indual AL
NTANOBIR COSTS	TEWARKS.	Hattan coot			DD ODWOWON	TOTAL
Land Lang	INTANCIDI	COSTS				COSTS
Location, Journey & Lineage 1985/7 1999/8		5 (0313		-		\$ 48,916
Internal Surface Equipment Supplement		ages	318,597		-	338,579
Restrict - Downhole Equipment ZZ/186 Bol. 81 Restrict - Downhole Equipment ZZ/186 ZZ/18		_	52,673			125,127
Realist Ashing Quarters	Rental - Surface Equipme	nt –			114,178	489,913
Directional Directions, Surveys	Kental - Downhole Equip	ment				293,327 113,427
Drilling						475,047
2 Detail Bits		veys				833,677
Steel set Nover		-				110,788
Competion Comp		_		801.871		1,010,82
Stampleton Unit, Swab, CTU						269,070
### ### ##############################					18,028	18,020
19,535 1			*	434,/83		434,783
S. Completion Unit, Swab, CTU	7 High Pressure Pump I'm	ack	F			136,333
Date Circulation System				162,002	-	162,002
2 Logging Formation Evaluation Signal Successful				19		116,354
20 Aud & Chemicals	1 Mud Logging	_				19,380
3 Must & Chemicals	2 Logging / Formation Eva	luation				17,262
Stimulation	3 Mud & Chemicals					896,789
Stimulation Flowback & Disp		12	48,062		300,469	1,080,24
Shafa Wastewater Lisponal		-	-		TREAD	900,26
18 Supervision Engineering 13,815			919		100,201	281,18
2. Drig & Completion Overhead 11,238					TH 028	299,61
Stabor 169,000 76,000 180,00				147,709	10,040	11,52
March 1,388,201		rneau -		76.851	18.028	264,48
10,213			107,004			1,388,20
77 Contingney 9 Pluggling & Abandonment TOTALINTANGIBLES > \$572,556		_	16.213		-	16,21
### TOTAL INTANGIBLES 3,872,526		-	10,210	27,008		27,000
TOTAL INTANGIBLES \$3872.526		ent	2.0	-	-	-
TANGIBLE COSTS COSTS COSTS COSTS	-		3,872,526	5,935,556	685,069	10,493,15
18 Surface Lessing			DRILLING			TOTAL
	TANGIBLE	COSTS	COSTS	COSTS	COSTS	COSTS
22 Drilling Lines					- 4	5 135,1R
18 Production Liser			402,911	*		402,91
March Marc				-		759,82
161,283 161,		-	759,821	-		700,02
Seweithead			14			168,26
16,292 23,008 30 24,00		-	77 686			119,76
## 18 1 1 1 1 1 1 1 1 1		-				40,33
19 Production Vessels		-				-
70 Place Lines		-		-		-
77 Rod string		-	-		-	-
108,169 72 Artificial Lift Equipment	71 Rod string		-		-	-
	72 Artificial Lift Equipmer	ıt -			108,169	108,36
75 Surface Plumps	73 Compressor	-	-	_		
16 Downhole Pumps		_				66,77
17 Measurement & Meter Installation			-			-
18 Gas Conditioning Dehydration			•	10.00	-	-
19 Interconnecting Facility Piping			•			36,05
30 Gathering / Bulk Lines			-			24,03
13 Valves, Dumps, Controllers		Piping			24,038	24,03
12 Tank Facility Containment 20,031 38 Flare Stack 20,031 46,740 46,740 45 Communications SCADA 5,6877 56,677 56,677 57 Containment 50,000 562,211 50,00		Hore .				
13 Flare Stack 20,031 44 Electrical / Grounding 46,740 45 (20,031 45 (2			-	-		
		mean.				20,03
## TOTAL TANGIBLES			-	-		46,74
## TOTAL TANGIBLES > 1,385,895		DA -	-			13,35
TOTAL TANGIBLES 1,385,895 0 562,211 TOTAL COSTS 5,258,420 5,935,556 1,247,280 PARED BY Permian Resources Operating, LLC: Drilling Engineer: PS				-		6,67
PARED BY Permian Resources Operating, LLC: Drilling Engineer: PS Completions Engineer: ML Production Engineer: DC Atian Resources Operating, LLC APPROVAL: Co-CEO Co-CEO VP-Operations WH VP-Land & Legal BG SO NOPERATING PARTNER APPROVAL: Company Name: Working Interest (%): Tax ID: Signed by: Date:		TOTAL TANGIBLES >	1,385,895	0	562,211	1,948,7
Drilling Engineer: PS Completions Engineer: ML Production Engineer: DC Man Resources Operating, LLC APPROVAL: Co-CEO Co-CEO VP - Operations WH VP - Land & Legal BG VP - Geosciences BG SO VOPERATING PARTNER APPROVAL: Company Name: Working Interest (%): Tax ID: Signed by: Date				5,935,556	1,247,280	12,441,2
Drilling Engineer: PS Completions Engineer: ML Production Engineer: DC Man Resources Operating, LLC APPROVAL: Co-CEO		W-100-111				
Completions Engineer: ML Production Engineer: DC Man Resources Operating, LLC APPROVAL: Co-CEO Co-CEO VP - Operations WH VP - Geosciences BG SO NOPERATING PARTNER APPROVAL: Company Name: Working Interest (%): Tax ID: Signed by: Date:	PAKED BY Permian Re	sources Operating, LLC:				
Production Engineer: DC mian Resources Operating, LLC APPROVAL: Co-CEO						
Co-CEO Co-CEO VP - Operations WH VP - Land & Legal BG SO N OPERATING PARTNER APPROVAL: Company Name: Working Interest (%): Tax ID: Signed by: Date:	Completions Engine	er: ML				
Co-CEO Co-CEO VP - Operations	Production Engine	er; DC				
WH VP - Land & Legal VP - Geosciences BG SO OPERATING PARTNER APPROVAL: Company Name: Working Interest (%): Tax ID: Signed by: Date:	iian Resources Operati	ng, LLC APPROVAL:				
WH VP - Land & Legal VP - Geosciences BG SO OPERATING PARTNER APPROVAL: Company Name: Working Interest (%): Tax ID: Signed by: Date:	0.0	FO	Co	CEO	VD Con-	rations
VP - Land & Legal VP - Geosciences BG SO N OPERATING PARTNER APPROVAL: Working Interest (%): Tax ID: Signed by: Date:	20-0		204		vi - Ope	CRM
N OPERATING PARTNER APPROVAL: Company Name: Working Interest (%): Tax ID: Signed by: Date:	VP - Land & Le	gal	VP - Geoscie			
Company Name: Working Interest (%): Tax ID: Signed by: Date:		BG		SO		
Company Name: Working Interest (%): Tax ID: Signed by: Date.	I ODED ATIMO DADON	JED ADDDONAT.				
Signed by: Date:						
	Company Nar	ne:		Working Interest (%):		IAX IU:
	Signed	by:		Date.		
Title: Approval: Yes No (Ti	tle;		Approval:	Yes	No (mark one

Page 522 of 600

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 AUTHORI	ZATION FOR EXPENDITURE	
DATE:	1.12.2024	AFE NO.:	1
WELL NAME:	Lajtas 5-4 State 123H	FIELD:	
LOCATION:	Section 5, T19S-R28E	MD/TVD:	17,195' / 6,910'
COUNTY/STATE:	Eddy County, New Mexico	LATERAL LENGTH:	10,000'
		DRIVING DAM	10.6

COUNTY/STATE: Eddy County, New Mexico LATERAL LENGTH: 10,000'
Permian WI: DRILLING DAYS: 19.6
COMPLETION DAYS: 18.6
Drill a horizontal SBSG well and complete with 44 stages AFE includes drilling, completions, flowback and Initial AL install cost

	DRILLING	COMPLETION	PRODUCTION		TOTAL
INTANGIBLE COSTS	COSTS	COSTS	COSTS		COSTS
TLand/Legal/Regulatory 5	48,916	-	2	. 5	48,916
2 Location, Surveys & Damages	318,597	19,981	-		338,579
4 Freight / I ransportation	52,673	48,416	24,038		125,127
5 Rental - Surface Equipment	137,497	238,238	114,178		489,913
6 Rental - Downhole Equipment	227,186	66,141		_	293,327
7 Rental - Living Quarters	53,176	60,251	4 .		113,427
10 Directional Drilling, Surveys	475,047	-	-		475,047
11 Drilling	833,677	-	4		833,677
12 Drill Bits	110,788	-			110,788
13 Fuel & Power	208,950	801,871	-		1,010,821
14 Cementing & Float Equip	269,070	-	-	_	269,070
15 Completion Unit, Swab, CTU		-	18,028	_	18,028
16 Pertorating, Wireline, Slickline	- 14	434,783		_	434,783
17 High Pressure Pump Truck		136,333	-	_	136,333
18 Completion Unit, Swab, CTU	-	162,002	- 4	_	162,002
20 Mud Circulation System	116,354		-	_	116,354
21 Mud Logging	19,386	-	-	_	19,386
22 Logging / Formation Evaluation —	8,040	9,222	-	_	17,262
23 Mud & Chemicals	400,166	484,605	12,019		896,789
24 Water =	48,062	731,714	300,469	_	1,080,246
25 Stimulation		900,269		_	900,269
26 Stimulation Flowback & Disp	12.	134,489	180,281	_	314,770
28 Mud / Wastewater Disposal	213,560	67,629	-	_	281,189
30 Rig Supervision / Engineering	134,035	147,554	18,028		299,617
32 Drlg & Completion Overhead	11,528			_	11,528
35 Labor	169,604	76,851	18,028	_	264,483
54 Proppant		1,388,201	-	_	1,388,201
95 Insurance	16,213	70.70	-	_	16,213
97 Contingency		27,008	-		27,008
99 Plugging & Abandonment		-		_	-
TOTAL INTANGIBLES >	3,872,526	5,935,556	685,069	-	10,493,151
	DRILLING	COMPLETION	PRODUCTION		TOTAL
TANGIBLE COSTS	COSTS	COSTS	COSTS		COSTS
60 Surface Casing 5	135,183				135,183
61 Intermediate Casing	402,911				402,911
62 Drilling Liner			1		
63 Production Casing	759,821	-	-		759,821
64 Production Liner			1.00	_	14.7

	DRILLING	COMPLETION	PRODUCTION		TOTAL
TANGIBLE COSTS	COSTS	COSTS	COSTS		COSTS
60 Surface Casing 5	135,183	-		-	135,183
61 Intermediate Casing	402,911	-	-		402,911
62 Drilling Liner	~		-		
63 Production Casing	759,821	-	-	-	759,821
64 Production Liner		-	-	_	-
65 Tubing		-	168,263		168,263
66 Wellhead	71,686	-	48,075		119,761
67 Packers, Liner Hangers	16,292	-	24,038	_	40,330
68 Fanks		-	+	_	- 4
69 Production Vessels	1.4	-		_	-
70 Flow Lines				-	- 1
71 Rod string	-		-	_	-
72 Artificial Lift Equipment	-		108,169	_	108,169
73 Compressor			-		-
74 Installation Costs	-	-	66,771	_	66,771
75 Surface Pumps		-	- 4	_	- 4
76 Downhole Pumps	-			_	_
77 Measurement & Meter Installation			36,056		36,056
78 Gas Conditioning / Dehydration	-			_	
79 Interconnecting Facility Piping		-	24,038	_	24,038
80 Gathering / Bulk Lines				-	
81 Valves, Dumps, Controllers	-	-		_	
82 Lank/ Facility Containment				-	_
83 Flare Stack			20,031	_	20,031
84 Electrical / Grounding			46,740		46,740
85 Communications / SCADA		-	13,354	_	13,354
86 Instrumentation / Safety	-		6,677	_	6,677
TOTAL TANGIBLES >	1,385,895	0	562,211	-	1,948,10
TOTAL COSTS >	5,258,420	5,935,556	1,247,280	_	12,441,25

PREPARED BY Permian Resources Operating, LLC:

Permian Resources Operating, LLC APPROVAL:

Co-CEO	Co-CEO	VP - Operations
VP - Land & Legal	VP - Geosciences SO	CRM

NON OPERATING PARTNER APPROVAL:

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

programme from the second of t

Permian Resources Operating, LLC
300 N. Marienfeld St., Ste. 1000 Midland, TX 79701
Phone (432) 695-4222 • Fax (432) 695-4063
ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	1.12 2024			AFE NO.:	1
WELL NAME:	Lajtos 5-4 State 124H			FIELD:	
OCATION:	Section 5, T19S-R28E			MD/TVD:	17,195' / 6,910'
OUNTY/STATE:	Eddy County, New N	Iexico		LATERAL LENGTH:	10,000'
ermian WI:				DRILLING DAYS:	19.6
EOLOGIC TARGET:	SBSG			COMPLETION DAYS:	18.6
		G well and complete with	ı 44 stages. AFE includes	drilling, completions, flo	owback and Initial AL
EMARKS:	install cost				
INTANGIBLE	OCTO	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL
Land/Legal/Regulatory	0313	\$ 48,916	- 8		\$ 48,916
Location, Surveys & Damag	28	318,597	19,981	-	338,579
Freight / Transportation		52,673	48,416	24,038	125,127
Rental - Surface Equipment		137,497	238,238	114,178	489,913
Kental - Downhole Equipmo Rental - Living Quarters	nt	227,186 53,176	66,141	-	293,327 113,427
Directional Drilling, Surve	vs	475,047	00)231	-	475,047
l Drilling	, -	833,677	-	4	833,677
Drill Bits		110,788			110,788
Fuel & Power		208,950	801,871	-	1,010,821
Cementing & Float Equip	**1	269,070		70.00	269,070
5 Completion Unit, Swab, C. 5 Perforating, Wireline, Slick			434,783	18,028	18,028 434,783
7 High Pressure Pump Truck		-	136,333		136,333
Completion Unit, Swab, C		-	162,002	-	162,002
) Mud Circulation System		116,354		•	116,354
l Mud Logging		19,386			19,386
2 Logging / Formation Evalua	tion	8,040	9,222		17,262
Mud & Chemicals		400,166	484,605	12,019	896,789
4 Water 5 Stimulation		48,062	731,714 900,269	300,469	1,080,246 900,269
o Stimulation Flowback & D.	sp		134,489	180,281	314,7/0
8 Mud/Wastewater Disposa		213,560	67,629	200/201	281,189
O Rig Supervision / Engineer	ing	134,035	147,554	18,028	299,617
2 Drlg & Completion Overhe	ad	11,528	-		11,528
5 Labor		169,604	76,851	18,028	264,483
4 Proppant		77.777	1,388,201		1,388,201
5 Insurance 7 Contingency		16,213	27,008		16,213 27,008
9 Plugging & Abandonment			27,008	-	27,006
	TOTAL INTANGIBLE	S > 3,872,526	5,935,556	685,069	10,493,151
	-01110111111111111111111111111111111111		COMPLETION		
TANGIBLE CO	STS	DRILLING COSTS	COSTS	PRODUCTION COSTS	TOTAL COSTS
Surface Casing		5 135,183	-		5 135,183
1 Intermediate Casing		402,911	-		402,911
2 Drilling Liner			7		-
3 Production Casing		759,821	75	-	759,821
4 Production Liner			-	15.00	
5 I ubing 6 Wellhead		77 696		168,263	168,263
7 Packers, Liner Hangers		71,686		48,075 24,038	119,761
8 Lanks		10,272		24,030	40,550
9 Production Vessels			-	-	-
0 Flow Lines		197		-	-
1 Rod string		2 C. S.	-		
2 Artificial Litt Equipment		1.2	- 2	108,169	108,169
3 Compressor		-			
4 Installation Costs 5 Surface Pumps			-	66,771	66,771
6 Downhole Pumps		-			-
7 Measurement & Meter Inst	llation			36,056	36,056
8 Gas Conditioning/ Dehydr		4			
9 Interconnecting Facility Pip	ing	-	14	24,038	24,038
O Gathering/Bulk Lines		-	- 3	-	-
1 Valves, Dumps, Controllers		-		-	
2 Lank / Facility Containmen	t		- 40		
3 Flare Stack				20,031	20,031
4 Electrical / Grounding 5 Communications / SCADA		-		46,740 13,354	46,740
6 Instrumentation / Safety				6,677	13,354
, , , , , , , , , , , , , , , , , , , ,	TOTAL TANGIBLE	5 > 1,385,895	- 0	562,211	1,948,105
	TOTAL COST		5,935,556	1,247,280	
	TOTAL COST	5 5,230,220	3,733,330	1,247,280	12,441,256
ARED BY Permian Resou	rces Operating, LLC:				
Drilling Engineer:	PS				
Completions Engineer.	ML				
Production Engineer:	DC				
ian Resources Operating,	LLC APPROVAL:				
Co-CEO	WH	Co-C		VP - Opera	
VID 710 V	WH		JW		CRM
VP - Land & Legal	BG BG	VP - Geoscien	ces		
OPERATING PARTNER	APPROVAL:				
OPERATING PARTNER Company Name:	APPROVAL:		Working Interest (%):	Ta	x ID:
Company Name:	APPROVAL:			Ta	x ID:
	APPROVAL:		Working Interest (%):	Ta	x ID:
	APPROVAL:			Ta	x ID:

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Permian Resources Operating, LLC

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

Phone (432) 695-4222 • Fax (432) 695-4063 ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE DATE: 1,12,2024 WELL NAME: Lajtas 5-4 State 131H LOCATION: Section 5, T19S-R28E MD/TVD: 18,325' / 8,040 LATERAL LENGTH: COUNTY/STATE: Eddy County, New Mexico DRILLING DAYS: Pennian WI: COMPLETION DAYS 18.6 GEOLOGIC TARGET: TBSG Drill a horizontal TBSG well and complete with 44 stages AFE includes drilling, completions, flowback and Initial AL COSTS COSTS COSTS COSTS T Land/Legal/Regulatory 48,916 48,916 2 Location, Surveys & Damages 4 Freight/ Transportation 332.602 201 SELLIC 353.461 5 Rental - Surface Equipment 6 Rental - Downhole Equipment 511,448 143,541 248,710 119,197 306.220 118,413 7 Rental - Living Quarters 55,514 62,899 10 Directional Drilling, Surveys 11 Drilling 495.928 495.928 870,322 12 Delli Bibs TI5.658 115,658 13 Fuel & Power 837,118 13 Fuel & Power
14 Cementing & Host Equip
15 Completion Unit, Swab, CTU
16 Perforating, Wiretine, Stickline
17 High Pressure Pump Truck
18 Completion Unit, Swab, CTU
20 Mud Circulation System 280,897 280,897 18,821 18.821 453,895 142326 142.326 169,122 121,469 21 Mud Logging 22 Logging/Formation Evaluation 20.238 20.238 9,627 23 Mud & Chemicals 417,756 505,906 12,547 936,209 24 Water 25 Stimulation 50,175 763.878 313,676 1,127,729 939,841 26 Stimulation Flowback & Dlsp 140.4UT 188,206 328.606 28 Mud/Wastewater Disposal 222,948 30 Rig Supervision / Engineering 139,927 154,039 18,621 312,787 32 Drlg & Completion Overhead 35 Labor 12.034 12.034 177,059 18,821 276,108 54 Proppant 95 Insurance 1,449,221 449 221 16,925 28,195 97 Contingency 28,195 99 Plugging & Abandonment TOTAL INTANGIBLES > 4,040,597 6,196,461 10,952,240 DRILLING COMPLETION PRODUCTION TOTAL COSTS COSTS COSTS COSTS TANGIBLE COSTS 60 Surrace Casino 141.12 141,125 61 Intermediate Casing 420,621 420,621 62 Drilling Liner 63 Production Casing 64 Production Liner 793,220 793,220 65 I ubing 66 Wellhead 67 Packers, Liner Hangers 175,659 175.659 17,009 25,094 42,103 68 Lanks 69 Production Vessels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 112,923 112.923 73 Compressor 74 Installation Costs 69,706 69,706 75 Surface Pumps 76 Downhole Pumps 77 Measurement & Meter Installation 37,64] 37,641 78 Gas Conditioning/Dehydration 79 Interconnecting Facility Piping 80 Gathering/Bulk Lines 25,094 25,094 81 Valves, Dumps, Controllers 82 Tank/ Facility Containment 83 Flare Stack 201912 20,912 84 Electrical/Grounding 85 Communications/SCADA 48,794 13,941 13,941 86 Instrumentation / Safety TOTAL TANGIBLES > 1,446,833 586,923 2,033,737 TOTAL COSTS > 5,487,410 6,196,461 1,302,105 12,985,976 PREPARED BY Permian Resources Operating, LLC: Drilling Engineer: Completions Engineer: Production Engineer: DC Permian Resources Operating, LLC APPROVAL: Co-CEO Co-CEO VP - Operations VP - Land & Legal NON OPERATING PARTNER APPROVAL: Company Name: Working Interest (%): Tax ID; Approval: Yes No (mark one)

The time makes AFF are extension any and long and the protection in conting on any specific time as the final part of the project. Thing distribution approved eachs the AFF way be showed up to a generate for myll his hour completed. The extension of the project and the project of the projec

Permian Resources Operating, LLC 300 N. Marienfeld St., Ste. 1000 Midland, TX 79701

		F COSIS AND AUTH	ORIZATION FOR EXPEND		4
_	,12,2024			AFE NO.:	1
_	ajtas 5-4 State 132H			FIELD:	
_	Section 5, T19S-R28E			MD/TVD:	18,395' / 8,110'
COUNTY/STATE:	Eddy County, New Mexic	00		LATERAL LENGTH:	10,000'
emian WI:				DRILLING DAYS:	19.6
GEOLOGIC TARGET:	TBSG			COMPLETION DAYS:	18.6
		ell and complete wit	h 44 stages. AFE includes	drilling, completions, flo	owback and Initial A
REMARKS: i	nstall cost				
INTANGIBLE CO	OSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
Land/Legat/Regulatory	5	48,916			\$ 48,91
Location, Surveys & Damages		332,602	20,860	-	353,46
Freight / Transportation Rental - Surface Equipment		54,989 143,541	248,710	25,094 119,197	130,62 511,44
Rental - Downhole Equipmen	ıt.	237,172	94'018	119,197	306,22
Rental - Living Quarters		55,514	62,899	-	118,41
0 Directional Drilling, Surveys	, -	495,928	10.	-	495,92
l Drilling		870,322		-	870,32
2 Drill Bits 3 Fuel & Power		115,658	027110		115,65
1 Cementing & Float Equip		218,134 280,897	837,118		1,055,22
5 Completion Unit, Swab, CTI	J -	200,077		18,821	18,82
Perforating, Wireline, Slickli			453,895		453,89
7 High Pressure Pump Trück			142,326	-	142,32
8 Completion Unit, Swab, CTI		-3-5	169,122	-	169,12
Mud Circulation System		121,469		•	121,46
l Mud Logging 2 Logging / Formation Evaluat	ion	20,238	9,627		20,23
Z Logging/Formation Evaluat 3 Mud & Chemicals		8,393 417,756	505,906	12,547	18,02
4 Water	-	50,175	763,878	313,676	1,127,72
5 Stimulation	-		939,841	310/010	939,84
6 Stimulation Flowback & Dis	p		140,401	188,206	328,60
B Mud / Wastewater Disposal		222,948	70,601		293,54
Rig Supervision/Engineerin		139,927	154,039	18,821	312,78
2 Drlg & Completion Overhea 5 Labor	a -	12,034	201-1230	10.000	12,03 276,10
Proppant	12	177,059	1,449,221	18,821	1,449,2
5 Insurance		16,925	1/11//221		16,92
7 Contingency			28,195	- 4	28,19
9 Plugging & Abandonment			-		- 2
	TOTAL INTANGIBLES >	4,040,597	6,196,461	715,182	10,952,2
		DRILLING	COMPLETION	PRODUCTION	TOTAL
TANGIBLE COS	TS	COSTS	COSTS	COSTS	COSTS
Surface Casing	3	141,125		*	\$ 141.12
l Intermediate Casing l Drilling Liner		420,621	- 5.		420,62
Production Casing		793,220	-		793,2
Production Liner	1.0	793,220	-		793,2
l'ubing	-		-	175,659	175,65
Wellhead	-	74,837	-	50,188	125,02
Packers, Liner Hangers		17,009		25,094	42,10
Tanks		*			
Production Vessels		•		- 5	
) Flow Lines I Rod string				-	
2 Artiticial Litt Equipment	-			112,923	112,92
Compressor	-			112,723	112,92
Installation Costs	-	-	100	69,706	69,71
Surface Pumps	(7	-	- 6	-	
Downhole Pumps		-	7	P	-
' Measurement & Meter Instal Gas Conditioning / Dehydra				37,641	37,64
) Interconnecting Facility Pipi		-		255 71114	
Gathering / Bulk Lines	ъ			25,094	25,09
Valves, Dumps, Controllers	-	-	- 4	-	-
! Fank / Facility Containment	-	14.	141	1 1	
Flare Stack			-	20,912	20,9
Electrical / Grounding		*		48,794	48,79
Communications / SCADA Instrumentation / Safety				13,941	13,94
modulies and only outery	TOTAL TANGIBLES >	7 446 010	-	6,971	6,97
	TOTAL COSTS >	1,446,813 5,487,410	6,196,461	586,923 1,302,105	2,033,7
ARED BY Permian Resour Drilling Engineer:				N/0 0 m/2 0 U	anyrecty
Completions Engineer: Production Engineer:	ML DC				
an Resources Operating, I	LC APPROVAL:				
Co-CEO	WH	Co-C		VP - Opera	
	WH	VP - Geoscie	JW		CRM
_		VP - Geosciei	SO		
VP - Land & Legal	BG				
VP - Land & Legal					
VP - Land & Legal			Working Interest /%		v ID.
VP - Land & Legal DPERATING PARTNER A Company Name:			Working Interest (%):	Ta	x ID:
VP - Land & Legal			Working Interest (%):	Та	x ID:

