

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

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

CASE NO. 25666

EXHIBIT INDEX

Compulsory Pooling Checklist

Exhibit A	Self-Affirmed Statement of Reagan Armstrong
A-1	Application & Proposed Notice of Hearing
A-2	C-102s for the Well
A-3	Plat of Tracts, Tract Ownership, Applicable Lease Numbers, Unit Recapitulation, Pooled Parties, Overlapping Spacing Unit Plat
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	Bone Spring Subsea Structure Map
B-4	Third Bone Spring Subsea Structure Map
B-5	Stratigraphic Cross-Section
B-6	Gun Barrel Diagram
Exhibit C	Self-Affirmed Statement of Jaclyn M. McLean
C-1	Notice Letter to All Interested Parties Sent September 18, 2025
C-2	Postal Delivery Report
C-3	Electronic Return Receipts
C-4	Affidavit of Publication for September 23, 2025

COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 25666	APPLICANT'S RESPONSE
Date: November 13, 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 Overlapping Spacing Unit, Lea County, New Mexico.
Entries of Appearance/Intervenors:	None.
Well Family	Casa Bonita
Formation/Pool	
Formation Name(s) or Vertical Extent:	Avalon and Third Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Avalon and Third Bone Spring
Pool Name and Pool Code:	WC - 025 G - 07 S223505N; Bone Spring Pool (Code 98136)
Well Location Setback Rules:	Statewide
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	482.11-acres
Building Blocks:	quarter-quarter
Orientation:	North-South
Description: TRS/County	W/2 E/2 of irregular Section 5 and the W/2 E/2 of Sections 8 and 17, Township 22 South, Range 35 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 Unit. Accordingly, Applicant seeks to pool uncommitted interests from the top of the Avalon formation, at a stratigraphic equivalent of approximately 8,724' TVD, to the base of the Avalon, at a stratigraphic equivalent of 9,366' TVD, and from the top of the Third Bone Spring interval, at a stratigraphic equivalent of approximately 10,344' TVD, to the base of the Third Bone Spring interval, at a stratigraphic equivalent of approximately 10,956' TVD, as observed on the San Simon 32-A State Com #1 well log (API No. 30-025-27306).
Proximity Tracts: If yes, description	No.
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit A-3
Well(s)	
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	Casa Bonita 5 State Com 603H (API No. 30-025-55302) SHL: 592' FNL & 1,460' FEL (Lot 2), Section 5, T22S-R35E BHL: 100' FSL & 1,651' FEL (Unit O), Section 17, T22S-R35E Completion Target: Third Bone Spring (Approx. 10,900' 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)	N/A
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	N/A
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-1
Structure Contour Map - Subsea Depth	Exhibit B-3, Exhibit 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:	11/5/2025

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

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

CASE NO. 25666

**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 in the Avalon formation and the Third Bone Spring interval of the Bone Spring formation underlying a 482.11- acre, more or less, standard, overlapping horizontal spacing unit comprised of the W/2 E/2 of irregular Section 5 and the W/2 E/2 of Sections 8 and 17, Township 22 South, Range 35 East, Lea County, New Mexico ("Unit").

5. The Unit will be dedicated to the **Casa Bonita 5 State Com 603H** well ("Well"), which will produce from a first take point in the NW/4 NE/4 (Lot 2) of Section 5 to a last take point in the SW/4 SE/4 (Unit O) of Section 17.

**Permian Resources Operating, LLC
Case No. 25666
Exhibit A**

6. The completed intervals of the Well will be orthodox.
7. Multiple depth severances exist within the Unit. Accordingly, Permian Resources seeks to pool uncommitted interests from the top of the Avalon formation, at a stratigraphic equivalent of approximately 8,724' TVD, to the base of the Avalon, at a stratigraphic equivalent of 9,366' TVD, and from the top of the Third Bone Spring interval, at a stratigraphic equivalent of approximately 10,344' TVD, to the base of the Third Bone Spring interval, at a stratigraphic equivalent of approximately 10,956' TVD, as observed on the San Simon 32-A State Com #1 well log (API No. 30-025-27306).
8. The Unit will partially overlap with the following spacing units: the Casa Bonita 8 State Com #123H (API No. 30-025-52486) well, which produces from the WC-025 G-07 S223505N Pool (Code 98136); the Butter Stotch 8 State Com #123H (API No. 30-025-52196) well, which produces from the WC-025 G-07 S223505N Pool (Code 98136); and Casa Bonita 5 State Com #303H (API No. 30-025-54262) well, which produces from the WC-025 G-07 S223505N Pool (Code 98136).
9. **Exhibit A-2** contains the C-102 for the Well.
10. **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.
11. 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.

12. **Exhibit A-4** contains a sample well proposal letter and AFE sent to working interest owners for the Well. 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.

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

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

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

16. 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.

