

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

**APPLICATION OF PERMIAN RESOURCES
OPERATING, LLC FOR COMPULSORY
POOLING AND APPROVAL OF
OVERLAPPING SPACING UNIT,
LEA COUNTY, NEW MEXICO.**

CASE NO. 25511

EXHIBIT INDEX

Compulsory Pooling Checklist

Exhibit A	Self-Affirmed Statement of Reagan Armstrong
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A-2	C-102 for the Well
A-3	Plat of Tracts, Tract Ownership, Applicable Lease Numbers, Unit Recapitulation, Pooled Parties
A-4	Sample Well Proposal Letter & AFE
A-5	Chronology of Contact
Exhibit B	Self-Affirmed Statement of Chris Reudelhuber
B-1	Regional Locator Map
B-2	Cross-Section Location Map
B-3	Subsea Structure Map – Second Bone Spring
B-4	Subsea Structure Map – Third Bone Spring
B-5	Stratigraphic Cross Section
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Exhibit C	Self-Affirmed Statement of Jaclyn M. McLean
C-1	Notice Letter to All Interested Parties Sent July 16, 2025
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C-4	Affidavit of Publication for July 22, 2025

COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 25511	APPLICANT'S RESPONSE
Date: September 11, 2025	
Applicant	Permian Resources Operating, LLC
Designated Operator & OGRID (affiliation if applicable)	Permian Resources Operating, LLC (OGRID No. 372165)
Applicant's Counsel:	Hardy McLean LLC
Case Title:	Application of Permian Resources Operating, LLC for Compulsory Pooling and Approval of Overlapping Spacing Unit, Lea County, New Mexico.
Entries of Appearance/Intervenors:	Marathon Oil Permian, LLC
Well Family	Outland
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	8,076' to 9,568' TVD and 10,605' to 11,340' TVD within the Bone Spring Formation
Pool Name and Pool Code:	Gramma Ridge; Bone Spring, North Pool (Code 28434)
Well Location Setback Rules:	Statewide
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	795.38 acres
Building Blocks:	quarter-quarter
Orientation:	North to South
Description: TRS/County	E/2 equivalent of irregular Section 2 and the E/2 of Section 11, Township 21 South, Range 34 East, Lea County.
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and is approval of non-standard unit requested in this application?</u>	Yes.
Other Situations	
Depth Severance: Y/N. If yes, description	Yes. Multiple depth severances exist within the Bone Spring Formation. Applicant seeks to pool uncommitted interests within the depth severance from 8,076' to 9,568' TVD. Applicant also seeks to pool the uncommitted interests within the depth severance from 10,605' to 11,340' TVD. These depths are shown on the type log for the Butkus 2 State #001 well (API No. 30-025-35325).
Proximity Tracts: If yes, description	Yes. The completed interval of the Outland State Unit 11-2 134H well will be located within 330' of the quarter-quarter section line separating the E/2 E/2 and W/2 E/2 of Sections 2 and 11 to allow for the creation of a 795.38-acre standard horizontal spacing unit.
Proximity Defining Well: if yes, description	Outland State Unit 11-2 134H
Applicant's Ownership in Each Tract	Exhibit A-3
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Outland State Unit 11-2 133H SHL: 363' FNL & 1,136' FEL (Lot 1), Section 2, T21S-R34E BHL: 100' FSL & 2,310' FEL (Unit O), Section 11, T21S-R34E Completion Target: Third Bone Spring (Approx. 11,350' TVD)
Well #2	Outland State Unit 11-2 134H SHL: 364' FNL & 1,103' FEL (Lot 1), Section 2, T21S-R34E BHL: 100' FSL & 991' FEL (Unit P), Section 11, T21S-R34E Completion Target: Third Bone Spring (Approx. 11,350' TVD)
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$10,000
Production Supervision/Month \$	\$1,000
Justification for Supervision Costs	Exhibit A-4
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibits C-1, C-2, C-3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-4

Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-3
Tract List (including lease numbers and owners)	Exhibit A-3
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	Exhibit A-3
Joinder	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	Exhibit A-4
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4
Cost Estimate for Production Facilities	Exhibit A-4
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-6
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-2
Depth Severance Discussion	Exhibits B, B-5
Forms, Figures and Tables	
C-102	Exhibit A-2
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibit B-2
Structure Contour Map - Subsea Depth	Exhibits B-3, B-4
Cross Section Location Map (including wells)	Exhibit B-2
Cross Section (including Landing Zone)	Exhibit B-5
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Dana S. Hardy
Signed Name (Attorney or Party Representative):	/s/ Dana S. Hardy
Date:	9/2/2025

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

**APPLICATION OF PERMIAN RESOURCES
OPERATING, LLC FOR COMPULSORY
POOLING AND APPROVAL OF
OVERLAPPING SPACING UNIT,
LEA COUNTY, NEW MEXICO.**

CASE NO. 25511

**SELF-AFFIRMED STATEMENT
OF REAGAN ARMSTRONG**

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

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

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

4. Permian Resources seeks to pool all uncommitted interests from approximately 8,076’ to 9,568’ TVD and from 10,605’ to 11,340’ TVD, within the Bone Spring formation underlying a 795.38-acre, more or less, standard horizontal spacing unit comprised of the E/2 equivalent of irregular Section 2 and the E/2 of Section 11, Township 21 South, Range 34 East, Lea County, New Mexico (“Unit”).

5. The Unit will be dedicated to the following wells (“Wells”):

**Permian Resources Operating, LLC,
Case No. 25511
Exhibit A**

- a. **Outland State Unit 11-2 133H**, which will be drilled from a surface hole location in the NE/4 NE/4 (Lot 1) of Section 2 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 11; and
 - b. **Outland State Unit 11-2 134H**, which will be drilled from a surface hole location in the NW/4 NE/4 (Lot 1) of Section 2 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 11.
6. The completed intervals of the Wells will be orthodox.
7. The completed interval of the Outland State Unit 11-2 134H well will be located within 330' of the quarter-quarter section line separating the E/2 E/2 and W/2 E/2 of Sections 2 and 11 to allow for the creation of a 795.38-acre standard horizontal spacing unit.
8. Multiple depth severances exist in the Bone Spring formation with the Unit. There are depth severances at approximately 8,076' and 9,568' TVD, and Permian Resources seeks to pool all uncommitted interests in that interval. There are also depth severances at approximately 10,605' to 11,340', TVD and Permian Resources seeks to pool all uncommitted interests in that interval. These depth severances are shown on the type log for the Butkus 2 State #001 well (API No. 30-025-35325).
9. The spacing unit for the Wells partially overlaps with the spacing units for the following wells, which produce from the Grama Ridge; Bone Spring, North pool (Code 28434):
 - a. Outland State Unit 11 2 1BS #001 (API No. 30-025-45222), which is located in the W/2 SE/4 of Section 2 and the W/2 E/2 of Section 11; and
 - b. Outland State Unit 11 2 2BS #002 (API No. 30-025-45914), which is located in the E/2 SE/4 of Section 2 and the E/2 E/2 of Section 11.
10. **Exhibit A-2** contains the C-102s for the Wells.

11. **Exhibit A-3** contains a plat identifying ownership by tract in the Unit. This exhibit also includes any applicable lease numbers, a unit recapitulation, and the interests Permian Resources seeks to pool highlighted in yellow. Exhibit A-3 also contains a plat of the overlapping spacing unit.

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

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

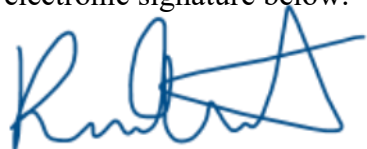
14. In my opinion, Permian Resources made a good-faith effort to reach voluntary joinder of uncommitted interests in the Wells as indicated by the chronology of contact described in **Exhibit A-5**.

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

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

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

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



REAGAN ARMSTRONG

7/22/2025

Date

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

**APPLICATION OF PERMIAN RESOURCES
OPERATING, LLC FOR COMPULSORY
POOLING AND APPROVAL OF
OVERLAPPING SPACING UNIT,
LEA COUNTY, NEW MEXICO.**

CASE NO. 25511

APPLICATION

Pursuant to NMSA 1978, Section 70-2-17, Permian Resources Operating, LLC (OGRID No. 372165) ("Permian Resources" or "Applicant") applies for an order pooling all uncommitted interests from approximately 8,076' to 9,568' TVD and 10,605' to 11,340' TVD, within the Bone Spring formation, underlying a 795.38-acre, more or less, standard horizontal spacing unit, comprised of the E/2 equivalent of irregular Section 2 and the E/2 of Section 11, Township 21 South, Range 34 East, Lea County, New Mexico ("Unit"). In support of this application, Permian Resources states the following.

1. Applicant is a working interest owner in the Unit and has the right to drill wells thereon.
2. The Unit will be dedicated to the following wells ("Wells"):
 - a. **Outland State Unit 11-2 133H**, which will be drilled from a surface hole location in the NW/4 NE/4 (Unit B) of Section 2 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 11; and
 - b. **Outland State Unit 11-2 134H**, which will be drilled from a surface hole location in the NW/4 NE/4 (Unit B) of Section 2 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 11.
3. The completed interval of the Wells will be orthodox.

**Permian Resources Operating, LLC
Case No. 25511
Exhibit A-1**

4. The completed interval of the Outland State Unit 11-2 134H well will be located within 330' of the quarter-quarter section line separating the E/2 E/2 and W/2 E/2 of Sections 2 and 11 to allow for the creation of a 795.38-acre standard horizontal spacing unit.

5. A depth severance exists within the Unit. Therefore, Permian Resources seeks to pool only those uncommitted interests from 8,076' to 9,568' TVD and 10,605' to 11,340' TVD, as found on the Butkus 2 State #001 (API No. 30-025-35325).

6. The spacing unit for the Wells partially overlaps with the spacing units for the following wells, which produce from the Grama Ridge; Bone Spring, North Pool (Code 28434):

- a. Outland State Unit 11 2 1BS #001H (API No. 30-025-45222), which is located in the W/2 SE/4 of Section 2 and the W/2 E/2 of Section 11; and
- b. Outland State Unit 11 2 2BS #002H (API No. 30-025-45914), which is located in the E/2 SE/4 of Section 2 and the E/2 E/2 of Section 11.

7. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Wells but has been unable to obtain voluntary agreements from all interest owners.

8. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

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

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on August 7, 2025, and, after notice and hearing as required by law, the Division enter an order:

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

Respectfully submitted,

HARDY McLEAN LLC

/s/ Dana S. Hardy

Dana S. Hardy

Jaclyn M. McLean

125 Lincoln Ave, Ste. 223

Santa Fe, NM 87501

Phone: (505) 230-4410

dhardy@hardymclean.com

jmclean@hardymclean.com

Counsel for Permian Resources Operating, LLC

Application of Permian Resources Operating, LLC for Compulsory Pooling and Approval of Overlapping Spacing Unit, Lea County, New Mexico. Applicant seeks an order pooling all uncommitted interests from approximately 8,076' to 9,568' TVD and 10,605' to 11,340' TVD, within the Bone Spring formation, underlying a 795.38-acre, more or less, standard horizontal spacing unit, comprised of the E/2 equivalent of irregular Section 2 and the E/2 of Section 11, Township 21 South, Range 34 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the following wells ("Wells"): **Outland State Unit 11-2 133H**, which will be drilled from a surface hole location in the NW/4 NE/4 (Unit B) of Section 2 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 11; and **Outland State Unit 11-2 134H**, which will be drilled from a surface hole location in the NW/4 NE/4 (Unit B) of Section 2 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 11. The completed interval of the Wells will be orthodox. The completed interval of the Outland State Unit 11-2 134H well will be located within 330' of the quarter-quarter section line separating the E/2 E/2 and W/2 E/2 of Sections 2 and 11 to allow for the creation of a 795.38-acre standard horizontal spacing unit. A depth severance exists within the Unit. Therefore, Permian Resources seeks to pool only those uncommitted interests from 8,076' to 9,568' TVD and 10,605' to 11,340' TVD, as found on the Butkus 2 State #001 (API No. 30-025-35325). The spacing unit for the Wells partially overlaps with the spacing units for the following wells, which produce from the Grama Ridge; Bone Spring, North Pool (Code 28434): Outland State Unit 11 2 1BS #001H (API No. 30-025-45222), which is located in the W/2 SE/4 of Section 2 and the W/2 E/2 of Section 11; and Outland State Unit 11 2 2BS #002H (API No. 30-025-45914), which is located in the E/2 SE/4 of Section 2 and the E/2 E/2 of Section 11. Also to be considered will be the cost of drilling and completing the Wells and the allocation of the cost, the designation of Applicant as operator of the Wells, and a 200% charge for the risk involved in drilling and

completing the Wells. The Wells are located approximately 16.4 miles northwest of Eunice, New Mexico.

