

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

**APPLICATION OF PERMIAN RESOURCES
OPERATING, LLC TO AMEND ORDER R-21096,
AS AMENDED, TO ADD ADDITIONAL POOLED
PARTIES, EDDY COUNTY, NEW MEXICO.**

**CASE NO. 25233
ORDER NO. R-21096, As Amended**

NOTICE OF REVISED EXHIBITS

Permian Resources Operating, LLC (“Permian”), applicant in the above referenced case, gives notice that it is filing the attached revised exhibits for acceptance into the record.

Permian Revised Exhibit C is a revised self-affirmed statement from Collin Christian discussing the changes made to Permian Exhibit C-1.

Permian Revised Exhibit C-1 is an updated pooling exhibit with the “buffer” information removed, since it does not relate to the pooling.

Respectfully submitted,

HOLLAND & HART LLP

By: _____

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**ATTORNEYS FOR PERMIAN RESOURCES
OPERATING, LLC**

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING APRIL 15, 2025**

CASE No. 25233

CAVEMAN 221H-224H & 421H-423H WELLS

EDDY COUNTY, NEW MEXICO

PERMIAN
RESOURCES

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

**APPLICATION OF PERMIAN RESOURCES
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**CASE NO. 25233
ORDER NO. R-21096, As Amended**

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

**APPLICATION OF PERMIAN RESOURCES
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**CASE NO. 25233
ORDER NO. R-21096, As Amended**

APPLICATION

Permian Resources Operating, LLC (“Permian” or “Applicant”) (OGRID No. 372165) through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, to add additional mineral owners under compulsory pooling Order No. R-21096, as amended (“Pooling Order”). In support of its application, Applicant states:

1. On May 30, 2024, the Division entered Order No. R-21096-E in Case No. 24340, amending the underlying order to extend the time to drill and add additional wells under the order. The underlying order, Order No. R-21069 in Case No. 20762, pooled the uncommitted interest owners in the Wolfcamp formation (Purple Sage Wolfcamp (Gas) [98220]) underlying a standard 1,267.1-acre, more or less, horizontal well spacing unit comprised of all of Section 12, Township 22 South, Range 26 East, and all of irregular Section 7, Township 22 South, Range 27 East, NMPM, Eddy County, NMPM, New Mexico. Permian is the designated operator under the Pooling Order, as amended, and the pooled spacing unit is initially dedicated to the **Caveman 221H** (API: 30-015-PENDING), **Caveman 222H** (API: 30-015-53285), **Caveman 223H** (API: 30-015-53280), **Caveman 224H** (API: 30-015-PENDING), **Caveman 421H** (API: 30-015-PENDING), **Caveman 423H** (API: 30-015-PENDING), and **Caveman 424H** (API: 30-015-PENDING).

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A
Submitted by: Permian Resources Operating, LLC
Hearing Date: April 15, 2025
Case No. 25233

2. Applicant requests that Order No. R-21096, as amended, be re-opened and amended to add additional pooled parties under the Pooling Order.

3. Applicant has discovered additional mineral owners in the pooled acreage that were not subject to the pooling proceedings giving rise to Order No. R-21096, as amended.

4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from these additional mineral owners.

5. WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 13, 2025, and, after notice and hearing as required by law, the Division enter an order placing these additional mineral owners under the terms of Order No. R-21096, as amended.

Respectfully submitted,

HOLLAND & HART LLP

By: _____



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**ATTORNEYS FOR PERMIAN RESOURCES
OPERATING, LLC**

CASE _____ : **Application of Permian Resources Operating, LLC to Amend Order R-21096, As Amended, to Add Additional Pooled Parties, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order to add additional mineral owners under compulsory pooling Order No. R-21096, as amended. Order No. R-21069, as amended, pooled the uncommitted interest owners in the Wolfcamp formation (Purple Sage Wolfcamp (Gas) [98220]) underlying a standard 1,267.1-acre, more or less, horizontal well spacing unit comprised of all of Section 12, Township 22 South, Range 26 East, and all of irregular Section 7, Township 22 South, Range 27 East, NMPM, Eddy County, NMPM, New Mexico. Permian is the designated operator under the Pooling Order, as amended, and the pooled spacing unit is initially dedicated to the **Caveman 221H** (API: 30-015-PENDING), to be drilled from a surface hole location in the SW/4 NW/4 (Unit E) of Section 8, T22S-R27E, and bottomhole location in the NW/4 NW/4 (Unit D), T22S-R26E; **Caveman 222H** (API: 30-015-53285), to be drilled from a surface hole location in the NW/4 SW/4 (Unit L) of Section 8, T22S-R27E, and bottomhole location in the SW/4 NW/4 (Unit E), T22S-R26E; **Caveman 223H** (API: 30-015-53280) and **Caveman 423H** (API: 30-015-PENDING), to be drilled from a surface hole location in the NW/4 SW/4 (Unit L) of Section 8, T22S-R27E, and bottomhole location in the NW/4 SW/4 (Unit L), T22S-R26E; **Caveman 224H** (API: 30-015-PENDING) and **Caveman 424H** (API: 30-015-PENDING), to be drilled from a surface hole location in the NW/4 SW/4 (Unit L) of Section 8, T22S-R27E, and bottomhole location in the SW/4 SW/4 (Unit M), T22S-R26E; and **Caveman 421H** (API: 30-015-PENDING), to be drilled from a surface hole location in the SW/4 NW/4 (Unit E) of Section 8, T22S-R27E, and bottomhole location in the SW/4 NW/4 (Unit E), T22S-R26E. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Applicant as operator of the well, and a 200% charge for risk involved in drilling said wells. Portions of said area are located within the city limits of Carlsbad, New Mexico.

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

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
SPC RESOURCES, LLC**

**CASE NO. 20762
ORDER NO. R-21096**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on September 19, 2019, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. SPC Resources, LLC (“Operator”) submitted an application (“Application”) to compulsory pool the uncommitted oil and gas interests within the spacing unit (“Unit”) described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A (“Well(s)”) to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B**

**Submitted by: Permian Resource Operating, LLC
Hearing Date: April 15, 2025
Case No. 25233**

CONCLUSIONS OF LAW

- 6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
- 7. Operator is the owner of an oil and gas working interest within the Unit.
- 8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
- 9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
- 10. Operator has the right to drill the Well(s) to a common source of supply at the described depth(s) and location(s) in the Unit.
- 11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
- 12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
- 13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
- 14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

- 15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
- 16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
- 17. Operator is designated as operator of the Unit and the Well(s).
- 18. If the Surface Location or Bottom Hole Location of a well is changed from the location described in Exhibit A, Operator shall submit an amended Exhibit A, which the Division shall append to this Order.
- 19. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location before commencing production of the well.
- 20. The Operator shall commence drilling the initial well within one (1) year after the date of this Order; and (b) for an infill well, no later than thirty (30) days after completion of the well.

CASE NO. 20762
 ORDER NO. R-21096

21. Operator shall comply with the infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC.
22. This Order shall terminate automatically if Operator fails to comply with Paragraphs 20 or 21.
23. Operator shall submit to OCD and each owner of a working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs") no later than: (a) for an initial well, no later than thirty (30) days after the date of this Order; (b) for an infill well proposed by Operator, no later than (30) days after the later of the initial notice period pursuant to 19.15.13.10(B) NMAC or the extension granted by the OCD Director pursuant 19.15.13.10(D) NMAC; or (c) for an infill well proposed by an owner of a Pooled Working Interest, no later than thirty (30) days after expiration of the last action required by 19.15.13.11 NMAC.
24. No later than thirty (30) days after Operator submits the Estimated Well Costs , the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
25. No later than within one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
26. No later than sixty (60) days after the later of the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.

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ORDER NO. R-21096

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27. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
28. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
29. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
30. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to OCD and each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*

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- 34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL
DIRECTOR**

AS/jag

Date: February 12, 2020



CASE NO. 20762
ORDER NO. R-21096

Exhibit "A"

Applicant: SPC Resources, LLC
Operator: SPC Resources, LLC (OGRID 372262)

Spacing Unit: Horizontal Gas
Building Blocks: Half Section Equivalent
Spacing Unit Size: 1267.1 acres (more or less)
Orientation of Unit: East/West

Spacing Unit Description:

W/2 and E/2 of Section 12, Township 22 South, Range 26 East, NMPM, Eddy County, New Mexico, and
W/2 and E/2 of Section 7, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico.

Pooling this Vertical Extent: Wolfcamp Formation
Depth Severance? (Yes/No): No

Pool: Purple Sage;Wolfcamp Gas (Pool code 98220)
Pool Spacing Unit Size: Half Sections
Governing Well Setbacks: Special Rules for the Purple Sage Gas Pool Apply
Pool Rules: Purple Sage and Horizontal Well Rules

Proximity Tracts: No

Monthly charge for supervision: While drilling: \$8000 While producing: \$800
As the charge for risk, 200 percent of reasonable well costs.

Proposed Wells:

Caveman 7-12 WCXY Well No. 2H, API No. 30-015-Pending

SHL: 2271 feet from the North line and 240 feet from the West line, (Unit E) of Section 8, Township 22 South, Range 27 East, NMPM.
BHL: 1650 feet from the North line and 100 feet from the West line, (Unit E) of Section 12, Township 22 South, Range 26 East, NMPM.

Completion Target: Wolfcamp A at approx. 8780 feet TVD.
Well Orientation: East to West
Completion Location expected to be: standard

Caveman 7-12 WCD Well No. 3H, API No. 30-015-Pending

SHL: 2331 feet from the North line and 490 feet from the West line, (Unit E) of Section 8, Township 22 South, Range 27 East, NMPM.
BHL: 1980 feet from the South line and 100 feet from the West line, (Unit L) of Section 12, Township 22 South, Range 26 East, NMPM.

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Completion Target: Wolfcamp D at approx. 9300 feet TVD.
Well Orientation: East to West
Completion Location expected to be: standard

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**STATE OF NEW MEXICO
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**APPLICATION OF PERMIAN RESOURCES
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AS AMENDED, TO ADD ADDITIONAL POOLED
PARTIES, EDDY COUNTY, NEW MEXICO.**

**CASE NO. 25233
ORDER NO. R-21096, As Amended**

SELF-AFFIRMED STATEMENT COLLIN CHRISTIAN

1. My name is Collin Christian. I work for Permian Resources Operating, LLC (“Permian”) as a Senior Landman.

2. I have previously testified before the New Mexico Oil Conservation Division (“Division”) as an expert witness in petroleum land matters. My credentials as a petroleum landman have been accepted by the Division and made a matter of record.

3. I am familiar with the applications filed by Permian in this case, and I am familiar with the status of the lands in the subject area.

4. On May 30, 2024, the Division entered Order No. R-21096-E in Case No. 24340, amending the underlying order to extend the time to drill and add additional wells under the order. The underlying order, Order No. R-21069 in Case No. 20762, pooled the uncommitted interest owners in the Wolfcamp formation (Purple Sage Wolfcamp (Gas) [98220]) underlying a standard 1,267.1-acre, more or less, horizontal well spacing unit comprised of all of Section 12, Township 22 South, Range 26 East, and all of irregular Section 7, Township 22 South, Range 27 East, NMPM, Eddy County, NMPM, New Mexico. Permian is the designated operator under the Pooling Order, as amended, and the pooled spacing unit is initially dedicated to the **Caveman 221H** (API: 30-015-PENDING), **Caveman 222H** (API: 30-015-53285), **Caveman 223H** (API: 30-015-

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Revised Exhibit No. C

Submitted by: Permian Resources Operating, LLC

Hearing Date: April 15, 2025

Case No. 25233

53280), **Caveman 224H** (API: 30-015-PENDING), **Caveman 421H** (API: 30-015-PENDING), **Caveman 423H** (API: 30-015-PENDING), and **Caveman 424H** (API: 30-015-PENDING).