17. 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

10/31/2025

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 OVERLAPPING SPACING
UNIT, LEA COUNTY, NEW MEXICO.**

CASE NO. 25666

APPLICATION

Pursuant to NMSA § 70-2-17, Permian Resources Operating, LLC (“Applicant”) (OGRID No. 372165) applies for an order pooling all uncommitted interests in the Avalon formation and the Third Bone Spring interval of the Bone Spring formation underlying a 482.11-acre, more or less, standard, overlapping horizontal spacing unit comprised of the W/2 E/2 of irregular Section 5 and the W/2 E/2 of Sections 8 and 17, Township 22 South, Range 35 East, Lea County, New Mexico (“Unit”). In support of its application, Applicant 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 **Casa Bonita 5 State Com 603H** well (“Well”), which will produce from a first take point in the NW/4 NE/4 (Lot 2) of Section 5 to a last take point in the SW/4 SE/4 (Unit O) of Section 17.
3. The completed interval of the Well will be orthodox.
4. Multiple depth severances exist within the Unit. Accordingly, Applicant seeks to pool uncommitted interests from the top of the Avalon formation, at a stratigraphic equivalent of approximately 8,724’ TVD, to the base of the Avalon, at a stratigraphic equivalent of 9,366’ TVD, and from the top of the Third Bone Spring interval, at a stratigraphic equivalent of approximately 10,344’ TVD, to the base of the Third Bone Spring interval, at a stratigraphic equivalent of approximately 10,956’ TVD, as observed on the San Simon 32-A State Com #1 well log (API No.

**Permian Resources Operating, LLC
Case No. 25666
Exhibit A-1**

30-025-27306). The Unit will partially overlap with the following spacing units: the Casa Bonita 8 State Com #123H (API No. 30-025-52486) well, which produces from the WC-025 G-07 S223505N Pool (Code 98136); the Butter Stotch 8 State Com #123H (API No. 30-025-52196) well, which produces from the WC-025 G-07 S223505N Pool (Code 98136); and Casa Bonita 5 State Com #303H (API No. 30-025-54262) well, which produces from the WC-025 G-07 S223505N Pool (Code 98136).

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

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

7. 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 the operator of the Well and the Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on October 9, 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 Well in the Unit;
- C. Designating Permian Resources Operating, LLC as operator of the Unit and the Well to be drilled thereon;
- D. Authorizing Permian Resources Operating, LLC to recover its costs of drilling, equipping, and completing the Well;

- E. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% charge for the risk assumed by Permian Resources Operating, LLC in drilling and completing the Well against any working interest owner who does not voluntarily participate in the drilling of the Well.

Respectfully submitted,

HARDY McLEAN LLC

/s/ Dana S. Hardy

Dana S. Hardy

Jaclyn M. McLean

Yarithza Peña

125 Lincoln Ave, Ste. 223

Santa Fe, NM 87501

Phone: (505) 230-4410

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Counsel for Permian Resources Operating, LLC

Application of Permian Resources Operating, LLC for Compulsory Pooling and Overlapping Spacing Unit, Lea County, New Mexico. Applicant applies for an order pooling all uncommitted interests in the Avalon formation and the Third Bone Spring interval of the Bone Spring formation underlying a 482.11-acre, more or less, standard, overlapping horizontal spacing unit comprised of the W/2 E/2 of irregular Section 5 and the W/2 E/2 of Sections 8 and 17, Township 22 South, Range 35 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to **Casa Bonita 5 State Com 603H** well ("Well"), which will produce from a first take point in the NW/4 NE/4 (Lot 2) of Section 5 to a last take point in the SW/4 SE/4 (Unit O) of Section 17. The completed interval of the Well will be orthodox. Multiple depth severances exist within the Unit. Accordingly, Applicant seeks to pool uncommitted interests from the top of the Avalon formation, at a stratigraphic equivalent of approximately 8,724' TVD, to the base of the Avalon, at a stratigraphic equivalent of 9,366' TVD, and from the top of the Third Bone Spring interval, at a stratigraphic equivalent of approximately 10,344' TVD, to the base of the Third Bone Spring interval, at a stratigraphic equivalent of approximately 10,956' TVD, as observed on the San Simon 32-A State Com #1 well log (API No. 30-025-27306). The Unit will partially overlap with the following spacing units: the Casa Bonita 8 State Com #123H (API No. 30-025-52486) well, which produces from the WC-025 G-07 S223505N Pool (Code 98136); the Butter Stotch 8 State Com #123H (API No. 30-025-52196) well, which produces from the WC-025 G-07 S223505N Pool (Code 98136); and Casa Bonita 5 State Com #303H (API No. 30-025-54262) well, which produces from the WC-025 G-07 S223505N Pool (Code 98136). Also to be considered will be the cost of drilling and completing the Well and the allocation of the costs, the designation of Applicant as operator of the Well, and a 200% charge for the risk involved in drilling and

completing the Well. The Well is located approximately 13.4 miles southwest of Eunice, New Mexico.

Case No. 25666

C-102 Submit Electronically Via OCD Permitting	State of New Mexico Exhibit A-2 Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	Revised July 9, 2024	
		Submittal Type:	☒ Initial Submittal
			☐ Amended Report
		☐ As Drilled	

WELL LOCATION INFORMATION

API Number TBD 30-025-55302	Pool Code 98136	Pool Name WC - 025 G - 07 S223505N; BONE SPRING
Property Code TBD 336595	Property Name CASA BONITA 5 STATE COM	Well Number 603H
OGRID No. 372165	Operator Name PERMIAN RESOURCES OPERATING, LLC	Ground Level Elevation 3,628'
Surface Owner: ☒ State ☐ Fee ☐ Tribal ☐ Federal		Mineral Owner: ☒ State ☐ Fee ☐ Tribal ☐ Federal