Permian Resources Operating, LLC

C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	Case No. 25511 Revised July 9, 2024 Exhibit A-2	
		Submittal Type:	<input checked="" type="checkbox"/> Initial Submittal
			<input type="checkbox"/> Amended Report
		<input type="checkbox"/> As Drilled	

WELL LOCATION INFORMATION

API Number	Pool Code 28434	Pool Name GRAMMA RIDGE; BONE SPRING, NORTH
Property Code	Property Name OUTLAND STATE UNIT 11-2	Well Number 133H
OGRID No. 372165	Operator Name PERMIAN RESOURCES OPERATING, LLC	Ground Level Elevation 3,696'
Surface Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal		Mineral Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal

Surface Location

UL	Section 2	Township 21S	Range 34E	Lot LOT 1	Ft. from N/S 363' FNL	Ft. from E/W 1,136' FEL	Latitude 32.521357°	Longitude -103.435761°	County LEA
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Bottom Hole Location

UL O	Section 11	Township 21S	Range 34E	Lot	Ft. from N/S 100' FSL	Ft. from E/W 2,310' FEL	Latitude 32.486549°	Longitude -103.439572°	County LEA
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Dedicated Acres 795.38	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit (Y/N)	Consolidation Code
Order Numbers.			Well setbacks are under Common Ownership: <input type="checkbox"/> Yes <input type="checkbox"/> No	

Kick Off Point (KOP)

UL	Section 2	Township 21S	Range 34E	Lot LOT 1	Ft. from N/S 363' FNL	Ft. from E/W 1,136' FEL	Latitude 32.521357°	Longitude -103.435761°	County LEA
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First Take Point (FTP)

UL	Section 2	Township 21S	Range 34E	Lot LOT 2	Ft. from N/S 100' FNL	Ft. from E/W 2,310' FEL	Latitude 32.522078°	Longitude -103.439571°	County LEA
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Last Take Point (LTP)

UL O	Section 11	Township 21S	Range 34E	Lot	Ft. from N/S 100' FSL	Ft. from E/W 2,310' FEL	Latitude 32.486549°	Longitude -103.439572°	County LEA
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Unitized Area or Area of Uniform Interest	Spacing Unit Type <input type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation:
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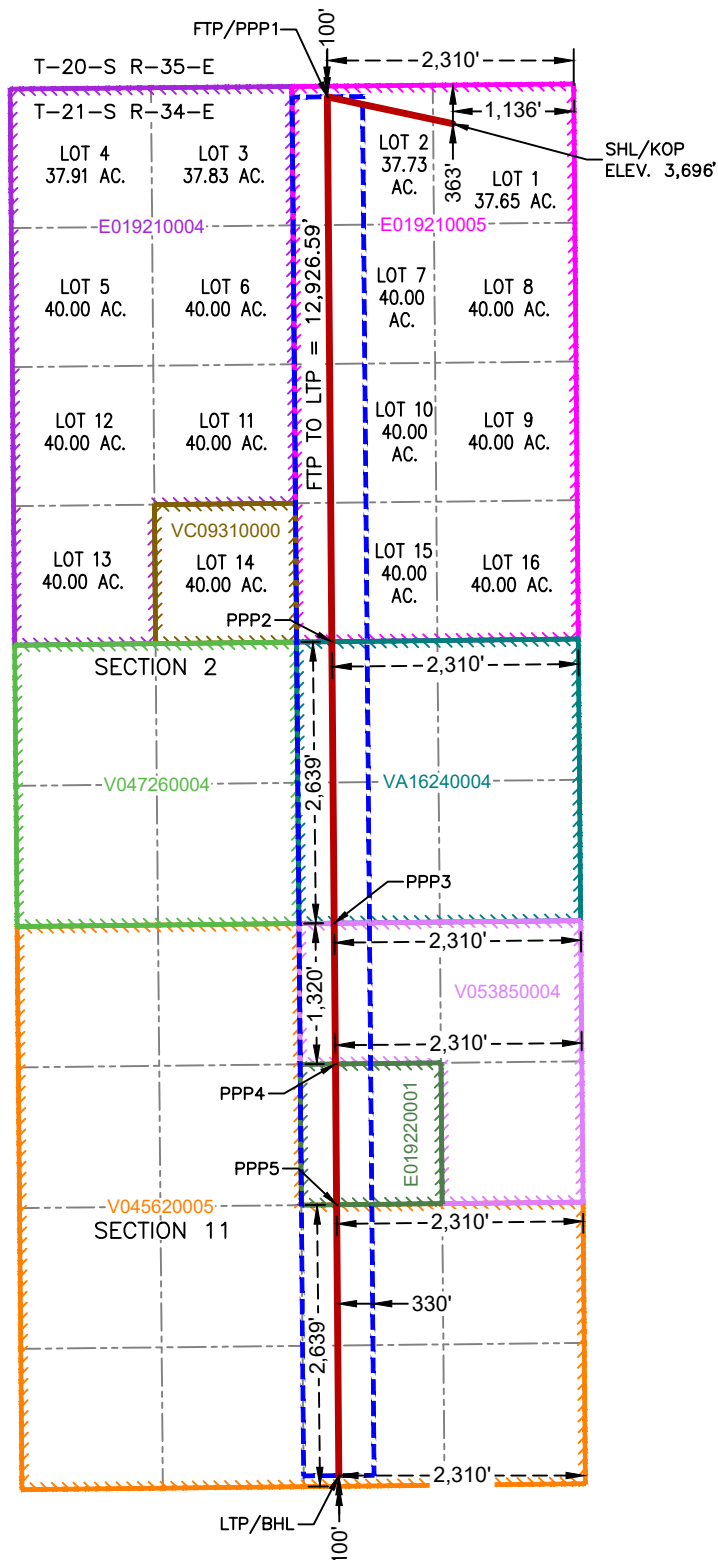
OPERATOR CERTIFICATIONS I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.		SURVEYOR CERTIFICATIONS I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. PRELIMINARY THIS DOCUMENT SHALL NOT BE RECORDED FOR ANY PURPOSE AND SHALL NOT BE USED OR VIEWED OR RELIED UPON AS A FINAL SURVEY DOCUMENT. MARK J. MURRAY P.L.S. NO. 12177	
Signature _____ Date _____		Signature and Seal of Professional Surveyor _____	
Printed Name _____		Certificate Number 12177	Date of Survey 7/11/2025
Email Address _____			

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

ACREAGE DEDICATION PLATS

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.

OUTLAND STATE UNIT 11-2 133H

**SURFACE HOLE LOCATION
& KICK-OFF POINT**
363' FNL & 1,136' FEL
ELEV. = 3,696'

NAD 83 X = 817,993.04'
NAD 83 Y = 554,565.40'
NAD 83 LAT = 32.521357°
NAD 83 LONG = -103.435761°
NAD 27 X = 776,810.80'
NAD 27 Y = 554,503.37'
NAD 27 LAT = 32.521233°
NAD 27 LONG = -103.435278°

**FIRST TAKE POINT &
PENETRATION POINT 1**
100' FNL & 2,310' FEL

NAD 83 X = 816,816.41'
NAD 83 Y = 554,817.99'
NAD 83 LAT = 32.522078°
NAD 83 LONG = -103.439571°
NAD 27 X = 775,634.21'
NAD 27 Y = 554,755.94'
NAD 27 LAT = 32.521954°
NAD 27 LONG = -103.439088°

PENETRATION POINT 2
2,639' FSL & 2,310' FEL

NAD 83 X = 816,859.06'
NAD 83 Y = 549,710.02'
NAD 83 LAT = 32.508038°
NAD 83 LONG = -103.439572°
NAD 27 X = 775,676.69'
NAD 27 Y = 549,648.10'
NAD 27 LAT = 32.507914°
NAD 27 LONG = -103.439089°

PENETRATION POINT 3
0' FSL & 2,310' FEL

NAD 83 X = 816,881.29'
NAD 83 Y = 547,071.12'
NAD 83 LAT = 32.500785°
NAD 83 LONG = -103.439572°
NAD 27 X = 775,698.83'
NAD 27 Y = 547,009.28'
NAD 27 LAT = 32.500661°
NAD 27 LONG = -103.439089°

PENETRATION POINT 4
1,320' FNL & 2,310' FEL

NAD 83 X = 816,892.37'
NAD 83 Y = 545,751.16'
NAD 83 LAT = 32.497157°
NAD 83 LONG = -103.439572°
NAD 27 X = 775,709.87'
NAD 27 Y = 545,689.35'
NAD 27 LAT = 32.497033°
NAD 27 LONG = -103.439089°

PENETRATION POINT 5
2,639' FSL & 2,310' FEL

NAD 83 X = 816,903.44'
NAD 83 Y = 544,431.19'
NAD 83 LAT = 32.493529°
NAD 83 LONG = -103.439572°
NAD 27 X = 775,720.93'
NAD 27 Y = 544,369.42'
NAD 27 LAT = 32.493405°
NAD 27 LONG = -103.439089°

**LAST TAKE POINT &
BOTTOM HOLE LOCATION**
100' FSL & 2,310' FEL

NAD 83 X = 816,924.46'
NAD 83 Y = 541,891.85'
NAD 83 LAT = 32.486549°
NAD 83 LONG = -103.439572°
NAD 27 X = 775,741.89'
NAD 27 Y = 541,830.16'
NAD 27 LAT = 32.486425°
NAD 27 LONG = -103.439091°

C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	Revised July 9, 2024	
		Submittal Type:	<input checked="" type="checkbox"/> Initial Submittal
			<input type="checkbox"/> Amended Report
			<input type="checkbox"/> As Drilled

WELL LOCATION INFORMATION

API Number	Pool Code 28434	Pool Name GRAMMA RIDGE; BONE SPRING, NORTH
Property Code	Property Name OUTLAND STATE UNIT 11-2	Well Number 134H
OGRID No. 372165	Operator Name PERMIAN RESOURCES OPERATING, LLC	Ground Level Elevation 3,696'
Surface Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal		Mineral Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal

Surface Location

UL	Section 2	Township 21S	Range 34E	Lot LOT 1	Ft. from N/S 364' FNL	Ft. from E/W 1,103' FEL	Latitude 32.521356°	Longitude -103.435654°	County LEA
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Bottom Hole Location

UL P	Section 11	Township 21S	Range 34E	Lot	Ft. from N/S 100' FSL	Ft. from E/W 991' FEL	Latitude 32.486556°	Longitude -103.435295°	County LEA
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Dedicated Acres 795.38	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit (Y/N)	Consolidation Code
Order Numbers.			Well setbacks are under Common Ownership: <input type="checkbox"/> Yes <input type="checkbox"/> No	

Kick Off Point (KOP)

UL	Section 2	Township 21S	Range 34E	Lot LOT 1	Ft. from N/S 364' FNL	Ft. from E/W 1,103' FEL	Latitude 32.521356°	Longitude -103.435654°	County LEA
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First Take Point (FTP)