Page 526 of 600

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

DATE: 1	.12.2024			AFE NO.:	45
	ajtas 5-4 State 133H			FIELD:	
	ection 5, T195-R28E			MD/TVD;	18,400' / 8,115'
	ddy County, New Mexic	0		LATERAL LENGTH:	10,000'
Permian WI:				DRILLING DAYS:	19.6
_	BSG	-		COMPLETION DAYS:	18,6
Ī	Drill a horizontal TBSG w	ell and complete with	n 44 stages. AFE includes	_	
REMARKS: ii	nstall cost				
INTANGIBLE CO	ests	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	COSTS
Land/Legal/Regulatory	3	48,916			5 48,916
Location, Surveys & Damages Freight/ Transportation	_	332,602	20,860	25,094	353,461
Rental - Surface Equipment	-	54,989 143,541	248,710	119,197	130,627 511,448
Rental - Downhole Equipmen	ıt -	237,172	69,048		306,220
Rental - Living Quarters	-	55,514	62,899	-	118,413
O Directional Drilling, Surveys	-	495,928			495,928
1 Drilling		870,322		-	870,322
2 Drill Bits 3 Fuel & Power	-	218,134	837,118		115,658
4 Cementing & Float Equip	-	280,897	037,110		280,897
5 Completion Unit, Swab, CTU	_	-		18,821	18,821
6 Perforating, Wireline, Slickli			453,895	-	453,895
7 High Pressure Pump Truck		-	142,326	-	142,326
8 Completion Unit, Swab, CTL	_	-	169,122		169,122
0 Mud Circulation System		121,469	17	7.	121,469
1 Mud Logging 2 Logging / Formation Evaluati	lon –	20,238 8,393	9,627		20,238
3 Mud & Chemicals	-	417,756	505,906	12,547	936,209
4 Water	-	50,175	763,878	313,676	1,127,729
5 Stimulation			939,841	-	939,841
6 Stimulation Flowback & Dis	P	3.5	140,401	188,206	328,606
8 Mud/Wastewater Disposal		222,948	70,601	-	293,549
0 Rig Supervision / Engineerin 2 Drig & Completion Overhea		139,927	154,039	18,821	312,787
5 Labor	· -	177,059	80,229	18,821	12,034 276,108
4 Proppant		177,000	1,449,221	10,021	1,449,221
5 Insurance	-	16,925		-	16,925
7 Contingency			28,195	-	28,195
9 Plugging & Abandonment		1		31	1
	FOTAL INTANGIBLES >	4,040,597	6,196,461	715,182	10,952,240
		DRILLING	COMPLETION	PRODUCTION	TOTAL
TANGIBLE COS	TS	COSTS	COSTS	COSTS	COSTS
0 Surface Casing 1 Intermediate Casing	3	141,125 420,621	-	-	\$ 141,125 420,621
2 Drilling Liner	-	120,021			420,021
3 Production Casing	_	793,220	-	100	793,220
4 Production Liner		-	-	-	-
5 Lubing			-	175,659	175,659
6 Wellhead	_	74,837		20,188	125,026
7 Packers, Liner Hangers 8 Tanks		17,009		25,094	42,103
9 Production Vessels	-	-		-	
0 Flow Lines	-		-	-	-
1 Rod string	_	-	-		-
2 Artiticial Lift Equipment	_	-	-	112,923	112,923
3 Compressor	_		-	4	2
4 Installation Costs 5 Surface Pumps	_		-	69,706	69,706
6 Downhole Pumps	-	-			
7 Measurement & Meter Install	lation			37,641	37,641
B Gas Conditioning / Dehydrat		-			0.7011
Interconnecting Facility Pipir	ıg –	74.0	•	25,094	25,094
Gathering/Bulk Lines	-	190		79.7	
Valves, Dumps, Controllers				- 1	-
2 Tank / Facility Containment 3 Flare Stack					
4 Electrical / Grounding	-			20,912 48,794	20,912 48,794
5 Communications / SCADA	_			13,941	13,941
i Instrumentation / Safety	-	0.749		6,9/1	6,971
	TOTAL TANGIBLES >	1,446,813	0	586,923	2,033,737
	TOTAL COSTS >	5,487,410	6,196,461	1,302,105	12,985,976
ARED BY Permian Resour	cos Omeratina II.C.				
Drilling Engineer:	PS				
Completions Engineer:	ML				
Production Engineer:	DC				
an Resources Operating, L	LC APPROVAL:				
Co-CEO		0 -	EO		
CO-CEO_	WH	Co-C	EO	VP - Opera	
VP - Land & Legal		VP - Geoscien	***		CRM
** - rang a regu	BG	v r - Geoscien	SO		
	50		5U		
OPERATING PARTNER A	PPROVAL:				
Company Name:			Working Interest (%):	To	x ID:
			o ancicot (10)1	1.9	
			Date:		
Signed by:					
Signed by:			Approval:] Yes [No (mark one)

Page 527 of 600

Permian Resources Operating, LLC
300 N. Marienfeld St., Stc. 1000 Midland, TX 79701
Phone (432) 695-4222 • Fax (432) 695-4063
MATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

	1.12.2024			AFE NO.:	1
	Lajtas 5-4 State 134H			FIELD:	10 4701 / 0 1051
OCATION:	Section 5, T19S-R28E	dee		MD/TVD:	18,470' / 8,185'
OUNTY/STATE:	Eddy County, New Me	dco		LATERAL LENGTH:	10,000'
ermian WI:	Tentific Control			DRILLING DAYS:	19.6
GEOLOGIC TARGET:	TBSG			COMPLETION DAYS:	18.6
REMARKS:	Drill a horizontal TBSG install cost	well and complete wit	h 44 stages. AFE includes	drilling, completions, flo	owback and Initial AL
		DRILLING	COMPLETION	PRODUCTION	TOTAL
INTANGIBLE C	OSTS	COSTS	COSTS	COSTS	COSTS
Land/Legal/Regulatory	-	5 48,936	*	100	5 48,916
Location, Surveys & Damage	28	332,602	20,860	1	353,461
Freight/ Transportation		54,989	50,544	25,094	130,627
Rental - Surface Equipment Rental - Downhole Equipme	mt.	143,541 237,172	248,710 69,048	119,197	511,448 306,220
Kental - Living Quarters		55,514	62,899	-	118,413
Directional Drilling, Survey	ys	495,928			495,928
1 Drilling		870,322	-	-	870,322
2 Drill Bits		115,658		-	115,658
3 Fuel & Power		218,134 280,897	837,118	•	1,055,253
4 Cementing & Float Equip 5 Completion Unit, Swab, CI	11	200,097	-	18,821	18,821
6 Perforating, Wireline, Slick			453,895	- 10,021	453,895
7 High Pressure Pump Truck		-	142,326		142,326
B Completion Unit, Swab, CT		- 40	169,122	-	169,122
Mud Circulation System		121,469	-	-	121,469
l Mud Logging		20,238	8 -	-	20,238
2 Logging / Formation Evalua	ition	8,393	9,627	17 547	18,021
3 Mud & Chemicals 4 Water		417,756 50,175	505,906 763,878	12,547 313,676	935,209 1,127,729
Stimulation		30,173	939,841		939,841
6 Stimulation Flowback & Di	isp	4	140,401	188,206	328,606
8 Mud/Wastewater Disposal		222,948	70,601		293,549
D Rig Supervision / Engineer	ing	139,927	154,039	78,821	312,787
2 Drlg & Completion Overhe	ad	12,034	-	-	12,034
5 Labor		177,059	80,229	18,821	276,108
4 Proppant 5 Insurance		16,925	1,449,221		1,449,221
7 Contingency		10,725	28,195		28,195
9 Plugging & Abandonment					
	TOTAL INTANGIBLES:	4,040,597	6,196,461	715,182	10,952,240
		DRILLING	COMPLETION	PRODUCTION	TOTAL
TANGIBLE CO	STS	COSTS	COSTS	COSTS	COSTS
Surface Casing		141,725			8 141,125
1 Intermediate Casing 2 Drilling Liner		420,621		-	420,621
3 Production Casing		793,220		-	793,220
4 Production Liner		730/220			770,220
5 Lubing		277		175,659	175,659
6 Wellhead		74,837	-	50,188	125,026
7 Packers, Liner Hangers		17,009	-	25,094	42,103
B Lanks		-	-		-
9 Production Vessels O Flow Lines					-
1 Rod string		- 4		-	
2 Artificial Litt Equipment		-		112,923	112,923
3 Compressor		-	-	-	-
4 Installation Costs		- 4		69,706	69,706
5 Surface Pumps		-	-		
6 Downhole Pumps	11.47.	341	-	1+:	
7 Measurement & Meter Insta 3 Gas Conditioning / Dehydr		-		37,641	37,641
Interconnecting Facility Pip		-		25,094	25,094
) Gathering / Bulk Lines	u	-	-	25,094	23,094
l Valves, Dumps, Controllers		-	-	-	
2 Tank/Facility Containmen		-	-		
3 Flare Stack		11-2-11	-	20,912	20,912
Electrical / Grounding		-	- 35	48,794	48,794
5 Communications / SCADA 6 Instrumentation / Safety				13,941	13,941
meaninementality sarety	TOTAL TANGIBLES	7 446 040		6,971	6,9/1
	TOTAL TANGIBLES:		6.196.461	586,923	2,033,737
	TOTAL COSTS	> 5,487,410	6,196,461	1,302,105	12,985,976
ARED BY Permian Resou	rces Operating IIC.				
Drilling Engineer:	PS				
Completions Engineer:	ML				
Production Engineer:	DC				
an Resources Operating,	IIC ADDDONAL				
an Acsources Operating	LLC AFFROVAL:				
Co-CEO		Co-C	EO	VP - Opera	
	WH		JW		CRM
VP - Land & Legal	BG	VP - Geoscier	SO		
UDEB TAIVIU DA DAMA	A PDDOWAL.				
OPERATING PARTNER	APPROVAL;				
OPERATING PARTNER Company Name:	APPROVAL;		Working Interest (%):	Ta	x ID:
Company Name:	APPROVAL:			Ta	x ID:
	APPROVAL:		Working Interest (%):	Ta	x ID:

Page 528 of 600

WELL PROPOSALS (WORKOVER) (DRLG) (LSG) (OUTSIDE OPERATED)

(File with the AFE)

F: md/misc & forms/cklsts/well proposals outside operated drlg wo lsg
Date Received: 10-29-24 7 Will Proposals
AFE date: 9-11-24
OPERATOR: Permian Resources
WELL Lajitar 5=4 State Com # 121,122,123,124,131,132,133
LOCATION (S-T-R): See allached
WORK TO BE PERFORMED:
AFE COSTS: \$9,405,555 - \$9,706,794
OUR WORKING INTEREST: you listed
ELECTION DEADLINE: 11-26-24
ELECTION DECISION (circle one) APPROVAL:
A. Join Date
B. Nonconsent
C. Other Date
Date
STEPS: Return AFE Also send our well requirements Save AFE (pdf) md/eng/afes/drlg/OBO/(Operator file name)/(well name) (afe date Stamp file name on back. Copy to TMB (for Fuel/TMB/CRB). **Link" to JMG.



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

OFFICE 432.695.4222 **FAX** 432.695.4063

September 11, 2024

V-F Petroleum, Inc. P.O. Box 1889 Midland, Texas 79702 Via Certified Mail

Nec'd Oct 29.2024

RE:

Well Proposals - Lajitas 5-4 State Com

T19S-R28E, N.M.P.M.

Section 4: All Section 5: All Eddy County Ne

Eddy County, New Mexico

To Whom It May Concern:

Permian Resources Operating, LLC ("Permian"), hereby proposes the drilling and completion of the following eight (8) wells, the Lajitas 5-4 State Com at the following approximate locations within Township 19 South, Range 28 East, Eddy Co., New Mexico:

1. Lajitas 5-4 State Com 121H

SHL: At a legal location within the W/2 of the NW/4 of Section 5

BHL: 10' FEL & 330' FNL of Section 4 FTP: 100' FWL & 330' FNL of Section 5 LTP: 100' FEL & 330' FNL of Section 4

TVD: Approximately 6,810' TMD: Approximately 17,095'

Proration Unit: N/2 of Sections 4 & 5 Targeted Interval: 2nd Bone Spring Total Cost: See attached AFE

2. Lajitas 5-4 State Com 122H

SHL: At a legal location within the W/2 of the NW/4 of Section 5

BHL: 10' FEL & 2,190' FNL of Section 4 FTP: 100' FWL & 2,190' FNL of Section 5 LTP: 100' FEL & 2,190' FNL of Section 4

TVD: Approximately 6,810' TMD: Approximately 17,095'

Proration Unit: N/2 of Sections 4 & 5 Targeted Interval: 2nd Bone Spring Total Cost: See attached AFE

3. Lajitas 5-4 State Com 123H

SHL: At a legal location with the E/2 of the SE/4 of Section 6

BHL: 10' FEL & 1,890' FSL of Section 4 FTP: 100' FWL & 1,890' FSL of Section 5 LTP: 100' FEL & 1,890' FSL of Section 4

TVD: Approximately 6,910' TMD: Approximately 17,195'

Proration Unit: S/2 of Sections 4 & 5 Targeted Interval: 2nd Bone Spring Total Cost: See attached AFE



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

OFFICE 432.695.4222 **FAX** 432.695.4063

4. Lajitas 5-4 State Com 124H

SHL: At a legal location with the E/2 of the SE/4 of Section 6

BHL: 10' FEL & 690' FSL of Section 4 FTP: 100' FWL & 690' FSL of Section 5 LTP: 100' FEL & 690' FSL of Section 4

TVD: Approximately 6,910' TMD: Approximately 17,195'

Proration Unit: S/2 of Sections 4 & 5 Targeted Interval: 2nd Bone Spring Total Cost: See attached AFE

5. Lajitas 5-4 State Com 131H

SHL: At a legal location within the W/2 of the NW/4 of Section 5

BHL: 10' FEL & 330' FNL of Section 4 FTP: 100' FWL & 330' FNL of Section 5 LTP: 100' FEL & 330' FNL of Section 4

TVD: Approximately 8,040' TMD: Approximately 18,325'

Proration Unit: N/2 of Sections 4 & 5 Targeted Interval: 3rd Bone Spring Total Cost: See attached AFE

6. Lajitas 5-4 State Com 132H (Defining Well)

SHL: At a legal location within the W/2 of the NW/4 of Section 5

BHL: 10' FEL & 1,640' FNL of Section 4 FTP: 100' FWL & 1,640' FNL of Section 5 LTP: 100' FEL & 1,640' FNL of Section 4

TVD: Approximately 8,110' TMD: Approximately 18,395'

Proration Unit: N/2 of Sections 4 & 5 Targeted Interval: 3rd Bone Spring Total Cost: See attached AFE

7. Lajitas 5-4 State Com 133H

SHL: At a legal location with the E/2 of the SE/4 of Section 6

BHL: 10' FEL & 2,310' FSL of Section 4 FTP: 100' FWL & 2,310' FSL of Section 5 LTP: 100' FEL & 2,310' FSL of Section 4

TVD: Approximately 8,115' TMD: Approximately 18,400'

Proration Unit: S/2 of Sections 4 & 5 Targeted Interval: 3rd Bone Spring Total Cost: See attached AFE

Well Proposal: Lajitas 5-4 State Com 121H-124H, 131H-134H



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

OFFICE 432.695.4222 FAX 432.695.4063

8. Lajitas 5-4 State Com 134H (Defining Well)

SHL: At a legal location with the E/2 of the SE/4 of Section 6

BHL: 10' FEL & 1,000' FSL of Section 4 FTP: 100' FWL & 1,000' FSL of Section 5 LTP: 100' FEL & 1,000' FSL of Section 4

TVD: Approximately 8,185' TMD: Approximately 18,470'

Proration Unit: S/2 of Sections 4 & 5 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. 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 available upon request. The Operating Agreement has the following general provisions:

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

Please indicate your election to participate in the drilling and completion of the proposed wells on the enclosed ballot. Please sign and return one copy of this letter, signed copies of the proposed AFEs, a signed copy of the enclosed insurance declaration, 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 spacing units for the proposed wells. 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 by email at Travis.Macha@permianres.com.

Elections can be returned by mail &/or email to the attention of Erin Lloyd - Erin.Lloyd@permianres.com

Respectfully,

Travis Macha New Mexico Land

Manager

Enclosures

ELECTIONS ON PAGE TO FOLLOW

Well Proposal: Lajitas 5-4 State Com 121H-124H, 131H-134H



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

OFFICE 432.695.4222 **FAX** 432.695.4063

Lajitas 5-4 State Com Elections:

Well Elections: (Please indicate your responses in the spaces below)				
Well(s)	Elect to Participate	Elect to <u>NOT</u> Participate		
Lajitas 5-4 State Com 121H				
Lajitas 5-4 State Com 122H				
Lajitas 5-4 State Com 123H				
Lajitas 5-4 State Com 124H				
Lajitas 5-4 State Com 131H				
Lajitas 5-4 State Com 132H				
Lajitas 5-4 State Com 133H				
Lajitas 5-4 State Com 134H				

Company Name (If Ap	pplicable):
Ву:	
Printed Name:	
Date:	



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

OFFICE 432.695.4222 FAX 432.695.4063

Participate / Rejection Declaration

Please return this page to Permian 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.

Company Name (If Applicable	e):
Ву:	
Printed Name:	
Date:	

Well Proposal: Lajitas 5-4 State Com 121H-124H, 131H-134H

Cost Estimate

PERMIAN RESOURCES

Printed Date: Sep 6, 2024

AFE Number: Description: LAJITAS 5 - 4 STATE COM 121H

AFE Name: LAJITAS 5 - 4 STATE COM 121H AFE TYPE: Drill and Complete

Well Operator: PERMIAN RESOURCES

Operator AFE #:

Account	<u>Description</u>		Gross Est. (\$)
Drilling Intangible			
8015.5000	IDC - WELL CONTROL INSURANCE		\$8,285.13
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT		\$15,000.00
8015.5200	IDC - CONTINGENCY		\$124,812.11
8015.2400	IDC - RIG WATER		\$7,150.00
8015.1200	IDC - LEGAL, TITLE SERVICES		\$13,000.00
8015.2350	IDC - FUEL/MUD		\$40,000.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP		\$18,000.00
8015.2300	IDC - FUEL / POWER		\$97,750.00
8015,3100	IDC - CASING CREW & TOOLS		\$50,000.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS		\$50,000.00
8015.1000	IDC - PERMITS,LICENSES,ETC		\$15,000.00
8015.1700	IDC - DAYWORK CONTRACT		\$418,000.00
8015.4100	IDC - RENTAL EQUIPMENT		\$23,000.00
8015.4300	IDC - WELLSITE SUPERVISION		\$66,000.00
8015.1100	IDC - STAKING & SURVEYING		\$15,000.00
8015.1300	IDC - SURFACE DAMAGE / ROW		\$35,000.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP		\$160,000.00
8015.4200	IDC - MANCAMP		\$28,000.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE		\$45,000.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR		\$30,500.00
8015.2150	IDC - DRILL BIT		\$53,000.00
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM		\$39,700.00
8015.4600	IDC - SAFETY / ENVIRONMENTAL		\$8,400.00
8015.1400	IDC - ROAD, LOCATIONS, PITS		\$108,333.33
8015.1310	IDC - PERMANENT EASEMENT		\$12,000.00
8015.2700	IDC - INSPECTION, TESTING & REPAIR		\$45,000.00
8015.3700	IDC - DISPOSAL		\$97,000.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING		\$110,000.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY		\$224,000.00
8015,1600	IDC - RIG MOB / STANDBY RATE		\$30,000.00
8015.3400	IDC - MATERIALS & SUPPLIES		\$5,000.00
8015.1500	IDC - RIG MOB / TRUCKING		\$100,000.00
		Sub-total	\$2,091,930.57
Facilities			
8035.1310	FAC - PEMANENT EASEMENT		\$3,333.00
8035.2100	FAC - INSPECTION & TESTING		\$833.00
8035.3300	FAC - CIRCULATING TRNSFER PUMP		\$13,333.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB		\$86,667.00
8035.1500	FAC - MATERIALS & SUPPLIES		\$833.00
8035.3700	FAC - AUTOMATION MATERIAL		\$41,667.00

PERMIAN

Cost Estimate

Printed Date: Sep 6, 2024

Account	<u>Description</u>		Gross Est. (\$)
8035.2500	FAC - CONSULTING SERVICES		\$2,500.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL		\$667.00
8035.1700	FAC - RENTAL EQUIPMENT		\$4,167.00
8035.1600	FAC - TRANSPORTATION TRUCKING		\$5,000.00
8035.3000	FAC - HEATER TREATER/SEPARATOR		\$150,000.00
8035.3800	FAC - FLARE/COMBUSTER		\$16,667.00
8035.1900	FAC - WATER DISPOSAL / SWD		\$500.00
8035.3400	FAC - METER & LACT		\$34,467.00
8035.2400	FAC - SUPERVISION		\$5,000.00
8035.3200	FAC - VALVES FITTINGS & PIPE		\$108,333.00
8035.2900	FAC - TANK BATTERY		\$96,667.00
8035.3500	FAC - COMPRESSOR		\$5,333.00
8035.3600	FAC - ELECTRICAL		\$41,667.00
8035.1400	FAC - ROAD LOCATIONS PITS		\$29,167.00
8035.4500	FAC - CONTINGENCY		\$23,833.00
8035.1300	FAC - SURFACE DAMAGE / ROW		\$833.00
		Sub-total	\$671,467.00
Completion Intangi	ble		
8025.2000	ICC - TRUCKING		\$14,375.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE		\$40,000.00
8025.2500	ICC - WELL STIMULATION/FRACTUR		\$2,405,186.00
8025.3800	ICC - OVERHEAD		\$10,000.00
8025.1100	ICC - ROAD, LOCATIONS, PITS		\$10,500.00
8025.3000	ICC - WATER HANDLING		\$172,358.00
8025.2300	ICC - COMPLETION FLUIDS		\$10,000.00
8025.1500	ICC - FUEL / POWER		\$560,880.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL		\$15,000.00
8025.3100	ICC - WELLHEAD/FRACTREE REPAIR		\$40,000.00
8025.3600	ICC - SUPERVISION/ENGINEERING		\$5,000.00
8025.1600	ICC - COILED TUBING		\$226,602.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT		\$15,000.00
8025.3400	ICC - RENTAL EQUIPMENT		\$198,747.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING		\$406,429.00
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK		\$20,160.00
8025.3050	ICC - SOURCE WATER		\$318,862.00
8025.3500	ICC - WELLSITE SUPERVISION	0.4.4-4-1	\$48,600.00
		Sub-total	\$4,517,699.00
Artificial Lift Tangib			\$20,000,00
8065.3100	TAL - MEASUREMENT EQUIPMENT		\$30,000.00
8065.2000	TAL - WELLHEAD EQUIPMENT		\$40,000.00
8065.1300	TAL - DOWNHOLE ARTIFICIAL LIFT EQPT		\$10,000.00
8065.2500	TAL - VALVES/CONNECTIONS/FTGS		\$95,000.00
8065.3400	TAL - CONTRACT LABOR INSTALL		\$30,000.00
8065.1700	TAL - PACKER/DOWNHOLE TOOLS		\$5,000.00 \$105.000.00
8065.1100	TAL - TUBING	Cub total	\$105,000.00 \$315,000.00
		Sub-total	\$315,000.00