Surface Location

UL B	Section 5	Township 22S	Range 35E	Lot LOT 2	Ft. from N/S 592' FNL	Ft. from E/W 1,460' FEL	Latitude 32.426596°	Longitude -103.385754°	County LEA
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Bottom Hole Location

UL O	Section 17	Township 22S	Range 35E	Lot	Ft. from N/S 100' FSL	Ft. from E/W 1,651' FEL	Latitude 32.384762°	Longitude -103.386443°	County LEA
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Dedicated Acres 482.11	Infill or Defining Well Infill	Defining Well API 3002554262	Overlapping Spacing Unit (Y/N) N	Consolidation Code C
Order Numbers. TBD			Well setbacks are under Common Ownership: ☒ Yes ☐ No	

Kick Off Point (KOP)

UL B	Section 5	Township 22S	Range 35E	Lot LOT 2	Ft. from N/S 592' FNL	Ft. from E/W 1,460' FEL	Latitude 32.426596°	Longitude -103.385754°	County LEA
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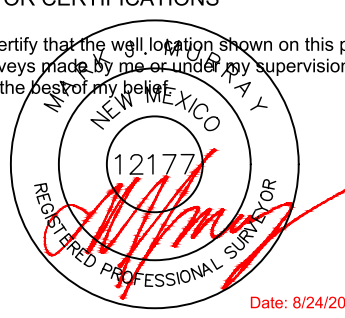
First Take Point (FTP)

UL B	Section 5	Township 22S	Range 35E	Lot LOT 2	Ft. from N/S 100' FNL	Ft. from E/W 1,668' FEL	Latitude 32.427948°	Longitude -103.386420°	County LEA
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Last Take Point (LTP)

UL O	Section 17	Township 22S	Range 35E	Lot	Ft. from N/S 100' FSL	Ft. from E/W 1,651' FEL	Latitude 32.384762°	Longitude -103.386443°	County LEA
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Unitized Area or Area of Uniform Interest NA	Spacing Unit Type ☒ Horizontal ☐ Vertical	Ground Floor Elevation: TBD
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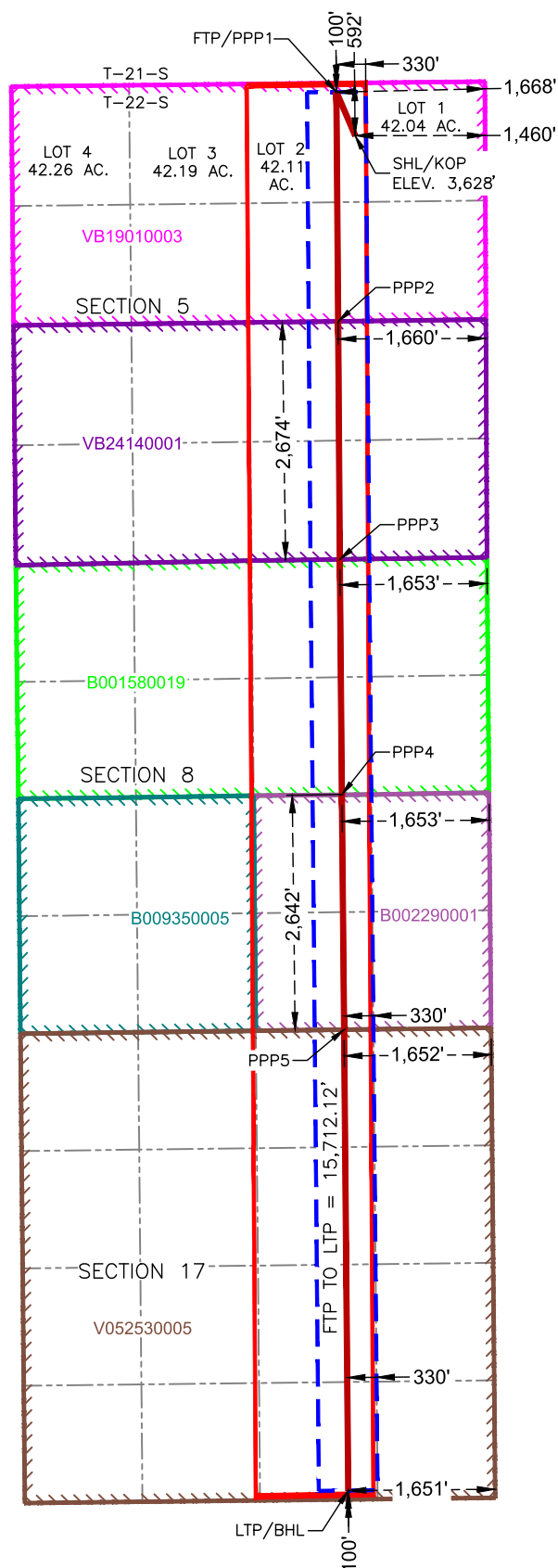
OPERATOR CERTIFICATIONS I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the 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.  Date: 8/24/2025	
Signature <i>Cassie Evans</i>	Date 5/28/25	Signature and Seal of Professional Surveyor	
Printed Name Cassie Evans	Certificate Number 12177	Date of Survey 8/24/2025	Revision Number 1
Email Address cassie.evans@permianres.com			

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.