5. **Permian Exhibit C-1** is an updated copy of the pooling exhibit. The original interests pooled are highlighted in blue, and the additional pooled parties (Rosemary O'Neill, Kevin R. Decker and Kevin Conlin) are highlighted in yellow. These additional parties are being pooled out of an abundance of caution.

6. **Permian Exhibit C-2** contains a sample of the well proposal letter and AFE, as well as lease offer, for the well that was sent to the additional parties to be pooled. The costs reflected in the AFEs are consistent with what Permian and other operators have incurred for drilling similar horizontal wells in the area in this formation.

7. **Permian Exhibit C-3** contains a general summary of the contacts with the additional parties to be pooled. As indicated in the exhibit, Permian has made a good faith effort to locate and has had communications with the additional parties in an effort to reach voluntary joinder. In my opinion, Permian has undertaken good faith efforts to reach an agreement with the uncommitted interest owners.

8. The granting of this application will prevent waste and protect correlative rights.

9. **Permian Exhibits C-1 through C-3** were either prepared by me or compiled under my direction and supervision.

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



Collin Christian

4/14/25

Date

Caveman WC (1267.10 Acres)	Type	Net Acres	Interest
Unleased (Participating)	UMI	0.1636	0.00012911
Leased (Other - Third Party)	WI	57.20363184	0.04514532
Leased (Permian Resources Operating, LLC)	WI	1123.450761	0.88663149
UMI - Pooling	UMI	0.1	0.00007892
Unleased - pooled under existing order	UMI	86.18200716	0.06801516
		1267.1	1.00000000

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Revised Exhibit No. C-1
Submitted by: Permian Resources Operating, LLC
Hearing Date: April 15, 2025
Case No. 25233

Caveman WC (1267.10 Acres)	Type	Net Acres	Interest
Christ in You the Hope of Glory	WI	2.823447574	0.002228275
CMS NOMEKO Oil & Gas Co.	WI	0.1875	0.000147976
Desana Development LLC	WI	0.5	0.000394602
Enduring Resources IV, LLC	WI	5.649267129	0.004458422
Enerstar Resources O&G, LLC	WI	0.46901	0.000370144
Goodrich Petroleum Company of Louisiana	WI	0.1875	0.000147976
J. R. Rowan, Inc.	WI	0.2863	0.000225949
Jalapeno Corporation	WI	21.634105	0.020929960
Laura Mijangos-Rapp Revocable Trust	WI	4.45	0.003511956
Legion Production Partners, LLC	WI	5.73635019	0.004527149
Avant Operating, LLC	WI	1.638957197	0.001293471
Double Cabin Minerals, LLC	WI	0.819478599	0.000646736
Cibolo Resources, LLC	WI	0.964092469	0.000760865
T. H. McElvain Oil & Gas, LLLP	WI	0.482046234	0.000380432
Lignum Oil Company	WI	0.375	0.000295951
Marathon Oil Company	WI	0.75	0.000591903
May, Ronald T.	WI	4.45	0.003511956
R. C. Bennett Company	WI	1.332200002	0.001051377
Roberts, Darrell Holder	WI	0.039650003	0.000031292
Roberts, Ruth Daniel	WI	0.118949995	0.000093876
Roberts, Wesley Keith	WI	0.039649996	0.000031292
SCAN-Harbor, Inc. f/k/a Boys and Girls Harbor	WI	2.823447574	0.002228275
Permian Resources Operating, LLC	WI	1123.450761	0.886631491
Taylor, Carolyn A a/k/a Carolyn A. Schrock	UMI	0.0409	0.000032278
Taylor, Harvey R	UMI	0.0409	0.000032278
Taylor, Jr, Bill G	UMI	0.0409	0.000032278
Taylor, Marilyn S.	UMI	0.0409	0.000032278
Texmin Resources 2, LLC	WI	1.40703	0.001110433
The Karen Roberts Special Needs Trust	WI	0.039650003	0.000031292
Rosemary O'Neill	UMI	0.033333	0.000026307
Kevin R. Decker	UMI	0.033333	0.000026307
Kevin Conlin	UMI	0.033333	0.000026307
Unleased - Pooled under existing order	UMI	86.18200716	0.068015158
FINAL TOTAL		1267.099999	1.00000000

BLUE = has remitted an election to Participate

RED = Unable to Locate

PURPLE = Declined to Participate / Non-Consent



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

OFFICE 432.695.4222
FAX 432.695.4063

January 15, 2025

Via Certified Mail

RE: Well Proposals – Caveman
All of Section 7, T22S-R27E and all of Section 12, T22S-R26E
Eddy County, New Mexico

To Whom It May Concern:

Enclosed for your review, please find a copy of the State of New Mexico Oil Conservation Division (“OCD”) Compulsory Pooling Order No. R-21096, Case No. 20762 as amended at the OCD for the below referenced Wells, effective February 12, 2020. Pursuant to the Pooling Order, Permian Resources Operating, LLC (“Permian”), as Operator, submits this letter to you seeking your election to participate in each respective wellbore as further described below (the “Well(s)”).

1. Caveman 221H

SHL: W/2 of Section 8, T22S-R27E
BHL: 330’ FWL & 660’ FNL of Section 12
FTP: 330’ FEL & 660’ FNL of Section 7
LTP: 330’ FWL & 660’ FNL of Section 12
TVD: 8,776’
TMD: 19,061’
Target: Wolfcamp XY
Total Cost: See enclosed AFE

2. Caveman 222H

SHL: W/2 of Section 8, T22S-R27E
BHL: 330’ FWL & 1,980’ FNL of Section 12
FTP: 330’ FEL & 1,980’ FNL of Section 7
LTP: 330’ FWL & 1,980’ FNL of Section 12
TVD: 8,776’
TMD: 19,061’
Target: Wolfcamp XY
Total Cost: See enclosed AFE

3. Caveman 223H

SHL: W/2 of Section 8, T22S-R27E
BHL: 330’ FWL & 1,650’ FSL of Section 12
FTP: 330’ FEL & 1,650’ FSL of Section 7
LTP: 330’ FWL & 1,650’ FSL of Section 12
TVD: 8,776’
TMD: 19,061’
Target: Wolfcamp XY
Total Cost: See enclosed AFE

4. Caveman 224H

SHL: W/2 of Section 8, T22S-R27E
BHL: 330’ FWL & 330’ FSL of Section 12
FTP: 330’ FEL & 330’ FSL of Section 7
LTP: 330’ FWL & 330’ FSL of Section 12
TVD: 8,776’
TMD: 19,061’
Target: Wolfcamp XY
Total Cost: See enclosed AFE

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-2

Submitted by: Permian Resources Operating, LLC
Hearing Date: April 15, 2025
Case No. 25233

5. Caveman 421H

SHL: W/2 of Section 8, T22S-R27E
BHL: 330' FWL & 1,320' FNL of Section 12
FTP: 330' FEL & 1,330' FNL of Section 7
LTP: 330' FWL & 1,320' FNL of Section 12
TVD: 9,367'
TMD: 19,652'
Target: Wolfcamp C
Total Cost: See enclosed AFE

6. Caveman 423H

SHL: W/2 of Section 8, T22S-R27E
BHL: 330' FWL & 2,326' FSL of Section 12
FTP: 330' FEL & 2,326' FSL of Section 7
LTP: 330' FWL & 2,326' FSL of Section 12
TVD: 9,367'
TMD: 19,652'
Target: Wolfcamp C
Total Cost: See enclosed AFE

7. Caveman 424H

SHL: W/2 of Section 8, T22S-R27E
BHL: 330' FWL & 660' FSL of Section 12
FTP: 330' FEL & 660' FSL of Section 7
LTP: 330' FWL & 660' FSL of Section 12
TVD: 9,367'
TMD: 19,652'
Target: Wolfcamp C
Total Cost: See enclosed AFE

Under Article 24 on page 2 of the Pooling Order No. R-21096, Case No. 20762, you have thirty (30) days following your receipt of this letter to elect to participate and subsequently pay your proportionate share of the well costs or elect to go non-consent in these Wells and be considered a "Non-Consenting Pooled Working Interest".

In the event you elect to participate in any of the Wells, please indicate your election by signing and returning one copy of the enclosed ballot, AFE, and insurance declaration to the undersigned, along with your full payment for each Well within thirty (30) days following your thirty (30) day election period. Failure to timely elect or remit payment will result in your being deemed non-consent.

These proposed locations and target depths are subject to change, depending on any surface or subsurface concerns. Additionally, the enclosed AFEs represent the estimated well costs that will be incurred to drill and complete these Wells, but those electing to participate are responsible for their share of the actual well costs incurred.

If you have any questions or concerns regarding this proposal, please contact David Williams at 337.232.1122 or via email at davidw@segland.com.

Respectfully,

PERMIAN RESOURCES OPERATING, LLC



Collin Christian
Senior Landman
Enclosures

Caveman:

<i>Well Elections: (Please indicate your responses in the spaces below)</i>		
Well(s)	Elect to Participate	Elect to <u>NOT</u> Participate
Caveman 221H		
Caveman 222H		
Caveman 223H		
Caveman 224H		
Caveman 421H		
Caveman 423H		
Caveman 424H		

(Company name if applicable)

By: _____

Printed Name: _____

Title: _____

Date: _____

Participate / Rejection Declaration

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

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

Agreed this _____ day of _____, 2025 by:

(Company name if applicable)

By: _____

Printed Name: _____

Title: _____

Date: _____

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

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
SPC RESOURCES, LLC**

**CASE NO. 20762
ORDER NO. R-21096**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on September 19, 2019, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. SPC Resources, LLC (“Operator”) submitted an application (“Application”) to compulsory pool the uncommitted oil and gas interests within the spacing unit (“Unit”) described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A (“Well(s)”) to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

- 6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
- 7. Operator is the owner of an oil and gas working interest within the Unit.
- 8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
- 9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
- 10. Operator has the right to drill the Well(s) to a common source of supply at the described depth(s) and location(s) in the Unit.
- 11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
- 12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
- 13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
- 14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

- 15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
- 16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
- 17. Operator is designated as operator of the Unit and the Well(s).
- 18. If the Surface Location or Bottom Hole Location of a well is changed from the location described in Exhibit A, Operator shall submit an amended Exhibit A, which the Division shall append to this Order.
- 19. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location before commencing production of the well.
- 20. The Operator shall commence drilling the initial well within one (1) year after the date of this Order; and (b) for an infill well, no later than thirty (30) days after completion of the well.

CASE NO. 20762
 ORDER NO. R-21096

21. Operator shall comply with the infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC.
22. This Order shall terminate automatically if Operator fails to comply with Paragraphs 20 or 21.
23. Operator shall submit to OCD and each owner of a working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs") no later than: (a) for an initial well, no later than thirty (30) days after the date of this Order; (b) for an infill well proposed by Operator, no later than (30) days after the later of the initial notice period pursuant to 19.15.13.10(B) NMAC or the extension granted by the OCD Director pursuant 19.15.13.10(D) NMAC; or (c) for an infill well proposed by an owner of a Pooled Working Interest, no later than thirty (30) days after expiration of the last action required by 19.15.13.11 NMAC.
24. No later than thirty (30) days after Operator submits the Estimated Well Costs , the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
25. No later than within one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
26. No later than sixty (60) days after the later of the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.