UL	Section 2	Township 21S	Range 34E	Lot LOT 1	Ft. from N/S 100' FNL	Ft. from E/W 991' FEL	Latitude 32.522081°	Longitude -103.435292°	County LEA
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Last Take Point (LTP)

UL P	Section 11	Township 21S	Range 34E	Lot	Ft. from N/S 100' FSL	Ft. from E/W 991' FEL	Latitude 32.486556°	Longitude -103.435295°	County LEA
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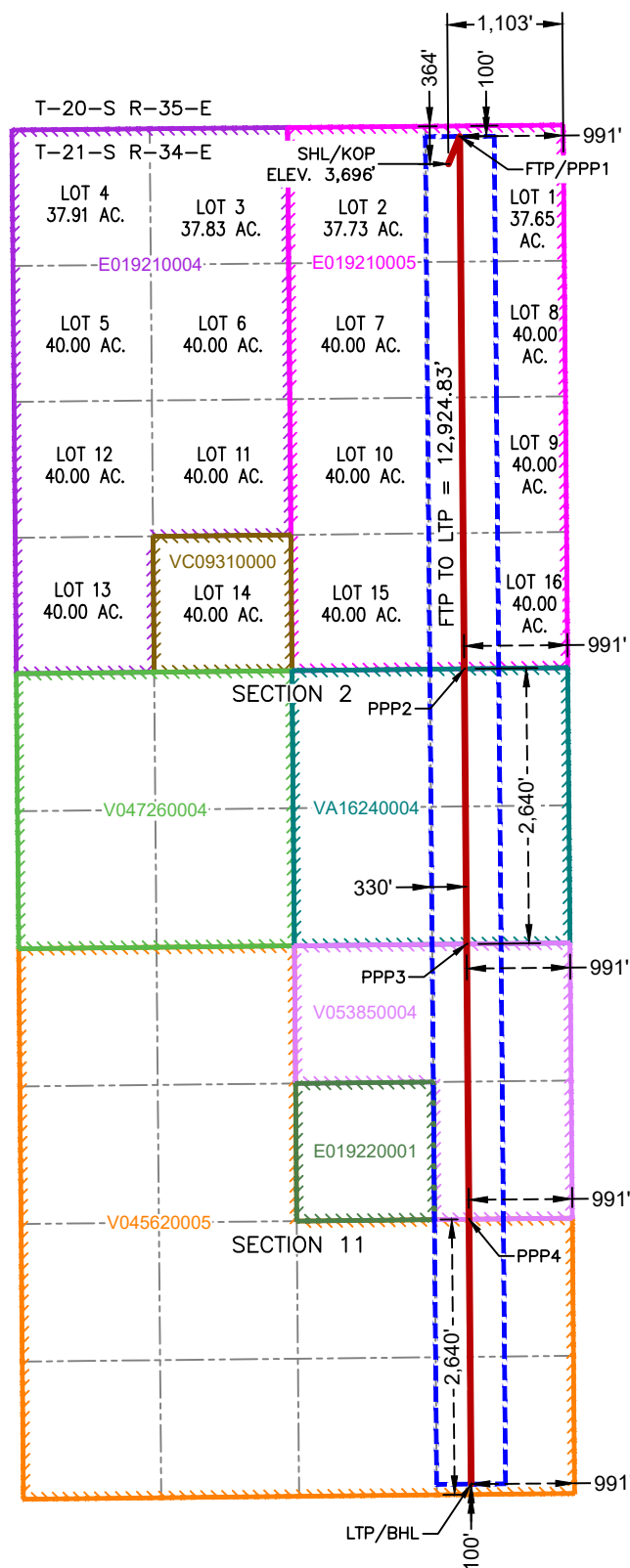
Unitized Area or Area of Uniform Interest	Spacing Unit Type <input type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation:
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OPERATOR CERTIFICATIONS I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.		SURVEYOR CERTIFICATIONS I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. PRELIMINARY THIS DOCUMENT SHALL NOT BE RECORDED FOR ANY PURPOSE AND SHALL NOT BE USED OR VIEWED OR RELIED UPON AS A FINAL SURVEY DOCUMENT. MARK J. MURRAY P.L.S. NO. 12177	
Signature _____ Date _____		Signature and Seal of Professional Surveyor _____	
Printed Name _____		Certificate Number 12177	Date of Survey 7/11/2025
Email Address _____			

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

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

OUTLAND STATE UNIT 11-2 134H



NAD 83 X = 818,026.04'
NAD 83 Y = 554,565.32'
NAD 83 LAT = 32.521356°
NAD 83 LONG = -103.435654°
NAD 27 X = 776,843.80'
NAD 27 Y = 554,503.29'
NAD 27 LAT = 32.521232°
NAD 27 LONG = -103.435171°

NAD 83 X = 818,135.36'
NAD 83 Y = 554,829.93'
NAD 83 LAT = 32.522081°
NAD 83 LONG = -103.435292°
NAD 27 X = 776,953.12'
NAD 27 Y = 554,767.89'
NAD 27 LAT = 32.521957°
NAD 27 LONG = -103.434809°

NAD 83 X = 818,177.98'
NAD 83 Y = 549,724.45'
NAD 83 LAT = 32.508048°
NAD 83 LONG = -103.435294°
NAD 27 X = 776,995.57'
NAD 27 Y = 549,662.54'
NAD 27 LAT = 32.507924°
NAD 27 LONG = -103.434811°

NAD 83 X = 818,200.21'
NAD 83 Y = 547,084.87'
NAD 83 LAT = 32.500792°
NAD 83 LONG = -103.435294°
NAD 27 X = 777,017.71'
NAD 27 Y = 547,023.02'
NAD 27 LAT = 32.500668°
NAD 27 LONG = -103.434812°

NAD 83 X = 818,222.37'
NAD 83 Y = 544,445.19'
NAD 83 LAT = 32.493537°
NAD 83 LONG = -103.435294°
NAD 27 X = 777,039.81'
NAD 27 Y = 544,383.42'
NAD 27 LAT = 32.493413°
NAD 27 LONG = -103.434812°

NAD 83 X = 818,243.39'
NAD 83 Y = 541,905.55'
NAD 83 LAT = 32.486556°
NAD 83 LONG = -103.435295°
NAD 27 X = 777,060.78'
NAD 27 Y = 541,843.85'
NAD 27 LAT = 32.486432°
NAD 27 LONG = -103.434813°

Permian Resources Operating, LLC – Outland State Unit 11-2

Township 21 South Range - 34 East

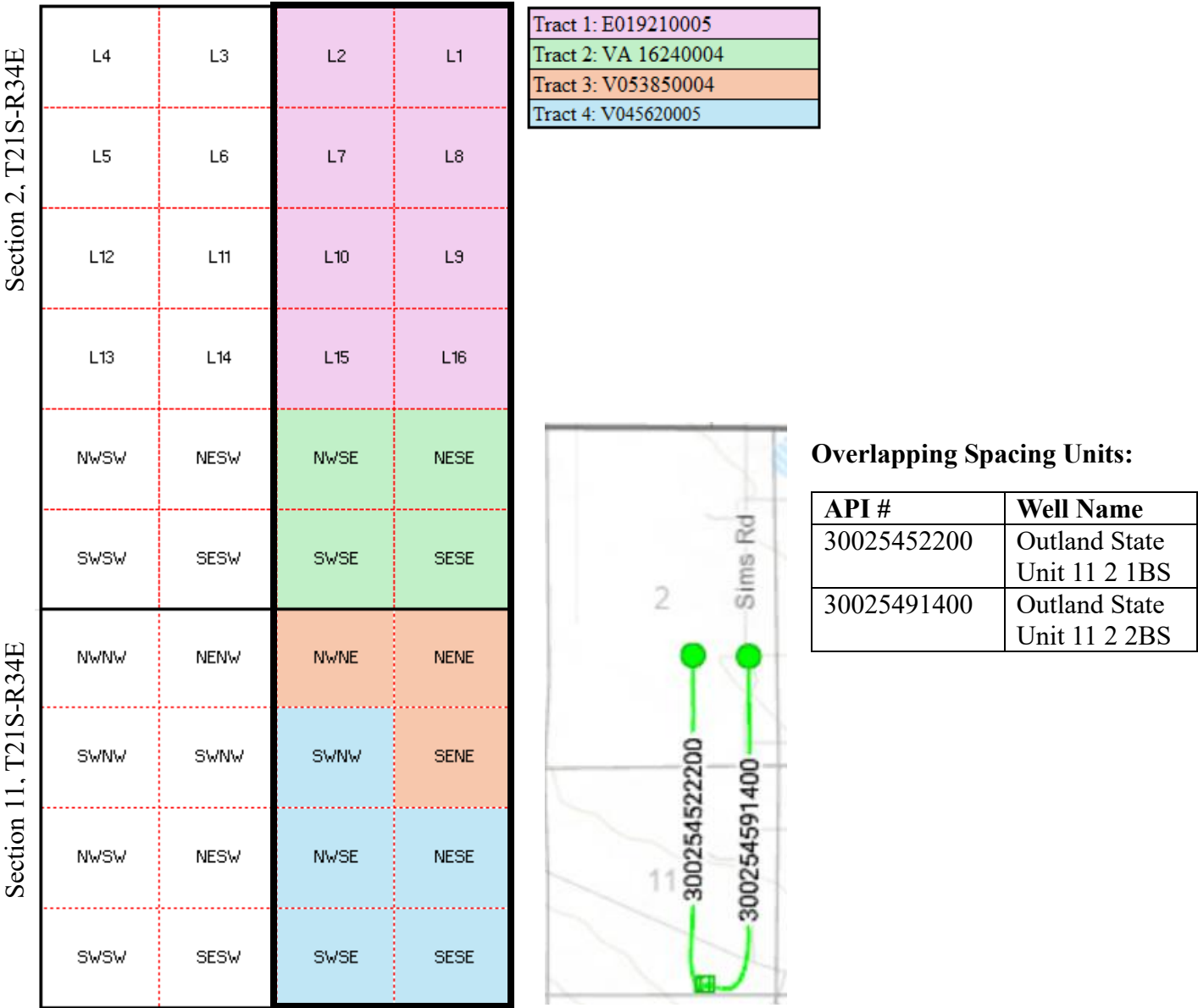
Section 2: Lot 1, 2, 7-10, 15-16

Section 11: E2

Lea County, New Mexico

Limited in Depth to the Avalon Formation and from the Top of the Third Bone Spring Formation to the Base of the Third Bone Spring Formation

795.38 Acres, More or less



Tract 1: Section 2: Lot 1, 2, 7-10, 15-16 (Containing 315.38 Acres More or Less)

Party Name	Working Interest
*Earthstone Permian, LLC	67%
Marathon Oil Permian LLC	33%
Total	100%

Tract 2: Section 11: E2 & Section 2: SE4 (Containing 480 acres More or Less)

Party Name	Working Interest
*Earthstone Permian, LLC	99.8603%
Timothy R. MacDonald	0.1048%
Maverick Oil & Gas Corp.	0.0349%
Total	100%

Permian Resources Operating, LLC
Case No. 25511
Exhibit A-3

Unit Capitulation:

Party Name	Working Interest
*Earthstone Permian, LLC	86.83067%
Timothy R. MacDonald	0.06325%
Maverick Oil & Gas Corp.	0.02108%
Marathon Oil Permian LLC	13.08499%
Total	100%

Parties to be pooled are highlighted in yellow.