Page: 2 of 3 - 500540

PERMIAN

Cost Estimate

Printed Date: Sep 6, 2024

Account	<u>Description</u>		Gross Est. (\$
Artificial Lift Intan	gible		
8060.3500	IAL - WELLSITE SUPERVISION		\$10,000.00
8060.2300	IAL - COMPLETION FLUIDS		\$20,000.00
8060.3700	IAL - HEALTH & SAFETY		\$5,000.00
8060.1200	IAL - WORKOVER RIG		\$30,000.00
8060.2600	IAL - CONTRACT LABOR/ROUSTABOUT		\$20,000.00
8060.3400	IAL - RENTAL EQUIPMENT		\$25,000.00
8060.2000	IAL - TRUCKING/VACUUM/TRANSP		\$20,000.00
		Sub-total	\$130,000.00
Pipeline			
8036.3620	PLN - POWER DISTRIBUTION LABOR		\$11,666.00
8036.3610	PLN - POWER DISTRIBUTION MATERIAL		\$33,333.00
8036.3200	PLN - VALVES FITTINGS & PIPE		\$20,000.00
8036.1310	PLN - PEMANENT EASEMENT		\$23,100.00
8036.1300	PLN - SURFACE DAMAGE / ROW		\$2,500.00
8036.2200	PLN - CONTRACT LABOR		\$70,000.00
8036.2800	PLN - FLOWLINE MATERIAL		\$66,528.00
		Sub-total	\$227,127.00
Completion Tangi	ble		
8030.2000	TCC - WELLHEAD EQUIPMENT		\$47,250.00
		Sub-total	\$47,250.00
Drilling Tangible			
8020.1200	TDC - CASING - INTERMEDIATE - 1		\$177,697.81
8020.1100	TDC - CASING - SURFACE		\$33,834.25
8020.1400	TDC - CASING - PRODUCTION		\$652,674.41
8020.1500	TDC - WELLHEAD EQUIPMENT		\$65,875.00
		Sub-total	\$930,081.47
Flowback Intangib	ole		
8040.2900	IFC - WELL TESTING / FLOWBACK		\$150,000.00
8040.1899	IFC - FRAC WATER RECOVERY		\$290,000.00
8040.3500	IFC - WELLSITE SUPERVISION		\$10,000.00
8040.3400	IFC - RENTAL EQUIPMENT		\$25,000.00
		Sub-total	\$475,000.00
		Grand Total	\$9,405,555.04

Cost Estimate

PERMIAN RESOURCES

Printed Date: Sep 6, 2024

AFE Number: Description: LAJITAS 5 - 4 STATE COM 122H

AFE Name: LAJITAS 5 - 4 STATE COM 122H AFE TYPE: Drill and Complete

Well Operator: PERMIAN RESOURCES

Operator AFE #: Gross Est. (\$) Description Account **Drilling Intangible** \$8,285.13 IDC - WELL CONTROL INSURANCE 8015.5000 \$15,000.00 IDC - CONTRACT LABOR/ROUSTABOUT 8015.3200 \$124,812.11 IDC - CONTINGENCY 8015.5200 \$7,150.00 IDC - RIG WATER 8015.2400 IDC - LEGAL, TITLE SERVICES \$13,000.00 8015.1200 \$40,000.00 IDC - FUEL/MUD 8015.2350 IDC - TRUCKING/VACUUM/ TRANSP \$18,000.00 8015.3500 \$97,750.00 IDC - FUEL / POWER 8015.2300 \$50,000.00 **IDC - CASING CREW & TOOLS** 8015.3100 \$50,000.00 IDC - BITS, TOOLS, STABILIZERS 8015.2200 \$15,000.00 IDC - PERMITS, LICENSES, ETC 8015,1000 \$418,000.00 8015 1700 **IDC - DAYWORK CONTRACT** \$23,000.00 **IDC - RENTAL EQUIPMENT** 8015.4100 \$66,000.00 **IDC - WELLSITE SUPERVISION** 8015.4300 \$15,000.00 8015.1100 IDC - STAKING & SURVEYING \$35,000.00 IDC - SURFACE DAMAGE / ROW 8015.1300 \$160,000.00 IDC - CEMENT SERV/FLOAT EQUIP 8015.3000 \$28,000.00 **IDC - MANCAMP** 8015.4200 \$45,000.00 IDC - CONDUCTOR HOLE & SERVICE 8015.2000 \$30,500.00 8015.3800 IDC - WELLHEAD PREPARE/REPAIR \$53,000.00 8015.2150 IDC - DRILL BIT \$39,700.00 IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM 8015,3600 \$8,400.00 8015.4600 IDC - SAFETY / ENVIRONMENTAL \$108,333.33 IDC - ROAD, LOCATIONS, PITS 8015.1400 \$12,000.00 **IDC - PERMANENT EASEMENT** 8015.1310 \$45,000.00 IDC - INSPECTION, TESTING & REPAIR 8015.2700 \$97,000.00 IDC - DISPOSAL 8015.3700 \$110,000.00 8015,2500 IDC - MUD/CHEMICALS/ACIDIZING \$224,000.00 IDC - DIRECTNL DRILL & SURVEY 8015.1900 \$30,000.00 IDC - RIG MOB / STANDBY RATE 8015,1600 **IDC - MATERIALS & SUPPLIES** \$5,000.00 8015.3400 \$100,000.00 IDC - RIG MOB / TRUCKING 8015.1500 Sub-total \$2,091,930.57 **Facilities** \$3,333.00 FAC - PEMANENT EASEMENT 8035,1310 **FAC - INSPECTION & TESTING** \$833.00 8035.2100 \$13,333.00 FAC - CIRCULATING TRNSFER PUMP 8035.3300 \$86,667.00 FAC - CONTRACT LABOR / ROUSTAB 8035.2200 \$833.00 **FAC - MATERIALS & SUPPLIES** 8035,1500 \$41,667.00 **FAC - AUTOMATION MATERIAL** 8035.3700

PERMIAN

Cost Estimate

Printed Date: Sep 6, 2024

Account	Description		Gross Est. (\$)
8035.2500	FAC - CONSULTING SERVICES		\$2,500.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL		\$667.00
8035.1700	FAC - RENTAL EQUIPMENT		\$4,167.00
8035.1600	FAC - TRANSPORTATION TRUCKING		\$5,000.00
8035.3000	FAC - HEATER TREATER/SEPARATOR		\$150,000.00
8035.3800	FAC - FLARE/COMBUSTER		\$16,667.00
8035.1900	FAC - WATER DISPOSAL / SWD		\$500.00
8035.3400	FAC - METER & LACT		\$34,467.00
8035.2400	FAC - SUPERVISION		\$5,000.00
8035.3200	FAC - VALVES FITTINGS & PIPE		\$108,333.00
8035.2900	FAC - TANK BATTERY		\$96,667.00
8035.3500	FAC - COMPRESSOR		\$5,333.00
8035.3600	FAC - ELECTRICAL		\$41,667.00
8035.1400	FAC - ROAD LOCATIONS PITS		\$29,167.00
8035.4500	FAC - CONTINGENCY		\$23,833.00
8035.1300	FAC - SURFACE DAMAGE / ROW		\$833.00
		Sub-total	\$671,467.00
Completion Intangi	ble		
8025.2000	ICC - TRUCKING		\$14,375.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE		\$40,000.00
8025.2500	ICC - WELL STIMULATION/FRACTUR		\$2,405,186.00
8025.3800	ICC - OVERHEAD		\$10,000.00
8025.1100	ICC - ROAD, LOCATIONS, PITS		\$10,500.00
8025.3000	ICC - WATER HANDLING		\$172,358.00
8025.2300	ICC - COMPLETION FLUIDS		\$10,000.00
8025.1500	ICC - FUEL / POWER		\$560,880.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL		\$15,000.00
8025.3100	ICC - WELLHEAD/FRACTREE REPAIR		\$40,000.00
8025.3600	ICC - SUPERVISION/ENGINEERING		\$5,000.00
8025.1600	ICC - COILED TUBING		\$226,602.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT		\$15,000.00
8025.3400	ICC - RENTAL EQUIPMENT		\$198,747.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING		\$406,429.00
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK		\$20,160.00
8025.3050	ICC - SOURCE WATER		\$318,862.00
8025.3500	ICC - WELLSITE SUPERVISION	Cul. 4-4-1	\$48,600.00
A. 4551 1-11 154 T	-t-	Sub-total	\$4,517,699.00
Artificial Lift Tangil			\$30,000.00
8065.3100	TAL - MEASUREMENT EQUIPMENT		\$40,000.00
8065.2000	TAL - WELLHEAD EQUIPMENT		\$10,000.00
8065.1300	TAL - DOWNHOLE ARTIFICIAL LIFT EQPT		\$95,000.00
8065.2500	TAL - VALVES/CONNECTIONS/FTGS		\$30,000.00
8065.3400	TAL - CONTRACT LABOR INSTALL		\$5,000.00
8065.1700	TAL - PACKER/DOWNHOLE TOOLS		\$105,000.00
8065.1100	TAL - TUBING	Sub-total	\$315,000.00
		Sub-total	ψφ 13,000.00

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Released to Imaging: 3/10/2025 3:20:34 PM

PERMIAN

Cost Estimate

Printed Date: Sep 6, 2024

Account	<u>Description</u>		Gross Est. (\$)
Artificial Lift Intan	gible		
8060.3500	IAL - WELLSITE SUPERVISION		\$10,000.00
8060.2300	IAL - COMPLETION FLUIDS		\$20,000.00
8060.3700	IAL - HEALTH & SAFETY		\$5,000.00
8060.1200	IAL - WORKOVER RIG		\$30,000.00
8060.2600	IAL - CONTRACT LABOR/ROUSTABOUT		\$20,000.00
8060.3400	IAL - RENTAL EQUIPMENT		\$25,000.00
8060.2000	IAL - TRUCKING/VACUUM/TRANSP		\$20,000.00
		Sub-total	\$130,000.00
Pipeline			
8036.3620	PLN - POWER DISTRIBUTION LABOR		\$11,666.00
8036.3610	PLN - POWER DISTRIBUTION MATERIAL		\$33,333.00
8036.3200	PLN - VALVES FITTINGS & PIPE		\$20,000.00
8036.1310	PLN - PEMANENT EASEMENT		\$23,100.00
8036.1300	PLN - SURFACE DAMAGE / ROW		\$2,500.00
8036.2200	PLN - CONTRACT LABOR		\$70,000.00
8036.2800	PLN - FLOWLINE MATERIAL		\$66,528.00
		Sub-total	\$227,127.00
Completion Tangil	ble		
8030.2000	TCC - WELLHEAD EQUIPMENT		\$47,250.00
		Sub-total	\$47,250.00
Drilling Tangible			
8020.1200	TDC - CASING - INTERMEDIATE - 1		\$177,697.81
8020.1100	TDC - CASING - SURFACE		\$33,834.25
8020.1400	TDC - CASING - PRODUCTION		\$652,674.41
8020.1500	TDC - WELLHEAD EQUIPMENT		\$65,875.00
		Sub-total	\$930,081.47
Flowback Intangib	le		
8040.2900	IFC - WELL TESTING / FLOWBACK		\$150,000.00
8040.1899	IFC - FRAC WATER RECOVERY		\$290,000.00
8040.3500	IFC - WELLSITE SUPERVISION		\$10,000.00
8040.3400	IFC - RENTAL EQUIPMENT		\$25,000.00
		Sub-total	\$475,000.00
		Grand Total	\$9,405,555.04



Printed Date: Sep 6, 2024

AFE Number: Description: LAJITAS 5 - 4 STATE COM 123H

AFE Name: LAJITAS 5 - 4 STATE COM 123H AFE TYPE: Drill and Complete

Well Operator: PERMIAN RESOURCES

Operator AFE #:

Account	Description		Gross Est. (\$)
Drilling Intangible			
8015.5000	IDC - WELL CONTROL INSURANCE		\$8,285.13
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT		\$15,000.00
8015.5200	IDC - CONTINGENCY		\$124,812.11
8015,2400	IDC - RIG WATER		\$7,150.00
8015.1200	IDC - LEGAL, TITLE SERVICES		\$13,000.00
8015.2350	IDC - FUEL/MUD		\$40,000.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP		\$18,000.00
8015.2300	IDC - FUEL / POWER		\$97,750.00
8015.3100	IDC - CASING CREW & TOOLS		\$50,000.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS		\$50,000.00
8015.1000	IDC - PERMITS, LICENSES, ETC		\$15,000.00
8015.1700	IDC - DAYWORK CONTRACT		\$418,000.00
8015.4100	IDC - RENTAL EQUIPMENT		\$23,000.00
8015.4300	IDC - WELLSITE SUPERVISION		\$66,000.00
8015.1100	IDC - STAKING & SURVEYING		\$15,000.00
8015.1300	IDC - SURFACE DAMAGE / ROW		\$35,000.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP		\$160,000.00
8015.4200	IDC - MANCAMP		\$28,000.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE		\$45,000.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR		\$30,500.00
8015.2150	IDC - DRILL BIT		\$53,000.00
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM		\$39,700.00
8015.4600	IDC - SAFETY / ENVIRONMENTAL		\$8,400.00
8015.1400	IDC - ROAD, LOCATIONS, PITS		\$108,333.33
8015.1310	IDC - PERMANENT EASEMENT		\$12,000.00
8015.2700	IDC - INSPECTION, TESTING & REPAIR		\$45,000.00
8015.3700	IDC - DISPOSAL		\$97,000.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING		\$110,000.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY		\$224,000.00
8015.1600	IDC - RIG MOB / STANDBY RATE		\$30,000.00
8015,3400	IDC - MATERIALS & SUPPLIES		\$5,000.00
8015.1500	IDC - RIG MOB / TRUCKING		\$100,000.00
		Sub-total	\$2,091,930.57
Facilities	at a		
8035,1310	FAC - PEMANENT EASEMENT		\$3,333.00
8035.2100	FAC - INSPECTION & TESTING		\$833.00
8035,3300	FAC - CIRCULATING TRNSFER PUMP		\$13,333.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB		\$86,667.00
8035.1500	FAC - MATERIALS & SUPPLIES		\$833.00
8035.3700	FAC - AUTOMATION MATERIAL		\$41,667.00

PERMIAN

Cost Estimate

Printed Date: Sep 6, 2024

Account	<u>Description</u>		Gross Est. (\$)
8035.2500	FAC - CONSULTING SERVICES		\$2,500.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL		\$667.00
8035.1700	FAC - RENTAL EQUIPMENT		\$4,167.00
8035.1600	FAC - TRANSPORTATION TRUCKING		\$5,000.00
8035.3000	FAC - HEATER TREATER/SEPARATOR		\$150,000.00
8035.3800	FAC - FLARE/COMBUSTER		\$16,667.00
8035.1900	FAC - WATER DISPOSAL / SWD		\$500.00
8035.3400	FAC - METER & LACT		\$34,467.00
8035.2400	FAC - SUPERVISION		\$5,000.00
8035.3200	FAC - VALVES FITTINGS & PIPE		\$108,333.00
8035.2900	FAC - TANK BATTERY		\$96,667.00
8035.3500	FAC - COMPRESSOR		\$5,333.00
8035.3600	FAC - ELECTRICAL		\$41,667.00
8035.1400	FAC - ROAD LOCATIONS PITS		\$29,167.00
8035.4500	FAC - CONTINGENCY		\$23,833.00
8035.1300	FAC - SURFACE DAMAGE / ROW		\$833.00
Completion Intangible	a.	Sub-total	\$671,467.00
8025.2000	ICC - TRUCKING		\$14,375.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE		\$40,000.00
8025.2500	ICC - WELL STIMULATION/FRACTUR		\$2,405,186.00
8025.3800	ICC - OVERHEAD		\$10,000.00
8025.1100	ICC - ROAD, LOCATIONS, PITS		\$10,500.00
8025.3000	ICC - WATER HANDLING		\$172,358.00
8025,2300	ICC - COMPLETION FLUIDS		\$10,000.00
8025.1500	ICC - FUEL / POWER		\$560,880.00
8025,3700	ICC - SAFETY / ENVIRONMENTAL		\$15,000.00
8025.3100	ICC - WELLHEAD/FRACTREE REPAIR		\$40,000.00
8025.3600	ICC - SUPERVISION/ENGINEERING		\$5,000.00
8025.1600	ICC - COILED TUBING		\$226,602.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT		\$15,000.00
8025.3400	ICC - RENTAL EQUIPMENT		\$198,747.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING		\$406,429.00
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK		\$20,160.00
8025.3050	ICC - SOURCE WATER		\$318,862.00
8025.3500	ICC - WELLSITE SUPERVISION		\$48,600.00
		Sub-total	\$4,517,699.00
Artificial Lift Tangible			\$30,000.00
8065.3100	TAL - MEASUREMENT EQUIPMENT		
8065,2000	TAL - WELLHEAD EQUIPMENT		\$40,000.00 \$10,000.00
8065.1300	TAL - DOWNHOLE ARTIFICIAL LIFT EQPT		\$95,000.00
8065.2500	TAL - VALVES/CONNECTIONS/FTGS TAL - CONTRACT LABOR INSTALL		\$30,000.00
8065.3400	TAL - PACKER/DOWNHOLE TOOLS		\$5,000.00
8065.1700	TAL - TUBING		\$105,000.00
8065.1100	IVE - LODING	Sub-total	\$315,000.00
		one total	+

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PERMIAN RESOURCES

Cost Estimate

Printed Date: Sep 6, 2024

Account	Description		Gross Est. (\$
Artificial Lift Intan	gible		
8060.3500	IAL - WELLSITE SUPERVISION		\$10,000.00
8060.2300	IAL - COMPLETION FLUIDS		\$20,000.00
8060.3700	IAL - HEALTH & SAFETY		\$5,000.00
8060.1200	IAL - WORKOVER RIG		\$30,000.00
8060.2600	IAL - CONTRACT LABOR/ROUSTABOUT		\$20,000.00
8060.3400	IAL - RENTAL EQUIPMENT		\$25,000.00
8060.2000	IAL - TRUCKING/VACUUM/TRANSP		\$20,000.00
		Sub-total	\$130,000.00
Pipeline			
8036.3620	PLN - POWER DISTRIBUTION LABOR		\$11,666.00
8036.3610	PLN - POWER DISTRIBUTION MATERIAL		\$33,333.00
8036.3200	PLN - VALVES FITTINGS & PIPE		\$20,000.00
8036.1310	PLN - PEMANENT EASEMENT		\$23,100.00
8036.1300	PLN - SURFACE DAMAGE / ROW		\$2,500.00
8036.2200	PLN - CONTRACT LABOR		\$70,000.00
8036.2800	PLN - FLOWLINE MATERIAL		\$66,528.00
		Sub-total	\$227,127.00
Completion Tangi	ble		
8030.2000	TCC - WELLHEAD EQUIPMENT		\$47,250.00
		Sub-total	\$47,250.00
Drilling Tangible			
8020.1200	TDC - CASING - INTERMEDIATE - 1		\$177,697.81
8020.1100	TDC - CASING - SURFACE		\$33,834.25
8020.1400	TDC - CASING - PRODUCTION		\$652,674.41
8020.1500	TDC - WELLHEAD EQUIPMENT		\$65,875.00
		Sub-total	\$930,081.47
Flowback Intangit	ple		
8040.2900	IFC - WELL TESTING / FLOWBACK		\$150,000.00
8040.1899	IFC - FRAC WATER RECOVERY		\$290,000.00
8040.3500	IFC - WELLSITE SUPERVISION		\$10,000.00
8040.3400	IFC - RENTAL EQUIPMENT		\$25,000.00
		Sub-total	\$475,000.00
		Grand Total	\$9,405,555.04



Printed Date: Sep 6, 2024

AFE Number: Description: LAJITAS 5 - 4 STATE COM 124H

AFE Name: LAJITAS 5 - 4 STATE COM 124H AFE TYPE: Drill and Complete

Well Operator: PERMIAN RESOURCES

Operator AFE #:

Account	Description	Gross Est. (\$)
Drilling Intangible		
8015,5000	IDC - WELL CONTROL INSURANCE	\$8,285.13
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	\$15,000.00
8015.5200	IDC - CONTINGENCY	\$124,812.11
8015.2400	IDC - RIG WATER	\$7,150.00
8015.1200	IDC - LEGAL, TITLE SERVICES	\$13,000.00
8015.2350	IDC - FUEL/MUD	\$40,000.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	\$18,000.00
8015.2300	IDC - FUEL / POWER	\$97,750.00
8015.3100	IDC - CASING CREW & TOOLS	\$50,000.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS	\$50,000.00
8015.1000	IDC - PERMITS, LICENSES, ETC	\$15,000.00
8015.1700	IDC - DAYWORK CONTRACT	\$418,000.00
8015.4100	IDC - RENTAL EQUIPMENT	\$23,000.00
8015.4300	IDC - WELLSITE SUPERVISION	\$66,000.00
8015,1100	IDC - STAKING & SURVEYING	\$15,000.00
8015.1300	IDC - SURFACE DAMAGE / ROW	\$35,000.00
8015,3000	IDC - CEMENT SERV/FLOAT EQUIP	\$160,000.00
8015.4200	IDC - MANCAMP	\$28,000.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE	\$45,000.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR	\$30,500.00
8015.2150	IDC - DRILL BIT	\$53,000.00
8015,3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$39,700.00
8015.4600	IDC - SAFETY / ENVIRONMENTAL	\$8,400.00
8015.1400	IDC - ROAD, LOCATIONS, PITS	\$108,333.33
8015.1310	IDC - PERMANENT EASEMENT	\$12,000.00
8015.2700	IDC - INSPECTION, TESTING & REPAIR	\$45,000.00
8015.3700	IDC - DISPOSAL	\$97,000.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING	\$110,000.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY	\$224,000.00
8015.1600	IDC - RIG MOB / STANDBY RATE	\$30,000.00
8015.3400	IDC - MATERIALS & SUPPLIES	\$5,000.00
8015.1500	IDC - RIG MOB / TRUCKING	\$100,000.00
		Sub-total \$2,091,930.57
Facilities		
8035.1310	FAC - PEMANENT EASEMENT	\$3,333.00
8035.2100	FAC - INSPECTION & TESTING	\$833.00
8035.3300	FAC - CIRCULATING TRNSFER PUMP	\$13,333.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB	\$86,667.00
8035.1500	FAC - MATERIALS & SUPPLIES	\$833.00
8035.3700	FAC - AUTOMATION MATERIAL	\$41,667.00