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ORDER NO. R-21096

27. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
28. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
29. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
30. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to OCD and each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*

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ORDER NO. R-21096

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- 34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL
DIRECTOR**

AS/jag

Date: February 12, 2020



CASE NO. 20762
ORDER NO. R-21096

Exhibit "A"

Applicant: SPC Resources, LLC
Operator: SPC Resources, LLC (OGRID 372262)

Spacing Unit: Horizontal Gas
Building Blocks: Half Section Equivalent
Spacing Unit Size: 1267.1 acres (more or less)
Orientation of Unit: East/West

Spacing Unit Description:

W/2 and E/2 of Section 12, Township 22 South, Range 26 East, NMPM, Eddy County, New Mexico, and
W/2 and E/2 of Section 7, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico.

Pooling this Vertical Extent: Wolfcamp Formation
Depth Severance? (Yes/No): No

Pool: Purple Sage;Wolfcamp Gas (Pool code 98220)
Pool Spacing Unit Size: Half Sections
Governing Well Setbacks: Special Rules for the Purple Sage Gas Pool Apply
Pool Rules: Purple Sage and Horizontal Well Rules

Proximity Tracts: No

Monthly charge for supervision: While drilling: \$8000 While producing: \$800
As the charge for risk, 200 percent of reasonable well costs.

Proposed Wells:

Caveman 7-12 WCXY Well No. 2H, API No. 30-015-Pending

SHL: 2271 feet from the North line and 240 feet from the West line, (Unit E) of Section 8, Township 22 South, Range 27 East, NMPM.

BHL: 1650 feet from the North line and 100 feet from the West line, (Unit E) of Section 12, Township 22 South, Range 26 East, NMPM.

Completion Target: Wolfcamp A at approx. 8780 feet TVD.

Well Orientation: East to West

Completion Location expected to be: standard

Caveman 7-12 WCD Well No. 3H, API No. 30-015-Pending

SHL: 2331 feet from the North line and 490 feet from the West line, (Unit E) of Section 8, Township 22 South, Range 27 East, NMPM.

BHL: 1980 feet from the South line and 100 feet from the West line, (Unit L) of Section 12, Township 22 South, Range 26 East, NMPM.

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Completion Target: Wolfcamp D at approx. 9300 feet TVD.
Well Orientation: East to West
Completion Location expected to be: standard

CASE NO. 20762
ORDER NO. R-21096

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AFE Number:	504195	SHL Description:	W/2 of Section 8, T22S-R27E
AFE Name: Well	CAVEMAN 221H	AFE TYPE:	Drill and Complete
Operator:	PERMIAN RESOURCES OPERATING, LLC		
County/State:	EDDY COUNTY, NEW MEXICO		

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
Drilling Intangible		
8015.1000	IDC - PERMITS,LICENSES,ETC	\$15,000.00
8015.1100	IDC - STAKING & SURVEYING	\$15,000.00
8015.1200	IDC - LEGAL, TITLE SERVICES	\$13,000.00
8015.1300	IDC - SURFACE DAMAGE / ROW	\$35,000.00
8015.1310	IDC - PERMANENT EASEMENT	\$12,000.00
8015.1400	IDC - ROAD, LOCATIONS, PITS	\$135,625.00
8015.1500	IDC - RIG MOB / TRUCKING	\$116,875.00
8015.1600	IDC - RIG MOB / STANDBY RATE	\$35,600.00
8015.1700	IDC - DAYWORK CONTRACT	\$453,900.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY	\$197,625.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE	\$42,500.00
8015.2150	IDC - DRILL BIT	\$98,000.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS	\$51,000.00
8015.2300	IDC - FUEL / POWER	\$96,421.88
8015.2350	IDC - FUEL/MUD	\$66,515.63
8015.2400	IDC - RIG WATER	\$15,000.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING	\$168,576.27
8015.2700	IDC - INSPECTION, TESTING & REPAIR	\$37,000.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	\$143,200.00
8015.3100	IDC - CASING CREW & TOOLS	\$47,500.00
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	\$27,000.00
8015.3400	IDC - MATERIALS & SUPPLIES	\$5,000.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	\$18,000.00
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$47,175.00
8015.3700	IDC - DISPOSAL	\$103,400.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR	\$12,500.00
8015.4100	IDC - RENTAL EQUIPMENT	\$100,000.00
8015.4200	IDC - MANCAMP	\$31,200.00
8015.4300	IDC - WELLSITE SUPERVISION	\$69,600.00
8015.4600	IDC - SAFETY / ENVIRONMENTAL	\$13,200.00
8015.5000	IDC - WELL CONTROL INSURANCE	\$6,600.00
8015.5200	IDC - CONTINGENCY	\$100,305.62
	Sub-total	\$2,329,319.40
Drilling Tangible		
8020.1100	TDC - CASING - SURFACE	\$19,932.50
8020.1200	TDC - CASING - INTERMEDIATE - 1	\$53,975.00
8020.1400	TDC - CASING - PRODUCTION	\$384,833.54
8020.1500	TDC - WELLHEAD EQUIPMENT	\$53,125.00
	Sub-total	\$511,866.04
Flowback Intangible		

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
8040.1100	IFC - ROADS LOCATIONS / PITS	\$5,000.00
8040.1899	IFC - FRAC WATER RECOVERY	\$524,830.00
8040.2000	IFC - TRUCKING/VACUUM/TRANSP	\$20,000.00
8040.2900	IFC - WELL TESTING / FLOWBACK	\$74,000.00
8040.3420	IFC - TANK RENTALS	\$20,000.00
8040.3430	IFC - SURFACE PUMP RENTAL	\$20,000.00
8040.3500	IFC - WELLSITE SUPERVISION	\$10,000.00
8040.4000	IFC - CHEMICALS	\$15,000.00
	Sub-total	\$688,830.00
Artificial Lift Intangible		
8060.1200	IAL - WORKOVER RIG	\$14,000.00
8060.1400	IAL - WIRELINE OPEN/CASED HOLE	\$5,000.00
8060.1900	IAL - INSPECTION & TESTING	\$3,000.00
8060.2000	IAL - TRUCKING/VACUUM/TRANSP	\$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	\$15,000.00
8060.3400	IAL - RENTAL EQUIPMENT	\$5,000.00
8060.3410	IAL - LAYDOWN MACHINE	\$5,000.00
8060.3420	IAL - REVERSE UNIT RENTAL	\$5,000.00
8060.3500	IAL - WELLSITE SUPERVISION	\$5,000.00
	Sub-total	\$72,000.00
Artificial Lift Tangible		
8065.1100	TAL - TUBING	\$65,000.00
8065.1320	TAL - GAS LIFT EQUIPMENT/INSTALL	\$30,000.00
8065.2000	TAL - WELLHEAD EQUIPMENT	\$60,000.00
8065.2300	TAL - GAS LIFT INJECTION LINE & INSTALL	\$60,000.00
8065.2400	TAL - COMPRESSOR INSTALL & STARTUP	\$50,000.00
8065.2500	TAL - VALVES/CONNECTIONS/FTGS	\$15,000.00
8065.3100	TAL - MEASUREMENT EQUIPMENT	\$30,000.00
8065.3200	TAL - COMM, TELEMETRY & AUTOMA	\$10,000.00
	Sub-total	\$320,000.00
Facilities		
8035.1300	FAC - SURFACE DAMAGE	\$556.00
8035.1500	FAC - MATERIALS & SUPPLIES	\$1,111.00
8035.1600	FAC - TRANSPORTATION TRUCKING	\$1,667.00
8035.1700	FAC - RENTAL EQUIPMENT	\$6,667.00
8035.2100	FAC - INSPECTION & TESTING	\$278.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB	\$16,667.00
8035.2400	FAC - SUPERVISION	\$4,444.00
8035.2500	FAC - CONSULTING SERVICES	\$556.00
8035.3000	FAC - HEATER TREATER/SEPARATOR	\$36,111.00
8035.3200	FAC - VALVES FITTINGS & PIPE	\$38,889.00
8035.3400	FAC - METERS	\$81,667.00
8035.3600	FAC - ELECTRICAL	\$16,667.00
8035.3700	FAC - AUTOMATION MATERIAL	\$16,667.00

Cost Estimate

Printed Date: Jan 16, 2025

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
8035.4000	FAC - SAFETY / ENVIRONMENTAL	\$444.00
8035.4400	FAC - COMPANY LABOR	\$556.00
8035.4500	FAC - CONTINGENCY	\$6,667.00
	Sub-total	\$229,614.00
Pipeline		
8036.1310	PLN - PERMANENT EASEMENT	\$24,512.00
8036.2100	PLN - INSPECTION & TESTING	\$1,111.00
8036.2200	PLN - CONTRACT LABOR	\$86,667.00
8036.2400	PLN - SUPERVISION	\$2,222.00
8036.2700	PLN - PIPELINE MATERIAL	\$111,111.00
8036.2800	PLN - FLOWLINE MATERIAL	\$86,667.00
8036.3200	PLN - VALVES FITTINGS & PIPE	\$5,556.00
	Sub-total	\$317,846.00
Completion Intangible		
8025.1100	ICC - ROAD, LOCATIONS, PITS	\$10,500.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE	\$40,000.00
8025.1500	ICC - FUEL / POWER	\$273,275.00
8025.1600	ICC - COILED TUBING	\$292,275.00
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK	\$20,843.00
8025.2000	ICC - TRUCKING	\$14,375.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING	\$402,938.00
8025.2300	ICC - COMPLETION FLUIDS	\$10,000.00
8025.2500	ICC - WELL STIMULATION/FRACTUR	\$1,994,768.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT	\$15,000.00
8025.3000	ICC - WATER HANDLING	\$238,095.00
8025.3050	ICC - SOURCE WATER	\$654,762.00
8025.3100	ICC - WELLHEAD/FRACTURE REPAIR	\$40,000.00
8025.3400	ICC - RENTAL EQUIPMENT	\$194,117.00
8025.3500	ICC - WELLSITE SUPERVISION	\$50,625.00
8025.3600	ICC - SUPERVISION/ENGINEERING	\$5,000.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL	\$15,000.00
8025.3800	ICC - OVERHEAD	\$10,000.00
	Sub-total	\$4,281,573.00
Completion Tangible		
8030.2000	TCC - WELLHEAD EQUIPMENT	\$47,250.00
	Sub-total	\$47,250.00
	Grand Total	\$8,798,298.44

AFE Number:	504196	SHL Description:	W/2 of Section 8, T22S-R27E
AFE Name:	CAVEMAN 222H	AFE TYPE:	Drill and Complete
Well Operator:	PERMIAN RESOURCES OPERATING, LLC		
County/State:	EDDY COUNTY, NEW MEXICO		