**Earthstone Permian, LLC is a wholly owned subsidiary of Permian Resources Operating, LLC*



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

OFFICE 432.695.4222
FAX 432.695.4063

May 15, 2025

Marathon Oil Permian LLC
PO Box 732312
Dallas, TX 75373-2312

RE: Well Proposals – Outland State Unit 11-2
E2 of Sections 2 & 11, T21S-R34E
Lea County, New Mexico

To Whom It May Concern:

Permian Resources Operating, LLC ("Permian"), as Operator, hereby proposes the drilling and completion of the following wells, at the below listed approximate locations within the E2 of Sections 2 and 11, Township 21 South, Range 34 East, Lea County, New Mexico:

1. Outland State Unit 11-2 133H

SHL: 50' FNL & 1500' FEL of Section 2 or at a legal location in the N/2NE/4 of Section 2
BHL: 100' FSL & 2,310' FEL of Section 11
FTP: 100' FNL & 2,310' FEL of Section 2
LTP: 100' FSL & 2,310' FEL of Section 11
TVD: Approximately 11,350'
TMD: Approximately 24,635'
Targeted Interval: TBSG
Total Cost: See attached AFE

2. Outland State Unit 11-2 134H

SHL: 80' FNL & 1500' FEL of Section 2 or at a legal location in the N/2NE/4 of Section 2
BHL: 100' FSL & 990' FEL of Section 11
FTP: 100' FNL & 990' FEL of Section 2
LTP: 100' FSL & 990' FEL of Section 11
TVD: Approximately 11,350'
TMD: Approximately 24,635'
Targeted Interval: TBSG
Total Cost: See attached AFE

Please further accept this well proposal as a formal notice of intent to form a non-standard unit covering the full 635.38 gross acres in order to ensure commingling approval and reduction of costs associated with these projects.

[Continued on Next Page]

Permian Resources Operating, LLC
Case No. 25511
Exhibit A-4

The locations, TVDs, and targets are approximate and subject to change dependent on surface or subsurface issues encountered. Permian is proposing to drill these wells under the modified terms of the 1989 AAPL Operating Agreement and a form of said Operating Agreement will be provided upon request. The Operating Agreement has the following general provisions:

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

Please indicate your election to participate in the drilling and completion of the proposed well(s) on the enclosed ballot. Please sign and return this letter, a signed copy of each proposed AFE, and your geologic well requirements.

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

If you have any questions or concerns regarding this proposal, please contact Travis Macha at Travis.Macha@permianres.com. Please mail or email your elections to Jordan Ireton at the above address or at Jordan.Ireton@permianres.com.

Respectfully,



Travis Macha
New Mexico Land Manager

Enclosures

Elections on page to follow.

Well Elections: <i>(Please indicate your responses in the spaces below)</i>		
Well(s)	Elect to Participate	Elect to <u>NOT</u> Participate
Outland State Unit 11-2 133H		
Outland State Unit 11-2 134H		

Marathon Oil Permian LLC

By: _____

Printed Name: _____

Title: _____

Date: _____

Cost Estimate

Printed Date: May 13, 2025

AFE Number:	501547TM	Description:	Outland State Unit 11-2 133H
AFE Name:	Outland State Unit 11-2 133H	AFE TYPE:	Drill and Complete
Well Operator:	PERMIAN RESOURCES		
Operator AFE #:			

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
Completion Intangible		
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING	\$363,974.00
8025.2500	ICC - WELL STIMULATION/FRACTUR	\$1,986,932.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE	\$40,000.00
8025.3100	ICC - WELLHEAD/FRACTREE REPAIR	\$40,000.00
8025.1500	ICC - FUEL / POWER	\$531,261.00
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK	\$18,113.00
8025.3400	ICC - RENTAL EQUIPMENT	\$181,260.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT	\$15,000.00
8025.1600	ICC - COILED TUBING	\$184,906.00
8025.2000	ICC - TRUCKING	\$14,375.00
8025.3050	ICC - SOURCE WATER	\$482,307.00
8025.3800	ICC - OVERHEAD	\$10,000.00
8025.1100	ICC - ROAD, LOCATIONS, PITS	\$10,500.00
8025.2300	ICC - COMPLETION FLUIDS	\$10,000.00
8025.3500	ICC - WELLSITE SUPERVISION	\$56,700.00
8025.3600	ICC - SUPERVISION/ENGINEERING	\$5,000.00
8025.3000	ICC - WATER HANDLING	\$157,274.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL	\$15,000.00
	Sub-total	\$4,122,602.00
Artificial Lift Tangible		
8065.1310	TAL - ESP EQUIPMENT/INSTALL	\$100,000.00
8065.1300	TAL - DOWNHOLE ARTIFICIAL LIFT EQPT	\$15,000.00
8065.2200	TAL - OHP INFRASTRUCTURE EQUIPMENT/INSTALL	\$50,000.00
8065.2000	TAL - WELLHEAD EQUIPMENT	\$50,000.00
8065.3100	TAL - MEASUREMENT EQUIPMENT	\$5,000.00
8065.2500	TAL - VALVES/CONNECTIONS/FTGS	\$15,000.00
8065.2100	TAL - WELL SITE POWER EQUIPMENT/INSTALL	\$75,000.00
8065.1100	TAL - TUBING	\$125,000.00
8065.3200	TAL - COMM, TELEMETRY & AUTOMA	\$5,000.00
	Sub-total	\$440,000.00
Pipeline		
8036.2800	PLN - FLOWLINE MATERIAL	\$390,720.00
8036.1310	PLN - PERMANENT EASEMENT	\$118,400.00
8036.2200	PLN - CONTRACT LABOR	\$273,504.00
8036.3200	PLN - VALVES FITTINGS & PIPE	\$15,000.00
	Sub-total	\$797,624.00
Facilities		
8035.1400	FAC - ROAD LOCATIONS PITS	\$3,333.00
8035.1700	FAC - RENTAL EQUIPMENT	\$6,667.00
8035.2000	FAC - WASTE DISPOSAL	\$333.00

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

Cost Estimate

Printed Date: May 13, 2025

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
8035.1300	FAC - SURFACE DAMAGE	\$833.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB	\$20,833.00
8035.3600	FAC - ELECTRICAL	\$8,333.00
8035.2400	FAC - SUPERVISION	\$6,667.00
8035.3000	FAC - HEATER TREATER/SEPARATOR	\$104,167.00
8035.1600	FAC - TRANSPORTATION TRUCKING	\$5,000.00
8035.1900	FAC - WATER DISPOSAL / SWD	\$333.00
8035.2500	FAC - CONSULTING SERVICES	\$833.00
8035.4400	FAC - COMPANY LABOR	\$833.00
8035.4500	FAC - CONTINGENCY	\$6,630.00
8035.2100	FAC - INSPECTION & TESTING	\$833.00
8035.3700	FAC - AUTOMATION MATERIAL	\$8,333.00
8035.3400	FAC - METERS	\$20,333.00
8035.3200	FAC - VALVES FITTINGS & PIPE	\$33,333.00
Sub-total		\$227,627.00
Drilling Intangible		
8015.1310	IDC - PERMANENT EASEMENT	\$12,000.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR	\$12,500.00
8015.4100	IDC - RENTAL EQUIPMENT	\$90,750.00
8015.1600	IDC - RIG MOB / STANDBY RATE	\$36,300.00
8015.4300	IDC - WELLSITE SUPERVISION	\$95,700.00
8015.3400	IDC - MATERIALS & SUPPLIES	\$5,000.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS	\$58,356.00
8015.1500	IDC - RIG MOB / TRUCKING	\$127,500.00
8015.1100	IDC - STAKING & SURVEYING	\$15,000.00
8015.4600	IDC - SAFETY / ENVIRONMENTAL	\$21,450.00
8015.5200	IDC - CONTINGENCY	\$131,846.30
8015.2400	IDC - RIG WATER	\$20,625.00
8015.5000	IDC - WELL CONTROL INSURANCE	\$9,075.00
8015.3700	IDC - DISPOSAL	\$173,424.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE	\$47,812.50
8015.2700	IDC - INSPECTION, TESTING & REPAIR	\$37,000.00
8015.4200	IDC - MANCAMP	\$42,900.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY	\$264,809.53
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	\$269,000.00
8015.1400	IDC - ROAD, LOCATIONS, PITS	\$95,625.00
8015.2350	IDC - FUEL/MUD	\$98,093.75
8015.1700	IDC - DAYWORK CONTRACT	\$636,384.38
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	\$24,750.00
8015.3100	IDC - CASING CREW & TOOLS	\$70,000.00
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	\$27,000.00
8015.2300	IDC - FUEL / POWER	\$175,969.92
8015.2150	IDC - DRILL BIT	\$105,000.00
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$64,865.63
8015.1300	IDC - SURFACE DAMAGE / ROW	\$35,000.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING	\$230,027.00

Cost Estimate

Printed Date: May 13, 2025

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
8015.1000	IDC - PERMITS,LICENSES,ETC	\$15,000.00
8015.1200	IDC - LEGAL, TITLE SERVICES	\$13,000.00
	Sub-total	\$3,061,764.01
Artificial Lift Intangible		
8060.2300	IAL - COMPLETION FLUIDS	\$5,000.00
8060.1210	IAL - SPOOLING SERVICES	\$6,000.00
8060.1900	IAL - INSPECTION & TESTING	\$3,000.00
8060.3420	IAL - REVERSE UNIT RENTAL	\$5,000.00
8060.3810	IAL - ACID	\$25,000.00
8060.3410	IAL - LAYDOWN MACHINE	\$5,000.00
8060.3500	IAL - WELLSITE SUPERVISION	\$9,000.00
8060.2010	IAL - KILL TRUCK	\$5,000.00
8060.3400	IAL - RENTAL EQUIPMENT	\$10,000.00
8060.2600	IAL - CONTRACT LABOR/ROUSTABOUT	\$10,000.00
8060.1200	IAL - WORKOVER RIG	\$15,000.00
8060.2000	IAL - TRUCKING/VACUUM/TRANSP	\$7,000.00
8060.1400	IAL - WIRELINE OPEN/CASED HOLE	\$5,000.00
	Sub-total	\$110,000.00
Drilling Tangible		
8020.1500	TDC - WELLHEAD EQUIPMENT	\$63,750.00
8020.1200	TDC - CASING - INTERMEDIATE - 1	\$227,855.25
8020.1400	TDC - CASING - PRODUCTION	\$592,175.22
8020.1700	TDC - PACKER/DOWNHOLE TOOLS	\$53,125.00
8020.1100	TDC - CASING - SURFACE	\$96,435.69
	Sub-total	\$1,033,341.16
Completion Tangible		
8030.2000	TCC - WELLHEAD EQUIPMENT	\$47,250.00
	Sub-total	\$47,250.00
Flowback Intangible		
8040.1899	IFC - FRAC WATER RECOVERY	\$391,000.00
8040.2000	IFC - TRUCKING/VACUUM/TRANSP	\$20,000.00
8040.3420	IFC - TANK RENTALS	\$20,000.00
8040.2900	IFC - WELL TESTING / FLOWBACK	\$125,000.00
8040.3500	IFC - WELLSITE SUPERVISION	\$10,000.00
8040.3430	IFC - SURFACE PUMP RENTAL	\$20,000.00
8040.4000	IFC - CHEMICALS	\$15,000.00
	Sub-total	\$601,000.00
Grand Total		\$10,441,208.17

Accepted and Approved By:

Company Name (If Applicable): _____

By: _____

Printed Name: _____

Title: _____

Date: _____

Cost Estimate

Printed Date: May 13, 2025

AFE Number:	501548TM	Description:	Outland State Unit 11-2 134H
AFE Name:	Outland State Unit 11-2 134H	AFE TYPE:	Drill and Complete
Well Operator:	PERMIAN RESOURCES		
Operator AFE #:			