**SURFACE HOLE LOCATION
& KICK-OFF POINT**
592' FNL & 1,460' FEL
ELEV. = 3,628'

NAD 83 X = 833,713.19'
NAD 83 Y = 520,223.10'
NAD 83 LAT = 32.426596°
NAD 83 LONG = -103.385754°
NAD 27 X = 792,529.71'
NAD 27 Y = 520,161.95'
NAD 27 LAT = 32.426471°
NAD 27 LONG = -103.385277°

**FIRST TAKE POINT &
PENETRATION POINT 1**
100' FNL & 1,668' FEL

NAD 83 X = 833,503.55'
NAD 83 Y = 520,713.33'
NAD 83 LAT = 32.427948°
NAD 83 LONG = -103.386420°
NAD 27 X = 792,320.08'
NAD 27 Y = 520,652.17'
NAD 27 LAT = 32.427823°
NAD 27 LONG = -103.385942°

PENETRATION POINT 2
2,674' FSL & 1,660' FEL

NAD 83 X = 833,522.15'
NAD 83 Y = 518,137.16'
NAD 83 LAT = 32.420867°
NAD 83 LONG = -103.386433°
NAD 27 X = 792,338.63'
NAD 27 Y = 518,076.08'
NAD 27 LAT = 32.420743°
NAD 27 LONG = -103.385956°

PENETRATION POINT 3
0' FSL & 1,653' FEL

NAD 83 X = 833,541.45'
NAD 83 Y = 515,462.77'
NAD 83 LAT = 32.413516°
NAD 83 LONG = -103.386448°
NAD 27 X = 792,357.88'
NAD 27 Y = 515,401.75'
NAD 27 LAT = 32.413392°
NAD 27 LONG = -103.385971°

PENETRATION POINT 4
2,642' FSL & 1,653' FEL

NAD 83 X = 833,565.24'
NAD 83 Y = 512,821.30'
NAD 83 LAT = 32.406256°
NAD 83 LONG = -103.386446°
NAD 27 X = 792,381.61'
NAD 27 Y = 512,760.36'
NAD 27 LAT = 32.406131°
NAD 27 LONG = -103.385970°

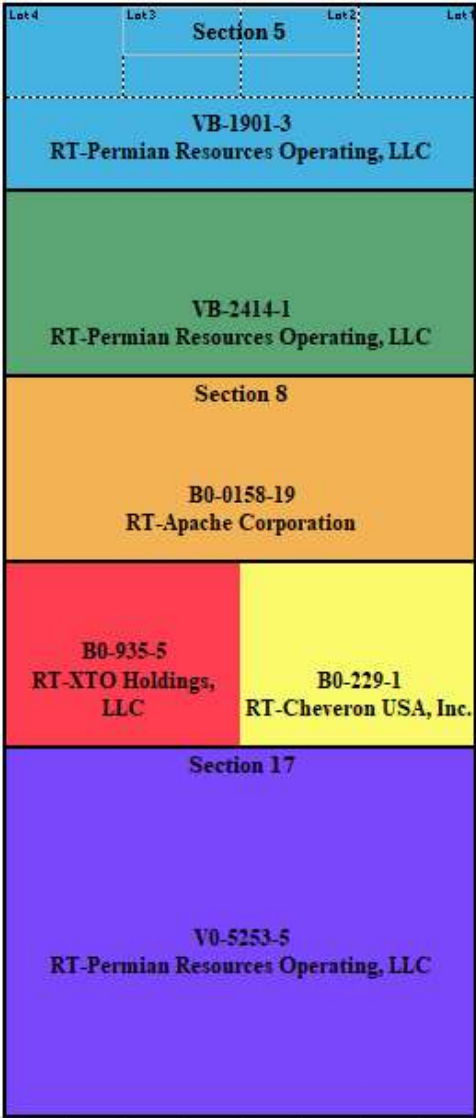
PENETRATION POINT 5
0' FSL & 1,652' FEL

NAD 83 X = 833,589.02'
NAD 83 Y = 510,179.59'
NAD 83 LAT = 32.398995°
NAD 83 LONG = -103.386445°
NAD 27 X = 792,405.35'
NAD 27 Y = 510,118.71'
NAD 27 LAT = 32.398870°
NAD 27 LONG = -103.385969°

**LAST TAKE POINT &
BOTTOM HOLE LOCATION**
100' FSL & 1,651' FEL

NAD 83 X = 833,635.43'
NAD 83 Y = 505,001.77'
NAD 83 LAT = 32.384762°
NAD 83 LONG = -103.386443°
NAD 27 X = 792,451.65'
NAD 27 Y = 504,941.04'
NAD 27 LAT = 32.384638°
NAD 27 LONG = -103.385967°

Land Exhibit: W2E2 – Casa Bonita 5 State Com 603H
Section 5, 8, and 17: W2E2, T22S-R35E, Lea Co., NM



Casa Bonita 6 State Com 601H	Casa Bonita 5 State Com 602H	Casa Bonita 5 State Com 603H	Casa Bonita 5 State Com 604H & 104H

Permian Resources Operating, LLC
Case No. 25666
Exhibit A-3

Land Exhibit: W2E2- Casa Bonita 5 State Com 603H

Section 5, 8, and 17: W2E2, T22S-R35E, Lea Co., NM

Leasehold Ownership

Section 5: lot 2 & SWNE4 (State Lease VB-1901-3)	
Permian Resources Operating, LLC	94%
Oxy Y-1 Company	6%
Totals	100%