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
Drilling Intangible		
8015.1000	IDC - PERMITS,LICENSES,ETC	\$15,000.00
8015.1100	IDC - STAKING & SURVEYING	\$15,000.00
8015.1200	IDC - LEGAL, TITLE SERVICES	\$13,000.00
8015.1300	IDC - SURFACE DAMAGE / ROW	\$35,000.00
8015.1310	IDC - PERMANENT EASEMENT	\$12,000.00
8015.1400	IDC - ROAD, LOCATIONS, PITS	\$135,625.00
8015.1500	IDC - RIG MOB / TRUCKING	\$116,875.00
8015.1600	IDC - RIG MOB / STANDBY RATE	\$35,600.00
8015.1700	IDC - DAYWORK CONTRACT	\$453,900.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY	\$197,625.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE	\$42,500.00
8015.2150	IDC - DRILL BIT	\$98,000.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS	\$51,000.00
8015.2300	IDC - FUEL / POWER	\$96,421.88
8015.2350	IDC - FUEL/MUD	\$66,515.63
8015.2400	IDC - RIG WATER	\$15,000.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING	\$168,576.27
8015.2700	IDC - INSPECTION, TESTING & REPAIR	\$37,000.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	\$143,200.00
8015.3100	IDC - CASING CREW & TOOLS	\$47,500.00
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	\$27,000.00
8015.3400	IDC - MATERIALS & SUPPLIES	\$5,000.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	\$18,000.00
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$47,175.00
8015.3700	IDC - DISPOSAL	\$103,400.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR	\$12,500.00
8015.4100	IDC - RENTAL EQUIPMENT	\$100,000.00
8015.4200	IDC - MANCAMP	\$31,200.00
8015.4300	IDC - WELLSITE SUPERVISION	\$69,600.00
8015.4600	IDC - SAFETY / ENVIRONMENTAL	\$13,200.00
8015.5000	IDC - WELL CONTROL INSURANCE	\$6,600.00
8015.5200	IDC - CONTINGENCY	\$100,305.62
	Sub-total	\$2,329,319.40
Drilling Tangible		
8020.1100	TDC - CASING - SURFACE	\$19,932.50
8020.1200	TDC - CASING - INTERMEDIATE - 1	\$53,975.00
8020.1400	TDC - CASING - PRODUCTION	\$384,833.54
8020.1500	TDC - WELLHEAD EQUIPMENT	\$53,125.00
	Sub-total	\$511,866.04
Flowback Intangible		

TEL (432) 695-4222 www.permianres.com

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
8040.1100	IFC - ROADS LOCATIONS / PITS	\$5,000.00
8040.1899	IFC - FRAC WATER RECOVERY	\$524,830.00
8040.2000	IFC - TRUCKING/VACUUM/TRANSP	\$20,000.00
8040.2900	IFC - WELL TESTING / FLOWBACK	\$74,000.00
8040.3420	IFC - TANK RENTALS	\$20,000.00
8040.3430	IFC - SURFACE PUMP RENTAL	\$20,000.00
8040.3500	IFC - WELLSITE SUPERVISION	\$10,000.00
8040.4000	IFC - CHEMICALS	\$15,000.00
	Sub-total	\$688,830.00
Artificial Lift Intangible		
8060.1200	IAL - WORKOVER RIG	\$14,000.00
8060.1400	IAL - WIRELINE OPEN/CASED HOLE	\$5,000.00
8060.1900	IAL - INSPECTION & TESTING	\$3,000.00
8060.2000	IAL - TRUCKING/VACUUM/TRANSP	\$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	\$15,000.00
8060.3400	IAL - RENTAL EQUIPMENT	\$5,000.00
8060.3410	IAL - LAYDOWN MACHINE	\$5,000.00
8060.3420	IAL - REVERSE UNIT RENTAL	\$5,000.00
8060.3500	IAL - WELLSITE SUPERVISION	\$5,000.00
	Sub-total	\$72,000.00
Artificial Lift Tangible		
8065.1100	TAL - TUBING	\$65,000.00
8065.1320	TAL - GAS LIFT EQUIPMENT/INSTALL	\$30,000.00
8065.2000	TAL - WELLHEAD EQUIPMENT	\$60,000.00
8065.2300	TAL - GAS LIFT INJECTION LINE & INSTALL	\$60,000.00
8065.2400	TAL - COMPRESSOR INSTALL & STARTUP	\$50,000.00
8065.2500	TAL - VALVES/CONNECTIONS/FTGS	\$15,000.00
8065.3100	TAL - MEASUREMENT EQUIPMENT	\$30,000.00
8065.3200	TAL - COMM, TELEMETRY & AUTOMA	\$10,000.00
	Sub-total	\$320,000.00
Facilities		
8035.1300	FAC - SURFACE DAMAGE	\$556.00
8035.1500	FAC - MATERIALS & SUPPLIES	\$1,111.00
8035.1600	FAC - TRANSPORTATION TRUCKING	\$1,667.00
8035.1700	FAC - RENTAL EQUIPMENT	\$6,667.00
8035.2100	FAC - INSPECTION & TESTING	\$278.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB	\$16,667.00
8035.2400	FAC - SUPERVISION	\$4,444.00
8035.2500	FAC - CONSULTING SERVICES	\$556.00
8035.3000	FAC - HEATER TREATER/SEPARATOR	\$36,111.00
8035.3200	FAC - VALVES FITTINGS & PIPE	\$38,889.00
8035.3400	FAC - METERS	\$81,667.00
8035.3600	FAC - ELECTRICAL	\$16,667.00
8035.3700	FAC - AUTOMATION MATERIAL	\$16,667.00

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
8035.4000	FAC - SAFETY / ENVIRONMENTAL	\$444.00
8035.4400	FAC - COMPANY LABOR	\$556.00
8035.4500	FAC - CONTINGENCY	\$6,667.00
	Sub-total	\$229,614.00
Pipeline		
8036.1310	PLN - PERMANENT EASEMENT	\$24,512.00
8036.2100	PLN - INSPECTION & TESTING	\$1,111.00
8036.2200	PLN - CONTRACT LABOR	\$86,667.00
8036.2400	PLN - SUPERVISION	\$2,222.00
8036.2700	PLN - PIPELINE MATERIAL	\$111,111.00
8036.2800	PLN - FLOWLINE MATERIAL	\$86,667.00
8036.3200	PLN - VALVES FITTINGS & PIPE	\$5,556.00
	Sub-total	\$317,846.00
Completion Intangible		
8025.1100	ICC - ROAD, LOCATIONS, PITS	\$10,500.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE	\$40,000.00
8025.1500	ICC - FUEL / POWER	\$273,275.00
8025.1600	ICC - COILED TUBING	\$292,275.00
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK	\$20,843.00
8025.2000	ICC - TRUCKING	\$14,375.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING	\$402,938.00
8025.2300	ICC - COMPLETION FLUIDS	\$10,000.00
8025.2500	ICC - WELL STIMULATION/FRACTUR	\$1,994,768.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT	\$15,000.00
8025.3000	ICC - WATER HANDLING	\$238,095.00
8025.3050	ICC - SOURCE WATER	\$654,762.00
8025.3100	ICC - WELLHEAD/FRACTURE REPAIR	\$40,000.00
8025.3400	ICC - RENTAL EQUIPMENT	\$194,117.00
8025.3500	ICC - WELLSITE SUPERVISION	\$50,625.00
8025.3600	ICC - SUPERVISION/ENGINEERING	\$5,000.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL	\$15,000.00
8025.3800	ICC - OVERHEAD	\$10,000.00
	Sub-total	\$4,281,573.00
Completion Tangible		
8030.2000	TCC - WELLHEAD EQUIPMENT	\$47,250.00
	Sub-total	\$47,250.00
	Grand Total	\$8,798,298.44

AFE Number:	504197	SHL Description:	W/2 of Section 8, T22S-R27E
AFE Name: Well	CAVEMAN 223H	AFE TYPE:	Drill and Complete
Operator:	PERMIAN RESOURCES OPERATING, LLC		
County/State:	EDDY COUNTY, NEW MEXICO		

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
Drilling Intangible		
8015.1000	IDC - PERMITS,LICENSES,ETC	\$15,000.00
8015.1100	IDC - STAKING & SURVEYING	\$15,000.00
8015.1200	IDC - LEGAL, TITLE SERVICES	\$13,000.00
8015.1300	IDC - SURFACE DAMAGE / ROW	\$35,000.00
8015.1310	IDC - PERMANENT EASEMENT	\$12,000.00
8015.1400	IDC - ROAD, LOCATIONS, PITS	\$135,625.00
8015.1500	IDC - RIG MOB / TRUCKING	\$116,875.00
8015.1600	IDC - RIG MOB / STANDBY RATE	\$35,600.00
8015.1700	IDC - DAYWORK CONTRACT	\$453,900.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY	\$197,625.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE	\$42,500.00
8015.2150	IDC - DRILL BIT	\$98,000.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS	\$51,000.00
8015.2300	IDC - FUEL / POWER	\$96,421.88
8015.2350	IDC - FUEL/MUD	\$66,515.63
8015.2400	IDC - RIG WATER	\$15,000.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING	\$168,576.27
8015.2700	IDC - INSPECTION, TESTING & REPAIR	\$37,000.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	\$143,200.00
8015.3100	IDC - CASING CREW & TOOLS	\$47,500.00
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	\$27,000.00
8015.3400	IDC - MATERIALS & SUPPLIES	\$5,000.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	\$18,000.00
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$47,175.00
8015.3700	IDC - DISPOSAL	\$103,400.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR	\$12,500.00
8015.4100	IDC - RENTAL EQUIPMENT	\$100,000.00
8015.4200	IDC - MANCAMP	\$31,200.00
8015.4300	IDC - WELLSITE SUPERVISION	\$69,600.00
8015.4600	IDC - SAFETY / ENVIRONMENTAL	\$13,200.00
8015.5000	IDC - WELL CONTROL INSURANCE	\$6,600.00
8015.5200	IDC - CONTINGENCY	\$100,305.62
	Sub-total	\$2,329,319.40
Drilling Tangible		
8020.1100	TDC - CASING - SURFACE	\$19,932.50
8020.1200	TDC - CASING - INTERMEDIATE - 1	\$53,975.00
8020.1400	TDC - CASING - PRODUCTION	\$384,833.54
8020.1500	TDC - WELLHEAD EQUIPMENT	\$53,125.00
	Sub-total	\$511,866.04
Flowback Intangible		

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<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
8040.1100	IFC - ROADS LOCATIONS / PITS	\$5,000.00
8040.1899	IFC - FRAC WATER RECOVERY	\$524,830.00
8040.2000	IFC - TRUCKING/VACUUM/TRANSP	\$20,000.00
8040.2900	IFC - WELL TESTING / FLOWBACK	\$74,000.00
8040.3420	IFC - TANK RENTALS	\$20,000.00
8040.3430	IFC - SURFACE PUMP RENTAL	\$20,000.00
8040.3500	IFC - WELLSITE SUPERVISION	\$10,000.00
8040.4000	IFC - CHEMICALS	\$15,000.00
	Sub-total	\$688,830.00
Artificial Lift Intangible		
8060.1200	IAL - WORKOVER RIG	\$14,000.00
8060.1400	IAL - WIRELINE OPEN/CASED HOLE	\$5,000.00
8060.1900	IAL - INSPECTION & TESTING	\$3,000.00
8060.2000	IAL - TRUCKING/VACUUM/TRANSP	\$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	\$15,000.00
8060.3400	IAL - RENTAL EQUIPMENT	\$5,000.00
8060.3410	IAL - LAYDOWN MACHINE	\$5,000.00
8060.3420	IAL - REVERSE UNIT RENTAL	\$5,000.00
8060.3500	IAL - WELLSITE SUPERVISION	\$5,000.00
	Sub-total	\$72,000.00
Artificial Lift Tangible		
8065.1100	TAL - TUBING	\$65,000.00
8065.1320	TAL - GAS LIFT EQUIPMENT/INSTALL	\$30,000.00
8065.2000	TAL - WELLHEAD EQUIPMENT	\$60,000.00
8065.2300	TAL - GAS LIFT INJECTION LINE & INSTALL	\$60,000.00
8065.2400	TAL - COMPRESSOR INSTALL & STARTUP	\$50,000.00
8065.2500	TAL - VALVES/CONNECTIONS/FTGS	\$15,000.00
8065.3100	TAL - MEASUREMENT EQUIPMENT	\$30,000.00
8065.3200	TAL - COMM, TELEMETRY & AUTOMA	\$10,000.00
	Sub-total	\$320,000.00
Facilities		
8035.1300	FAC - SURFACE DAMAGE	\$556.00
8035.1500	FAC - MATERIALS & SUPPLIES	\$1,111.00
8035.1600	FAC - TRANSPORTATION TRUCKING	\$1,667.00
8035.1700	FAC - RENTAL EQUIPMENT	\$6,667.00
8035.2100	FAC - INSPECTION & TESTING	\$278.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB	\$16,667.00
8035.2400	FAC - SUPERVISION	\$4,444.00
8035.2500	FAC - CONSULTING SERVICES	\$556.00
8035.3000	FAC - HEATER TREATER/SEPARATOR	\$36,111.00
8035.3200	FAC - VALVES FITTINGS & PIPE	\$38,889.00
8035.3400	FAC - METERS	\$81,667.00
8035.3600	FAC - ELECTRICAL	\$16,667.00
8035.3700	FAC - AUTOMATION MATERIAL	\$16,667.00