PERMIAN RESOURCES

Cost Estimate

Printed Date: Sep 6, 2024

Account	<u>Description</u>		Gross Est. (\$)
0005 0500	EAG. CONCULTING CERVICES		\$2,500.00
8035.2500	FAC - CONSULTING SERVICES		\$667.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL		\$4,167.00
8035.1700	FAC - TRANSPORTATION TRUCKING		\$5,000.00
8035.1600	FAC - TRANSPORTATION TRUCKING		\$150,000.00
8035.3000	FAC - HEATER TREATER/SEPARATOR		\$16,667.00
8035.3800	FAC - FLARE/COMBUSTER		\$500.00
8035.1900	FAC - WATER DISPOSAL / SWD		•
8035.3400	FAC - METER & LACT		\$34,467.00 \$5,000.00
8035.2400	FAC - SUPERVISION		
8035.3200	FAC - VALVES FITTINGS & PIPE		\$108,333.00
8035.2900	FAC - TANK BATTERY		\$96,667.00
8035.3500	FAC - COMPRESSOR		\$5,333.00
8035.3600	FAC - ELECTRICAL		\$41,667.00
8035.1400	FAC - ROAD LOCATIONS PITS		\$29,167.00
8035.4500	FAC - CONTINGENCY		\$23,833.00
8035.1300	FAC - SURFACE DAMAGE / ROW		\$833.00
Completion Intang	iible	Sub-total	\$671,467.00
8025.2000	ICC - TRUCKING		\$14,375.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE		\$40,000.00
8025.2500	ICC - WELL STIMULATION/FRACTUR		\$2,405,186.00
8025.3800	ICC - OVERHEAD		\$10,000.00
8025.1100	ICC - ROAD, LOCATIONS, PITS		\$10,500.00
8025.3000	ICC - WATER HANDLING		\$172,358.00
8025,2300	ICC - COMPLETION FLUIDS		\$10,000.00
8025.1500	ICC - FUEL / POWER		\$560,880.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL		\$15,000.00
8025.3100	ICC - WELLHEAD/FRACTREE REPAIR		\$40,000.00
8025.3600	ICC - SUPERVISION/ENGINEERING		\$5,000.00
8025.1600	ICC - COILED TUBING		\$226,602.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT		\$15,000.00
8025.3400	ICC - RENTAL EQUIPMENT		\$198,747.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING		\$406,429.00
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK		\$20,160.00
8025.3050	ICC - SOURCE WATER		\$318,862.00
8025.3500	ICC - WELLSITE SUPERVISION		\$48,600.00
0020,0000	100 WELLSHIE 001 EKKIOLON	Sub-total	\$4,517,699.00
Artificial Lift Tangi	ble		
8065.3100	TAL - MEASUREMENT EQUIPMENT		\$30,000.00
8065.2000	TAL - WELLHEAD EQUIPMENT		\$40,000.00
8065.1300	TAL - DOWNHOLE ARTIFICIAL LIFT EQPT		\$10,000.00
8065.2500	TAL - VALVES/CONNECTIONS/FTGS		\$95,000.00
8065.3400	TAL - CONTRACT LABOR INSTALL		\$30,000.00
8065.1700	TAL - PACKER/DOWNHOLE TOOLS		\$5,000.00
8065.1100	TAL - TUBING		\$105,000.00
		Sub-total	\$315,000.00

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PERMIAN RESOURCES

Cost Estimate

Printed Date: Sep 6, 2024

Account	<u>Description</u>		Gross Est. (\$
Artificial Lift Intan	gible		
8060.3500	IAL - WELLSITE SUPERVISION		\$10,000.00
8060.2300	IAL - COMPLETION FLUIDS		\$20,000.00
8060.3700	IAL - HEALTH & SAFETY		\$5,000.00
8060.1200	IAL - WORKOVER RIG		\$30,000.00
8060.2600	IAL - CONTRACT LABOR/ROUSTABOUT		\$20,000.00
8060.3400	IAL - RENTAL EQUIPMENT		\$25,000.00
8060.2000	IAL - TRUCKING/VACUUM/TRANSP		\$20,000.00
		Sub-total	\$130,000.00
Pipeline			
8036.3620	PLN - POWER DISTRIBUTION LABOR		\$11,666.00
8036.3610	PLN - POWER DISTRIBUTION MATERIAL		\$33,333.00
8036.3200	PLN - VALVES FITTINGS & PIPE		\$20,000.00
8036.1310	PLN - PEMANENT EASEMENT		\$23,100.00
8036.1300	PLN - SURFACE DAMAGE / ROW		\$2,500.00
8036.2200	PLN - CONTRACT LABOR		\$70,000.00
8036.2800	PLN - FLOWLINE MATERIAL		\$66,528.00
		Sub-total	\$227,127.00
Completion Tangi	ble		
8030.2000	TCC - WELLHEAD EQUIPMENT		\$47,250.00
		Sub-total	\$47,250.00
Drilling Tangible			
8020.1200	TDC - CASING - INTERMEDIATE - 1		\$177,697.81
8020.1100	TDC - CASING - SURFACE		\$33,834.25
8020.1400	TDC - CASING - PRODUCTION		\$652,674.41
8020.1500	TDC - WELLHEAD EQUIPMENT		\$65,875.00
		Sub-total	\$930,081.47
Flowback Intangib	le		
8040.2900	IFC - WELL TESTING / FLOWBACK		\$150,000.00
8040.1899	IFC - FRAC WATER RECOVERY		\$290,000.00
8040.3500	IFC - WELLSITE SUPERVISION		\$10,000.00
8040.3400	IFC - RENTAL EQUIPMENT		\$25,000.00
		Sub-total	\$475,000.00
		Grand Total	\$9,405,555.04



Printed Date: Sep 6, 2024

AFE Number: Description: LAJITAS 5 -4 STATE COM 131H

AFE Name: LAJITAS 5 -4 STATE COM 131H AFE TYPE: Drill and Complete

Well Operator: PERMIAN RESOURCES

Operator AFE #:

Account	Description	Gross Est. (\$)
Drilling Intangible		
8015.3700	IDC - DISPOSAL	\$145,411.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	\$31,500.00
8015.4100	IDC - RENTAL EQUIPMENT	\$115,500.00
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	\$27,000.00
8015.3100	IDC - CASING CREW & TOOLS	\$73,000.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS	\$123,746.00
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$82,556.25
8015.5000	IDC - WELL CONTROL INSURANCE	\$11,550.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING	\$176,811.69
8015.2300	IDC - FUEL / POWER	\$196,350.00
8015.1400	IDC - ROAD, LOCATIONS, PITS	\$95,625.00
8015.1310	IDC - PERMANENT EASEMENT	\$12,000.00
8015.1700	IDC - DAYWORK CONTRACT	\$809,943.75
8015.1100	IDC - STAKING & SURVEYING	\$15,000.00
8015.2150	IDC - DRILL BIT	\$66,750.00
8015.2400	IDC - RIG WATER	\$26,250.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE	\$42,500.00
8015.1500	IDC - RIG MOB / TRUCKING	\$127,500.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	\$190,500.00
8015.4200	IDC - MANCAMP	\$54,600.00
8015.2350	IDC - FUEL/MUD	\$66,000.00
8015.4300	IDC - WELLSITE SUPERVISION	\$121,800.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY	\$345,843.75
8015.4600	IDC - SAFETY / ENVIRONMENTAL	\$23,100.00
8015.2700	IDC - INSPECTION, TESTING & REPAIR	\$37,000.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR	\$12,500.00
8015.3400	IDC - MATERIALS & SUPPLIES	\$5,000.00
8015.1600	IDC - RIG MOB / STANDBY RATE	\$36,300.00
8015.5200	IDC - CONTINGENCY	\$141,058.68
8015.1000	IDC - PERMITS, LICENSES, ETC	\$15,000.00
8015.1300	IDC - SURFACE DAMAGE / ROW	\$35,000.00
8015.1200	IDC - LEGAL, TITLE SERVICES	\$13,000.00
	,	Sub-total \$3,275,696.12
Facilities		
8035.2500	FAC - CONSULTING SERVICES	\$1,667.00
8035,4000	FAC - SAFETY / ENVIRONMENTAL	\$1,333.00
8035,2200	FAC - CONTRACT LABOR / ROUSTAB	\$50,000.00
8035.4400	FAC - COMPANY LABOR	\$3,333.00
8035.1800	FAC - FUEL / POWER	\$2,667.00
8035.4500	FAC - CONTINGENCY	\$11,450.00
0000,7000	, 7,6 - GOMMOLIO	7

PERMIAN

Cost Estimate

Printed Date: Sep 6, 2024

Account	Description		Gross Est. (\$)
8035.1600	FAC - TRANSPORTATION TRUCKING		\$10,000.00
8035.2400	FAC - SUPERVISION		\$20,000.00
8035.3000	FAC - HEATER TREATER/SEPARATOR		\$110,000.00
8035.3700	FAC - AUTOMATION MATERIAL		\$23,333.00
8035.1900	FAC - WATER DISPOSAL / SWD		\$667.00
8035.3500	FAC - COMPRESSOR		\$10,000.00
8035.3400	FAC - METER & LACT		\$37,000.00
8035.3600	FAC - ELECTRICAL		\$25,000.00
8035.1500	FAC - MATERIALS & SUPPLIES		\$10,000.00
8035.1300	FAC - SURFACE DAMAGE / ROW		\$1,667.00
8035.3200	FAC - VALVES FITTINGS & PIPE		\$50,000.00
8035.2100	FAC - INSPECTION & TESTING		\$1,667.00
8035.1700	FAC - RENTAL EQUIPMENT		\$23,333.00
		Sub-total	\$393,117.00
Completion Intang	ible ICC - WATER DISPOSAL/VACUUM TRUCK		\$16,065.00
8025.1800	ICC - SOURCE WATER		\$266,933.00
8025.3050	ICC - FUEL / POWER		\$441,443.00
8025.1500	ICC - RENTAL EQUIPMENT		\$164,232.00
8025.3400	ICC - COILED TUBING		\$207,532.00
8025.1600 8025.2000	ICC - TRUCKING		\$14,375.00
8025.3600	ICC - SUPERVISION/ENGINEERING		\$5,000.00
8025.3500	ICC - WELLSITE SUPERVISION		\$48,600.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING		\$317,380.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL		\$15,000.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE		\$40,000.00
8025.2300	ICC - COMPLETION FLUIDS		\$10,000.00
8025.2500	ICC - WELL STIMULATION/FRACTUR		\$1,621,954.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT		\$15,000.00
8025.3800	ICC - OVERHEAD		\$10,000.00
8025.3100	ICC - WELLHEAD/FRACTREE REPAIR		\$40,000.00
8025.1100	ICC - ROAD, LOCATIONS, PITS		\$10,500.00
8025.3000	ICC - WATER HANDLING		\$117,765.00
		Sub-total	\$3,361,779.00
Artificial Lift Intanç	gible		4
8060.2000	IAL - TRUCKING/VACUUM/TRANSP		\$5,000.00
8060.1400	IAL - WIRELINE OPEN/CASED HOLE		\$10,000.00
8060.1900	IAL - INSPECTION & TESTING		\$3,000.00
8060.1200	IAL - WORKOVER RIG		\$17,000.00
8060.2300	IAL - COMPLETION FLUIDS		\$5,000.00
8060.3400	IAL - RENTAL EQUIPMENT		\$5,000.00
8060.3420	IAL - REVERSE UNIT RENTAL		\$5,000.00
8060.3500	IAL - WELLSITE SUPERVISION		\$5,000.00
8060.3410	IAL - LAYDOWN MACHINE		\$5,000.00
8060.2010	IAL - KILL TRUCK		\$5,000.00
8060.2600	IAL - CONTRACT LABOR/ROUSTABOUT		\$15,000.00

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Account	Description		Gross Est. (\$
		Sub-total	\$80,000.00
Flowback Intangib	ole		
8040.1899	IFC - FRAC WATER RECOVERY		\$544,058.58
8040.4000	IFC - CHEMICALS		\$15,000.00
8040.1100	IFC - ROADS LOCATIONS / PITS		\$5,000.00
8040.3430	IFC - SURFACE PUMP RENTAL		\$20,000.00
8040.2000	IFC - TRUCKING/VACUUM/TRANSP		\$20,000.00
8040.2900	IFC - WELL TESTING / FLOWBACK		\$125,000.00
8040.3420	IFC - TANK RENTALS		\$20,000.00
8040.3500	IFC - WELLSITE SUPERVISION		\$10,000.00
		Sub-total	\$759,058.58
Artificial Lift Tang	ible		
8065.2000	TAL - WELLHEAD EQUIPMENT		\$60,000.00
8065.2500	TAL - VALVES/CONNECTIONS/FTGS		\$15,000.00
8065.1320	TAL - GAS LIFT EQUIPMENT/INSTALL		\$30,000.00
8065.3100	TAL - MEASUREMENT EQUIPMENT		\$30,000.00
8065.2300	TAL - GAS LIFT INJECTION LINE & INSTALL		\$130,000.00
8065.1100	TAL - TUBING		\$125,000.00
8065.3200	TAL - COMM, TELEMETRY & AUTOMA		\$10,000.00
8065.2400	TAL - COMPRESSOR INSTALL & STARTUP		\$70,000.00
		Sub-total	\$470,000.00
Drilling Tangible	TDC - CASING - PRODUCTION		\$504,604.05
8020.1400	TDC - WELLHEAD EQUIPMENT		\$53,125.00
8020.1500	TDC - CASING - INTERMEDIATE - 1		\$429,641.69
8020.1200	TDC - CASING - INTERMEDIATE - T		\$77,295.28
8020.1100	IDC - CASING - SURFACE	Sub-total	\$1,064,666.02
Pipeline			
3036.1310	PLN - PEMANENT EASEMENT		\$22,727.00
8036.3620	PLN - POWER DISTRIBUTION LABOR		\$25,000.00
8036.2200	PLN - CONTRACT LABOR		\$87,500.00
8036.2800	PLN - FLOWLINE MATERIAL		\$80,000.00
8036.3200	PLN - VALVES FITTINGS & PIPE		\$15,000.00
8036.3610	PLN - POWER DISTRIBUTION MATERIAL		\$25,000.00
		Sub-total	\$255,227.00
Completion Tangil	ble		
8030.2000	TCC - WELLHEAD EQUIPMENT	Out 4-4-1	\$47,250.00
		Sub-total	\$47,250.00
		Grand Total	\$9,706,793.73



Printed Date: Sep 6, 2024

AFE Number: Description: LAJITAS 5 -4 STATE COM 132H

AFE Name: LAJITAS 5 -4 STATE COM 132H AFE TYPE: Drill and Complete

Well Operator: PERMIAN RESOURCES

Operator AFE #:

Account	Description		Gross Est. (\$)
Drilling Intangible			
8015.3700	IDC - DISPOSAL		\$145,411.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP		\$31,500.00
8015.4100	IDC - RENTAL EQUIPMENT		\$115,500.00
8015,3200	IDC - CONTRACT LABOR/ROUSTABOUT		\$27,000.00
8015.3100	IDC - CASING CREW & TOOLS		\$73,000.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS		\$123,746.00
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM		\$82,556.25
8015.5000	IDC - WELL CONTROL INSURANCE		\$11,550.00
8015,2500	IDC - MUD/CHEMICALS/ACIDIZING		\$176,811.69
8015.2300	IDC - FUEL / POWER		\$196,350.00
8015.1400	IDC - ROAD, LOCATIONS, PITS		\$95,625.00
8015.1310	IDC - PERMANENT EASEMENT		\$12,000.00
8015.1700	IDC - DAYWORK CONTRACT		\$809,943.75
8015.1100	IDC - STAKING & SURVEYING		\$15,000.00
8015.2150	IDC - DRILL BIT		\$66,750.00
8015.2400	IDC - RIG WATER		\$26,250.00
8015,2000	IDC - CONDUCTOR HOLE & SERVICE		\$42,500.00
8015.1500	IDC - RIG MOB / TRUCKING		\$127,500.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP		\$190,500.00
8015.4200	IDC - MANCAMP		\$54,600.00
8015.2350	IDC - FUEL/MUD		\$66,000.00
8015.4300	IDC - WELLSITE SUPERVISION		\$121,800.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY		\$345,843.75
8015.4600	IDC - SAFETY / ENVIRONMENTAL		\$23,100.00
8015.2700	IDC - INSPECTION, TESTING & REPAIR		\$37,000.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR		\$12,500.00
8015.3400	IDC - MATERIALS & SUPPLIES		\$5,000.00
8015.1600	IDC - RIG MOB / STANDBY RATE		\$36,300.00
8015.5200	IDC - CONTINGENCY		\$141,058.68
8015.1000	IDC - PERMITS,LICENSES,ETC		\$15,000.00
8015.1300	IDC - SURFACE DAMAGE / ROW		\$35,000.00
8015.1200	IDC - LEGAL, TITLE SERVICES		\$13,000.00
		Sub-total	\$3,275,696.12
Facilities			
8035.2500	FAC - CONSULTING SERVICES		\$1,667.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL		\$1,333.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB		\$50,000.00
8035.4400	FAC - COMPANY LABOR		\$3,333.00
8035.1800	FAC - FUEL / POWER		\$2,667.00
8035.4500	FAC - CONTINGENCY		\$11,450.00

PERMIAN

Cost Estimate

Printed Date: Sep 6, 2024

RESCONCES			
Account	<u>Description</u>		Gross Est. (\$)
8035.1600	FAC - TRANSPORTATION TRUCKING		\$10,000.00
8035.2400	FAC - SUPERVISION		\$20,000.00
8035.3000	FAC - HEATER TREATER/SEPARATOR		\$110,000.00
8035.3700	FAC - AUTOMATION MATERIAL		\$23,333.00
8035.1900	FAC - WATER DISPOSAL / SWD		\$667.00
8035.3500	FAC - COMPRESSOR		\$10,000.00
8035.3400	FAC - METER & LACT		\$37,000.00
8035.3600	FAC - ELECTRICAL		\$25,000.00
8035.1500	FAC - MATERIALS & SUPPLIES		\$10,000.00
8035.1300	FAC - SURFACE DAMAGE / ROW		\$1,667.00
8035.3200	FAC - VALVES FITTINGS & PIPE		\$50,000.00
8035.2100	FAC - INSPECTION & TESTING		\$1,667.00
8035.1700	FAC - RENTAL EQUIPMENT		\$23,333.00
		Sub-total	\$393,117.00
Completion Intang			₾16.065.00
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK		\$16,065.00
8025.3050	ICC - SOURCE WATER		\$266,933.00 \$441,443.00
8025.1500	ICC - FUEL / POWER		
8025.3400	ICC - RENTAL EQUIPMENT		\$164,232.00
8025.1600	ICC - COILED TUBING		\$207,532.00
8025.2000	ICC - TRUCKING		\$14,375.00
8025.3600	ICC - SUPERVISION/ENGINEERING		\$5,000.00
8025.3500	ICC - WELLSITE SUPERVISION		\$48,600.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING		\$317,380.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL		\$15,000.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE		\$40,000.00
8025.2300	ICC - COMPLETION FLUIDS		\$10,000.00
8025.2500	ICC - WELL STIMULATION/FRACTUR		\$1,621,954.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT		\$15,000.00
8025.3800	ICC - OVERHEAD		\$10,000.00
8025.3100	ICC - WELLHEAD/FRACTREE REPAIR		\$40,000.00
8025.1100	ICC - ROAD, LOCATIONS, PITS		\$10,500.00
8025.3000	ICC - WATER HANDLING	Sub-total	\$117,765.00 \$3,361,779.00
Artificial Lift Intang	gible		
8060.2000	IAL - TRUCKING/VACUUM/TRANSP		\$5,000.00
8060.1400	IAL - WIRELINE OPEN/CASED HOLE		\$10,000.00
8060.1900	IAL - INSPECTION & TESTING		\$3,000.00
8060.1200	IAL - WORKOVER RIG		\$17,000.00
8060.2300	IAL - COMPLETION FLUIDS		\$5,000.00
8060.3400	IAL - RENTAL EQUIPMENT		\$5,000.00
8060.3420	IAL - REVERSE UNIT RENTAL		\$5,000.00
8060.3500	IAL - WELLSITE SUPERVISION		\$5,000.00
8060.3410	IAL - LAYDOWN MACHINE		\$5,000.00
8060.2010	IAL - KILL TRUCK		\$5,000.00
8060.2600	IAL - CONTRACT LABOR/ROUSTABOUT		\$15,000.00

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Account	<u>Description</u>		Gross Est. (\$
		Sub-total	\$80,000.00
Flowback Intangib	le		
8040.1899	IFC - FRAC WATER RECOVERY		\$544,058.58
8040.4000	IFC - CHEMICALS		\$15,000.00
8040.1100	IFC - ROADS LOCATIONS / PITS		\$5,000.00
8040.3430	IFC - SURFACE PUMP RENTAL		\$20,000.00
8040.2000	IFC - TRUCKING/VACUUM/TRANSP		\$20,000.00
8040.2900	IFC - WELL TESTING / FLOWBACK		\$125,000.00
8040.3420	IFC - TANK RENTALS		\$20,000.00
8040.3500	IFC - WELLSITE SUPERVISION		\$10,000.00
		Sub-total	\$759,058.58
Artificial Lift Tangi	ible		
8065.2000	TAL - WELLHEAD EQUIPMENT		\$60,000.00
8065.2500	TAL - VALVES/CONNECTIONS/FTGS		\$15,000.00
8065.1320	TAL - GAS LIFT EQUIPMENT/INSTALL		\$30,000.00
8065.3100	TAL - MEASUREMENT EQUIPMENT		\$30,000.00
8065.2300	TAL - GAS LIFT INJECTION LINE & INSTALL		\$130,000.00
8065.1100	TAL - TUBING		\$125,000.00
8065.3200	TAL - COMM, TELEMETRY & AUTOMA		\$10,000.00
8065.2400	TAL - COMPRESSOR INSTALL & STARTUP		\$70,000.00
		Sub-total	\$470,000.00
Drilling Tangible			
8020.1400	TDC - CASING - PRODUCTION		\$504,604.0
8020.1500	TDC - WELLHEAD EQUIPMENT		\$53,125.00
8020.1200	TDC - CASING - INTERMEDIATE - 1		\$429,641.69
8020.1100	TDC - CASING - SURFACE		\$77,295.28
		Sub-total	\$1,064,666.02
Pipeline			
8036.1310	PLN - PEMANENT EASEMENT		\$22,727.00
8036.3620	PLN - POWER DISTRIBUTION LABOR		\$25,000.00
8036.2200	PLN - CONTRACT LABOR		\$87,500.0
8036.2800	PLN - FLOWLINE MATERIAL		\$80,000.0
8036.3200	PLN - VALVES FITTINGS & PIPE		\$15,000.00
8036.3610	PLN - POWER DISTRIBUTION MATERIAL		\$25,000.00
		Sub-total	\$255,227.00
Completion Tangil	ble		
8030.2000	TCC - WELLHEAD EQUIPMENT		\$47,250.00
		Sub-total	\$47,250.00
		Grand Total	\$9,706,793.73

Gross Est. (\$)

\$121,800.00

\$345,843.75

\$23,100.00

Cost Estimate



Operator AFE #:

Account

8015,4300

8015.1900

8015.4600

Printed Date: Sep 6, 2024

AFE Number: Description: LAJITAS 5 -4 STATE COM 133H

AFE Name: LAJITAS 5-4 STATE COM 133H AFE TYPE: Drill and Complete

Weil Operator: PERMIAN RESOURCES

Description

IDC - WELLSITE SUPERVISION

IDC - DIRECTNL DRILL & SURVEY

IDC - SAFETY / ENVIRONMENTAL

Drilling Intangible \$145,411.00 IDC - DISPOSAL 8015.3700 \$31,500.00 IDC - TRUCKING/VACUUM/ TRANSP 8015.3500 \$115,500.00 **IDC - RENTAL EQUIPMENT** 8015.4100 \$27,000.00 IDC ~ CONTRACT LABOR/ROUSTABOUT 8015.3200 \$73,000.00 8015.3100 **IDC - CASING CREW & TOOLS** \$123,746.00 IDC - BITS, TOOLS, STABILIZERS 8015.2200 \$82,556.25 8015.3600 IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM \$11,550.00 8015.5000 **IDC - WELL CONTROL INSURANCE** \$176,811.69 8015.2500 IDC - MUD/CHEMICALS/ACIDIZING \$196,350.00 8015.2300 IDC - FUEL / POWER \$95,625.00 8015.1400 IDC - ROAD, LOCATIONS, PITS \$12,000.00 **IDC - PERMANENT EASEMENT** 8015.1310 \$809,943.75 8015.1700 **IDC - DAYWORK CONTRACT** \$15,000.00 **IDC - STAKING & SURVEYING** 8015.1100 \$66,750.00 8015.2150 IDC - DRILL BIT \$26,250.00 8015.2400 **IDC - RIG WATER** \$42,500.00 8015.2000 IDC - CONDUCTOR HOLE & SERVICE \$127,500.00 IDC - RIG MOB / TRUCKING 8015.1500 \$190,500.00 IDC - CEMENT SERV/FLOAT EQUIP 8015.3000 \$54,600.00 **IDC - MANCAMP** 8015.4200 \$66,000.00 IDC - FUEL/MUD 8015.2350

8015.2700	IDC - INSPECTION, TESTING & REPAIR	\$37,000.00	
8015.3800	IDC - WELLHEAD PREPARE/REPAIR	\$12,500.00	
8015.3400	IDC - MATERIALS & SUPPLIES	\$5,000.00	
8015.1600	IDC - RIG MOB / STANDBY RATE	\$36,300.00	
8015.5200	IDC - CONTINGENCY	\$141,058.68	
8015.1000	IDC - PERMITS, LICENSES, ETC	\$15,000.00	
8015.1300	IDC - SURFACE DAMAGE / ROW	\$35,000.00	
8015.1200	IDC - LEGAL, TITLE SERVICES	\$13,000.00	
		Sub-total \$3,275,696.12	
		, , ,	
Facilities			
Facilities 8035.2500	FAC - CONSULTING SERVICES	\$1,667.00	
	FAC - CONSULTING SERVICES FAC - SAFETY / ENVIRONMENTAL		
8035.2500		\$1,667.00	
8035.2500 8035.4000	FAC - SAFETY / ENVIRONMENTAL	\$1,667.00 \$1,333.00	
8035.2500 8035.4000 8035.2200	FAC - SAFETY / ENVIRONMENTAL FAC - CONTRACT LABOR / ROUSTAB	\$1,667.00 \$1,333.00 \$50,000.00	
8035.2500 8035.4000 8035.2200 8035.4400	FAC - SAFETY / ENVIRONMENTAL FAC - CONTRACT LABOR / ROUSTAB FAC - COMPANY LABOR	\$1,667.00 \$1,333.00 \$50,000.00 \$3,333.00	



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Account	<u>Description</u>		Gross Est. (\$)	
8035.1600	FAC - TRANSPORTATION TRUCKING		\$10,000.00	
8035.2400	FAC - SUPERVISION		\$20,000.00	
8035.3000	FAC - HEATER TREATER/SEPARATOR	\$110,000.00		
8035.3700	FAC - AUTOMATION MATERIAL	\$23,333.00		
8035.1900	FAC - WATER DISPOSAL / SWD		\$667.00	
8035.3500	FAC - COMPRESSOR		\$10,000.00	
8035.3400	FAC - METER & LACT		\$37,000.00	
8035.3600	FAC - ELECTRICAL		\$25,000.00	
8035.1500	FAC - MATERIALS & SUPPLIES		\$10,000.00	
8035.1300	FAC - SURFACE DAMAGE / ROW		\$1,667.00	
8035.3200	FAC - VALVES FITTINGS & PIPE		\$50,000.00	
8035.2100	FAC - INSPECTION & TESTING		\$1,667.00	
8035.1700	FAC - RENTAL EQUIPMENT		\$23,333.00	
		Sub-total	\$393,117.00	
Completion Intang			#40.005.00	
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK		\$16,065.00	
8025.3050	ICC - SOURCE WATER		\$266,933.00	
8025.1500	ICC - FUEL / POWER	\$441,443.00		
8025.3400	ICC - RENTAL EQUIPMENT	\$164,232.00		
8025.1600	ICC - COILED TUBING	\$207,532.00		
8025.2000	ICC - TRUCKING	\$14,375.		
8025.3600	ICC - SUPERVISION/ENGINEERING	\$5,000.00		
8025.3500	ICC - WELLSITE SUPERVISION	\$48,600.00		
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING		\$317,380.00	
8025.3700	ICC - SAFETY / ENVIRONMENTAL		\$15,000.00	
8025.1400	ICC - WIRELINE OPEN/CASED HOLE		\$40,000.00	
8025.2300	ICC - COMPLETION FLUIDS		\$10,000.00	
8025.2500	ICC - WELL STIMULATION/FRACTUR		\$1,621,954.00	
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT		\$15,000.00	
8025.3800	ICC - OVERHEAD		\$10,000.00	
8025.3100	ICC - WELLHEAD/FRACTREE REPAIR		\$40,000.00	
8025.1100	ICC - ROAD, LOCATIONS, PITS		\$10,500.00	
8025.3000	ICC - WATER HANDLING	Sub-total	\$117,765.00 \$3,361,779.00	
Artificial Lift Intang	gible		40,001,110100	
8060.2000	IAL - TRUCKING/VACUUM/TRANSP		\$5,000.00	
8060.1400	IAL - WIRELINE OPEN/CASED HOLE		\$10,000.00	
8060,1900	IAL - INSPECTION & TESTING		\$3,000.00	
8060.1200	IAL - WORKOVER RIG	\$17,000.00		
8060.2300	IAL - COMPLETION FLUIDS		\$5,000.00	
8060.3400	IAL - RENTAL EQUIPMENT	\$5,000.00		
8060.3420	IAL - REVERSE UNIT RENTAL		\$5,000.00	
8060.3500	IAL - WELLSITE SUPERVISION		\$5,000.00	
8060.3410	IAL - LAYDOWN MACHINE		\$5,000.00	
8060.2010	IAL - KILL TRUCK		\$5,000.00	
8060.2600	IAL - CONTRACT LABOR/ROUSTABOUT		\$15,000.00	

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		Grand Total	\$9,706,793.7
		Sub-total	\$47,250.0
8030.2000	TCC - WELLHEAD EQUIPMENT		\$47,250.0
Completion Tangible		was a 10 and 1	
8036.3610	PLN - POWER DISTRIBUTION MATERIAL	Sub-total	\$255,227.0
8036.3200			\$25,000.0
3036.2800	PLN - FLOWLINE MATERIAL PLN - VALVES FITTINGS & PIPE		\$15,000.0
3036.2200	PLN - CONTRACT LABOR		\$80,000.0
8036.3620	PLN - POWER DISTRIBUTION LABOR		\$87,500.0
8036.1310	PLN - PEMANENT EASEMENT		\$22,727.0 \$25,000.0
Pipeline			¢00 707 0
		Sub-total	\$1,064,666.0
8020.1100	TDC - CASING - SURFACE		\$77,295.2
8020.1200	TDC - CASING - INTERMEDIATE - 1		\$429,641.6
8020.1500	TDC - WELLHEAD EQUIPMENT		\$53,125.0
8020.1400	TDC - CASING - PRODUCTION		\$504,604.0
Drilling Tangible			
0000.2400	THE SOUNTED SOUTH	Sub-total	\$470,000.0
8065.2400	TAL - COMPRESSOR INSTALL & STARTUP		\$70,000.0
8065.3200	TAL - COMM, TELEMETRY & AUTOMA		\$10,000.0
8065.1100	TAL - TUBING		\$125,000.0
8065.2300	TAL - GAS LIFT INJECTION LINE & INSTALL		\$130,000.0
8065.3100	TAL - MEASUREMENT EQUIPMENT		\$30,000.0
3065.1320	TAL - GAS LIFT EQUIPMENT/INSTALL		\$30,000.0
8065.2500	TAL - VALVES/CONNECTIONS/FTGS		\$15,000.0
8065.2000	TAL - WELLHEAD EQUIPMENT		\$60,000.0
Artificial Lift Tangible		000 10101	4 7.00,00010
8040.3500	II G - WELLSITE SUI ERVISION	Sub-total	\$759,058.5
8040.3420	IFC - TANK RENTALS IFC - WELLSITE SUPERVISION		\$10,000.0
8040.2900	IFC - WELL TESTING / FLOWBACK		\$20,000.0
8040.2000	IFC - TRUCKING/VACUUM/TRANSP		\$125,000.0
8040.3430	IFC - SURFACE PUMP RENTAL		\$20,000.0
8040.1100	IFC - ROADS LOCATIONS / PITS		\$20,000.0
8040.4000	IFC - CHEMICALS		\$5,000.0
8040.1899	IFC - FRAC WATER RECOVERY		\$544,058.5 \$15,000.0
Flowback Intangible			¢544.059.4
		Sub-total	\$80,000.0
ccount	Deacritingii		
	<u>Description</u>		Gross Est.

PERMIAN RESOURCES

Printed Date: Sep 6, 2024

AFE Number: Description: LAJITAS 5 -4 STATE COM 134H

AFE Name: LAJITAS 5-4 STATE COM 134H AFE TYPE: Drill and Complete

Well Operator: PERMIAN RESOURCES

Operator AFE #:

Account	Description	Gross Est. (\$)
Drilling Intangible		
8015.3700	IDC - DISPOSAL	\$145,411.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	\$31,500.00
8015.4100	IDC - RENTAL EQUIPMENT	\$115,500.00
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	\$27,000.00
8015.3100	IDC - CASING CREW & TOOLS	\$73,000.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS	\$123,746.00
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$82,556.25
8015.5000	IDC - WELL CONTROL INSURANCE	\$11,550.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING	\$176,811.69
8015.2300	IDC - FUEL / POWER	\$196,350.00
8015.1400	IDC - ROAD, LOCATIONS, PITS	\$95,625.00
8015.1310	IDC - PERMANENT EASEMENT	\$12,000.00
8015,1700	IDC - DAYWORK CONTRACT	\$809,943.75
8015.1100	IDC - STAKING & SURVEYING	\$15,000.00
8015.2150	IDC - DRILL BIT	\$66,750.00
8015.2400	IDC - RIG WATER	\$26,250.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE	\$42,500.00
8015.1500	IDC - RIG MOB / TRUCKING	\$127,500.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	\$190,500.00
8015.4200	IDC - MANCAMP	\$54,600.00
8015.2350	IDC - FUEL/MUD	\$66,000.00
8015,4300	IDC - WELLSITE SUPERVISION	\$121,800.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY	\$345,843.75
8015.4600	IDC - SAFETY / ENVIRONMENTAL	\$23,100.00
8015.2700	IDC - INSPECTION, TESTING & REPAIR	\$37,000.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR	\$12,500.00
8015.3400	IDC - MATERIALS & SUPPLIES	\$5,000.00
8015.1600	IDC - RIG MOB / STANDBY RATE	\$36,300.00
8015.5200	IDC - CONTINGENCY	\$141,058.68
8015.1000	IDC - PERMITS,LICENSES,ETC	\$15,000.00
8015,1300	IDC - SURFACE DAMAGE / ROW	\$35,000.00
8015.1200	IDC - LEGAL, TITLE SERVICES	\$13,000.00
		Sub-total \$3,275,696.12
Facilities		
8035.2500	FAC - CONSULTING SERVICES	\$1,667.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL	\$1,333.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB	\$50,000.00
8035,4400	FAC - COMPANY LABOR	\$3,333.00
8035.1800	FAC - FUEL / POWER	\$2,667.00
8035.4500	FAC - CONTINGENCY	\$11,450.00
		·

PERMIAN

Cost Estimate

Printed Date: Sep 6, 2024

Account	<u>Description</u>			Gross Est. (\$)
8035.1600	FAC - TRANSPORTAT	ON TRUCKING		\$10,000.00
	FAC - SUPERVISION	ON TROCKING		\$20,000.00
8035.2400	FAC - HEATER TREAT	ER/SERARATOR		\$110,000.00
8035.3000	FAC - AUTOMATION N			\$23,333.00
8035.3700	FAC - WATER DISPOS			\$667.00
8035.1900	FAC - COMPRESSOR	AL / SWD		\$10,000.00
8035.3500				\$37,000.00
8035.3400	FAC - METER & LACT FAC - ELECTRICAL			\$25,000.00
8035.3600	FAC - MATERIALS & S	IDDI IES		\$10,000.00
8035.1500	FAC - SURFACE DAM			\$1,667.00
8035.1300	FAC - VALVES FITTING			\$50,000.00
8035.3200	FAC - INSPECTION &			\$1,667.00
8035.2100				\$23,333.00
8035.1700	FAC - RENTAL EQUIPI	VIENI	Sub-total	\$393,117.00
Completion Intang	gible			
8025.1800	ICC - WATER DISPOSA	AL/VACUUM TRUCK		\$16,065.00
8025.3050	ICC - SOURCE WATER	₹		\$266,933.00
8025.1500	ICC - FUEL / POWER			\$441,443.00
8025.3400	ICC - RENTAL EQUIPA	MENT		\$164,232.00
8025.1600	ICC - COILED TUBING			\$207,532.00
8025.2000	ICC - TRUCKING			\$14,375.00
8025.3600	ICC - SUPERVISION/E	NGINEERING		\$5,000.00
8025.3500	ICC - WELLSITE SUPE	RVISION		\$48,600.00
8025.2200	ICC - ELECTRIC LOGG	SING / PERFORATING		\$317,380.00
8025.3700	ICC - SAFETY / ENVIR	ONMENTAL		\$15,000.00
8025.1400	ICC - WIRELINE OPEN	/CASED HOLE		\$40,000.00
8025.2300	ICC - COMPLETION FL	UIDS		\$10,000.00
8025.2500	ICC - WELL STIMULAT	ION/FRACTUR		\$1,621,954.00
8025.2600	ICC - CONTRACT LAB	OR/ROUSTABOUT		\$15,000.00
8025.3800	ICC - OVERHEAD			\$10,000.00
8025.3100	ICC - WELLHEAD/FRA	CTREE REPAIR		\$40,000.00
8025.1100	ICC - ROAD, LOCATIO	NS, PITS		\$10,500.00
8025.3000	ICC - WATER HANDLIN	NG		\$117,765.00
			Sub-total	\$3,361,779.00
Artificial Lift Intan	gible			
8060.2000	IAL - TRUCKING/VACL	IUM/TRANSP		\$5,000.00
8060.1400	IAL - WIRELINE OPEN	CASED HOLE		\$10,000.00
8060.1900	IAL - INSPECTION & T	ESTING		\$3,000.00
8060.1200	IAL - WORKOVER RIG			\$17,000.00
8060.2300	IAL - COMPLETION FL	UIDS		\$5,000.00
8060.3400	IAL - RENTAL EQUIPM	ENT		\$5,000.00
8060.3420	IAL - REVERSE UNIT F	RENTAL		\$5,000.00
8060.3500	IAL - WELLSITE SUPE	RVISION		\$5,000.00
8060.3410	IAL - LAYDOWN MACH	IINE		\$5,000.00
8060.2010	IAL - KILL TRUCK			\$5,000.00
8060.2600	IAL - CONTRACT LABO	DR/ROUSTABOUT		\$15,000.00

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Printed Date: Sep 6, 2024

Account	Description		Gross Est. (\$
		Sub-total	\$80,000.00
Flowback Intangible			
8040.1899	IFC - FRAC WATER RECOVERY		\$544,058.58
8040.4000	IFC - CHEMICALS		\$15,000.00
8040.1100	IFC - ROADS LOCATIONS / PITS		\$5,000.00
8040.3430	IFC - SURFACE PUMP RENTAL		\$20,000.00
8040.2000	IFC - TRUCKING/VACUUM/TRANSP		\$20,000.00
8040.2900	IFC - WELL TESTING / FLOWBACK		\$125,000.00
8040.3420	IFC - TANK RENTALS		\$20,000.00
8040.3500	IFC - WELLSITE SUPERVISION		\$10,000.00
		Sub-total	\$759,058.58
Artificial Lift Tangible			
8065,2000	TAL - WELLHEAD EQUIPMENT		\$60,000.00
8065.2500	TAL - VALVES/CONNECTIONS/FTGS		\$15,000.00
8065.1320	TAL - GAS LIFT EQUIPMENT/INSTALL		\$30,000.00
8065.3100	TAL - MEASUREMENT EQUIPMENT		\$30,000.00
8065.2300	TAL - GAS LIFT INJECTION LINE & INSTALL		\$130,000.00
8065.1100	TAL - TUBING		\$125,000.00
8065.3200	TAL - COMM, TELEMETRY & AUTOMA		\$10,000.00
8065.2400	TAL - COMPRESSOR INSTALL & STARTUP		\$70,000.00
		Sub-total	\$470,000.00
Drilling Tangible			
8020.1400	TDC - CASING - PRODUCTION		\$504,604.05
8020.1500	TDC - WELLHEAD EQUIPMENT		\$53,125.00
8020.1200	TDC - CASING - INTERMEDIATE - 1		\$429,641.69
8020.1100	TDC - CASING - SURFACE		\$77,295.28
		Sub-total	\$1,064,666.02
Pipeline			
8036.1310	PLN - PEMANENT EASEMENT		\$22,727.00
8036.3620	PLN - POWER DISTRIBUTION LABOR		\$25,000.00
8036.2200	PLN - CONTRACT LABOR		\$87,500.00
8036.2800	PLN - FLOWLINE MATERIAL		\$80,000.00
8036.3200	PLN - VALVES FITTINGS & PIPE		\$15,000.00
8036.3610	PLN - POWER DISTRIBUTION MATERIAL		\$25,000.00
		Sub-total	\$255,227.00
Completion Tangible			447.053.33
8030.2000	TCC - WELLHEAD EQUIPMENT	Sub-total	\$47,250.00 \$47,250.00
		Grand Total	\$9,706,793.73

Exhibit 6 Rebutting Permian Resources' Support Letters

- LII > Electronic Code of Federal Regulations (e-CFR) > Title 43—Public Lands: Interior
- > Subtitle B—Regulations Relating to Public Lands
- > CHAPTER II—BUREAU OF LAND MANAGEMENT, DEPARTMENT OF THE INTERIOR
- > SUBCHAPTER C—MINERALS MANAGEMENT (3000)
- > PART 3170—ONSHORE OIL AND GAS PRODUCTION
- > Subpart 3171—Approval of Operations > § 3171.12 APD posting and processing.

43 CFR § 3171.12 - APD posting and processing.

CFR

Table of Popular Names

§ 3171.12 APD posting and processing.

- (a) **Posting.** The <u>BLM</u> and the Federal <u>surface managing agency</u>, if other than the <u>BLM</u>, must provide at least 30 <u>days</u> public notice before the <u>BLM</u> may approve an APD or <u>Master Development Plan</u> on a Federal <u>oil</u> and <u>gas</u> <u>lease</u>. Posting is not required for an APD for an Indian oil and gas lease or agreement.
 - (1) The <u>BLM</u> will post information about the APD or Notice of Staking for Federal <u>oil</u> and <u>gas leases</u> to the internet and in an area of the <u>BLM</u> Field Office having jurisdiction that is readily accessible to the public. Posting to the internet under this provision will not be required until after March 13, 2017. If the surface is managed by a Federal agency other than the <u>BLM</u>, that agency also is required to post the notice for at least 30 <u>days</u>. This would include the BIA where the surface is held in trust but the mineral estate is federally owned. The posting is for informational purposes only and is not an appealable decision. The purpose of the posting is to give any interested party notification that a Federal approval of mineral operations has been requested. The BLM or the FS will not post confidential information.

- **(2)** Reposting of the proposal may be necessary if the posted location of the proposed well is:
 - (i) Moved to a different quarter-quarter section;
 - (ii) Moved more than 660 feet for lands that are not covered by a Public Land Survey; or
 - (iii) If the BLM or the FS determine that the move is substantial.
- **(b)** *Processing.* The timeframes established in this paragraph apply to both individual APDs and to the multiple APDs included in <u>Master Development Plans</u> and to <u>leases</u> of Indian minerals as well as <u>leases</u> of Federal minerals. If there is enough information to begin processing the application, the <u>BLM</u> (and the FS if applicable) will process it up to the point that missing information or uncorrected deficiencies render further processing impractical or impossible.
 - (1) Within 10 days of receiving an application, the BLM (in consultation with the FS if the application concerns NFS lands) will notify the operator as to whether or not the application is complete. The BLM will request additional information and correction of any material submitted, if necessary, in the 10-day notification. If an onsite inspection has not been performed, the applicant will be notified that the application is not complete. Within 10 days of receiving the application, the BLM, in coordination with the operator and surface managing agency, including the private surface owner in the case of split estate minerals, will schedule a date for the onsite inspection (unless the onsite inspection has already been conducted as part of a Notice of Staking). The onsite inspection will be held as soon as practicable based on participants' schedules and weather conditions. The operator will be notified at the onsite inspection of any additional deficiencies that are discovered during the inspection. The operator has 45 days after receiving notice from the BLM to provide any additional information necessary to complete the APD, or the APD may be returned to the operator.
 - (2) Within 30 <u>days</u> after the <u>operator</u> has submitted a complete application, including incorporating any changes that resulted from the <u>onsite inspection</u>, the BLM will:
 - **(i)** Approve the application, subject to reasonable Conditions of Approval, if the appropriate requirements of the NEPA, <u>National Historic Preservation Act</u>, Endangered Species Act, and other applicable law have been met and, if on NFS

lands, the FS has approved the Surface Use Plan of Operations;

- (ii) Notify the operator that it is deferring action on the permit; or
- (iii) Deny the <u>permit</u> if it cannot be approved and the <u>BLM</u> cannot identify any actions that the <u>operator</u> could take that would enable the <u>BLM</u> to issue the permit or the FS to approve the Surface Use Plan of Operations, if applicable.
- (3) The notice of deferral in paragraph (b)(2)(ii) of this section must specify:
 - (i) Any action the <u>operator</u> could take that would enable the <u>BLM</u> (in consultation with the FS if applicable) to issue a final decision on the application. The FS will notify the applicant of any action the applicant could take that would enable the FS to issue a final decision on the Surface Use Plan of Operations on NFS lands. Actions may include, but are not limited to, assistance with:
 - (A) Data gathering; and
 - (B) Preparing analyses and documents.
 - (ii) If applicable, a list of actions that the <u>BLM</u> or the FS need to take before making a final decision on the application, including appropriate analysis under NEPA or other applicable law and a schedule for completing these actions.
- (4) The operator has 2 years from the date of the notice under paragraph (b)(3)(i) of this section to take the action specified in the notice. If the appropriate analyses required by NEPA, National Historic Preservation Act, Endangered Species Act, and other applicable laws have been completed, the BLM (and the FS if applicable), will make a decision on the permit and the Surface Use Plan of Operations within 10 days of receiving a report from the operator addressing all of the issues or actions specified in the notice under paragraph (b)(3)(i) of this section and certifying that all required actions have been taken. If the operator has not completed the actions specified in the notice within 2 years from the operator's receipt of the notice under paragraph (b)(3)(i), the BLM will deny the permit.
- (5) For APDs on NFS lands, the decision to approve a Surface Use Plan of Operations or Master Development Plan may be subject to FS appeal procedures. The BLM cannot approve an APD until the appeal of the Surface Use Plan of Operations is resolved.