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
Completion Intangible		
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING	\$363,974.00
8025.2500	ICC - WELL STIMULATION/FRACTUR	\$1,986,932.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE	\$40,000.00
8025.3100	ICC - WELLHEAD/FRACTREE REPAIR	\$40,000.00
8025.1500	ICC - FUEL / POWER	\$531,261.00
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK	\$18,113.00
8025.3400	ICC - RENTAL EQUIPMENT	\$181,260.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT	\$15,000.00
8025.1600	ICC - COILED TUBING	\$184,906.00
8025.2000	ICC - TRUCKING	\$14,375.00
8025.3050	ICC - SOURCE WATER	\$482,307.00
8025.3800	ICC - OVERHEAD	\$10,000.00
8025.1100	ICC - ROAD, LOCATIONS, PITS	\$10,500.00
8025.2300	ICC - COMPLETION FLUIDS	\$10,000.00
8025.3500	ICC - WELLSITE SUPERVISION	\$56,700.00
8025.3600	ICC - SUPERVISION/ENGINEERING	\$5,000.00
8025.3000	ICC - WATER HANDLING	\$157,274.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL	\$15,000.00
	Sub-total	\$4,122,602.00
Artificial Lift Tangible		
8065.1310	TAL - ESP EQUIPMENT/INSTALL	\$100,000.00
8065.1300	TAL - DOWNHOLE ARTIFICIAL LIFT EQPT	\$15,000.00
8065.2200	TAL - OHP INFRASTRUCTURE EQUIPMENT/INSTALL	\$50,000.00
8065.2000	TAL - WELLHEAD EQUIPMENT	\$50,000.00
8065.3100	TAL - MEASUREMENT EQUIPMENT	\$5,000.00
8065.2500	TAL - VALVES/CONNECTIONS/FTGS	\$15,000.00
8065.2100	TAL - WELL SITE POWER EQUIPMENT/INSTALL	\$75,000.00
8065.1100	TAL - TUBING	\$125,000.00
8065.3200	TAL - COMM, TELEMETRY & AUTOMA	\$5,000.00
	Sub-total	\$440,000.00
Pipeline		
8036.2800	PLN - FLOWLINE MATERIAL	\$390,720.00
8036.1310	PLN - PERMANENT EASEMENT	\$118,400.00
8036.2200	PLN - CONTRACT LABOR	\$273,504.00
8036.3200	PLN - VALVES FITTINGS & PIPE	\$15,000.00
	Sub-total	\$797,624.00
Facilities		
8035.1400	FAC - ROAD LOCATIONS PITS	\$3,333.00
8035.1700	FAC - RENTAL EQUIPMENT	\$6,667.00
8035.2000	FAC - WASTE DISPOSAL	\$333.00

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

Cost Estimate

Printed Date: May 13, 2025

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
8035.1300	FAC - SURFACE DAMAGE	\$833.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB	\$20,833.00
8035.3600	FAC - ELECTRICAL	\$8,333.00
8035.2400	FAC - SUPERVISION	\$6,667.00
8035.3000	FAC - HEATER TREATER/SEPARATOR	\$104,167.00
8035.1600	FAC - TRANSPORTATION TRUCKING	\$5,000.00
8035.1900	FAC - WATER DISPOSAL / SWD	\$333.00
8035.2500	FAC - CONSULTING SERVICES	\$833.00
8035.4400	FAC - COMPANY LABOR	\$833.00
8035.4500	FAC - CONTINGENCY	\$6,630.00
8035.2100	FAC - INSPECTION & TESTING	\$833.00
8035.3700	FAC - AUTOMATION MATERIAL	\$8,333.00
8035.3400	FAC - METERS	\$20,333.00
8035.3200	FAC - VALVES FITTINGS & PIPE	\$33,333.00
Sub-total		\$227,627.00
Drilling Intangible		
8015.1310	IDC - PERMANENT EASEMENT	\$12,000.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR	\$12,500.00
8015.4100	IDC - RENTAL EQUIPMENT	\$90,750.00
8015.1600	IDC - RIG MOB / STANDBY RATE	\$36,300.00
8015.4300	IDC - WELLSITE SUPERVISION	\$95,700.00
8015.3400	IDC - MATERIALS & SUPPLIES	\$5,000.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS	\$58,356.00
8015.1500	IDC - RIG MOB / TRUCKING	\$127,500.00
8015.1100	IDC - STAKING & SURVEYING	\$15,000.00
8015.4600	IDC - SAFETY / ENVIRONMENTAL	\$21,450.00
8015.5200	IDC - CONTINGENCY	\$131,846.30
8015.2400	IDC - RIG WATER	\$20,625.00
8015.5000	IDC - WELL CONTROL INSURANCE	\$9,075.00
8015.3700	IDC - DISPOSAL	\$173,424.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE	\$47,812.50
8015.2700	IDC - INSPECTION, TESTING & REPAIR	\$37,000.00
8015.4200	IDC - MANCAMP	\$42,900.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY	\$264,809.53
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	\$269,000.00
8015.1400	IDC - ROAD, LOCATIONS, PITS	\$95,625.00
8015.2350	IDC - FUEL/MUD	\$98,093.75
8015.1700	IDC - DAYWORK CONTRACT	\$636,384.38
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	\$24,750.00
8015.3100	IDC - CASING CREW & TOOLS	\$70,000.00
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	\$27,000.00
8015.2300	IDC - FUEL / POWER	\$175,969.92
8015.2150	IDC - DRILL BIT	\$105,000.00
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$64,865.63
8015.1300	IDC - SURFACE DAMAGE / ROW	\$35,000.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING	\$230,027.00

Cost Estimate

Printed Date: May 13, 2025

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
8015.1000	IDC - PERMITS,LICENSES,ETC	\$15,000.00
8015.1200	IDC - LEGAL, TITLE SERVICES	\$13,000.00
	Sub-total	\$3,061,764.01
Artificial Lift Intangible		
8060.2300	IAL - COMPLETION FLUIDS	\$5,000.00
8060.1210	IAL - SPOOLING SERVICES	\$6,000.00
8060.1900	IAL - INSPECTION & TESTING	\$3,000.00
8060.3420	IAL - REVERSE UNIT RENTAL	\$5,000.00
8060.3810	IAL - ACID	\$25,000.00
8060.3410	IAL - LAYDOWN MACHINE	\$5,000.00
8060.3500	IAL - WELLSITE SUPERVISION	\$9,000.00
8060.2010	IAL - KILL TRUCK	\$5,000.00
8060.3400	IAL - RENTAL EQUIPMENT	\$10,000.00
8060.2600	IAL - CONTRACT LABOR/ROUSTABOUT	\$10,000.00
8060.1200	IAL - WORKOVER RIG	\$15,000.00
8060.2000	IAL - TRUCKING/VACUUM/TRANSP	\$7,000.00
8060.1400	IAL - WIRELINE OPEN/CASED HOLE	\$5,000.00
	Sub-total	\$110,000.00
Drilling Tangible		
8020.1500	TDC - WELLHEAD EQUIPMENT	\$63,750.00
8020.1200	TDC - CASING - INTERMEDIATE - 1	\$227,855.25
8020.1400	TDC - CASING - PRODUCTION	\$592,175.22
8020.1700	TDC - PACKER/DOWNHOLE TOOLS	\$53,125.00
8020.1100	TDC - CASING - SURFACE	\$96,435.69
	Sub-total	\$1,033,341.16
Completion Tangible		
8030.2000	TCC - WELLHEAD EQUIPMENT	\$47,250.00
	Sub-total	\$47,250.00
Flowback Intangible		
8040.1899	IFC - FRAC WATER RECOVERY	\$391,000.00
8040.2000	IFC - TRUCKING/VACUUM/TRANSP	\$20,000.00
8040.3420	IFC - TANK RENTALS	\$20,000.00
8040.2900	IFC - WELL TESTING / FLOWBACK	\$125,000.00
8040.3500	IFC - WELLSITE SUPERVISION	\$10,000.00
8040.3430	IFC - SURFACE PUMP RENTAL	\$20,000.00
8040.4000	IFC - CHEMICALS	\$15,000.00
	Sub-total	\$601,000.00
Grand Total		\$10,441,208.17

Accepted and Approved By:

Company Name (If Applicable): _____

By: _____

Printed Name: _____

Title: _____

Date: _____

Contact Chronology

Date	Party	Description
5/15/2025	Timothy R. MacDonald	Preorder proposals sent via certified mail with development details, options to participate in the development, and an email contact for questions.
5/15/2025	Maverick Oil & Gas Corp.	Preorder proposals sent via certified mail with development details, options to participate in the development, and an email contact for questions.
5/15/2025	Marathon Oil Permian LLC	Preorder proposals sent via certified mail with development details, options to participate in the development, and an email contact for questions.
7/23/2025	Maverick Oil & Gas Corp.	An email was sent to the responsible Landman to ask if they had any questions about PR’s proposal. They asked what their interest was, and it was provided via email.
7/23/2025	Marathon Oil Permian LLC	An email was sent to the responsible Landman to ask if they had any questions about PR’s proposal.

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

APPLICATION OF PERMIAN RESOURCES
OPERATING, LLC FOR COMPULSORY
POOLING AND APPROVAL OF
OVERLAPPING SPACING UNIT,
LEA COUNTY, NEW MEXICO.

CASE NO. 25511

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

CASE NOS. 25512, 25513

SELF-AFFIRMED STATEMENT
OF CHRIS REUDELHUBER

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

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

3. **Exhibit B-1** is a regional locator map that identifies the Outland project area, in proximity to the Capitan Reef within the Delaware Basin, for the Bone Spring horizontal spacing units that are the subject of these applications.

4. **Exhibit B-2** is a cross-section location map for the proposed horizontal spacing units within the Bone Spring formation. The approximate wellbore paths for the Outland State Unit 11-2 133H, Outland State Unit 11-2 134H, Outland State Unit 1 123H, Outland State Unit 1 124H, Outland State Unit 1 133H, Outland State Unit 1 134H, Outland State Unit 1 121H, Outland State Unit 1 122H, Outland State Unit 1 131H, and Outland State Unit 1 132H proposed wells

Permian Resources Operating, LLC
Case No. 25511
Exhibit B

("Wells") are represented by dashed orange and dashed red lines. Existing producing wells in the targeted interval are represented by solid orange and solid red lines. This map identifies the cross-section running from A-A' with the cross-section wells name and a black line in proximity to the proposed Wells.

5. **Exhibit B-3** is a Subsea Structure map of the Second Bone Spring formation in TVD subsea with a contour interval of 100 ft. The map identifies the approximate wellbore paths for the proposed Wells with an orange dashed and red dashed lines. It also identifies the location of the cross-section running from A-A' in proximity to the proposed Wells. The data points are indicated by red triangles. The map demonstrates the formation is gently dipping to the west in this area. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal wells.

6. **Exhibit B-4** is a Subsea Structure map of the Third Bone Spring formation in TVD subsea with a contour interval of 100 ft. The map identifies the approximate wellbore paths for the proposed Wells with an orange dashed and red dashed lines. It also identifies the location of the cross-section running from A-A' in proximity to the proposed Wells. The data points are indicated by red triangles. The map demonstrates the formation is gently dipping to the west in this area. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal wells.

7. **Exhibit B-5** identifies two wells penetrating the targeted interval, which I used to construct a stratigraphic cross-section from A to A'. It contains gamma ray, resistivity, and porosity logs. The cross section is oriented from north to south and is hung on the top of the Wolfcamp formation. The proposed landing zone for the Wells are labeled on the exhibit. The approximate well-paths for the proposed Wells are indicated by a dashed orange line and red

dashed line to be drilled from north to south across the units. This cross-section demonstrates the target interval is continuous across the Unit.

8. **Exhibit B-5** is a gun barrel diagram that shows the proposed Wells in the Bone Spring formation. The spacing unit is defined by a blue box and is labeled with the case number.