Section 5: W2SE4 (State Lease VB-2414-1)	
Permian Resources	100%
Totals	100%

Section 8: W2NE4 (State Lease B-0158-19)	
Hilcorp Energy I, L.P	100%
Totals	100%

Section 8: W2SE4 (State Lease B-229-1)	
Permian Resources Operating, LLC	100%
Totals	100%

Section 17: W2NE4 (State Lease V0-5253-5)	
Permian Resources Operating, LLC	74.958333%
CL&F Operating, LLC	12.5%
FR Energy, LLC	12.5%
Timothy R. MacDonald	0.041667
Totals	100%

Section 17: W2SE4 (State Lease V0-5253-5)	
Permian Resources Operating, LLC	37.5%
Earthstone Permian, LLC	50%
CL&F operating, LLC	6.25%
FR Energy, LLC	6.25%
Totals	100%

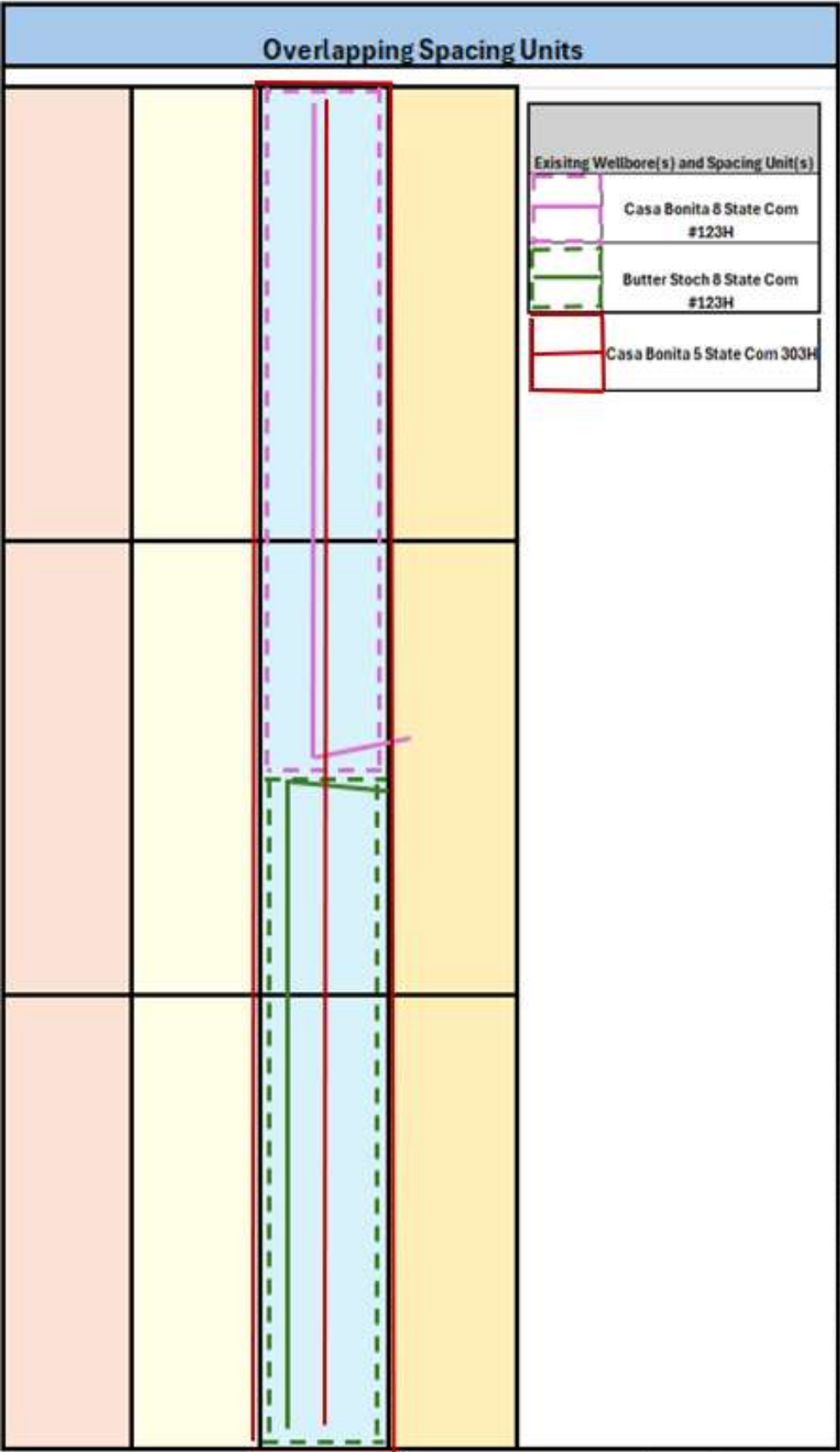
Unit Recapitulation

Owner	Working Interest
Hilcorp Energy I, L.P	16.5937%
CL&F operating, LLC	3.1108%
FR Energy, LLC	3.1113%
Timothy R. MacDonald	0.0069%
Permian Resources, LLC	67.8580%
Earthstone Permian	8.2969%

Land Exhibit: W2E2- Casa Bonita 5 State Com 603H
Section 5, 8, and 17: W2E2, T22S-R35E, Lea Co., NM