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Department of Agriculture Forest Service 36 CFR Part 228

Department of the Interior Bureau of Land Management 43 CFR 3160

Federal Register / Vol. 72, No. 44 Wednesday March 7, 2007 / Rules and Regulations

Effective Date: April 6, 2007

Onshore Oil and Gas Order No. 1 – Approval of Operations on Onshore Federal and Indian Oil and Gas Leases

- I. Introduction
 - A. Authority
 - B. Purpose
 - C. Scope
- II. Definitions
- III. Application for Permit to Drill (APD)
 - A. Where to File
 - B. Early Notification
 - C. Notice of Staking Option
 - D. Components of a Complete APD Package
 - E. APD Posting and Processing
 - F. Approval of APDs
 - G. Valid Period of Approved APD
 - H. Master Development Plans
- IV. General Operating Requirements
- V. Rights-of-Way and Special Use Authorizations
- VI. Operating on Lands with Private/State Surface and Federal or Indian Oil and Gas
- VII. Leases for Indian Oil and Gas
 - A. Approval of Operations
 - B. Surface Use
- VIII. Subsequent Operations and Sundry Notices
 - A. Surface Disturbing Operations
 - B. Emergency Repairs
- IX. Well Conversions
 - A. Conversion to an Injection Well
 - B. Conversion to a Water Supply Well
- X. Variances
- XI. Waivers, Exceptions, or Modifications
- XII. Abandonment
 - A. Plugging
 - B. Reclamation
- XIII. Appeal Procedures

Onshore Oil and Gas Order Number 1

Approval of Operations

I. Introduction

A. Authority

The Secretaries of the Interior and Agriculture have authority under various Federal and Indian mineral leasing laws, as defined in 30 U.S.C. 1702, to manage oil and gas operations. The Secretary of the Interior has delegated this authority to the Bureau of Land Management (BLM), which has issued onshore oil and gas operating regulations codified at part 3160 of Title 43 of the Code of Federal Regulations. The operating regulations at 43 CFR 3164.1 authorize the BLM's Director to issue Onshore Oil and Gas Orders when necessary to implement and supplement the operating regulations. The section also states that all such Orders are binding on the operator(s) of Federal and Indian onshore oil and gas leases (other than those of the Osage Tribe). For leases on Indian lands, the delegation to the BLM appears at 25 CFR parts 211, 212, 213, 225, and 227.

The Secretary of Agriculture has authority under the Federal Onshore Oil and Gas Leasing Reform Act of 1987 (P.L. 100-203) (Reform Act) to regulate surface disturbing activities conducted pursuant to a Federal oil and gas lease on National Forest Service (NFS) lands. This authority has been delegated to the Forest Service (FS). Its regulatory authority is at Title 36 CFR, Chapter II, including, but not limited to, part 228 subpart E, part 251 subpart B, and part 261. Section 228.105 of 36 CFR authorizes the Chief of the FS to issue, or cosign with the Director of the BLM Onshore Oil and Gas Orders necessary to implement and supplement the operating regulations. The FS is responsible only for approving and regulating surface disturbing activities on NFS lands and appeals related to FS decisions or approvals.

B. Purpose

The purpose of this Order is to state the application requirements for the approval of all proposed oil and gas and service wells, certain subsequent well operations, and abandonment.

C. Scope

This Order applies to all onshore leases of Federal and Indian oil and gas (other than those of the Osage Tribe). It also applies to Indian Mineral Development Act agreements. For proposed operations on a committed state or fee tract in a federally supervised unit or communitized tract, the operator must furnish a copy of the approved state permit to the authorized officer of the BLM which will be accepted for record purposes.

II. Definitions

As used in this Order, the following definitions apply:

<u>Best Management Practices</u> (BMPs) are practices that provide for state-of-the-art mitigation of specific impacts that result from surface operations. Best Management Practices are

voluntary unless they have been analyzed as a mitigation measure in the environmental review for a Master Development Plan, APD, Right-of-Way, or other related facility and included as a Condition of Approval.

<u>Blooie Line</u> means a discharge line used in conjunction with a rotating head in drilling operations when air or gas is used as the circulating medium.

<u>Casual Use</u> means activities involving practices that do not ordinarily lead to any appreciable disturbance or damage to lands, resources, or improvements. This term does not apply to private surface. Casual use includes surveying activities.

<u>Complete APD</u> means that the information in the APD package is accurate and addresses all of the requirements of this Order. The onsite inspection verifies important information that is part of the APD package and is a critical step in determining if the package is complete. Therefore, the onsite inspection must be conducted, and any deficiencies identified at the onsite corrected, before the APD package can be considered to be complete. While cultural, biological, or other inventories and environmental assessments (EA) or environmental impact statements (EIS) may be required to approve the APD, they are not required before an APD package is considered to be complete.

The APD package must contain:

- A completed Form 3160-3 (Application for Permit to Drill or Reenter) (see 43 CFR 3162.3-1(d));
- A well plat certified by a registered surveyor with a surveyor's original stamp (see Section III.D.2. of this Order);
- A Drilling Plan (see 43 CFR 3162.3-1(d) and Section III.D.3. of this Order);
- A Surface Use Plan of Operations (see 43 CFR 3162.3-1(d) and Section III.D.4. of this Order);
- Evidence of bond coverage (see 43 CFR 3162.3-1(d) and Section III.D.5. of this Order);
- Operator certification with original signature (see Section III.D.6. of this Order); and
- Other information that may be required by Order or Notice (see 43 CFR 3162.3-1(d)(4)).

The BLM and the Surface Managing Agency, as appropriate, will review the APD package and determine that the drilling plan, the Surface Use Plan of Operations, and other information that the BLM may require (43 CFR 3162.3-1(d)(4)), including the well location plat and geospatial databases, completely describe the proposed action.

<u>Condition of Approval</u> (COA) means a site-specific requirement included in an approved APD or Sundry Notice that may limit or amend the specific actions proposed by the operator. Conditions of Approval minimize, mitigate, or prevent impacts to public lands or other resources. Best Management Practices may be incorporated as a Condition of Approval.

<u>Days</u> means all calendar days including holidays.

<u>Emergency Repairs</u> means actions necessary to correct an unforeseen problem that could cause or threaten immediate substantial adverse impact on public health and safety or the environment.

<u>Geospatial Database</u> means a set of georeferenced computer data that contains both spatial and attribute data. The spatial data defines the geometry of the object and the attribute data defines all other characteristics.

<u>Indian Lands</u> means any lands or interest in lands of an Indian tribe or an Indian allottee held in trust by the United States or which is subject to a Federal restriction against alienation.

<u>Indian Oil and Gas</u> means any oil and gas interest of an Indian tribe or on allotted lands where the interest is held in trust by the United States or is subject to Federal restrictions against alienation. It does not include minerals subject to the provisions of Section 3 of the Act of June 28, 1906 (34 Stat. 539), but does include oil and gas on lands administered by the United States under Section 14(g) of P. L. 92-203, as amended.

<u>Master Development Plan</u> means information common to multiple planned wells, including drilling plans, Surface Use Plans of Operations, and plans for future production.

<u>National Forest System Lands</u> means those Federal lands administered by the U.S. Forest Service, such as the National Forests and the National Grasslands.

<u>Onsite Inspection</u> means an inspection of the proposed drill pad, access road, flowline route, and any associated Right-of-Way or Special Use Authorization needed for support facilities, conducted before the approval of the APD or Surface Use Plan of Operations and construction activities.

<u>Private Surface Owner</u> means a non-Federal or non-state owner of the surface estate and includes any Indian owner of surface estate not held in trust by the United States.

<u>Reclamation</u> means returning disturbed land as near to its predisturbed condition as is reasonably practical.

<u>Split Estate</u> means lands where the surface is owned by an entity or person other than the owner of the Federal or Indian oil and gas.

<u>Surface Managing Agency</u> means any Federal or state agency having jurisdiction over the surface overlying Federal or Indian oil and gas.

<u>Variance</u> means an approved alternative to a provision or standard of an Order or Notice to Lessee.

III. Application for Permit to Drill (APD)

An Application for Permit to Drill or Reenter, on Form 3160-3, is required for each proposed well, and for reentry of existing wells (including disposal and service wells), to develop an onshore lease for Federal or Indian oil and gas.

A. Where to file

The operator must file an APD or other required document in the BLM Field Office having jurisdiction over the lands described in the application. As an alternative to filing in a local BLM office, an operator may file an APD using the BLM's electronic commerce application for oil and gas permitting and reporting. Contact the local BLM Field Office for details before using the electronic commerce application.

B. Early Notification

The operator may wish to contact the BLM and any applicable Surface Managing Agency, as well as all private surface owners, to request an initial planning conference as soon as the operator has identified a potential area of development. Early notification is voluntary and would precede the Notice of Staking option or filing of an APD. It allows the involved Surface Managing Agency or private surface owner to apprise the prospective operator of any unusual conditions on the lease area. Early notification also provides both the Surface Managing Agency or private surface owner and the prospective operator with the earliest possible identification of seasonal restrictions and determination of potential areas of conflict. The prospective operator should have a map of the proposed project available for Surface Managing Agency review to determine if a cultural or biological inventory or other information may be required. Inventories are not the responsibility of the operator.

C. Notice of Staking Option

Before filing an APD or Master Development Plan, the operator may file a Notice of Staking with the BLM. The purpose of the Notice of Staking is to provide the operator with an opportunity to gather information to better address site-specific resource concerns while preparing the APD package. This may expedite approval of the APD. Attachment I, Sample Format for Notice of Staking, provides the information required for the Notice of Staking option.

For Federal lands managed by other Surface Managing Agencies, the BLM will provide a copy of the Notice of Staking to the appropriate Surface Managing Agency office. In Alaska, when a subsistence stipulation is part of the lease, the operator must also send a copy of the Notice of Staking to the appropriate Borough and/or Native Regional or Village Corporation.

Within 10 days of receiving the Notice of Staking, the BLM or the FS will review it for required information and schedule a date for the onsite inspection. The onsite inspection will be conducted as soon as weather and other conditions permit. The operator must stake the proposed drill pad and ancillary facilities, and flag new or reconstructed access routes, before the onsite inspection. The staking must include a center stake for the proposed well, two reference stakes, and a flagged access road centerline. Staking activities are considered casual use unless the particular activity is likely to cause more than negligible disturbance or damage. Off-road vehicular use for the purposes of staking is casual use unless, in a particular case, it is likely to cause more than negligible disturbance or damage, or otherwise prohibited.

On non-NFS lands, the BLM will invite the Surface Managing Agency and private surface owner, if applicable, to participate in the onsite inspection. If the surface is privately owned, the operator must furnish to the BLM the name, address, and telephone number of the surface owner if known. All parties who attend the onsite inspection will jointly develop a list of resource concerns that the operator must address in the APD. The operator will be provided a list of these concerns either during the onsite inspection or within 7 days of the onsite inspection. Surface owner concerns will be considered to the extent practical within the law. Failure to submit an APD within 60 days of the onsite inspection will result in the Notice of Staking being returned to the operator.

D. Components of a Complete APD Package

Operators are encouraged to consider and incorporate Best Management Practices into their APDs because Best Management Practices can result in reduced processing times and reduced number of Conditions of Approval. An APD package must include the following information that will be reviewed by technical specialists of the appropriate agencies to determine the technical adequacy of the package:

1. A completed Form 3160-3; and

2. Well Plat.

Operators must include in the APD package a well plat and geospatial database prepared by a registered surveyor depicting the proposed location of the well and identifying the points of control and datum used to establish the section lines or metes and bounds. The purpose of this plat is to ensure that operations are within the boundaries of the lease or agreement and that the depiction of these operations is accurately recorded both as to location (latitude and longitude) and in relation to the surrounding lease or agreement boundaries (public land survey corner and boundary ties). The registered surveyor should coordinate with the cadastral survey division of the appropriate BLM State Office, particularly where the lands have not been surveyed under the Public Land Survey System.

The plat and geospatial database must describe the location of operations in:

- Geographical coordinates referenced to the National Spatial Reference System, North American Datum 1983 or latest edition; and
- In feet and direction from the nearest two adjacent section lines, or, if not within the Rectangular Survey System, the nearest two adjacent property lines, generated from the BLM's current Geographic Coordinate Data Base.

The surveyor who prepared the plat must sign it, certifying that the location has been staked on the ground as shown on the plat.

- a. Surveying and staking are necessary casual uses, typically involving negligible surface disturbance. The operator is responsible for making access arrangements with the appropriate Surface Managing Agency (other than the BLM and the FS) or private surface owner. On tribal or allotted lands, the operator must contact the appropriate office of the BIA to make access arrangements with the Indian surface owners. In the event that not all of the Indian owners consent or may be located, but a majority of those who can be located consent, or the owners of interests are so numerous that it would be impracticable to obtain their consent and the BIA finds that the issuance of the APD will cause no substantive injury to the land or any owner thereof, the BIA may approve access. Typical off-road vehicular use, when conducted in conjunction with these activities, is a necessary action for obtaining a permit and may be done without advance approval from the Surface Managing Agency, except for:
 - Lands administered by the Department of Defense;
 - Other lands used for military purposes;
 - Indian lands; or

- Where more than negligible surface disturbance is likely to occur or is otherwise prohibited.
- b. No entry on split estate lands for surveying and staking should occur without the operator first making a good faith effort to notify the surface owner. Also, operators are encouraged to notify the BLM or the FS, as appropriate, before entering private lands to stake for Federal mineral estate locations.

3. Drilling Plan

With each copy of Form 3160-3, the operator must submit to the BLM either a Drilling Plan or reference a previously submitted field-wide drilling plan (a drilling plan that can be used for all the wells in a field, any differences for specific wells will be described in the APD specific to that well). The Drilling Plans must be in sufficient detail to permit a complete appraisal of the technical adequacy of, and environmental effects associated with, the proposed project. The Drilling Plan must adhere to the provisions and standards of Onshore Oil and Gas Order Number 2 (see 53 FR 46790) (Order 2) and, if applicable, Onshore Oil and Gas Order Number 6 (see 55 FR 48958) (Order 6), and must include the following information:

- a. Names and estimated tops of all geologic groups, formations, members, or zones.
- b. Estimated depth and thickness of formations, members, or zones potentially containing usable water, oil, gas, or prospectively valuable deposits of other minerals that the operator expects to encounter, and the operator's plans for protecting such resources.
- c. The operator's minimum specifications for blowout prevention equipment and diverter systems to be used, including size, pressure rating, configuration, and the testing procedure and frequency. Blowout prevention equipment must meet the minimum standards outlined in Order 2.
- d. The operator's proposed casing program, including size, grade, weight, type of thread and coupling, the setting depth of each string, and its condition. The operator must include the minimum design criteria, including casing loading assumptions and corresponding safety factors for burst, collapse, and tensions (body yield and joint strength). The operator must also include the lengths and setting depth of each casing when a tapered casing string is proposed. The hole size for each well bore section of hole drilled must be included. Special casing designs such as the use of coiled tubing or expandable casing may necessitate additional information.
- e. The estimated amount and type(s) of cement expected to be used in the setting of each casing string. If stage cementing will be used, provide the setting depth of the stage tool(s) and amount and type of cement, including additives, to be used for each stage. Provide the yield of each cement slurry and the expected top of cement, with excess, for each cemented string or stage.
- f. Type and characteristics of the proposed circulating medium or mediums proposed for the drilling of each well bore section, the quantities and types of mud and weighting material to be maintained, and the monitoring equipment to be

used on the circulating system. The operator must submit the following information when air or gas drilling is proposed:

- Length, size, and location of the blooie line, including the gas ignition and dust suppression systems;
- Location and capacity of the compressor equipment, including safety devices, describe the distance from the well bore, and location within the drill site; and
- Anticipated amounts, types, and other characteristics as defined in this section, of the stand by mud or kill fluid and associated circulating equipment.
- g. The testing, logging, and coring procedures proposed, including drill stem testing procedures, equipment, and safety measures.
- h. The expected bottom-hole pressure and any anticipated abnormal pressures, temperatures, or potential hazards that the operator expects to encounter, such as lost circulation and hydrogen sulfide (see Order 6 for information on hydrogen sulfide operations). A description of the operator's plans for mitigating such hazards must be included.
- i. Any other facets of the proposed operation that the operator would like the BLM to consider in reviewing the application. Examples include, but are not limited to:
 - For directional wells, proposed directional design, plan view, and vertical section in true vertical and measured depths;
 - Horizontal drilling; and Coil tubing operations.

4. Surface Use Plan of Operations

The Surface Use Plan of Operations must:

- Describe the access road(s) and drill pad, the construction methods that the
 operator plans to use, and the proposed means for containment and disposal of
 all waste materials;
- Provide for safe operations, adequate protection of surface resources, groundwater, and other environmental components;
- Include adequate measures for stabilization and reclamation of disturbed lands:
- Describe any Best Management Practices the operator plans to use; and
- Where the surface is privately owned, include a certification of Surface Access Agreement or an adequate bond, as described in Section VI. of this Order.

All maps that are included in the Surface Use Plan of Operations must be of a scale no smaller than 1:24,000, unless otherwise stated below. Geospatial vector and raster data must include appropriate attributes and metadata. Georeferenced raster images must be from the same source as hardcopy plats and maps submitted in the APD package. All proposed on-lease surface disturbance must be surveyed and staked as described below in items a through l, including:

- The well location;
- Two 200-foot (61-meter) directional reference stakes;
- The exterior pad dimensions;

- The reserve pit;
- Cuts and fills;
- Outer limits of the area to be disturbed (catch points); and
- Any off-location facilities.

Proposed new roads require centerline flagging with stakes clearly visible from one to the next. In rugged terrain, cut and fill staking and/or slopestaking of proposed new access roads and locations for ancillary facilities that may be necessary, as determined by the BLM or the FS.

The onsite inspection will not occur until the required surveying and staking is complete, and any new access road(s) have been flagged, unless a variance is first granted under Section X. of this Order.

Information required by the Surface Use Plan of Operations may be shown on the same map if it is appropriately labeled or on separate diagrams or maps and must include the following:

- a. *Existing Roads*: The operator must submit a legible map such as a highway or county road, United States Geological Survey (USGS) topographic, Alaska Borough, or other such map that shows the proposed well site and access route to the proposed well in relation to a town, village, or other locatable public access point.
 - 1. The operator must improve or maintain existing roads in a condition the same as or better than before operations began. The operator must provide any plans for improvement and/or maintenance of existing roads. The information provided by the operator for construction and use of roads will be used by the BLM for any Right-of-Way application, as described in Section V. of this Order. The operator may use existing terrain and two-track trails, where appropriate, to assure environmental protection. The operator should consider using Best Management Practices in improving or maintaining existing roads.
 - 2. The operator may use existing roads under the jurisdiction of the FS for access if they meet the transportation objectives of the FS. When access involves the use of existing roads, the FS may require that the operator contribute to road maintenance. This is usually authorized by a Road Use Permit or a joint road use agreement. The FS will charge the operator a pro rata share of the costs of road maintenance and improvement, based upon the anticipated use of the road.
- b. New or Reconstructed Access Roads: The operator must identify on a map all permanent and temporary access roads that it plans to construct or reconstruct in connection with the drilling of the proposed well. Locations of all existing and proposed road structures (culverts, bridges, low water crossings, etc.) must be shown. The proposed route to the proposed drill site must be shown, including distances from the point where the access route exits established roads. All permanent and temporary access roads must be located and designed to meet the applicable standards of the appropriate Surface Managing Agency, and be consistent with the needs of the operator. The operator should consider using Best Management Practices in designing and constructing roads.

The operator must design roads based upon the class or type of road, the safety requirements, traffic characteristics, environmental conditions, and the vehicles the road is expected to carry. The operator must describe for all road construction or reconstruction:

- Road width:
- Maximum grade;
- Crown design;
- Turnouts;
- Drainage and ditch design;
- On-site and off-site erosion control;
- Revegetation of disturbed areas;
- Location and size of culverts and/or bridges;
- Fence cuts and/or cattleguards;
- Major cuts and fills;
- Source and storage of topsoil; and
- Type of surfacing materials, if any, that will be used.
- c. Location of Existing Wells: The operator must include a map and may include a geospatial database that includes all known wells, regardless of the well status (producing, abandoned, etc.), within a one-mile radius of the proposed location.
- d. Location of Existing and/or Proposed Production Facilities: The operator must include a map or diagram of facilities planned either on or off the well pad that shows, to the extent known or anticipated, the location of all production facilities and lines likely to be installed if the well is successfully completed for production.

The map or diagram and optional geospatial database must show and differentiate between proposed and existing flow lines, overhead and buried power lines, and water lines. If facilities will be located on the well pad, the information should be consistent with the layout provided in item i. of this section.

The operator must show the dimensions of the facility layouts for all new construction. This information may be used by the BLM or the FS for Right-of-Way or Special Use Authorization application information, as specified in Section V. of this Order.

If the operator has not developed information regarding production facilities, it may defer submission of that information until a production well is completed, in which case the operator will follow the procedures in Section VIII. of this Order. However, for purposes of NEPA analysis, the BLM or the FS will need a reasonable estimate of the facilities to be employed.

e. Location and Types of Water Supply: Information concerning water supply, such as rivers, creeks, springs, lakes, ponds, and wells, may be shown by quarter-quarter section on a map or plat, or may be described in writing. The operator must identify the source, access route, and transportation method for all water anticipated for use in drilling the proposed well. The operator must describe any newly constructed or reconstructed access roads crossing Federal or Indian lands that are needed to haul the water as provided in item b. of this section. The operator must

- indicate if it plans to drill a water supply well on the lease and, if so, the operator must describe the location, construction details, and expected production requirements, including a description of how water will be transported and procedures for well abandonment.
- f. *Construction Materials*: The operator must state the character and intended use of all construction materials, such as sand, gravel, stone, and soil material. The proposed source must be shown on a quarter-quarter section of a map or plat or in a written description.
- g. *Methods for Handling Waste*: The Surface Use Plan of Operations must contain a written description of the methods and locations proposed for safe containment and disposal of each type of waste material (e.g., cuttings, garbage, salts, chemicals, sewage, etc.) that results from drilling the proposed well. The narrative must include plans for the eventual disposal of drilling fluids and any produced oil or water recovered during testing operations. The operator must describe plans for the construction and lining, if necessary, of the reserve pit.
- h. *Ancillary Facilities*: The operator must identify on a map the location and construction methods and materials for all anticipated ancillary facilities such as camps, airstrips, and staging areas. The operator must stake on the ground the approximate center of proposed camps and the centerline of airstrips. If the ancillary facilities are located off-lease, depending on Surface Managing Agency policy, the BLM or the FS may require the operator to obtain an additional authorization, such as a Right-of-Way or Special Use Authorization.
- i. Well Site Layout: A diagram of the well site layout must have an arrow indicating the north direction. Diagrams with cuts and fills must be surveyed, designed, drawn, digitized, and certified by licensed professional surveyors or engineers. The operator must submit a plat of a scale of not less than 1 inch = 50 feet showing the location and orientation of:
 - The proposed drill pad;
 - Reserve pit/blooie line/flare pit location;
 - Access road entry points and their approximate location with respect to topographic features and with cross section diagrams of the drill pad; and
 - The reserve pit showing all cuts and fills and the relation to topography.

The plat must also include the approximate proposed location and orientation of the:

- Drilling rig;
- Dikes and ditches to be constructed; and
- Topsoil and/or spoil material stockpiles.
- j. Plans for Surface Reclamation: The operator must submit a plan for the surface reclamation or stabilization of all disturbed areas. This plan must address interim (during production) reclamation for the area of the well pad not needed for production, as well as final abandonment of the well location. Such plans must include, as appropriate:
 - Configuration of the reshaped topography;

- Drainage systems;
- Segregation of spoil materials (stockpiles);
- Surface disturbances;
- Backfill requirements;
- Proposals for pit/sump closures;
- Redistribution of topsoil;
- Soil treatments;
- Seeding or other steps to reestablish vegetation;
- Weed control; and
- Practices necessary to reclaim all disturbed areas, including any access roads and pipelines.