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
8035.4000	FAC - SAFETY / ENVIRONMENTAL	\$444.00
8035.4400	FAC - COMPANY LABOR	\$556.00
8035.4500	FAC - CONTINGENCY	\$6,667.00
	Sub-total	\$229,614.00
Pipeline		
8036.1310	PLN - PERMANENT EASEMENT	\$24,512.00
8036.2100	PLN - INSPECTION & TESTING	\$1,111.00
8036.2200	PLN - CONTRACT LABOR	\$86,667.00
8036.2400	PLN - SUPERVISION	\$2,222.00
8036.2700	PLN - PIPELINE MATERIAL	\$111,111.00
8036.2800	PLN - FLOWLINE MATERIAL	\$86,667.00
8036.3200	PLN - VALVES FITTINGS & PIPE	\$5,556.00
	Sub-total	\$317,846.00
Completion Intangible		
8025.1100	ICC - ROAD, LOCATIONS, PITS	\$10,500.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE	\$40,000.00
8025.1500	ICC - FUEL / POWER	\$273,275.00
8025.1600	ICC - COILED TUBING	\$292,275.00
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK	\$20,843.00
8025.2000	ICC - TRUCKING	\$14,375.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING	\$402,938.00
8025.2300	ICC - COMPLETION FLUIDS	\$10,000.00
8025.2500	ICC - WELL STIMULATION/FRACTUR	\$1,994,768.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT	\$15,000.00
8025.3000	ICC - WATER HANDLING	\$238,095.00
8025.3050	ICC - SOURCE WATER	\$654,762.00
8025.3100	ICC - WELLHEAD/FRACTURE REPAIR	\$40,000.00
8025.3400	ICC - RENTAL EQUIPMENT	\$194,117.00
8025.3500	ICC - WELLSITE SUPERVISION	\$50,625.00
8025.3600	ICC - SUPERVISION/ENGINEERING	\$5,000.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL	\$15,000.00
8025.3800	ICC - OVERHEAD	\$10,000.00
	Sub-total	\$4,281,573.00
Completion Tangible		
8030.2000	TCC - WELLHEAD EQUIPMENT	\$47,250.00
	Sub-total	\$47,250.00
	Grand Total	\$8,798,298.44

AFE Number:	504198	SHL Description:	W/2 of Section 8, T22S-R27E
AFE Name: Well	CAVEMAN 224H	AFE TYPE:	Drill and Complete
Operator:	PERMIAN RESOURCES OPERATING, LLC		
County/State:	EDDY COUNTY, NEW MEXICO		

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
Drilling Intangible		
8015.1000	IDC - PERMITS,LICENSES,ETC	\$15,000.00
8015.1100	IDC - STAKING & SURVEYING	\$15,000.00
8015.1200	IDC - LEGAL, TITLE SERVICES	\$13,000.00
8015.1300	IDC - SURFACE DAMAGE / ROW	\$35,000.00
8015.1310	IDC - PERMANENT EASEMENT	\$12,000.00
8015.1400	IDC - ROAD, LOCATIONS, PITS	\$135,625.00
8015.1500	IDC - RIG MOB / TRUCKING	\$116,875.00
8015.1600	IDC - RIG MOB / STANDBY RATE	\$35,600.00
8015.1700	IDC - DAYWORK CONTRACT	\$453,900.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY	\$197,625.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE	\$42,500.00
8015.2150	IDC - DRILL BIT	\$98,000.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS	\$51,000.00
8015.2300	IDC - FUEL / POWER	\$96,421.88
8015.2350	IDC - FUEL/MUD	\$66,515.63
8015.2400	IDC - RIG WATER	\$15,000.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING	\$168,576.27
8015.2700	IDC - INSPECTION, TESTING & REPAIR	\$37,000.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	\$143,200.00
8015.3100	IDC - CASING CREW & TOOLS	\$47,500.00
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	\$27,000.00
8015.3400	IDC - MATERIALS & SUPPLIES	\$5,000.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	\$18,000.00
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$47,175.00
8015.3700	IDC - DISPOSAL	\$103,400.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR	\$12,500.00
8015.4100	IDC - RENTAL EQUIPMENT	\$100,000.00
8015.4200	IDC - MANCAMP	\$31,200.00
8015.4300	IDC - WELLSITE SUPERVISION	\$69,600.00
8015.4600	IDC - SAFETY / ENVIRONMENTAL	\$13,200.00
8015.5000	IDC - WELL CONTROL INSURANCE	\$6,600.00
8015.5200	IDC - CONTINGENCY	\$100,305.62
	Sub-total	\$2,329,319.40
Drilling Tangible		
8020.1100	TDC - CASING - SURFACE	\$19,932.50
8020.1200	TDC - CASING - INTERMEDIATE - 1	\$53,975.00
8020.1400	TDC - CASING - PRODUCTION	\$384,833.54
8020.1500	TDC - WELLHEAD EQUIPMENT	\$53,125.00
	Sub-total	\$511,866.04
Flowback Intangible		

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
8040.1100	IFC - ROADS LOCATIONS / PITS	\$5,000.00
8040.1899	IFC - FRAC WATER RECOVERY	\$524,830.00
8040.2000	IFC - TRUCKING/VACUUM/TRANSP	\$20,000.00
8040.2900	IFC - WELL TESTING / FLOWBACK	\$74,000.00
8040.3420	IFC - TANK RENTALS	\$20,000.00
8040.3430	IFC - SURFACE PUMP RENTAL	\$20,000.00
8040.3500	IFC - WELLSITE SUPERVISION	\$10,000.00
8040.4000	IFC - CHEMICALS	\$15,000.00
	Sub-total	\$688,830.00
Artificial Lift Intangible		
8060.1200	IAL - WORKOVER RIG	\$14,000.00
8060.1400	IAL - WIRELINE OPEN/CASED HOLE	\$5,000.00
8060.1900	IAL - INSPECTION & TESTING	\$3,000.00
8060.2000	IAL - TRUCKING/VACUUM/TRANSP	\$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	\$15,000.00
8060.3400	IAL - RENTAL EQUIPMENT	\$5,000.00
8060.3410	IAL - LAYDOWN MACHINE	\$5,000.00
8060.3420	IAL - REVERSE UNIT RENTAL	\$5,000.00
8060.3500	IAL - WELLSITE SUPERVISION	\$5,000.00
	Sub-total	\$72,000.00
Artificial Lift Tangible		
8065.1100	TAL - TUBING	\$65,000.00
8065.1320	TAL - GAS LIFT EQUIPMENT/INSTALL	\$30,000.00
8065.2000	TAL - WELLHEAD EQUIPMENT	\$60,000.00
8065.2300	TAL - GAS LIFT INJECTION LINE & INSTALL	\$60,000.00
8065.2400	TAL - COMPRESSOR INSTALL & STARTUP	\$50,000.00
8065.2500	TAL - VALVES/CONNECTIONS/FTGS	\$15,000.00
8065.3100	TAL - MEASUREMENT EQUIPMENT	\$30,000.00
8065.3200	TAL - COMM, TELEMETRY & AUTOMA	\$10,000.00
	Sub-total	\$320,000.00
Facilities		
8035.1300	FAC - SURFACE DAMAGE	\$556.00
8035.1500	FAC - MATERIALS & SUPPLIES	\$1,111.00
8035.1600	FAC - TRANSPORTATION TRUCKING	\$1,667.00
8035.1700	FAC - RENTAL EQUIPMENT	\$6,667.00
8035.2100	FAC - INSPECTION & TESTING	\$278.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB	\$16,667.00
8035.2400	FAC - SUPERVISION	\$4,444.00
8035.2500	FAC - CONSULTING SERVICES	\$556.00
8035.3000	FAC - HEATER TREATER/SEPARATOR	\$36,111.00
8035.3200	FAC - VALVES FITTINGS & PIPE	\$38,889.00
8035.3400	FAC - METERS	\$81,667.00
8035.3600	FAC - ELECTRICAL	\$16,667.00
8035.3700	FAC - AUTOMATION MATERIAL	\$16,667.00

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
8035.4000	FAC - SAFETY / ENVIRONMENTAL	\$444.00
8035.4400	FAC - COMPANY LABOR	\$556.00
8035.4500	FAC - CONTINGENCY	\$6,667.00
	Sub-total	\$229,614.00
Pipeline		
8036.1310	PLN - PERMANENT EASEMENT	\$24,512.00
8036.2100	PLN - INSPECTION & TESTING	\$1,111.00
8036.2200	PLN - CONTRACT LABOR	\$86,667.00
8036.2400	PLN - SUPERVISION	\$2,222.00
8036.2700	PLN - PIPELINE MATERIAL	\$111,111.00
8036.2800	PLN - FLOWLINE MATERIAL	\$86,667.00
8036.3200	PLN - VALVES FITTINGS & PIPE	\$5,556.00
	Sub-total	\$317,846.00
Completion Intangible		
8025.1100	ICC - ROAD, LOCATIONS, PITS	\$10,500.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE	\$40,000.00
8025.1500	ICC - FUEL / POWER	\$273,275.00
8025.1600	ICC - COILED TUBING	\$292,275.00
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK	\$20,843.00
8025.2000	ICC - TRUCKING	\$14,375.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING	\$402,938.00
8025.2300	ICC - COMPLETION FLUIDS	\$10,000.00
8025.2500	ICC - WELL STIMULATION/FRACTUR	\$1,994,768.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT	\$15,000.00
8025.3000	ICC - WATER HANDLING	\$238,095.00
8025.3050	ICC - SOURCE WATER	\$654,762.00
8025.3100	ICC - WELLHEAD/FRACTURE REPAIR	\$40,000.00
8025.3400	ICC - RENTAL EQUIPMENT	\$194,117.00
8025.3500	ICC - WELLSITE SUPERVISION	\$50,625.00
8025.3600	ICC - SUPERVISION/ENGINEERING	\$5,000.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL	\$15,000.00
8025.3800	ICC - OVERHEAD	\$10,000.00
	Sub-total	\$4,281,573.00
Completion Tangible		
8030.2000	TCC - WELLHEAD EQUIPMENT	\$47,250.00
	Sub-total	\$47,250.00
	Grand Total	\$8,798,298.44