Oxy Y-1 Company	1.0219%
Total	100%

Land Exhibit: W2E2- Casa Bonita 5 State Com 603H
Section 5, 8, and 17: W2E2, T22S-R35E, Lea Co., NM





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

OFFICE 432.695.4222
FAX 432.695.4063

August 15, 2025

Certified Mail Via USPS

OXY Y-1 Company.
5 Greenway Plaza, Ste. 110
Houston, TX 77046

RE: Well Proposals: Casa Bonita 5 State Com – Bone Spring Formation
All of Sections 5, 8, & 17, T22S-R35E
Lea County, New Mexico

To Whom It May Concern:

Permian Resources Operating, LLC, as operator ("Permian"), hereby proposes the drilling and completion of the following four (4) Casa Bonita 5 State Com wells at the approximate locations listed below, within Township 22 South, Range 35 East:

1. Casa Bonita 5 State Com #601H

SHL: 330' FNL & 660' FWL, or at a legal location in the NW4 of Section 5
BHL: 100' FSL & 990' FWL of Section 17
FTP: 100' FNL & 990' FWL of Section 5
LTP: 100' FSL & 990' FWL of Section 17
TVD: 10,900'
TMD: Approximately 26,685'
Proration Unit: W2W2 of Sections 5, 8, & 17
Targeted Interval: Third Bone Spring
Total Cost: See attached AFE

2. Casa Bonita 5 State Com #603H

SHL: 330' FNL & 1,980' FEL, or at a legal location in the NE4 of Section 5
BHL: 100' FSL & 1,650' FEL of Section 17
FTP: 100' FNL & 1,650' FEL of Section 5
LTP: 100' FSL & 1,650' FEL of Section 17
TVD: 10,900'
TMD: Approximately 26,685'
Proration Unit: W2E2 of Sections 5, 8, & 17
Targeted Interval: Third Bone Spring
Total Cost: See attached AFE

3. Casa Bonita 5 State Com #604H

SHL: 330' FNL & 660' FEL, or at a legal location in the NE4 of Section 5
BHL: 100' FSL & 330' FEL of Section 17
FTP: 100' FNL & 330' FEL of Section 5
LTP: 100' FSL & 330' FEL of Section 17
TVD: 10,900'
TMD: Approximately 26,685'
Proration Unit: E2E2 of Sections 5, 8, & 17
Targeted Interval: Third Bone Spring
Total Cost: See attached AFE

Permian Resources Operating, LLC
Case No. 25666
Exhibit A-4

4. Casa Bonita 5 State Com #104H

SHL: 330' FNL & 660' FEL, or at a legal location in the NE4 of Section 5

BHL: 100' FSL & 330' FEL of Section 17

FTP: 100' FNL & 330' FEL of Section 5

LTP: 100' FSL & 330' FEL of Section 17

TVD: 8,700'

TMD: Approximately 24,485'

Proration Unit: E2E2 of Sections 5, 8, & 17

Targeted Interval: Avalon

Total Cost: See attached AFE

The locations, TVDs, and targets are approximate and subject to change dependent on surface or subsurface issues encountered. Permian Resources Operating, LLC ("Permian") and the other parties hereto previously entered into that certain Joint Operating Agreement ("JOA"), dated December 1, 2024. This letter proposes an amendment to the JOA to expand the defined drilling area and depths to include both the Avalon and Third Bone Spring formations. If you are interested in proceeding with this amendment, a draft amendment letter will be provided upon request. If an amendment to the previously executed JOA is not agreeable, Permian will provide a new JOA upon request, under the modified terms of the 1989 AAPL Operating agreement, limited to the Third Bone Spring and Avalon formations, with the following general provisions:

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

Please indicate your election to participate in the drilling and completion of the proposed wells on the enclosed election ballot. Please sign and return one copy of this letter, a signed copy of the previously proposed AFE, and your geologic well requirements to the above address or by email to Jordan.Ireton@permianres.com.

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

Thank you for your time and consideration, if you have any questions at all, please don't hesitate to contact me by email at Reagan.Armstrong@permianres.com.

Respectfully,

PERMIAN RESOURCES OPERATING, LLC



Reagan Armstrong
Landman

Enclosures

Well Elections: <i>(Please indicate your responses in the spaces below)</i>		
Well(s)	Elect to Participate	Elect to <u>NOT</u> Participate
Casa Bonita 5 State Com #601H		
Casa Bonita 5 State Com #603H		
Casa Bonita 5 State Com #604H		
Casa Bonita 5 State Com #104H		

OXY Y-1 Company.

By: _____

Printed Name: _____

Date: _____

Participate / Rejection Declaration

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

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

Agreed this _____ day of _____, 2025 by:

OXY Y-1 Company.