The operator may amend this reclamation plan at the time of abandonment. Further details for reclamation are contained in Section XII. of this Order.

- k. *Surface Ownership*: The operator must indicate (in a narrative) the surface ownership at the well location, and of all lands crossed by roads that the operator plans to construct or upgrade, including, if known, the name of the agency or owner, phone number, and address. The operator must certify that they have provided a copy of the Surface Use Plan of Operations required in this section to the private surface owner of the well site location, if applicable, or that they made a good faith effort if unable to provide the document to the surface owner.
- 1. Other Information: The operator must include other information required by applicable orders and notices (43 CFR 3162.3-1(d)(4)). When an integrated pest management program is needed for weed or insect control, the operator must coordinate plans with state or local management agencies and include the pest management program in the Surface Use Plan of Operations. The BLM also encourages the operator to submit any additional information that may be helpful in processing the application.

5. Bonding

a. Most bonding needs for oil and gas operations on Federal leases are discussed in 43 CFR subpart 3104. The operator must obtain a bond in its own name as principal, or a bond in the name of the lessee or sublessee. If the operator uses the lessee or sublessee's bond, the operator must furnish a rider (consent of surety and principal) that includes the operator under the coverage of the bond. The operator must specify on the APD, Form 3160-3, the type of bond and bond number under which the operations will be conducted.

For Indian oil and gas, the appropriate provisions at 25 CFR Subchapter I, govern bonding.

Under the regulations at 43 CFR 3104.5 and 36 CFR 228.109, the BLM or the FS may require additional bond coverage for specific APDs. Other factors that the BLM or the FS may consider include:

- History of previous violations;
- Location and depth of wells;

- The total number of wells involved;
- The age and production capability of the field; and
- Unique environmental issues.

These bonds may be in addition to any statewide, nationwide, or separate lease bond already applicable to the lease. In determining the bond amount, the BLM may consider impacts of activities on both Federal and non-Federal lands required to develop the lease that impact lands, waters, and other resources off the lease.

Separate bonds may be required for associated Rights-of-Way and/or Special Use Authorizations that authorize activities not covered by the approved APD.

- b. On Federal leases, operators may request a phased release of an individual lease bond. The BLM will grant this reduction after reclamation of some portion of the lease only if the operator:
 - Has satisfied the terms and conditions in the plan for surface reclamation for that particular operation; and
 - No longer has any down-hole liability.
- c. If appropriate, the BLM may reduce the bond in the amount requested by the operator or appropriate Surface Managing Agency. The FS also may reduce bonds it requires (but not the BLM-required bonds). The BLM and the FS will base the amount of the bond reduction on a calculation of the sum that is sufficient to cover the remaining operations (including royalty payments) and abandonment (including reclamation) as authorized by the Surface Use Plan of Operations.

6. Operator Certification

The operator must include its name, address, and telephone number, and the same information for its field representative, in the APD package. The following certification must carry the operator's original signature or meet the BLM standards for electronic commerce:

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of state and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

Executed this day of	, 20
Name	
Position Title	
Address	_ :
Telephone Telephone	-
Field representative (if not above signatory)	

Address (if different from above)	
Telephone (if different from above)	
Email (optional)	

Agents not directly employed by the operator must submit a letter from the operator authorizing that agent to act or file this application on their behalf.

7. Onsite Inspection

The onsite inspection must be conducted before the APD will be considered complete.

E. APD Posting and Processing

1. Posting

The BLM and the Federal Surface Managing Agency, if other than the BLM, must provide at least 30 days public notice before the BLM may approve an APD or Master Development Plan on a Federal oil and gas lease. Posting is not required for an APD for an Indian oil and gas lease or agreement.

The BLM will post the APD or Notice of Staking in an area of the BLM Field Office having jurisdiction that is readily accessible to the public and, when possible, electronically on the internet. If the surface is managed by a Federal agency other than the BLM, that agency also is required to post the notice for 30 days. This would include the BIA where the surface is held in trust but the mineral estate is federally owned. The posting is for informational purposes only and is not an appealable decision. The purpose of the posting is to give any interested party notification that a Federal approval of mineral operations has been requested. The BLM or the FS will not post confidential information.

Reposting of the proposal may be necessary if the posted location of the proposed well is:

- a. Moved to a different quarter-quarter section;
- b. Moved more than 660 feet for lands that are not covered by a Public Land Survey; or
- c. If the BLM or the FS determine that the move is substantial.

2. Processing

The timeframes established in this subsection apply to both individual APDs and to the multiple APDs included in Master Development Plans and to leases of Indian minerals as well as leases of Federal minerals.

If there is enough information to begin processing the application, the BLM (and the FS if applicable) will process it up to the point that missing information or uncorrected deficiencies render further processing impractical or impossible.

a. Within 10 days of receiving an application, the BLM (in consultation with the FS if the application concerns NFS lands) will notify the operator as to whether or not the application is complete. The BLM will request additional information and correction of any material submitted, if necessary, in the 10-day notification. If an onsite inspection has not been performed, the applicant will be notified that the application is not complete. Within 10 days of receiving the

application, the BLM, in coordination with the operator and Surface Managing Agency, including the private surface owner in the case of split estate minerals, will schedule a date for the onsite inspection (unless the onsite inspection has already been conducted as part of a Notice of Staking). The onsite inspection will be held as soon as practicable based on participants' schedules and weather conditions. The operator will be notified at the onsite inspection of any additional deficiencies that are discovered during the inspection. The operator has 45 days after receiving notice from the BLM to provide any additional information necessary to complete the APD, or the APD may be returned to the operator.

- b. Within 30 days after the operator has submitted a complete application, including incorporating any changes that resulted from the onsite inspection, the BLM will:
 - 1. Approve the application, subject to reasonable Conditions of Approval, if the appropriate requirements of the NEPA, National Historic Preservation Act, Endangered Species Act, and other applicable law have been met and, if on NFS lands, the FS has approved the Surface Use Plan of Operations;
 - 2. Notify the operator that it is deferring action on the permit; or
 - 3. Deny the permit if it cannot be approved and the BLM cannot identify any actions that the operator could take that would enable the BLM to issue the permit or the FS to approve the Surface Use Plan of Operations, if applicable.
- c. The notice of deferral in paragraph (b)(2) of this section must specify:
 - 1. Any action the operator could take that would enable the BLM (in consultation with the FS if applicable) to issue a final decision on the application. The FS will notify the applicant of any action the applicant could take that would enable the FS to issue a final decision on the Surface Use Plan of Operations on NFS lands. Actions may include, but are not limited to, assistance with:
 - (A) Data gathering; and
 - (B) Preparing analyses and documents.
 - 2. If applicable, a list of actions that the BLM or the FS need to take before making a final decision on the application, including appropriate analysis under NEPA or other applicable law and a schedule for completing these actions.
- d. The operator has 2 years from the date of the notice under paragraph (c)(1) of this section to take the action specified in the notice. If the appropriate analyses required by NEPA, National Historic Preservation Act, Endangered Species Act, and other applicable laws have been completed, the BLM (and the FS if applicable), will make a decision on the permit and the Surface Use Plan of Operations within 10 days of receiving a report from the operator addressing all of the issues or actions specified in the notice under paragraph (c)(1) of this section and certifying that all required actions have been taken. If the operator

- has not completed the actions specified in the notice within 2 years from the operator's receipt of the paragraph (c)(1) notice, the BLM will deny the permit.
- e. For APDs on NFS lands, the decision to approve a Surface Use Plan of Operations or Master Development Plan may be subject to FS appeal procedures. The BLM cannot approve an APD until the appeal of the Surface Use Plan of Operations is resolved.

F. Approval of APDs

- a.1. The BLM has the lead responsibility for completing the environmental review process, except in the case of NFS lands.
 - 2. The BLM cannot approve an APD or Master Development Plan until the requirements of certain other laws and regulations including NEPA, the National Historic Preservation Act, and the Endangered Species Act have been met. The BLM must document that the needed reviews have been adequately conducted. In some cases, operators conduct these reviews, but the BLM remains responsible for their scope and content and makes its own evaluation of the environmental issues, as required by 40 CFR 1506.5(b).
 - 3. The approved APD will contain Conditions of Approval that reflect necessary mitigation measures. In accordance with 43 CFR 3101.1-2 and 36 CFR 228.107, the BLM or the FS may require reasonable mitigation measures to ensure that the proposed operations minimize adverse impacts to other resources, uses, and users, consistent with granted lease rights. The BLM will incorporate any mitigation requirements, including Best Management Practices, identified through the APD review and appropriate NEPA and related analyses, as Conditions of Approval to the APD.
 - 4. The BLM will establish the terms and Conditions of Approval for any associated Right-of-Way when the application is approved.
- b. For NFS lands, the FS will establish the terms and Conditions of Approval for both the Surface Use Plan of Operations and any associated Surface Use Authorization. On NFS lands the FS has principal responsibility for compliance with NEPA, the National Historic Preservation Act, and the Endangered Species Act, but the BLM should be a cooperating or co-lead agency for this purpose and adopt the analysis as the basis for its decision.
 - After the FS notifies the BLM it has approved a Surface Use Plan of Operations on NFS lands, the BLM must approve the APD before the operator may begin any surface-disturbing activity.
- c. On Indian lands, BIA has responsibility for approving Rights-of-Way.
- d. In the case of Indian lands, the BLM may be a cooperating or co-lead agency for NEPA compliance or may adopt the NEPA analysis prepared by the BIA (516 DM 3).

G. Valid Period of Approved APD

1. An APD approval is valid for 2 years from the date that it is approved, or until lease expiration, whichever occurs first. If the operator submits a written request before the

- expiration of the original approval, the BLM, in coordination with the FS, as appropriate, may extend the APD's validity for up to 2 additional years.
- 2. The operator is responsible for reclaiming any surface disturbance that resulted from its actions, even if a well was not drilled.

H. Master Development Plans

An operator may elect to submit a Master Development Plan addressing two or more APDs that share a common drilling plan, Surface Use Plan of Operations, and plans for future development and production. Submitting a Master Development Plan facilitates early planning, orderly development, and the cumulative effects analysis for all the APDs expected to be drilled by an operator in a developing field. Approval of a Master Development Plan serves as approval of all of the APDs submitted with the Plan. Processing of a Master Development Plan follows the procedures in Section III.E.2. of this Order. After the Master Development Plan is approved, subsequent APDs can reference the Master Development Plan and be approved using the NEPA analysis for the Master Development Plan, absent substantial deviation from the Master Development Plan previously analyzed or significant new information relevant to environmental effects. Therefore, an approved Master Development Plan results in timelier processing of subsequent APDs. Each subsequent proposed well must have a survey plat and an APD (Form 3160-3) that references the Master Development Plan and any specific variations for that well.

IV. General Operating Requirements

Operator Responsibilities

In the APD package, the operator must describe or show, as set forth in this Order, the procedures, equipment, and materials to be used in the proposed operations. The operator must conduct operations to minimize adverse effects to surface and subsurface resources, prevent unnecessary surface disturbance, and conform with currently available technology and practice. While appropriate compliance with certain statutes, such as NEPA, the National Historic Preservation Act, and the Endangered Species Act, are Federal responsibilities, the operator may choose to conduct inventories and provide documentation to assist the BLM or the Surface Managing Agency to meet these requirements. The inventories and other work may require entering the lease and adjacent lands before approval of the APD. As in Staking and Surveying, the operator should make a good faith effort to contact the Surface Managing Agency or surface owner before entry upon the lands for these purposes.

The operator can not commence either drilling operations or preliminary construction activities before the BLM's approval of the APD. A copy of the approved APD and any Conditions of Approval must be available for review at the drill site. Operators are responsible for their contractor and subcontractor's compliance with the requirements of the approved APD and/or Surface Use Plan of Operations. Drilling without approval or causing surface disturbance without approval is a violation of 43 CFR 3162.3-1(c) and is subject to a monetary assessment under 43 CFR 3163.1(b)(2).

The operator must comply with the provisions of the approved APD and applicable laws, regulations, Orders, and Notices to Lessees, including, but not limited to, those that address the issues described below.

a. <u>Cultural and Historic Resources</u>. If historic or archaeological materials are uncovered during construction, the operator must immediately stop work that might further disturb such materials, contact the BLM and if appropriate, the FS or other Surface Managing Agency. The BLM or the FS will inform the operator within 7 days after the operator contacted the BLM as to whether the materials appear eligible for listing on the National Register of Historic Places.

If the operator decides to relocate operations to avoid further costs to mitigate the site, the operator remains responsible for recording the location of any historic or archaeological resource that are discovered as a result of the operator's actions. The operator also is responsible for stabilizing the exposed cultural material if the operator created an unstable condition that must be addressed immediately. The BLM, the FS, or other appropriate Surface Managing Agency, will assume responsibility for evaluation and determination of significance related to the historic or archaeological site.

If the operator does not relocate operations, the operator is responsible for mitigation and stabilization costs and the BLM, the FS, or appropriate Surface Managing Agency will provide technical and procedural guidelines for conducting mitigation. The operator may resume construction operations when the BLM or the FS verifies that the operator has completed the required mitigation.

Relocation of activities may subject the proposal to additional environmental review. Therefore, if the presence of such sites is suspected, the operator may want to submit alternate locations for advance approval before starting construction.

- b. <u>Endangered Species Act</u>. To comply with the Endangered Species Act, as amended (16 U.S.C. 1531 <u>et seq.</u>), and its implementing regulations, the operator must conduct all operations such that all operations avoid a "take" of listed or proposed threatened or endangered species and their critical habitats.
- c. <u>Surface Protection</u>. Except as otherwise provided in an approved Surface Use Plan of Operations, the operator must not conduct operations in areas subject to mass soil movement, riparian areas, floodplains, lakeshores, and/or wetlands. The operator also must take measures to minimize or prevent erosion and sediment production. Such measures may include, but are not limited to:
 - Avoiding steep slopes and excessive land clearing when siting structures, facilities; and other improvements; and
 - Temporarily suspending operations when frozen ground, thawing, or other weather-related conditions would cause otherwise avoidable or excessive impacts.
- d. <u>Safety Measures</u>. The operator must maintain structures, facilities, improvements, and equipment in a safe condition in accordance with the approved APD. The operator must also take appropriate measures as specified in Orders and Notices to

Lessees to protect the public from any hazardous conditions resulting from operations.

In the event of an emergency, the operator may take immediate action without prior Surface Managing Agency approval to safeguard life or to prevent significant environmental degradation. The BLM or the FS must receive notification of the emergency situation and the remedial action taken by the operator as soon as possible, but not later than 24 hours after the emergency occurred. If the emergency only affected drilling operations and had no surface impacts, only the BLM must be notified. If the emergency involved surface resources on other Surface Managing Agency lands, the operator should also notify the Surface Managing Agency and private surface owner within 24 hours. Upon conclusion of the emergency, the BLM or the FS, where appropriate, will review the incident and take appropriate action.

e. <u>Completion Reports</u>. Within 30 days after the well completion, the lessee or operator must submit to the BLM two copies of a completed Form 3160-4, Well Completion or Recompletion Report and Log. Well logs may be submitted to the BLM in an electronic format such as ".LAS" format. Surface and bottom-hole locations must be in latitude and longitude.

V. Rights-of-Way and Special Use Authorizations

The BLM or the FS will notify the operator of any additional Rights-of-Way, Special Use Authorizations, licenses, or other permits that are needed for roads and support facilities for drilling or off-lease access, as appropriate. This notification will normally occur at the time the operator submits the APD or Notice of Staking package, or Sundry Notice, or during the onsite inspection.

The BLM or the FS, as appropriate, will approve or accept on-lease activities that are associated with actions proposed in the APD or Sundry Notice and that will occur on the lease as part of the APD or Sundry Notice. These actions do not require a Right-of-Way or Special Use Authorization. For pipeline Rights-of-Way crossing lands under the jurisdiction of two or more Federal Surface Managing Agencies, except lands in the National Park Service or Indian lands, applications should be submitted to the BLM. Refer to 43 CFR parts 2800 and 2880 for guidance on BLM Right-of-Ways and 36 CFR part 251 for guidance on FS Special Use Authorizations.

A. Rights-of-Way (BLM).

For BLM lands, the APD package may serve as the supporting document for the Right-of-Way application in lieu of a Right-of-Way plan of development. Any additional information specified in 43 CFR parts 2800 and 2880 will be required in order to process the Right-of-Way.

The BLM will notify the operator within 10 days of receipt of a Notice of Staking, APD, or other notification if any parts of the project require a Right-of-Way. If a Right-of-Way is needed, the information required from the operator to approve the Right-of-Way may be submitted by the operator with the APD package if the Notice of Staking option has been used.

B. Special Use Authorizations (FS) (36 CFR 251 subpart B).

On NFS lands, uses directly related to the drilling and production of a well (e.g., an access road or crew camp, or connecting pipeline to a gathering system), will be incorporated into the approved Surface Use Plan of Operations. When a Special Use Authorization is required, the Surface Use Plan of Operations may serve as the application for the Special Use Authorization if the facility for which a Special Use Authorization is required is adequately described (see 36 CFR 251.54(d)(ii)). Conditions regulating the authorized use may be imposed to protect the public interest, to ensure compatibility with other NFS lands programs and activities, and to comply with directions provided in the Forest Land and Resources Management Plan. A Special Use Authorization, when related to an APD, will include terms and conditions (36 CFR 251.56) and may require a specific reclamation plan or incorporate applicable parts of the Surface Use Plan of Operations reclamation plan by reference.

VI. Operating on Lands with Non-Federal Surface and Federal Oil and Gas

The operator must submit the name, address, and phone number of the surface owner, if known, in its APD. The BLM will invite the surface owner to the onsite inspection to assure that their concerns are considered. As provided in the oil and gas lease, the BLM may request that the applicant conduct surveys or otherwise provide information needed for the BLM's National Historic Preservation Act consultation with the State Historic Preservation Officer or Indian tribe or its Endangered Species Act consultation with the relevant fisheries agency. The Federal mineral lessee has the right to enter the property for this purpose, since it is a necessary prerequisite to development of the dominant mineral estate. Nevertheless, the lessee or operator should seek to reach agreement with the surface owner about the time and method by which any survey would be conducted.

Likewise, in the case of actual oil and gas operations, the operator must make a good faith effort to notify the private surface owner before entry and make a good faith effort to obtain a Surface Access Agreement from the surface owner. This section also applies to lands with Indian trust surface and Federal minerals. In these cases, the operator must make a good faith effort to obtain surface access agreement with the tribe in the case of tribally owned surface, otherwise with the majority of the Indian surface owners who can be located with the assistance and concurrence of the BIA. The Surface Access Agreement may include terms or conditions of use, be a waiver, or an agreement for compensation. The operator must certify to the BLM that: (1) It made a good faith effort to notify the surface owner before entry; and (2) That an agreement with the surface owner has been reached or that a good faith effort to reach an agreement failed. If no agreement was reached with the surface owner, the operator must submit an adequate bond (minimum of \$1,000) to the BLM for the benefit of the surface owner sufficient to: (1) Pay for loss or damages; or (2) As otherwise required by the specific statutory authority under which the surface was patented and the terms of the lease.

Surface owners have the right to appeal the sufficiency of the bond. Before the approval of the APD, the BLM will make a good faith effort to contact the surface owner to assure that they understand their rights to appeal.

The BLM must comply with NEPA, the National Historic Preservation Act, the Endangered Species Act, and related Federal statutes when authorizing lease operations on split estate lands where the surface is not federally owned and the oil and gas is

Federal. For split estate lands within FS administrative boundaries, the BLM has the lead responsibility, unless there is a local BLM/FS agreement that gives the FS this responsibility.

The operator must make a good faith effort to provide a copy of their Surface Use Plan of Operations to the surface owner. After the APD is approved the operator must make a good faith effort to provide a copy of the Conditions of Approval to the surface owner. The APD approval is not contingent upon delivery of a copy of the Conditions of Approval to the surface owner.

VII. Leases for Indian Oil and Gas

A. Approval of Operations

The BLM will process APDs, Master Development Plans, and Sundry Notices on Indian tribal and allotted oil and gas leases, and Indian Mineral Development Act mineral agreements in a manner similar to Federal leases. For processing such applications, the BLM considers the BIA to be the Surface Managing Agency. Operators are responsible for obtaining any special use or access permits from appropriate BIA and, where applicable, tribal offices. The BLM is not required to post for public inspection APDs for minerals subject to Indian oil and gas leases or agreements.

B. Surface Use

Where the wellsite and/or access road is proposed on Indian lands with a different beneficial owner than the minerals, the operator is responsible for entering into a surface use agreement with the Indian tribe or the individual Indian surface owner, subject to BIA approval. This agreement must specify the requirements for protection of surface resources, mitigation, and reclamation of disturbed areas. The BIA, the Indian surface owner, and the BLM, pursuant to 25 CFR 211.4, 212.4 and 225.4, will develop the Conditions of Approval. If the operator is unable to obtain a surface access agreement, it may provide a bond for the benefit of the surface owner(s) (see Section VI. of the Order).

VIII. Subsequent Operations and Sundry Notices

Subsequent operations must follow 43 CFR part 3160, applicable lease stipulations, and APD Conditions of Approval. The operator must file the Sundry Notice in the BLM Field Office having jurisdiction over the lands described in the notice or the operator may file it using the BLM's electronic commerce system.

A. Surface Disturbing Operations

Lessees and operators must submit for BLM or FS approval a request on Form 3160-5 before:

- Undertaking any subsequent new construction outside the approved area of operations; or
- Reconstructing or altering existing facilities including, but not limited to, roads, emergency pits, firewalls, flowlines, or other production facilities on any lease that will result in additional surface disturbance.

If, at the time the original APD was filed, the lessee or operator elected to defer submitting information under Section III.E.3.d. (Location of Existing and/or Proposed Facilities) of this Order, the lessee or operator must supply this information before construction and installation of the facilities. The BLM, in consultation with any other involved Surface Managing Agency, may require a field inspection before approving the proposal. The lessee or operator may not begin construction until the BLM approves the proposed plan in writing.

The operator must certify on Form 3160-5 that they have made a good faith effort to provide a copy of any proposal involving new surface disturbance to the private surface owner in the case of split estate.

B. Emergency Repairs

Lessees or operators may undertake emergency repairs without prior approval if they promptly notify the BLM. Lessees or operators must submit sufficient information to the BLM or the FS to permit a proper evaluation of any:

- Resulting surface disturbing activities; or
- Planned accommodations necessary to mitigate potential adverse environmental effects.

IX. Well Conversions

A. Conversion to an Injection Well

When subsequent operations will result in a well being converted to a Class II injection well (i.e., for disposal of produced water, oil and gas production enhancement, or underground storage of hydrocarbons), the operator must file with the appropriate BLM office a Sundry Notice, Notice of Intent to Convert to Injection on Form 3160-5. The BLM and the Surface Managing Agency, if applicable, will review the information to ensure its technical and administrative adequacy. Following the review, the BLM, in consultation with the Surface Managing Agency, where applicable, will decide upon the approval or disapproval of the application based upon relevant laws and regulations and the circumstances (e.g., the well used for lease or non-lease operations, surface ownership, and protection of subsurface mineral ownership). The BLM will determine if a Right-of-Way or Special Use Authorization and additional bonding are necessary and notify the operator.

B. Conversion to a Water Supply Well

In cases where the Surface Managing Agency or private surface owner desires to acquire an oil and gas well and convert it to a water supply well or acquire a water supply well that was drilled by the operator to support lease operations, the Surface Managing Agency or private surface owner must inform the appropriate BLM office of its intent before the approval of the APD in the case of a dry hole and no later than the time a Notice of Intent to Abandon is submitted for a depleted production well. The operator must abandon the well according to BLM instructions, and must complete the surface cleanup and reclamation, in conjunction with the approved APD, Surface Use Plan of Operations, or Notice of Intent to Abandon, if the BLM or the FS require it. The Surface Managing Agency or private surface owner must reach agreement with the operator as to the satisfactory completion of reclamation operations before the BLM will approve any

abandonment or reclamation. The BLM approval of the partial abandonment under this section, completion of any required reclamation operations, and the signed release agreement will relieve the operator of further obligation for the well. If the Surface Managing Agency or private surface owner acquires the well for water use purposes, the party acquiring the well assumes liability for the well.