AFE Number:	504199	SHL Description:	W/2 of Section 8, T22S-R27E
AFE Name: Well	CAVEMAN 421H	AFE TYPE:	Drill and Complete
Operator:	PERMIAN RESOURCES OPERATING, LLC		
County/State:	EDDY COUNTY, NEW MEXICO		

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
Drilling Intangible		
8015.1000	IDC - PERMITS,LICENSES,ETC	\$15,000.00
8015.1100	IDC - STAKING & SURVEYING	\$15,000.00
8015.1200	IDC - LEGAL, TITLE SERVICES	\$13,000.00
8015.1300	IDC - SURFACE DAMAGE / ROW	\$35,000.00
8015.1310	IDC - PERMANENT EASEMENT	\$12,000.00
8015.1400	IDC - ROAD, LOCATIONS, PITS	\$135,625.00
8015.1500	IDC - RIG MOB / TRUCKING	\$116,875.00
8015.1600	IDC - RIG MOB / STANDBY RATE	\$35,600.00
8015.1700	IDC - DAYWORK CONTRACT	\$472,812.50
8015.1900	IDC - DIRECTNL DRILL & SURVEY	\$205,859.38
8015.2000	IDC - CONDUCTOR HOLE & SERVICE	\$42,500.00
8015.2150	IDC - DRILL BIT	\$98,000.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS	\$52,500.00
8015.2300	IDC - FUEL / POWER	\$100,439.45
8015.2350	IDC - FUEL/MUD	\$66,515.63
8015.2400	IDC - RIG WATER	\$15,625.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING	\$171,910.66
8015.2700	IDC - INSPECTION, TESTING & REPAIR	\$37,000.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	\$143,200.00
8015.3100	IDC - CASING CREW & TOOLS	\$47,500.00
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	\$27,000.00
8015.3400	IDC - MATERIALS & SUPPLIES	\$5,000.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	\$18,750.00
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$49,140.63
8015.3700	IDC - DISPOSAL	\$105,000.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR	\$12,500.00
8015.4100	IDC - RENTAL EQUIPMENT	\$103,125.00
8015.4200	IDC - MANCAMP	\$32,500.00
8015.4300	IDC - WELLSITE SUPERVISION	\$72,500.00
8015.4600	IDC - SAFETY / ENVIRONMENTAL	\$13,750.00
8015.5000	IDC - WELL CONTROL INSURANCE	\$6,875.00
8015.5200	IDC - CONTINGENCY	\$102,514.65
	Sub-total	\$2,380,617.90
Drilling Tangible		
8020.1100	TDC - CASING - SURFACE	\$19,932.50
8020.1200	TDC - CASING - INTERMEDIATE - 1	\$32,385.00
8020.1400	TDC - CASING - PRODUCTION	\$390,886.60
8020.1500	TDC - WELLHEAD EQUIPMENT	\$53,125.00
	Sub-total	\$496,329.10
Flowback Intangible		

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
8040.1100	IFC - ROADS LOCATIONS / PITS	\$5,000.00
8040.1899	IFC - FRAC WATER RECOVERY	\$384,948.00
8040.2000	IFC - TRUCKING/VACUUM/TRANSP	\$20,000.00
8040.2900	IFC - WELL TESTING / FLOWBACK	\$74,000.00
8040.3420	IFC - TANK RENTALS	\$20,000.00
8040.3430	IFC - SURFACE PUMP RENTAL	\$20,000.00
8040.3500	IFC - WELLSITE SUPERVISION	\$10,000.00
8040.4000	IFC - CHEMICALS	\$15,000.00
	Sub-total	\$548,948.00
Artificial Lift Intangible		
8060.1200	IAL - WORKOVER RIG	\$14,000.00
8060.1400	IAL - WIRELINE OPEN/CASED HOLE	\$5,000.00
8060.1900	IAL - INSPECTION & TESTING	\$3,000.00
8060.2000	IAL - TRUCKING/VACUUM/TRANSP	\$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	\$15,000.00
8060.3400	IAL - RENTAL EQUIPMENT	\$5,000.00
8060.3410	IAL - LAYDOWN MACHINE	\$5,000.00
8060.3420	IAL - REVERSE UNIT RENTAL	\$5,000.00
8060.3500	IAL - WELLSITE SUPERVISION	\$5,000.00
	Sub-total	\$72,000.00
Artificial Lift Tangible		
8065.1100	TAL - TUBING	\$65,000.00
8065.1320	TAL - GAS LIFT EQUIPMENT/INSTALL	\$30,000.00
8065.2000	TAL - WELLHEAD EQUIPMENT	\$60,000.00
8065.2300	TAL - GAS LIFT INJECTION LINE & INSTALL	\$60,000.00
8065.2400	TAL - COMPRESSOR INSTALL & STARTUP	\$50,000.00
8065.2500	TAL - VALVES/CONNECTIONS/FTGS	\$15,000.00
8065.3100	TAL - MEASUREMENT EQUIPMENT	\$30,000.00
8065.3200	TAL - COMM, TELEMETRY & AUTOMA	\$10,000.00
	Sub-total	\$320,000.00
Facilities		
8035.1300	FAC - SURFACE DAMAGE	\$556.00
8035.1500	FAC - MATERIALS & SUPPLIES	\$1,111.00
8035.1600	FAC - TRANSPORTATION TRUCKING	\$1,667.00
8035.1700	FAC - RENTAL EQUIPMENT	\$6,667.00
8035.2100	FAC - INSPECTION & TESTING	\$278.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB	\$16,667.00
8035.2400	FAC - SUPERVISION	\$4,444.00
8035.2500	FAC - CONSULTING SERVICES	\$556.00
8035.3000	FAC - HEATER TREATER/SEPARATOR	\$36,111.00
8035.3200	FAC - VALVES FITTINGS & PIPE	\$38,889.00
8035.3400	FAC - METERS	\$81,667.00
8035.3600	FAC - ELECTRICAL	\$16,667.00
8035.3700	FAC - AUTOMATION MATERIAL	\$16,667.00

Cost Estimate

Printed Date: Jan 16, 2025

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
8035.4000	FAC - SAFETY / ENVIRONMENTAL	\$444.00
8035.4400	FAC - COMPANY LABOR	\$556.00
8035.4500	FAC - CONTINGENCY	\$6,667.00
	Sub-total	\$229,614.00
Pipeline		
8036.1310	PLN - PERMANENT EASEMENT	\$24,512.00
8036.2100	PLN - INSPECTION & TESTING	\$1,111.00
8036.2200	PLN - CONTRACT LABOR	\$86,667.00
8036.2400	PLN - SUPERVISION	\$2,222.00
8036.2700	PLN - PIPELINE MATERIAL	\$111,111.00
8036.2800	PLN - FLOWLINE MATERIAL	\$86,667.00
8036.3200	PLN - VALVES FITTINGS & PIPE	\$5,556.00
	Sub-total	\$317,846.00
Completion Intangible		
8025.1100	ICC - ROAD, LOCATIONS, PITS	\$10,500.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE	\$40,000.00
8025.1500	ICC - FUEL / POWER	\$262,110.00
8025.1600	ICC - COILED TUBING	\$292,275.00
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK	\$20,160.00
8025.2000	ICC - TRUCKING	\$14,375.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING	\$399,263.00
8025.2300	ICC - COMPLETION FLUIDS	\$10,000.00
8025.2500	ICC - WELL STIMULATION/FRACTUR	\$2,003,612.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT	\$15,000.00
8025.3000	ICC - WATER HANDLING	\$228,571.00
8025.3050	ICC - SOURCE WATER	\$628,571.00
8025.3100	ICC - WELLHEAD/FRACTURE REPAIR	\$40,000.00
8025.3400	ICC - RENTAL EQUIPMENT	\$188,703.00
8025.3500	ICC - WELLSITE SUPERVISION	\$48,600.00
8025.3600	ICC - SUPERVISION/ENGINEERING	\$5,000.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL	\$15,000.00
8025.3800	ICC - OVERHEAD	\$10,000.00
	Sub-total	\$4,231,740.00
Completion Tangible		
8030.2000	TCC - WELLHEAD EQUIPMENT	\$47,250.00
	Sub-total	\$47,250.00
	Grand Total	\$8,644,345.00

AFE Number:	504200	SHL Description:	W/2 of Section 8, T22S-R27E
AFE Name: Well	CAVEMAN 423H	AFE TYPE:	Drill and Complete
Operator:	PERMIAN RESOURCES OPERATING, LLC		
County/State:	EDDY COUNTY, NEW MEXICO		

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
Drilling Intangible		
8015.1000	IDC - PERMITS,LICENSES,ETC	\$15,000.00
8015.1100	IDC - STAKING & SURVEYING	\$15,000.00
8015.1200	IDC - LEGAL, TITLE SERVICES	\$13,000.00
8015.1300	IDC - SURFACE DAMAGE / ROW	\$35,000.00
8015.1310	IDC - PERMANENT EASEMENT	\$12,000.00
8015.1400	IDC - ROAD, LOCATIONS, PITS	\$135,625.00
8015.1500	IDC - RIG MOB / TRUCKING	\$116,875.00
8015.1600	IDC - RIG MOB / STANDBY RATE	\$35,600.00
8015.1700	IDC - DAYWORK CONTRACT	\$472,812.50
8015.1900	IDC - DIRECTNL DRILL & SURVEY	\$205,859.38
8015.2000	IDC - CONDUCTOR HOLE & SERVICE	\$42,500.00
8015.2150	IDC - DRILL BIT	\$98,000.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS	\$52,500.00
8015.2300	IDC - FUEL / POWER	\$100,439.45
8015.2350	IDC - FUEL/MUD	\$66,515.63
8015.2400	IDC - RIG WATER	\$15,625.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING	\$171,910.66
8015.2700	IDC - INSPECTION, TESTING & REPAIR	\$37,000.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	\$143,200.00
8015.3100	IDC - CASING CREW & TOOLS	\$47,500.00
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	\$27,000.00
8015.3400	IDC - MATERIALS & SUPPLIES	\$5,000.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	\$18,750.00
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$49,140.63
8015.3700	IDC - DISPOSAL	\$105,000.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR	\$12,500.00
8015.4100	IDC - RENTAL EQUIPMENT	\$103,125.00
8015.4200	IDC - MANCAMP	\$32,500.00
8015.4300	IDC - WELLSITE SUPERVISION	\$72,500.00
8015.4600	IDC - SAFETY / ENVIRONMENTAL	\$13,750.00
8015.5000	IDC - WELL CONTROL INSURANCE	\$6,875.00
8015.5200	IDC - CONTINGENCY	\$102,514.65
	Sub-total	\$2,380,617.90
Drilling Tangible		
8020.1100	TDC - CASING - SURFACE	\$19,932.50
8020.1200	TDC - CASING - INTERMEDIATE - 1	\$32,385.00
8020.1400	TDC - CASING - PRODUCTION	\$390,886.60
8020.1500	TDC - WELLHEAD EQUIPMENT	\$53,125.00
	Sub-total	\$496,329.10
Flowback Intangible		