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

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

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

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

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

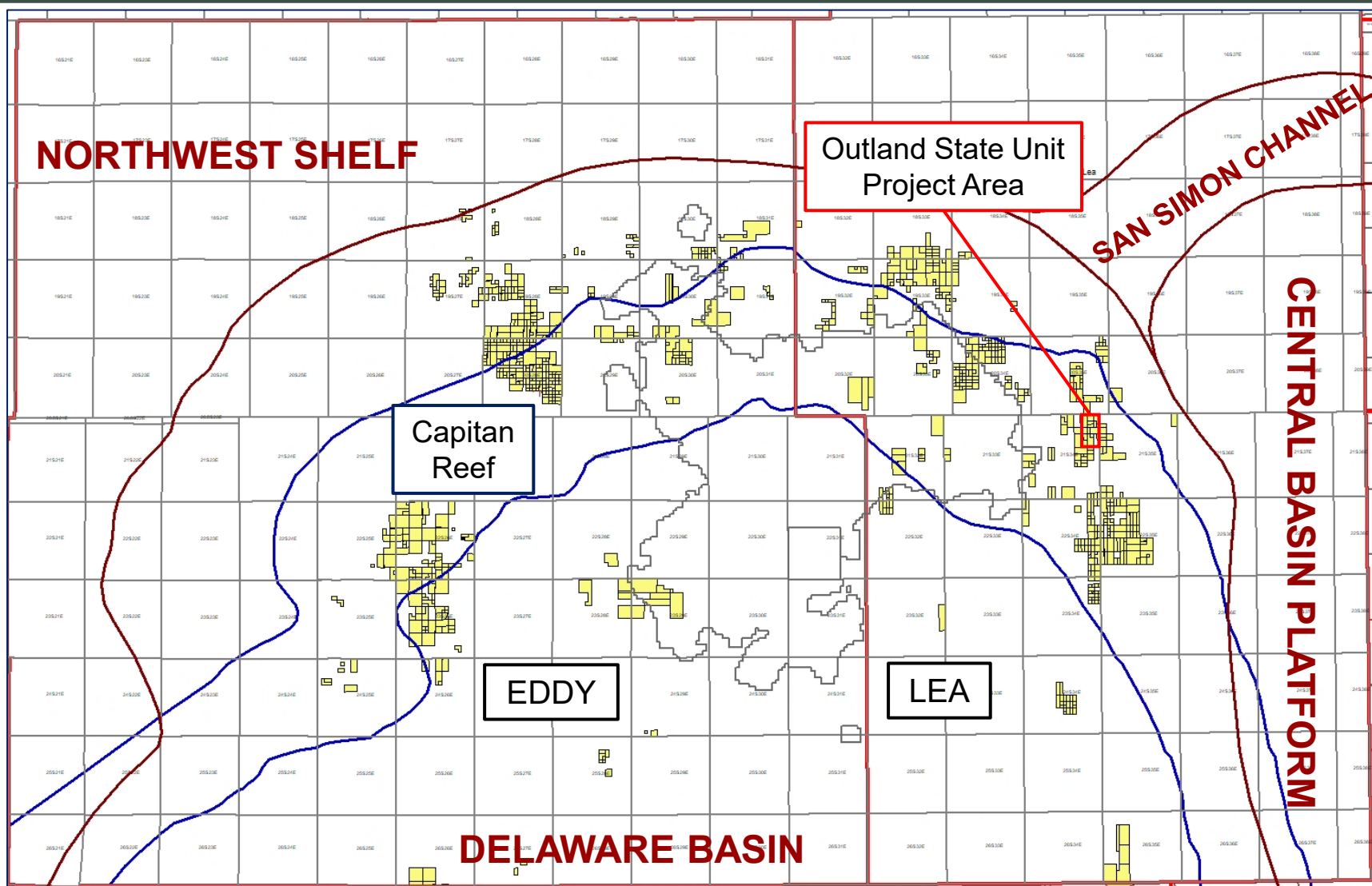

CHRIS REUELHUBER

7/23/25
Date



Regional Locator Map

Outland State Unit 11-2 133H, Outland State Unit 11-2 134H, Outland State Unit 1 123H, Outland State Unit 1 124H, Outland State Unit 1 133H, Outland State Unit 1 134H, Outland State Unit 1 121H, Outland State Unit 1 122H, Outland State Unit 1 131H, and Outland State Unit 1 132H



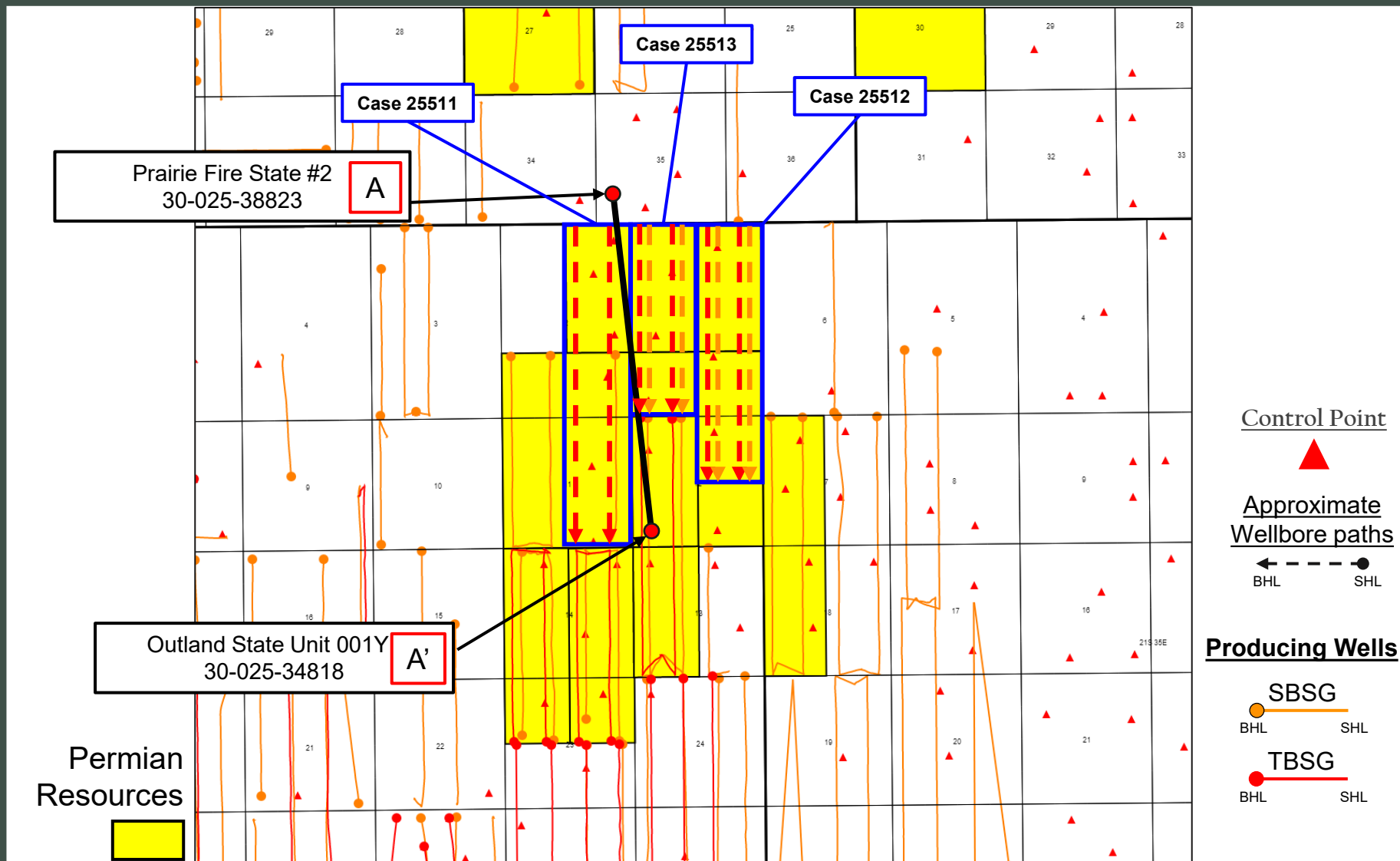
Permian Resources

Permian Resources Operating, LLC
Case No. 25511
Exhibit B-1



Cross-Section Locator Map

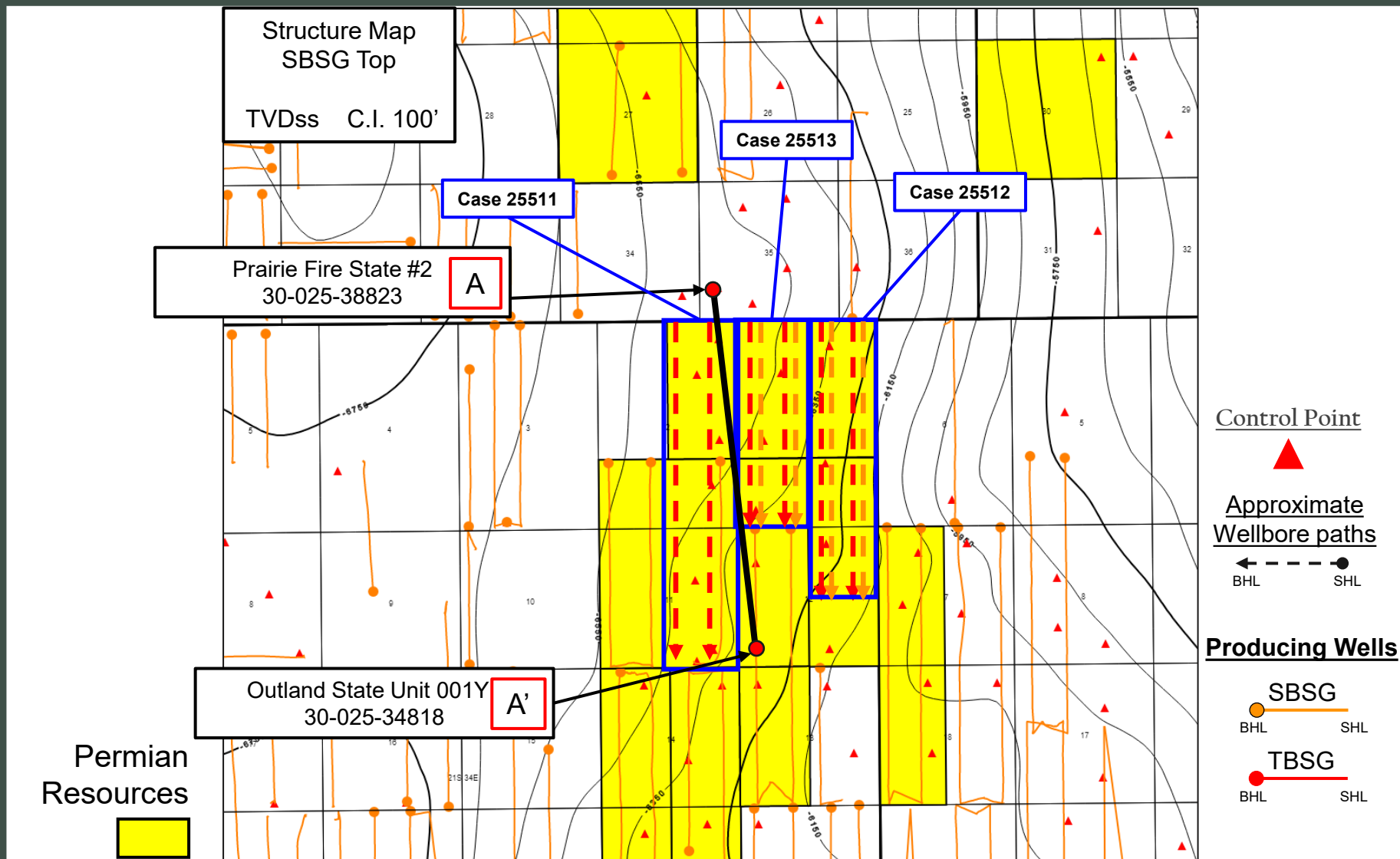
Outland State Unit 11-2 133H, Outland State Unit 11-2 134H, Outland State Unit 1 123H, Outland State Unit 1 124H, Outland State Unit 1 133H, Outland State Unit 1 134H, Outland State Unit 1 121H, Outland State Unit 1 122H, Outland State Unit 1 131H, and Outland State Unit 1 132H