X. Variances

The operator may make a written request to the agency with jurisdiction to request a variance from this Order. A request for a variance must explain the reason the variance is needed and demonstrate how the operator will satisfy the intent of the Order. The operator may include the request in the APD package. A variance from the requirements of this Order does not constitute a variance to provisions of other regulations, laws, or orders. When the BLM is the decision maker on a request for a variance, the decision whether to grant or deny the variance request is entirely within the BLM's discretion. The decision on a variance request is not subject to administrative appeals either to the State Director or pursuant to 43 CFR part 4.

XI. Waivers, Exceptions, or Modifications

An operator may also request that the BLM waive (permanently remove), except (case-by-case exemption) or modify (permanently change) a lease stipulation for a Federal lease. In the case of Federal leases, a request to waive, except, or modify a stipulation should also include information demonstrating that the factors leading to its inclusion in the lease have changed sufficiently to make the protection provided by the stipulation no longer justified or that the proposed operation would not cause unacceptable impacts.

When the waiver, exception, or modification is substantial, the proposed waiver, exception, or modification is subject to public review for 30 days. Prior to such public review, the BLM, and when applicable the FS, will post it in their local Field Office and, when possible, electronically on the internet. When the request is included in the Notice of Staking or APD, the request will be included as part of the application posting under Section III.C. of this Order. Prior to granting a waiver, exception, or modification, the BLM will obtain the concurrence or approval of the FS or Federal Surface Managing Agency. Decisions on such waivers, exceptions, or modifications are subject to appeal pursuant to 43 CFR part 4.

After drilling has commenced, the BLM and the FS may consider verbal requests for waivers, exceptions, or modifications. However, the operator must submit a written notice within 7 days after the verbal request. The BLM and the FS will confirm in writing any verbal approval. Decisions on waivers, exceptions, or modifications submitted after drilling has commenced are final for the Department of the Interior and not subject to administrative review by the State Director or appeal pursuant to 43 CFR part 4.

XII. Abandonment

In accordance with the requirements of 43 CFR 3162.3-4, before starting abandonment operations the operator must submit a Notice of Intent to Abandon on Sundry Notices and Reports on Wells, Form 3160-5. If the operator proposes to modify the plans for surface

reclamation approved at the APD stage, the operator must attach these modifications to the Notice of Intent to Abandon.

A. Plugging

The operator must obtain BLM approval for the plugging of the well by submitting a Notice of Intent to Abandon. In the case of dry holes, drilling failures, and in emergency situations, verbal approval for plugging may be obtained from the BLM, with the Notice of Intent to Abandon promptly submitted as written documentation. Within 30 days following completion of well plugging, the operator must file with the BLM a Subsequent Report of Plug and Abandon, using Sundry Notices and Reports on Wells, Form 3160-5. For depleted production wells, the operator must submit a Notice of Intent to Abandon and obtain the BLM's approval before plugging.

B. Reclamation

Plans for surface reclamation are a part of the Surface Use Plan of Operations, as specified in Section III.D.4.j., and must be designed to return the disturbed area to productive use and to meet the objectives of the land and resource management plan. If the operator proposes to modify the plans for surface reclamation approved at the APD stage, the operator must attach these modifications to the Subsequent Report of Plug and Abandon using Sundry Notices and Reports on Wells, Form 3160-5.

For wells not having an approved plan for surface reclamation, operators must submit to the BLM a proposal describing the procedures to be followed for complete abandonment, including a map showing the disturbed area and roads to be reclaimed. The BLM will forward the request to the FS or other Surface Managing Agency. If applicable, the private surface owner will be notified and their views will be carefully considered.

Earthwork for interim and final reclamation must be completed within 6 months of well completion or well plugging (weather permitting). All pads, pits, and roads must be reclaimed to a satisfactorily revegetated, safe, and stable condition, unless an agreement is made with the landowner or Surface Managing Agency to keep the road or pad in place. Pits containing fluid must not be breached (cut) and pit fluids must be removed or solidified before backfilling. Pits may be allowed to air dry subject to BLM or FS approval, but the use of chemicals to aid in fluid evaporation, stabilization, or solidification must have prior BLM or FS approval. Seeding or other activities to reestablish vegetation must be completed within the time period approved by the BLM or the FS

Upon completion of reclamation operations, the lessee or operator must notify the BLM or the FS using Form 3160-5, Final Abandonment Notice, when the location is ready for inspection. Final abandonment will not be approved until the surface reclamation work required in the Surface Use Plan of Operations or Subsequent Report of Plug and Abandon has been completed to the satisfaction of the BLM or the FS and Surface Managing Agency, if appropriate.

XIII. Appeal Procedures

Complete information concerning the review and appeal processes for BLM actions is contained in 43 CFR part 4 and subpart 3165. Incorporation of a FS approved Surface Use Plan of Operations into the approval of an APD or a Master Development Plan is not subject to protest to the BLM or appeal to the Interior Board of Land Appeals.

The FS's decisions approving use of NFS lands may be subject to agency appeal procedures, in accordance with 36 CFR parts 215 or 251. Decisions governing Surface Use Plan of Operations and Special Use Authorization approvals on NFS lands that involve analysis, documentation, and other requirements of the NEPA may be subject to agency appeal procedures, under 36 CFR part 215.

The FS's regulations at 36 CFR part 251 govern appeals by an operator of written FS decisions related to Conditions of Approval or administration of Surface Use Plans of Operations or Special Use Authorizations to occupy and use NFS lands.

The operator may appeal decisions of the BIA under 25 CFR part 2.

ATTACHMENT I - Sample Format for Notice of Staking

(Not to be used in place of Application for Permit to Drill or Reenter Form 3160-3)

- 1. Oil Well, Gas Well, Other (Specify)
- 2. Name, Address, and Telephone of Operator
- 3. Name and Telephone of Specific Contact Person
- 4. Surface Location of Well

Attach:

- (a) Sketch showing road entry onto pad, pad dimensions, and reserve pit
- (b) Topographical or other acceptable map (e.g., a USGS 7-1/2" Quadrangle) showing location, access road, and lease boundaries
- 5. Lease Number
- 6. If Indian, Allottee or Tribe Name
- 7. Unit Agreement Name
- 8. Well Name and Number
- 9. American Petroleum Institute (API) Well Number (if available)
- 10. Field Name or Wildcat
- 11. Section, Township, Range, Meridian; or Block and Survey; or Area
- 12. County, Parish, or Borough
- 13. State
- 14. Name and Depth of Formation Objective(s)
- 15. Estimated Well Depth
- 16. For directional or horizontal wells, anticipated bottom-hole location.
- 17. Additional Information (as appropriate; include surface owner's name, address and, if known, telephone).

18.	Signed	Title	Date
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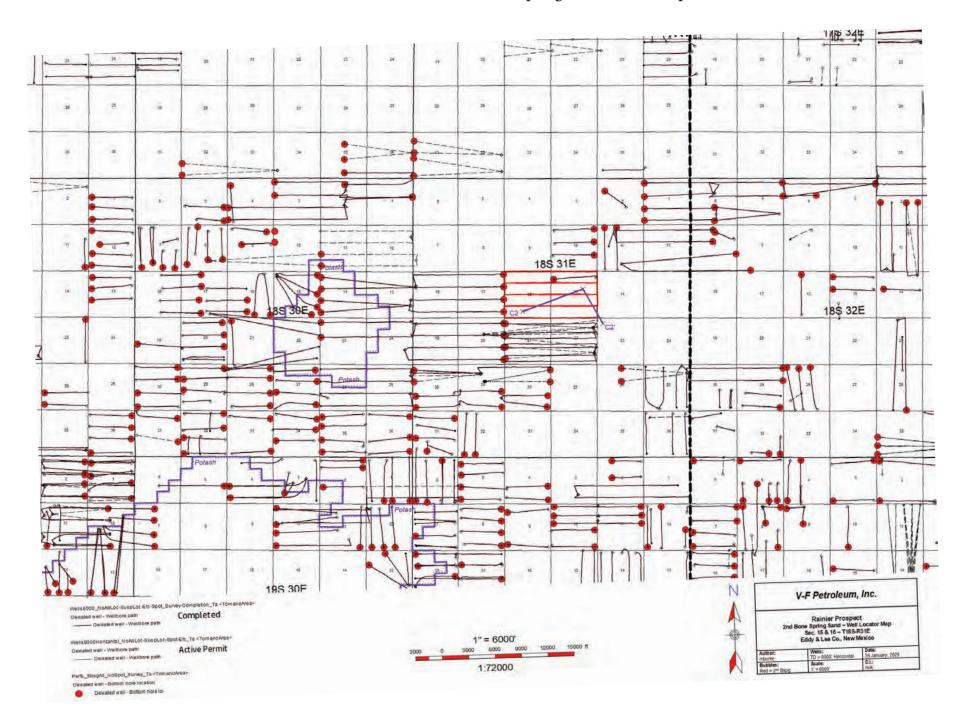
Note: When the Bureau of Land Management or the Forest Service, as appropriate, receives this Notice, the agency will schedule the date of the onsite inspection. You must stake the location and flag the access road before the onsite inspection. Operators should consider the following before the onsite inspection and incorporate these considerations into the Notice of Staking Option, as appropriate:

- (a) H₂S Potential;
- (b) Cultural Resources (Archeology); and
- (c) Federal Right-of-Way or Special Use Permit.

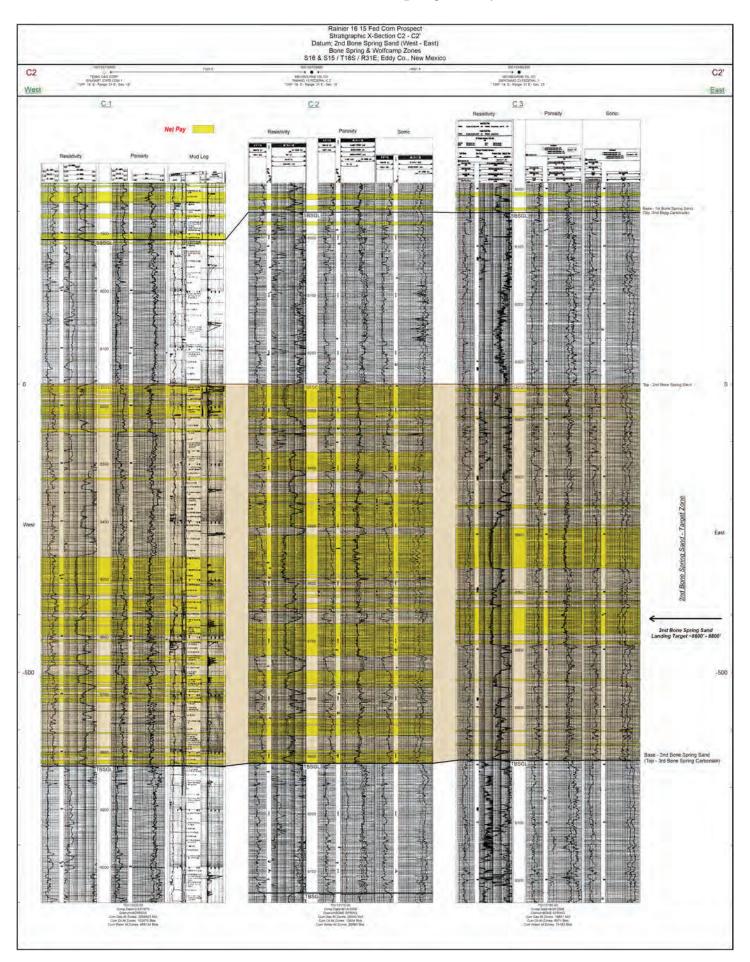
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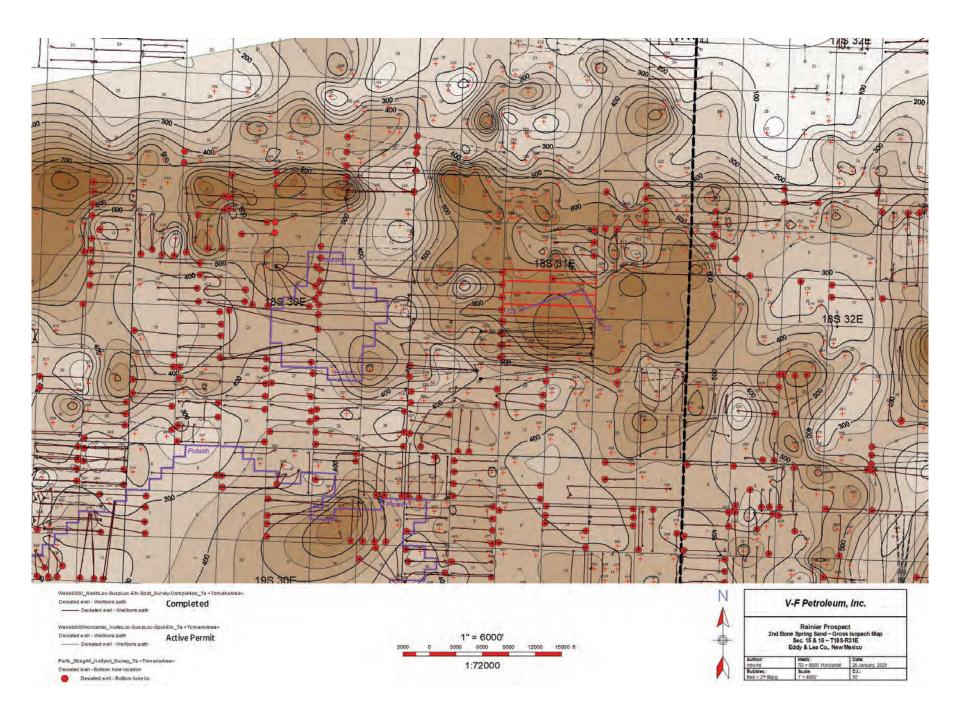
Rebuttal Exhibit 7: Second Bone Spring Well Locator Map



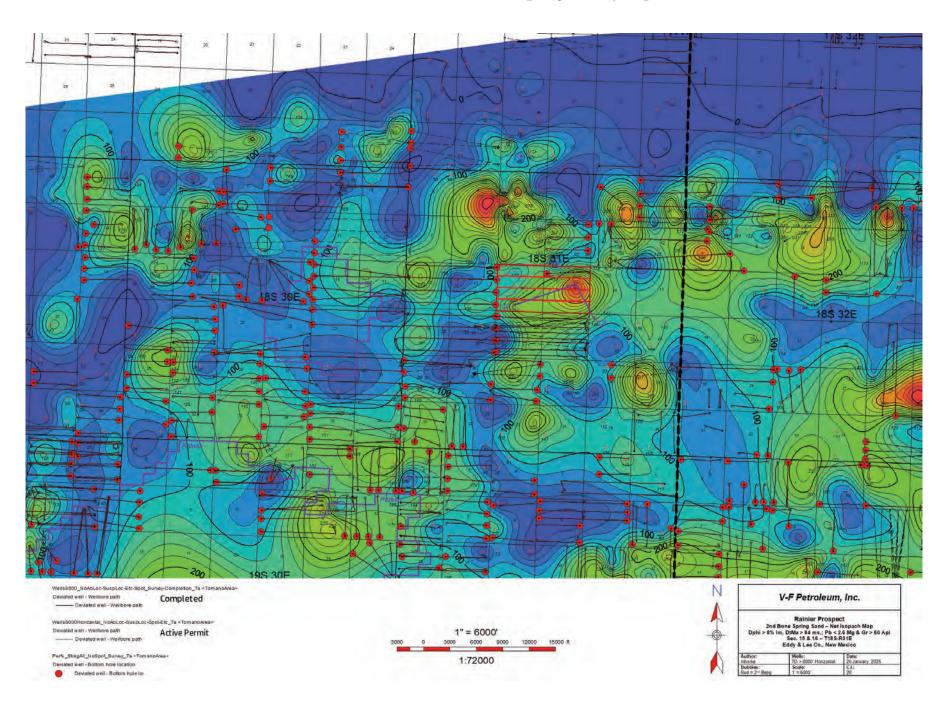
Rebuttal Exhibit 8: Second Bone Spring Net Pay Cross Section



Rebuttal Exhibit 9: Second Bone Spring Gross Isopach



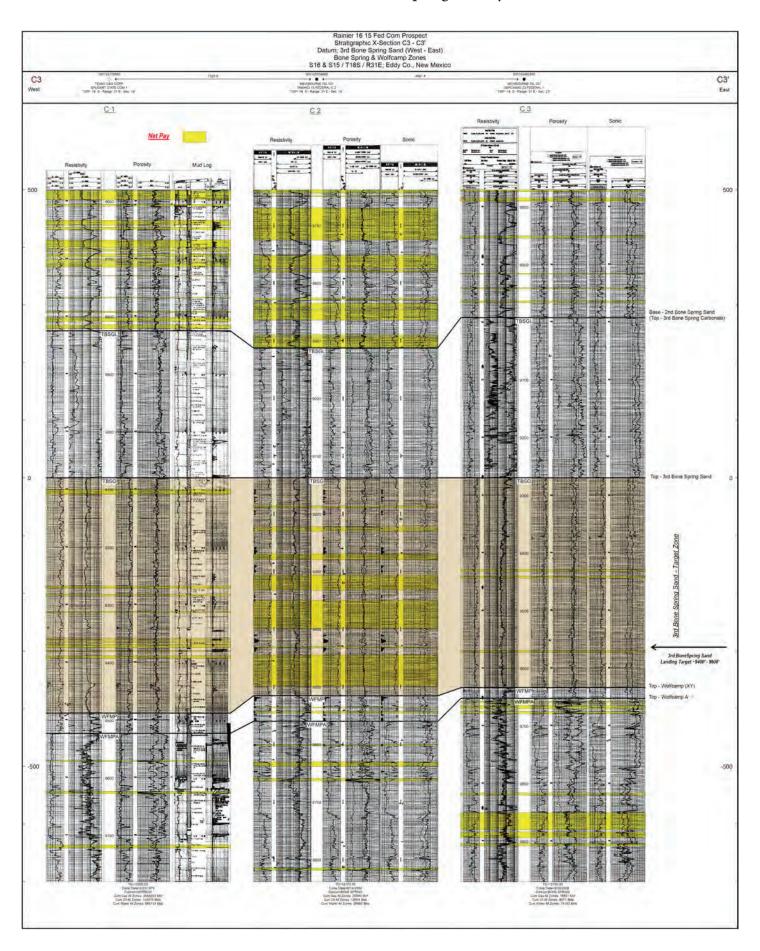
Rebuttal Exhibit 10: Second Bone Spring Net Pay Isopach



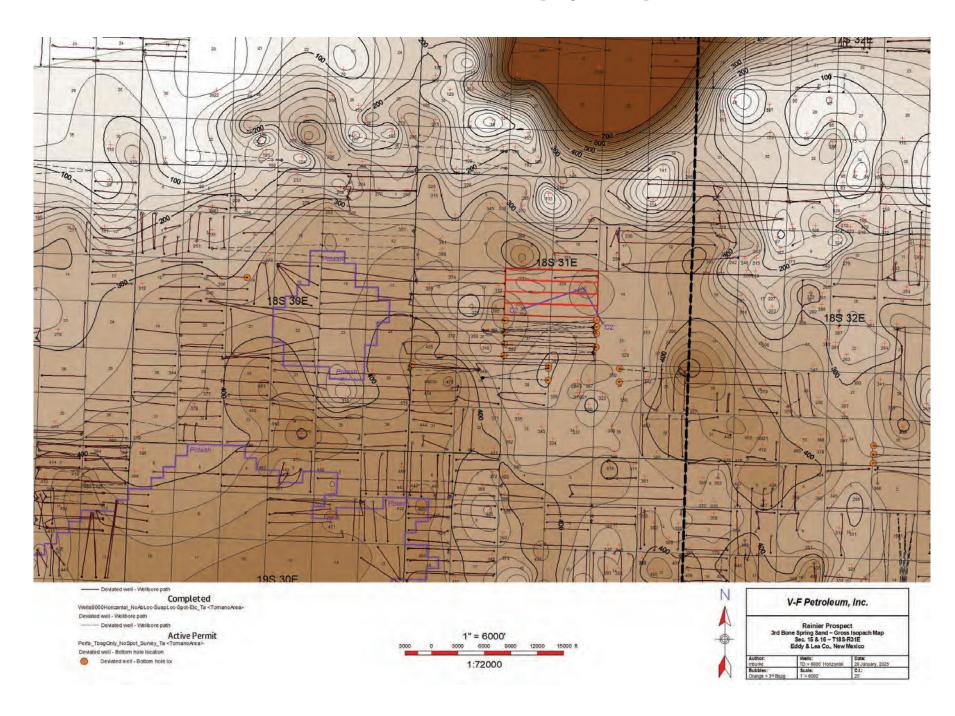
Rebuttal Exhibit 11: Third Bone Spring Well Locator Map



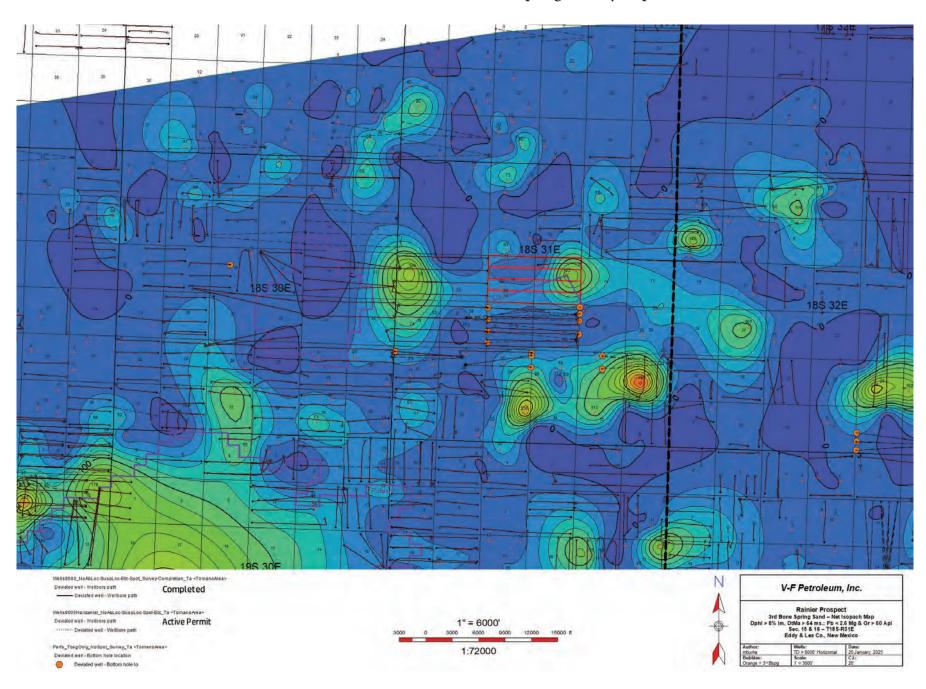
Rebuttal Exhibit 12: Third Bone Spring Net Pay Cross Section



Rebuttal Exhibit13: Third Bone Spring Gross Isopach



Rebuttal Exhibit 14: Third Bone Spring Net Pay Isopach



Rebuttal Exhibit 15: Rebutting Permian Resources Exhibit E-5 Commentary that 6-Well Per Section Density is More Prudent and Economical



Permian Resources Exhibit E-5 Commentary states that 6 WPS density increases section recovery factor and maximizes economic outcomes. Page 150 Mesources has not provided results proving that 6 WPS density is economical.