By: _____

Printed Name: _____

Title: _____

Cost Estimate

Printed Date: Aug 15, 2025

AFE Number:	506249	Description:	CASA BONITA 5 STATE COM 603H
AFE Name:	CASA BONITA 5 STATE COM 603H	AFE TYPE:	Drill and Complete
Well Operator:	PERMIAN RESOURCES		
Operator AFE #:			

<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	\$95,625.00
8015.1500	IDC - RIG MOB / TRUCKING	\$99,396.88
8015.1600	IDC - RIG MOB / STANDBY RATE	\$36,800.00
8015.1700	IDC - DAYWORK CONTRACT	\$684,250.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY	\$364,251.56
8015.2000	IDC - CONDUCTOR HOLE & SERVICE	\$42,500.00
8015.2150	IDC - DRILL BIT	\$113,000.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS	\$67,500.00
8015.2300	IDC - FUEL / POWER	\$132,945.31
8015.2350	IDC - FUEL/MUD	\$92,137.50
8015.2400	IDC - RIG WATER	\$21,875.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING	\$192,673.76
8015.2700	IDC - INSPECTION, TESTING & REPAIR	\$37,000.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	\$272,680.88
8015.3100	IDC - CASING CREW & TOOLS	\$73,158.75
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	\$27,000.00
8015.3400	IDC - MATERIALS & SUPPLIES	\$5,000.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	\$24,500.00
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$68,796.88
8015.3700	IDC - DISPOSAL	\$117,370.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR	\$12,500.00
8015.4100	IDC - RENTAL EQUIPMENT	\$87,500.00
8015.4200	IDC - MANCAMP	\$42,000.00
8015.4300	IDC - WELLSITE SUPERVISION	\$101,500.00
8015.4600	IDC - SAFETY / ENVIRONMENTAL	\$19,250.00
8015.5000	IDC - WELL CONTROL INSURANCE	\$9,625.00
8015.5200	IDC - CONTINGENCY	\$131,887.64
	Sub-total	\$3,062,724.16
Drilling Tangible		
8020.1100	TDC - CASING - SURFACE	\$91,954.06
8020.1200	TDC - CASING - INTERMEDIATE - 1	\$194,655.84
8020.1400	TDC - CASING - PRODUCTION	\$707,386.05
8020.1500	TDC - WELLHEAD EQUIPMENT	\$53,125.00
8020.1700	TDC - PACKER/DOWNHOLE TOOLS	\$53,125.00
	Sub-total	\$1,100,245.95

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

Cost Estimate

Printed Date: Aug 15, 2025

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
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	\$550,350.00
8025.1600	ICC - COILED TUBING	\$358,713.00
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK	\$25,620.00
8025.2000	ICC - TRUCKING	\$14,375.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING	\$375,911.00
8025.2300	ICC - COMPLETION FLUIDS	\$10,000.00
8025.2500	ICC - WELL STIMULATION/FRACTUR	\$2,052,237.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT	\$15,000.00
8025.3000	ICC - WATER HANDLING	\$300,000.00
8025.3050	ICC - SOURCE WATER	\$380,250.00
8025.3100	ICC - WELLHEAD/FRACTURE REPAIR	\$40,000.00
8025.3400	ICC - RENTAL EQUIPMENT	\$196,275.00
8025.3500	ICC - WELLSITE SUPERVISION	\$64,800.00
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	\$4,464,031.00
Completion Tangible		
8030.2000	TCC - WELLHEAD EQUIPMENT	\$47,250.00
	Sub-total	\$47,250.00
Facilities		
8035.1300	FAC - SURFACE DAMAGE	\$1,000.00
8035.1500	FAC - MATERIALS & SUPPLIES	\$1,000.00
8035.1600	FAC - TRANSPORTATION TRUCKING	\$2,000.00
8035.1700	FAC - RENTAL EQUIPMENT	\$7,200.00
8035.1800	FAC - FUEL / POWER	\$1,000.00
8035.1900	FAC - WATER DISPOSAL / SWD	\$800.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB	\$21,000.00
8035.2400	FAC - SUPERVISION	\$2,560.00
8035.2900	FAC - TANK BATTERY	\$6,600.00
8035.3000	FAC - HEATER TREATER/SEPARATOR	\$81,000.00
8035.3200	FAC - VALVES FITTINGS & PIPE	\$24,000.00
8035.3400	FAC - METERS	\$17,500.00
8035.3600	FAC - ELECTRICAL	\$15,000.00
8035.3700	FAC - AUTOMATION MATERIAL	\$10,000.00
8035.4400	FAC - COMPANY LABOR	\$1,000.00
8035.4500	FAC - CONTINGENCY	\$5,750.00
	Sub-total	\$197,410.00
Pipeline		
8036.1310	PLN - PERMANENT EASEMENT	\$16,000.00
8036.1600	PLN - TRANSPORTATION TRUCKING	\$1,000.00
8036.1700	PLN - RENTAL EQUIPMENT	\$31,000.00
8036.1900	PLN - WATER DISPOSAL / SWD	\$1,600.00