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<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
8040.1100	IFC - ROADS LOCATIONS / PITS	\$5,000.00
8040.1899	IFC - FRAC WATER RECOVERY	\$384,948.00
8040.2000	IFC - TRUCKING/VACUUM/TRANSP	\$20,000.00
8040.2900	IFC - WELL TESTING / FLOWBACK	\$74,000.00
8040.3420	IFC - TANK RENTALS	\$20,000.00
8040.3430	IFC - SURFACE PUMP RENTAL	\$20,000.00
8040.3500	IFC - WELLSITE SUPERVISION	\$10,000.00
8040.4000	IFC - CHEMICALS	\$15,000.00
	Sub-total	\$548,948.00
Artificial Lift Intangible		
8060.1200	IAL - WORKOVER RIG	\$14,000.00
8060.1400	IAL - WIRELINE OPEN/CASED HOLE	\$5,000.00
8060.1900	IAL - INSPECTION & TESTING	\$3,000.00
8060.2000	IAL - TRUCKING/VACUUM/TRANSP	\$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	\$15,000.00
8060.3400	IAL - RENTAL EQUIPMENT	\$5,000.00
8060.3410	IAL - LAYDOWN MACHINE	\$5,000.00
8060.3420	IAL - REVERSE UNIT RENTAL	\$5,000.00
8060.3500	IAL - WELLSITE SUPERVISION	\$5,000.00
	Sub-total	\$72,000.00
Artificial Lift Tangible		
8065.1100	TAL - TUBING	\$65,000.00
8065.1320	TAL - GAS LIFT EQUIPMENT/INSTALL	\$30,000.00
8065.2000	TAL - WELLHEAD EQUIPMENT	\$60,000.00
8065.2300	TAL - GAS LIFT INJECTION LINE & INSTALL	\$60,000.00
8065.2400	TAL - COMPRESSOR INSTALL & STARTUP	\$50,000.00
8065.2500	TAL - VALVES/CONNECTIONS/FTGS	\$15,000.00
8065.3100	TAL - MEASUREMENT EQUIPMENT	\$30,000.00
8065.3200	TAL - COMM, TELEMETRY & AUTOMA	\$10,000.00
	Sub-total	\$320,000.00
Facilities		
8035.1300	FAC - SURFACE DAMAGE	\$556.00
8035.1500	FAC - MATERIALS & SUPPLIES	\$1,111.00
8035.1600	FAC - TRANSPORTATION TRUCKING	\$1,667.00
8035.1700	FAC - RENTAL EQUIPMENT	\$6,667.00
8035.2100	FAC - INSPECTION & TESTING	\$278.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB	\$16,667.00
8035.2400	FAC - SUPERVISION	\$4,444.00
8035.2500	FAC - CONSULTING SERVICES	\$556.00
8035.3000	FAC - HEATER TREATER/SEPARATOR	\$36,111.00
8035.3200	FAC - VALVES FITTINGS & PIPE	\$38,889.00
8035.3400	FAC - METERS	\$81,667.00
8035.3600	FAC - ELECTRICAL	\$16,667.00
8035.3700	FAC - AUTOMATION MATERIAL	\$16,667.00

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
8035.4000	FAC - SAFETY / ENVIRONMENTAL	\$444.00
8035.4400	FAC - COMPANY LABOR	\$556.00
8035.4500	FAC - CONTINGENCY	\$6,667.00
	Sub-total	\$229,614.00
Pipeline		
8036.1310	PLN - PERMANENT EASEMENT	\$24,512.00
8036.2100	PLN - INSPECTION & TESTING	\$1,111.00
8036.2200	PLN - CONTRACT LABOR	\$86,667.00
8036.2400	PLN - SUPERVISION	\$2,222.00
8036.2700	PLN - PIPELINE MATERIAL	\$111,111.00
8036.2800	PLN - FLOWLINE MATERIAL	\$86,667.00
8036.3200	PLN - VALVES FITTINGS & PIPE	\$5,556.00
	Sub-total	\$317,846.00
Completion Intangible		
8025.1100	ICC - ROAD, LOCATIONS, PITS	\$10,500.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE	\$40,000.00
8025.1500	ICC - FUEL / POWER	\$262,110.00
8025.1600	ICC - COILED TUBING	\$292,275.00
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK	\$20,160.00
8025.2000	ICC - TRUCKING	\$14,375.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING	\$399,263.00
8025.2300	ICC - COMPLETION FLUIDS	\$10,000.00
8025.2500	ICC - WELL STIMULATION/FRACTUR	\$2,003,612.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT	\$15,000.00
8025.3000	ICC - WATER HANDLING	\$228,571.00
8025.3050	ICC - SOURCE WATER	\$628,571.00
8025.3100	ICC - WELLHEAD/FRACTURE REPAIR	\$40,000.00
8025.3400	ICC - RENTAL EQUIPMENT	\$188,703.00
8025.3500	ICC - WELLSITE SUPERVISION	\$48,600.00
8025.3600	ICC - SUPERVISION/ENGINEERING	\$5,000.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL	\$15,000.00
8025.3800	ICC - OVERHEAD	\$10,000.00
	Sub-total	\$4,231,740.00
Completion Tangible		
8030.2000	TCC - WELLHEAD EQUIPMENT	\$47,250.00
	Sub-total	\$47,250.00
	Grand Total	\$8,644,345.00

AFE Number:	504201	SHL Description:	W/2 of Section 8, T22S-R27E
AFE Name: Well	CAVEMAN 424H	AFE TYPE:	Drill and Complete
Operator:	PERMIAN RESOURCES OPERATING, LLC		
County, State:	EDDY COUNTY, NEW MEXICO		

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
Drilling Intangible		
8015.1000	IDC - PERMITS,LICENSES,ETC	\$15,000.00
8015.1100	IDC - STAKING & SURVEYING	\$15,000.00
8015.1200	IDC - LEGAL, TITLE SERVICES	\$13,000.00
8015.1300	IDC - SURFACE DAMAGE / ROW	\$35,000.00
8015.1310	IDC - PERMANENT EASEMENT	\$12,000.00
8015.1400	IDC - ROAD, LOCATIONS, PITS	\$135,625.00
8015.1500	IDC - RIG MOB / TRUCKING	\$116,875.00
8015.1600	IDC - RIG MOB / STANDBY RATE	\$35,600.00
8015.1700	IDC - DAYWORK CONTRACT	\$472,812.50
8015.1900	IDC - DIRECTNL DRILL & SURVEY	\$205,859.38
8015.2000	IDC - CONDUCTOR HOLE & SERVICE	\$42,500.00
8015.2150	IDC - DRILL BIT	\$98,000.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS	\$52,500.00
8015.2300	IDC - FUEL / POWER	\$100,439.45
8015.2350	IDC - FUEL/MUD	\$66,515.63
8015.2400	IDC - RIG WATER	\$15,625.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING	\$171,910.66
8015.2700	IDC - INSPECTION, TESTING & REPAIR	\$37,000.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	\$143,200.00
8015.3100	IDC - CASING CREW & TOOLS	\$47,500.00
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	\$27,000.00
8015.3400	IDC - MATERIALS & SUPPLIES	\$5,000.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	\$18,750.00
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$49,140.63
8015.3700	IDC - DISPOSAL	\$105,000.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR	\$12,500.00
8015.4100	IDC - RENTAL EQUIPMENT	\$103,125.00
8015.4200	IDC - MANCAMP	\$32,500.00
8015.4300	IDC - WELLSITE SUPERVISION	\$72,500.00
8015.4600	IDC - SAFETY / ENVIRONMENTAL	\$13,750.00
8015.5000	IDC - WELL CONTROL INSURANCE	\$6,875.00
8015.5200	IDC - CONTINGENCY	\$102,514.65
	Sub-total	\$2,380,617.90
Drilling Tangible		
8020.1100	TDC - CASING - SURFACE	\$19,932.50
8020.1200	TDC - CASING - INTERMEDIATE - 1	\$32,385.00
8020.1400	TDC - CASING - PRODUCTION	\$390,886.60
8020.1500	TDC - WELLHEAD EQUIPMENT	\$53,125.00
	Sub-total	\$496,329.10
Flowback Intangible		

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
8040.1100	IFC - ROADS LOCATIONS / PITS	\$5,000.00
8040.1899	IFC - FRAC WATER RECOVERY	\$384,948.00
8040.2000	IFC - TRUCKING/VACUUM/TRANSP	\$20,000.00
8040.2900	IFC - WELL TESTING / FLOWBACK	\$74,000.00
8040.3420	IFC - TANK RENTALS	\$20,000.00
8040.3430	IFC - SURFACE PUMP RENTAL	\$20,000.00
8040.3500	IFC - WELLSITE SUPERVISION	\$10,000.00
8040.4000	IFC - CHEMICALS	\$15,000.00
	Sub-total	\$548,948.00
Artificial Lift Intangible		
8060.1200	IAL - WORKOVER RIG	\$14,000.00
8060.1400	IAL - WIRELINE OPEN/CASED HOLE	\$5,000.00
8060.1900	IAL - INSPECTION & TESTING	\$3,000.00
8060.2000	IAL - TRUCKING/VACUUM/TRANSP	\$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	\$15,000.00
8060.3400	IAL - RENTAL EQUIPMENT	\$5,000.00
8060.3410	IAL - LAYDOWN MACHINE	\$5,000.00
8060.3420	IAL - REVERSE UNIT RENTAL	\$5,000.00
8060.3500	IAL - WELLSITE SUPERVISION	\$5,000.00
	Sub-total	\$72,000.00
Artificial Lift Tangible		
8065.1100	TAL - TUBING	\$65,000.00
8065.1320	TAL - GAS LIFT EQUIPMENT/INSTALL	\$30,000.00
8065.2000	TAL - WELLHEAD EQUIPMENT	\$60,000.00
8065.2300	TAL - GAS LIFT INJECTION LINE & INSTALL	\$60,000.00
8065.2400	TAL - COMPRESSOR INSTALL & STARTUP	\$50,000.00
8065.2500	TAL - VALVES/CONNECTIONS/FTGS	\$15,000.00
8065.3100	TAL - MEASUREMENT EQUIPMENT	\$30,000.00
8065.3200	TAL - COMM, TELEMETRY & AUTOMA	\$10,000.00
	Sub-total	\$320,000.00
Facilities		
8035.1300	FAC - SURFACE DAMAGE	\$556.00
8035.1500	FAC - MATERIALS & SUPPLIES	\$1,111.00
8035.1600	FAC - TRANSPORTATION TRUCKING	\$1,667.00
8035.1700	FAC - RENTAL EQUIPMENT	\$6,667.00
8035.2100	FAC - INSPECTION & TESTING	\$278.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB	\$16,667.00
8035.2400	FAC - SUPERVISION	\$4,444.00
8035.2500	FAC - CONSULTING SERVICES	\$556.00
8035.3000	FAC - HEATER TREATER/SEPARATOR	\$36,111.00
8035.3200	FAC - VALVES FITTINGS & PIPE	\$38,889.00
8035.3400	FAC - METERS	\$81,667.00
8035.3600	FAC - ELECTRICAL	\$16,667.00
8035.3700	FAC - AUTOMATION MATERIAL	\$16,667.00