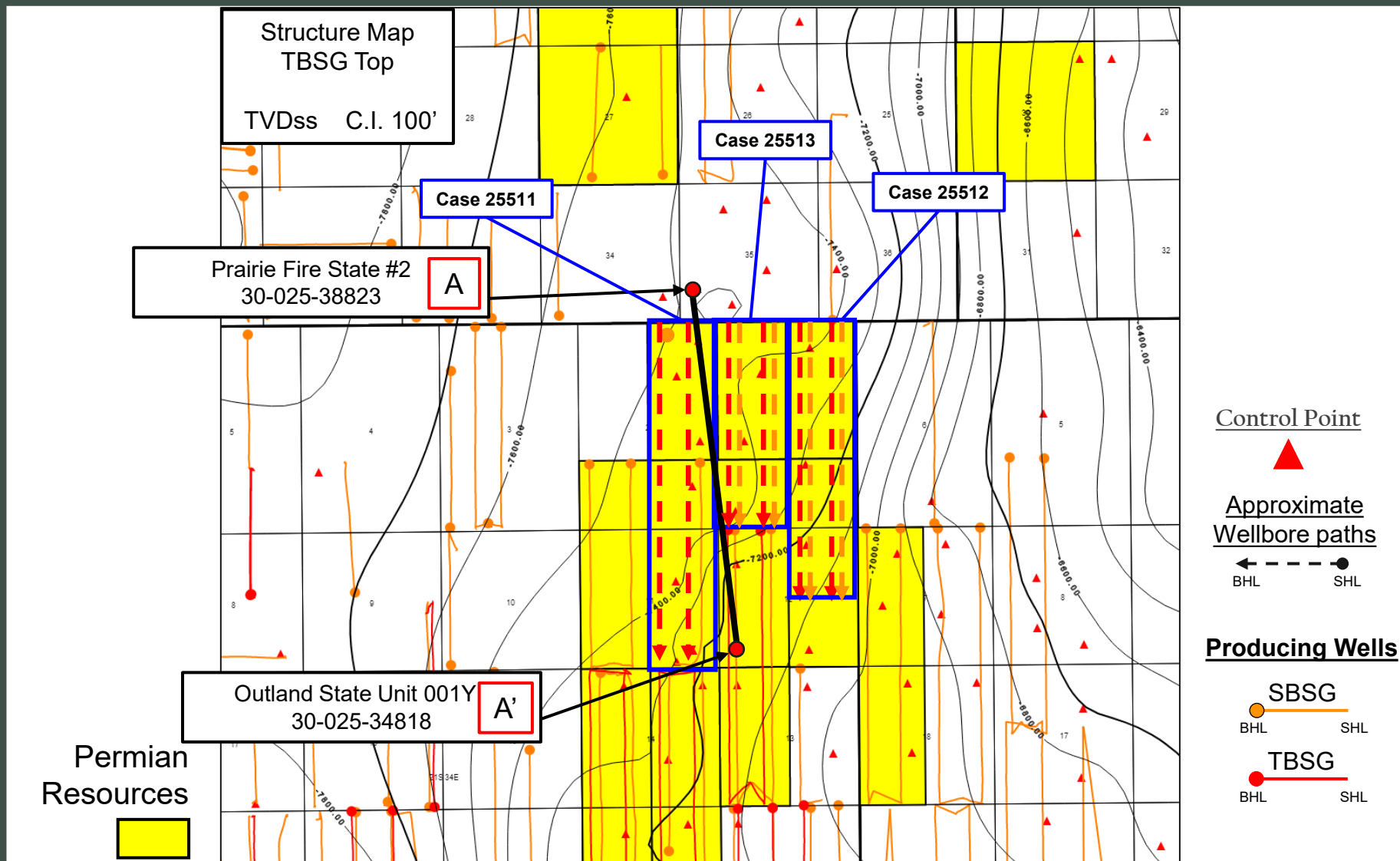
Second Bone Spring – Structure Map

Outland State Unit 11-2 133H, Outland State Unit 11-2 134H, Outland State Unit 1 123H, Outland State Unit 1 124H, Outland State Unit 1 133H, Outland State Unit 1 134H, Outland State Unit 1 121H, Outland State Unit 1 122H, Outland State Unit 1 131H, and Outland State Unit 1 132H



Third Bone Spring – Structure Map

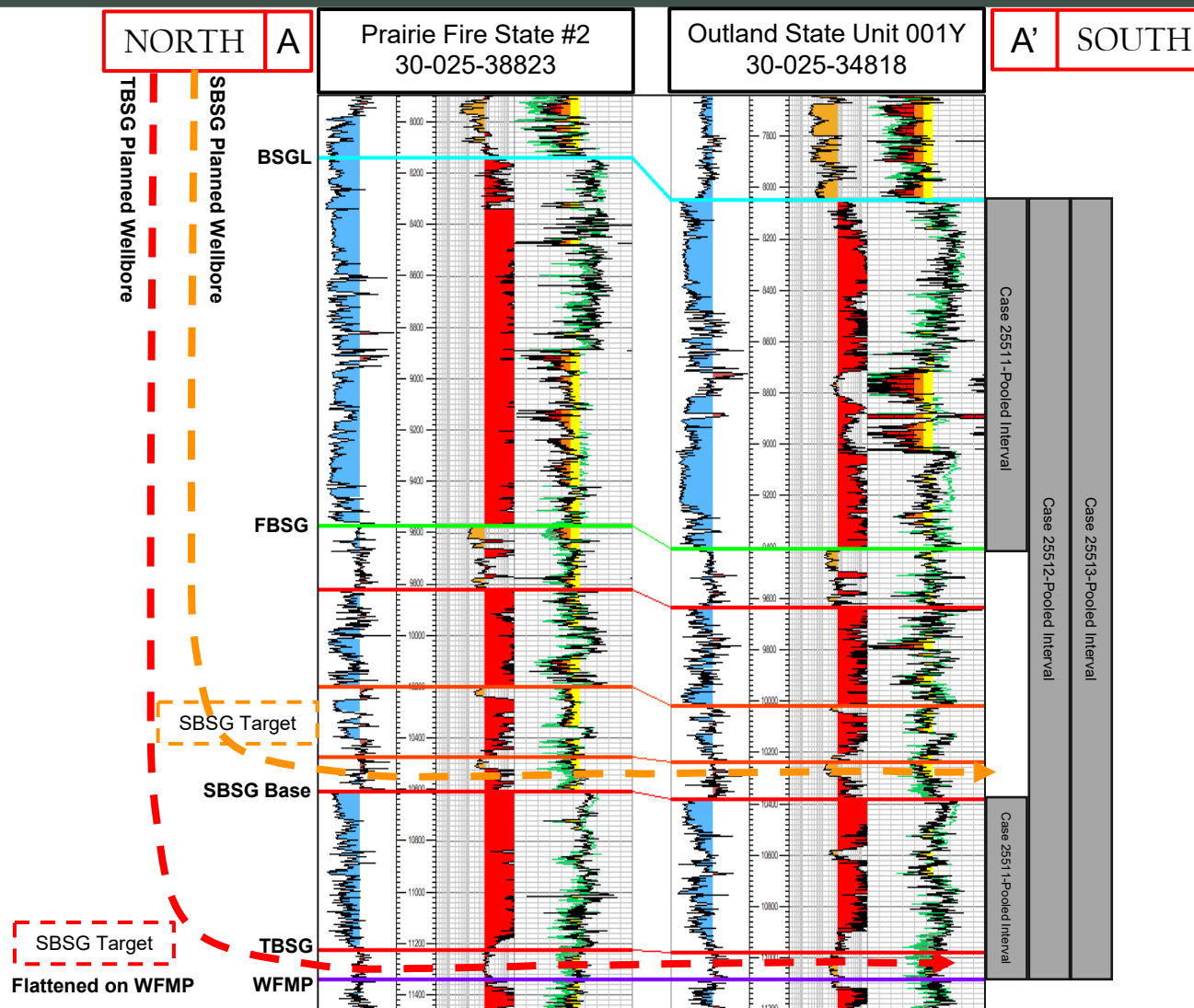
Outland State Unit 11-2 133H, Outland State Unit 11-2 134H, Outland State Unit 1 123H, Outland State Unit 1 124H, Outland State Unit 1 133H, Outland State Unit 1 134H, Outland State Unit 1 121H, Outland State Unit 1 122H, Outland State Unit 1 131H, and Outland State Unit 1 132H





Stratigraphic Cross-Section A-A'

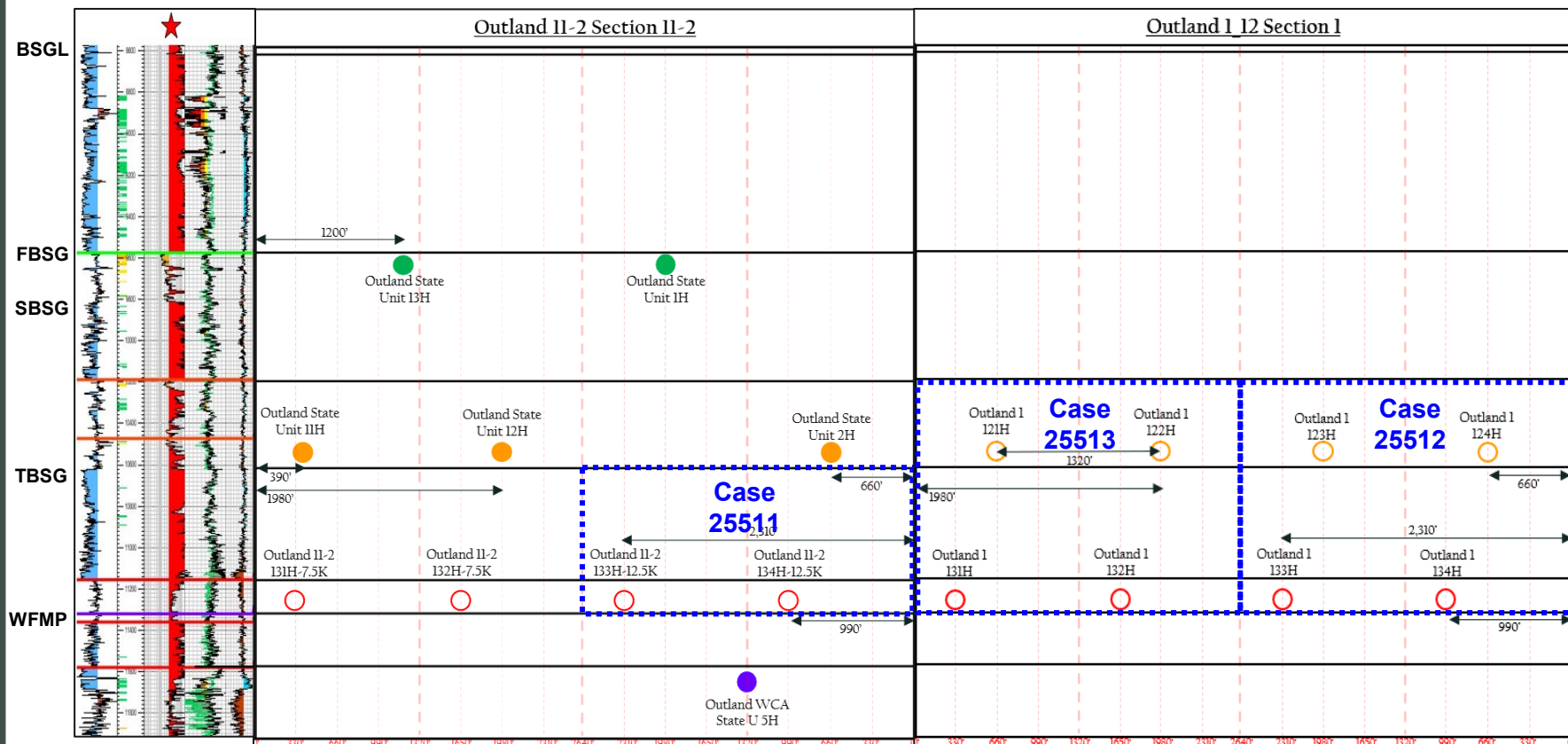
Outland State Unit 11-2 133H, Outland State Unit 11-2 134H, Outland State Unit 1 123H, Outland State Unit 1 124H, Outland State Unit 1 133H, Outland State Unit 1 134H, Outland State Unit 1 121H, Outland State Unit 1 122H, Outland State Unit 1 131H, and Outland State Unit 1 132H





Gun Barrel Development Plan

Outland State Unit 11-2 133H, Outland State Unit 11-2 134H, Outland State Unit 1 123H, Outland State Unit 1 124H, Outland State Unit 1 133H, Outland State Unit 1 134H, Outland State Unit 1 121H, Outland State Unit 1 122H, Outland State Unit 1 131H, and Outland State Unit 1 132H



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

**APPLICATION OF PERMIAN RESOURCES
OPERATING, LLC FOR COMPULSORY
POOLING AND APPROVAL OF
OVERLAPPING SPACING UNIT,
LEA COUNTY, NEW MEXICO.**

CASE NO. 25511

**SELF-AFFIRMED STATEMENT
OF JACLYN M. MCLEAN**

1. I am attorney in fact and authorized representative of Permian Resources Operating, LLC (“Permian Resources”) the Applicant herein.
2. I am familiar with the Notice Letter attached as **Exhibit C-1**, and caused the Notice Letter, along with the Application in this case, to be sent to the parties listed in the Postal Delivery Report attached as **Exhibit C-2**.
3. Exhibit C-2 also provides the date the Notice Letter was sent, along with the delivery status of each.
4. Electronic return receipts are attached as **Exhibit C-3** as supporting documentation for proof of mailing and the information provided on Exhibit C-2.
5. On July 22, 2025, I caused a notice to be published in the Hobbs News-Sun. An Affidavit of Publication from the legal clerk of the Hobbs-News Sun along with a copy of the Notice Publication, is attached as **Exhibit C-4**.
6. I understand this Self-Affirmed Statement will be used as written testimony in the subject case. I affirm that my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

/s/Jaclyn M. McLean
Jaclyn M. McLean

July 30, 2025
Date

**Permian Resources Operating, LLC
Case No. 25511
Exhibit C**



VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

July 16, 2025

TO: ALL PARTIES ENTITLED TO NOTICE

**Re: Case Nos. 25511 - 25513 - Applications of Permian Resources Operating, LLC for
Compulsory Pooling, Eddy County, New Mexico.**

To whom it may concern:

This letter is to advise you that the enclosed applications were filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **August 07, 2025**, beginning at 9:00 a.m.

The hearing will be conducted in a hybrid fashion, both virtually and in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505. The hearing may be held only virtually at the discretion of the Division. To confirm the manner in which the hearing will be held, and to participate virtually, please visit the OCD Hearings website at the following link:

<https://www.emnrd.nm.gov/oed/hearing-info/>. You are not required to attend this hearing, but as an owner of an interest that may be affected by these applications, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Pursuant to Division Rule 19.15.4.13.B, a party who intends to present evidence at the hearing shall file a pre-hearing statement and serve copies on other parties, or the attorneys of parties who are represented by counsel, at least four business days prior to the scheduled hearing, but in no event later than 5:00 p.m. Mountain Time, on the Thursday preceding the scheduled hearing date. If you are not registered with the OCD's E-Permitting system, you must submit the statement via e-mail to ocd.hearings@emnrd.nm.gov and should include: the names of the parties; whether or not the parties are represented by counsel; a concise statement of the case; the names of witnesses anticipated to be called to testify at the hearing; the approximate amount of time needed to present the case; and an identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about these applications, please contact Reagan Armstrong, Senior Landman for Permian Resources Operating, LLC at reagan.armstrong@permianres.com.

125 Lincoln Avenue, Suite 223
Santa Fe, NM 87501
505-230-4410

HardyMcClean.com

Writer:
Jaclyn M. McLean
Managing Partner
jmclean@hardymcclean.com

Permian Resources Operating, LLC
Case No. 25511
Exhibit C-1

Hardy McLean LLC
July 30, 2025

Page 2

Sincerely,
/s/ Jaclyn M. McLean
Jaclyn M. McLean

Postal Delivery Report
Permian Resources Outland State - Case No. 25511

Recipient	Date Mailed	USPS Tracking Number	Date Received	Status
Timothy R. MacDonald	7/16/2025	9414836208551284977771	7/21/2025	Delivered, Left with Individual COLLEGE STATION, TX 77845
Marathon Oil Permian LLC	7/16/2025	9414836208551284977856	7/23/2025	Delivered, PO Box DALLAS, TX 75260
Maverick Oil and Gas Corp	7/16/2025	9414836208551284977870	7/23/2025	Delivered, PO Box DALLAS, TX 75260

Permian Resources Operating, LLC
Case No. 25511
Exhibit C-2



July 21, 2025

Dear Simple Certified:

The following is in response to your request for proof of delivery on your item with the tracking number:
9414 8362 0855 1284 9777 71.

Item Details

Status:	Delivered, Left with Individual
Status Date / Time:	July 21, 2025, 2:43 pm
Location:	COLLEGE STATION, TX 77845
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™ Return Receipt Electronic
Recipient Name:	TIMOTHY R MACDONALD

Recipient Signature

Signature of Recipient:

Address of Recipient:

3003 PALEO PT, COLLEGE
STATION, TX 77845

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

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

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

Timothy R. MacDonald
3003 Paleo Court
College Station , TX 77845
Reference #: PR Outland 25511
Item ID: PR Outland 25511

Permian Resources Operating, LLC
Case No. 25511
Exhibit C-3



July 23, 2025

Dear Simple Certified:

The following is in response to your request for proof of delivery on your item with the tracking number:
9414 8362 0855 1284 9778 56.

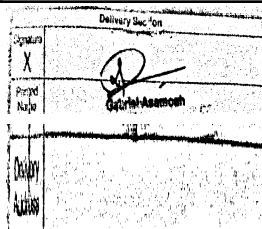
Item Details

Status:	Delivered, PO Box
Status Date / Time:	July 23, 2025, 3:15 am
Location:	DALLAS, TX 75260
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™ Return Receipt Electronic
Recipient Name:	MARATHON OIL PERMIAN LLC

Recipient Signature

Signature of Recipient:

Address of Recipient:



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

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

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

Marathon Oil Permian LLC
PO Box 732312
Dallas , TX 75373
Reference #: PR Outland 25511
Item ID: PR Outland 25511



July 23, 2025

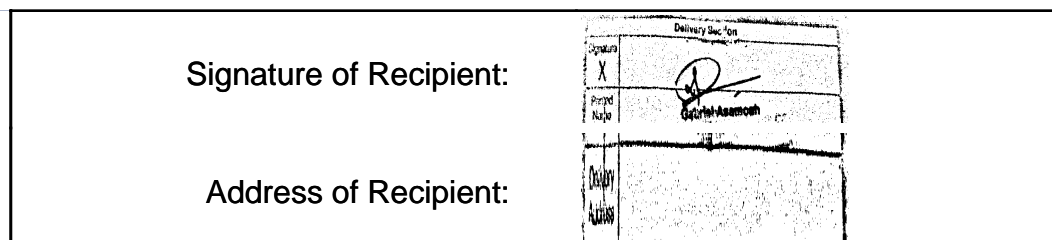
Dear Simple Certified:

The following is in response to your request for proof of delivery on your item with the tracking number:
9414 8362 0855 1284 9778 70.

Item Details

Status:	Delivered, PO Box
Status Date / Time:	July 23, 2025, 3:15 am
Location:	DALLAS, TX 75260
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™ Return Receipt Electronic
Recipient Name:	MAVERICK OIL AND GAS CORP

Recipient Signature



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

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

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

Maverick Oil and Gas Corp
PO BOX 732312
Dallas , TX 75373
Reference #: PR Outland 25511
Item ID: PR Outland 25511

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

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

Beginning with the issue dated
July 22, 2025
and ending with the issue dated
July 22, 2025.



Publisher

Sworn and subscribed to before me this
22nd day of July 2025.

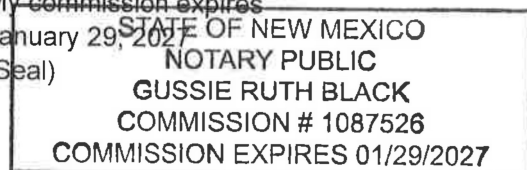


Business Manager

My commission expires

January 29, 2027

(Seal)



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	LEGAL	LEGAL
LEGAL NOTICE July 22, 2025		
<p>This is to notify all interested parties, including; Timothy MacDonald, Maverick Oil & Gas Corp, Marathon Oil Permian LLC; and their successors and assigns; that the New Mexico Oil Conservation Division will conduct a hearing on the application submitted Permian Resources Operating, LLC ("Applicant") for Case No. 25511. The hearing will be conducted on August 7, 2025, in a hybrid fashion, both virtually and in person at the Energy, Minerals, Natural Resources Department, 1st Floor, Santa Fe, NM 87505. To participate virtually, see the instructions posted on the OCD website: https://www.emnrd.nm.gov/ocd/hearing-info/. In Case No. 25511, all uncommitted interests from approximately 8,076' to 9,568' TVD and 10,605' to 11,340' TVD, within the Bone Spring formation, underlying a 795.38-acre, more or less, standard horizontal spacing unit, comprised of the E/2 equivalent of irregular Section 2 and the E/2 of Section 11, Township 21 South, Range 34 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the following wells ("Wells"): Outland State Unit 11-2 133H, which will be drilled from a surface hole location in the NW/4 NE/4 (Unit B) of Section 2 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 11; and Outland State Unit 11-2 134H, which will be drilled from a surface hole location in the NW/4 NE/4 (Unit B) of Section 2 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 11. The completed interval of the Wells will be orthodox. The completed interval of the Outland State Unit 11-2 134H well will be located within 330' of the quarter-quarter section line separating the E/2 E/2 and W/2 E/2 of Sections 2 and 11 to allow for the creation of a 795.38-acre standard horizontal spacing unit. A depth severance exists within the Unit. Therefore, Permian Resources seeks to pool only those uncommitted interests from 8,076' to 9,568' TVD and 10,605' to 11,340' TVD, as found on the Butkus 2 State #001 (API No. 30-025-35325). The spacing unit for the Wells partially overlaps with the spacing units for the following wells, which produce from the Grama Ridge; Bone Spring, North Pool (Code 28434); Outland State Unit 11 2 1BS #001H (API No. 30-025-45222), which is located in the W/2 SE/4 of Section 2 and the W/2 E/2 of Section 11; and Outland State Unit 11 2 2BS #002H (API No. 30-025-45914), which is located in the E/2 SE/4 of Section 2 and the E/2 E/2 of Section 11. Also to be considered will be the cost of drilling and completing the Wells and the allocation of the cost, the designation of Applicant as operator of the Wells, and a 200% charge for the risk involved in drilling and completing the Wells. The Wells are located approximately 16.4 miles northwest of Eunice, New Mexico.</p> <p>#00302887</p>		

67118479

00302887

HARDY MCLEAN LLC
125 LINCOLN AVE, STE. 223
SANTA FE, NM 87501

Permian Resources Operating, LLC
Case No. 25511
Exhibit C-4