Cost Estimate

Printed Date: Jan 16, 2025

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
8035.4000	FAC - SAFETY / ENVIRONMENTAL	\$444.00
8035.4400	FAC - COMPANY LABOR	\$556.00
8035.4500	FAC - CONTINGENCY	\$6,667.00
	Sub-total	\$229,614.00
Pipeline		
8036.1310	PLN - PERMANENT EASEMENT	\$24,512.00
8036.2100	PLN - INSPECTION & TESTING	\$1,111.00
8036.2200	PLN - CONTRACT LABOR	\$86,667.00
8036.2400	PLN - SUPERVISION	\$2,222.00
8036.2700	PLN - PIPELINE MATERIAL	\$111,111.00
8036.2800	PLN - FLOWLINE MATERIAL	\$86,667.00
8036.3200	PLN - VALVES FITTINGS & PIPE	\$5,556.00
	Sub-total	\$317,846.00
Completion Intangible		
8025.1100	ICC - ROAD, LOCATIONS, PITS	\$10,500.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE	\$40,000.00
8025.1500	ICC - FUEL / POWER	\$262,110.00
8025.1600	ICC - COILED TUBING	\$292,275.00
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK	\$20,160.00
8025.2000	ICC - TRUCKING	\$14,375.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING	\$399,263.00
8025.2300	ICC - COMPLETION FLUIDS	\$10,000.00
8025.2500	ICC - WELL STIMULATION/FRACTUR	\$2,003,612.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT	\$15,000.00
8025.3000	ICC - WATER HANDLING	\$228,571.00
8025.3050	ICC - SOURCE WATER	\$628,571.00
8025.3100	ICC - WELLHEAD/FRACTURE REPAIR	\$40,000.00
8025.3400	ICC - RENTAL EQUIPMENT	\$188,703.00
8025.3500	ICC - WELLSITE SUPERVISION	\$48,600.00
8025.3600	ICC - SUPERVISION/ENGINEERING	\$5,000.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL	\$15,000.00
8025.3800	ICC - OVERHEAD	\$10,000.00
	Sub-total	\$4,231,740.00
Completion Tangible		
8030.2000	TCC - WELLHEAD EQUIPMENT	\$47,250.00
	Sub-total	\$47,250.00
	Grand Total	\$8,644,345.00

PERMIAN RESOURCES

Caveman Wolfcamp Unit - Chronology of Communication

- 9/10/2017 – Present: Ongoing email and telephone correspondence with uncommitted WIO and offers made to UMI owners.
- 2/19/2025 – Notice of Application sent to additional mineral owners.
- 2/19/2025 – Emailed Derek Larson to confirm that the “Taylor Family” still wanted to lease their minerals to Permian Resources Operating, LLC. Provided a breakdown of interest owned by Carolyn A. Taylor-Schrock, Katherine J. Smith, Harvey R. Taylor, Marilyn S. Taylor and Bill G. Taylor to Derek Larson.
- 2/21/2025 – Marilyn Taylor emailed asking for an exact legal description for the properties they own in the Caveman Wolfcamp Unit and said should would be speaking with her attorney on the matter.
- 2/21/2025 – Emailed Marilyn Taylor back with a revised interest for the Taylor Family properties and an accurate property description.
- 2/26/2025 – Followed up with the Taylor Family on the lease for acreage that had previously been pooled into the Caveman Wolfcamp Unit.
- 2/26/2025 – Harvey Taylor asked if we could use the same lease form we have previously used on other acreage and just update the legal description.
- 2/27/2025 – Derek Larson emailed myself and Harvey Taylor letting Harvey know that he had spoken with me regarding the lease form and terms.
- 2/27/2025 – I responded to Derek Larson confirming that Permian Resources Operating, LLC still wanted to lease the Taylor acreage subject to a mutually agreeable lease form.
- 3/3/2025 – Received election to participate from Alpha Energy Partners II, LLC.
- 3/3/2025 – Received election to participate from Chief Capital (O&G) II, LLC.
- 3/3/2025 – Received election to participate from Duke Minerals Non-Op, LLC.
- 3/3/2025 – Received election to not participate from Lynn Barker.
- 3/4/2025 – Received election to not participate from McKean Properties Trust.
- 3/4/2025 – Received election to participate from Tailfeather Energy, LLC.
- 3/5/2025 – Received signed JOA from Cibolo Resources, LLC.
- 3/6/2025 – I emailed Derek Larson confirming lease terms in which Permian Resource Operating, LLC was agreeable to.
- 3/14/2025 – Derek Larson emailed asking what changes I had in mind regarding the pugh clause in the current lease form.
- 3/14/2025 – Confirmed lease edits to the pugh clause in the Taylor Family lease form.

3/14/2025 – Agreed on lease terms with Anne Marie Hagerman Wall and sent her a lease for execution. Received executed lease.

3/25/2025 – Sent Proposals to Kevin Conlin, Rosemary O’Neill and Kevin R. Decker.

3/25/2025 – Attempted to contact Kevin Conlin by calling two phone numbers. One phone number was disconnected. The other phone number did not have voicemail set up. Tried calling this number again in the early evening with no answer.

3/25/2025 – Attempted to contact Rosemary O’Neill and left a detailed message at 1:30 pm CST. Called again at 6:30 pm CST and left another message.

3/25/2025 – Attempted to contact Kevin R. Decker by calling two phone numbers. One phone number was disconnected. The other number was called with no answer and voicemail was full so a text message was sent. Called this number again at 6:35 pm CST and left a voicemail.

3/28/2025 – Received election to participate from Pontem Energy Partners I, LP.

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

**APPLICATION OF PERMIAN RESOURCES
OPERATING, LLC TO AMEND ORDER R-21096,
AS AMENDED, TO ADD ADDITIONAL POOLED
PARTIES, EDDY COUNTY, NEW MEXICO.**

**CASE NO. 25233
ORDER NO. R-21096, As Amended**

**SELF-AFFIRMED STATEMENT OF
PAULA M. VANCE**

1. I am attorney in fact and authorized representative of Permian Resources Operating, LLC (“Permian”), the Applicant herein. I have personal knowledge of the matter addressed herein and am competent to provide this self-affirmed statement.

2. The above-referenced application and notice of the hearing on this application was sent by certified mail to the locatable affected parties on the date set forth in the letter attached hereto.

3. The spreadsheet attached hereto contains the names of the parties to whom notice was provided.

4. The spreadsheet attached hereto contains the information provided by the United States Postal Service on the status of the delivery of this notice as of March 28, 2025.

5. I caused a notice to be published to all parties subject to this compulsory pooling proceeding. An affidavit of publication from the publication’s legal clerk with a copy of the notice of publication is attached herein.

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

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D**

Submitted by: Permian Resources Operating, LLC

Hearing Date: April 15, 2025

Case No. 25233



Paula M. Vance

4/3/25

Date



Paula M. Vance
Associate
Phone (505) 988-4421
Email pmvance@hollandhart.com

February 21, 2025

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Permian Resources Operating, LLC to Amend Order R-21096, As Amended, to Add Additional Pooled Parties, Eddy County, New Mexico: Caveman #221H-#224H & #421H, #423H & #424H wells

Ladies & Gentlemen:

This letter is to advise you that Permian Resources Operating, LLC has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on March 13, 2025, and the status of the hearing can be monitored through the Division’s website at <https://www.emnrd.nm.gov/ocd/>.

It is anticipated that hearings will be held in a hybrid format with both in-person and virtual participation options. The meeting will be held in the Pecos Hall Hearing Room at the Wendall Chino Building, 1st Floor, 1220 South St. Francis Dr., Santa Fe, New Mexico. To participate virtually in the hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>.

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. Parties appearing in cases are required to file a Pre-hearing Statement four business days in advance of a scheduled hearing that complies with the provisions of NMAC 19.15.4.13.B.

If you have any questions about this matter, please contact David Williams at (337) 232-1122 or davidw@segland.com.

Sincerely,

Paula M. Vance
**ATTORNEY FOR PERMIAN RESOURCES
OPERATING, LLC**

T 505.988.4421 F 505.983.6043
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208
www.hollandhart.com

Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming

Postal Delivery Report

Jonathan Samaniego	P.O. Box 114	Hagerman	NM	88232	9589071052700581162217	At Post Office in Hagerman, NM
Kevin Conlin	25210 Jake Street	Veneta	OR	97487	9589071052700581162224	Delivery Attempt: Notice Left
Rosemary O'Neill	2516 Camelia Court SW	Albuquerque	NM	87105	9589071052700581162231	Delivered
Kevin R. Decker	P.O. Box 212	Grover	WY	83122	9589071052700581162248	Delivered

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
February 23, 2025
and ending with the issue dated
February 23, 2025.


Publisher

Sworn and subscribed to before me this
23rd day of February 2025.


Business Manager

My commission expires
January 29, 2027

(Seal) STATE OF NEW MEXICO
NOTARY PUBLIC
GUSSIE RUTH BLACK
COMMISSION # 1087526
COMMISSION EXPIRES 01/29/2027

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said publication has been made.

LEGAL NOTICE
February 23, 2025

Case No. 25233: Application of Permian Resources Operating, LLC to Amend Order R-21096, As Amended, to Add Additional Pooled Parties, Eddy County, New Mexico. Notice to all affected interest owners, including all heirs, devisees and successors of: Jonathan Samaniego; Kevin Conlin; Rosemary O'Neill; Kevin R. Decker. The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearing 8:30 a.m. on March 13, 2025, to consider this application. The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate in the hearings electronically, see the instructions posted on the docket for the hearing date: <https://www.emnrd.nm.gov/ocd/hearing-info/> or contact Freya Tschantz, at Freya.Tschantz@emnrd.nm.gov. Applicant in the above-styled cause seeks an order to add additional mineral owners under compulsory pooling Order No. R-21096, as amended. Order No. R-21069, as amended, pooled the uncommitted interest owners in the Wolfcamp formation (Purple Sage Wolfcamp (Gas) [98220]) underlying a standard 1,267.1-acre, more or less, horizontal well spacing unit comprised of all of Section 12, Township 22 South, Range 26 East, and all of irregular Section 7, Township 22 South, Range 27 East, NMPM, Eddy County, NMPM, New Mexico. Permian is the designated operator under the Pooling Order, as amended, and the pooled spacing unit is initially dedicated to the **Caveman 221H** (API: 30-015-PENDING), to be drilled from a surface hole location in the SW/4 NW/4 (Unit E) of Section 8, T22S-R27E, and bottomhole location in the NW/4 NW/4 (Unit D), T22S-R26E; **Caveman 222H** (API: 30-015-53285), to be drilled from a surface hole location in the NW/4 SW/4 (Unit L) of Section 8, T22S-R27E, and bottomhole location in the SW/4 NW/4 (Unit E), T22S-R26E; **Caveman 223H** (API: 30-015-53280) and **Caveman 423H** (API: 30-015-PENDING), to be drilled from a surface hole location in the NW/4 SW/4 (Unit L) of Section 8, T22S-R27E, and bottomhole location in the NW/4 SW/4 (Unit L), T22S-R26E; **Caveman 224H** (API: 30-015-PENDING) and **Caveman 424H** (API: 30-015-PENDING), to be drilled from a surface hole location in the NW/4 SW/4 (Unit L) of Section 8, T22S-R27E, and bottomhole location in the SW/4 SW/4 (Unit M), T22S-R26E; and **Caveman 421H** (API: 30-015-PENDING), to be drilled from a surface hole location in the SW/4 NW/4 (Unit E) of Section 8, T22S-R27E, and bottomhole location in the SW/4 NW/4 (Unit E), T22S-R26E. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Applicant as operator of the well, and a 200% charge for risk involved in drilling said wells. Portions of said area are located within the city limits of Carlsbad, New Mexico.
#00298564

67100754

00298564

HOLLAND & HART LLC
110 N GUADALUPE ST., STE. 1
SANTA FE, NM 87501

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. E
Submitted by: Permian Resources Operating, LLC
Hearing Date: April 15, 2025
Case No. 25233