Cost Estimate

Printed Date: Aug 15, 2025

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
8036.2100	PLN - INSPECTION & TESTING	\$3,000.00
8036.2200	PLN - CONTRACT LABOR	\$97,200.00
8036.2400	PLN - SUPERVISION	\$1,000.00
8036.2800	PLN - FLOWLINE MATERIAL	\$140,400.00
8036.3200	PLN - VALVES FITTINGS & PIPE	\$2,500.00
Sub-total		\$293,700.00
Flowback Intangible		
8040.1100	IFC - ROADS LOCATIONS / PITS	\$2,000.00
8040.1899	IFC - FRAC WATER RECOVERY	\$155,042.10
8040.2000	IFC - TRUCKING/VACUUM/TRANSP	\$8,000.00
8040.2900	IFC - WELL TESTING / FLOWBACK	\$98,000.00
8040.3400	IFC - RENTAL EQUIPMENT	\$10,000.00
8040.3420	IFC - TANK RENTALS	\$10,000.00
8040.3430	IFC - SURFACE PUMP RENTAL	\$10,000.00
8040.3500	IFC - WELLSITE SUPERVISION	\$8,000.00
8040.4000	IFC - CHEMICALS	\$14,000.00
Sub-total		\$315,042.10
Artificial Lift Intangible		
8060.1100	IAL - ROAD, LOCATIONS, PITS	\$2,000.00
8060.1200	IAL - WORKOVER RIG	\$20,000.00
8060.1210	IAL - SPOOLING SERVICES	\$5,000.00
8060.2000	IAL - TRUCKING/VACUUM/TRANSP	\$8,000.00
8060.2010	IAL - KILL TRUCK	\$7,000.00
8060.2300	IAL - COMPLETION FLUIDS	\$5,000.00
8060.2600	IAL - CONTRACT LABOR/ROUSTABOUT	\$13,000.00
8060.3400	IAL - RENTAL EQUIPMENT	\$15,000.00
8060.3410	IAL - LAYDOWN MACHINE	\$5,000.00
8060.3420	IAL - REVERSE UNIT RENTAL	\$5,000.00
8060.3500	IAL - WELLSITE SUPERVISION	\$10,000.00
Sub-total		\$95,000.00
Artificial Lift Tangible		
8065.1100	TAL - TUBING	\$65,000.00
8065.1300	TAL - DOWNHOLE ARTIFICIAL LIFT EQPT	\$10,000.00
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	\$100,000.00
8065.2400	TAL - COMPRESSOR INSTALL & STARTUP	\$100,000.00
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
8065.3400	TAL - CONTRACT LABOR INSTALL	\$10,000.00
Sub-total		\$430,000.00
Grand Total		\$10,005,403.21

Accepted and Approved By:
 Company Name (If Applicable): _____

By: _____

Printed Name: _____

Title: _____

Land Exhibit: W2E2- Casa Bonita 5 State Com 603H

Section 5, 8, and 17: W2E2, T22S-R35E, Lea Co., NM

Contact Chronology		
Owner	Date	Description
Oxy Y-1 Company	8/15/2025	Sent out Pre-Order proposals with well details and an AFE.
	8/20/2025	Oxy emailed us to ask for the projected Spud and First Production Date. PR responded and sent title snippets along with the requested information.
	10/23/2025	Oxy requested edits to the signautre line of the JOA and PR made the edits and sent it back.
Hilcorp Energy I, L.P	8/15/2025	Sent out Pre-Order proposals with well details and an AFE.
	10/8/2025-10/21/2025	Email correspondance between Hilcorp and PR to discuss amendments to the proposed JOA.
	10/23/2025	Hilcorp emailed PR a copy of the executed JOA excluding the E2 & E2W2 Avalon.
CL&F Operating, LLC	8/15/2025	Sent out Pre-Order proposals with well details and an AFE.
	10/1/2025-10/24/2025	Correspondance between PR and FR including requests from FR to add language to the contract area of the JOA.
	10/30/2025	CL&F sent PR their executed JOA via email.
FR Energy, LLC	8/15/2025	Sent out Pre-Order proposals with well details and an AFE.
	9/30/2025	Correspondance between FR and PR including, interest request, Spud and POP date requests, JOA discussion etc.
	10/2/2025	FR sent a copy of the executed JOA via email.
Timothy R. Macdonald	8/15/2025	Sent out Pre-Order proposals with well details and an AFE.
	9/11/2025	Timothy requested working interest fro the proposed wells and PR provided them via email.
	10/9/2025	PR asked Timothy if he wanted to execute a JOA and he responded to send one over for his review.
	10/9/2025-10/29/2025	PR sent emails over the span of several weeks asking Timothy if he had any questions regarding the JOA and he was unresponsive.
	10/31/2025	Timothy responded he would review the JOA the next week.
	11/6/2025	JOA signatures were emailed over.

Permian Resources Operating, LLC
Case No. 25666
Exhibit A-5

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

**APPLICATIONS OF PERMIAN
RESOURCES OPERATING, LLC FOR
COMPULSORY POOLING AND
OVERLAPPING SPACING UNITS, LEA
COUNTY, NEW MEXICO.**

**CASE NOS. 25664, 25665,
25666, 25668**

**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 Casa Bonita project area, in proximity to the Capitan Reef within the Delaware Basin, for the Avalon and Third 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 **Casa Bonita 5 State Com 604H, Casa Bonita 5 State Com 104H, Casa Bonita 5 State Com 601H, Casa Bonita 5 State Com 602H, and Casa Bonita 5 State Com 603H** wells (“Wells”), are represented by dashed blue and red lines. Existing producing wells in the targeted interval are represented by blue and 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.

**Permian Resources Operating, LLC
Case No. 25666
Exhibit B**

5. **Exhibit B-3** is a Subsea Structure map of the 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 a dashed blue line. 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 southwest 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 a dashed red line. 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 southwest 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 Third Bone Spring formation. The proposed landing zones for the Wells are labeled on the exhibit. The approximate well-paths for the proposed Wells are indicated by a dashed blue and dashed red line to be drilled from north to south the units. This cross-section demonstrates the target interval is continuous across the Unit.

8. **Exhibit B-6** is a gun barrel diagram that shows the proposed Wells in the Bone Spring formation. The spacing unit is defined by a dashed 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.

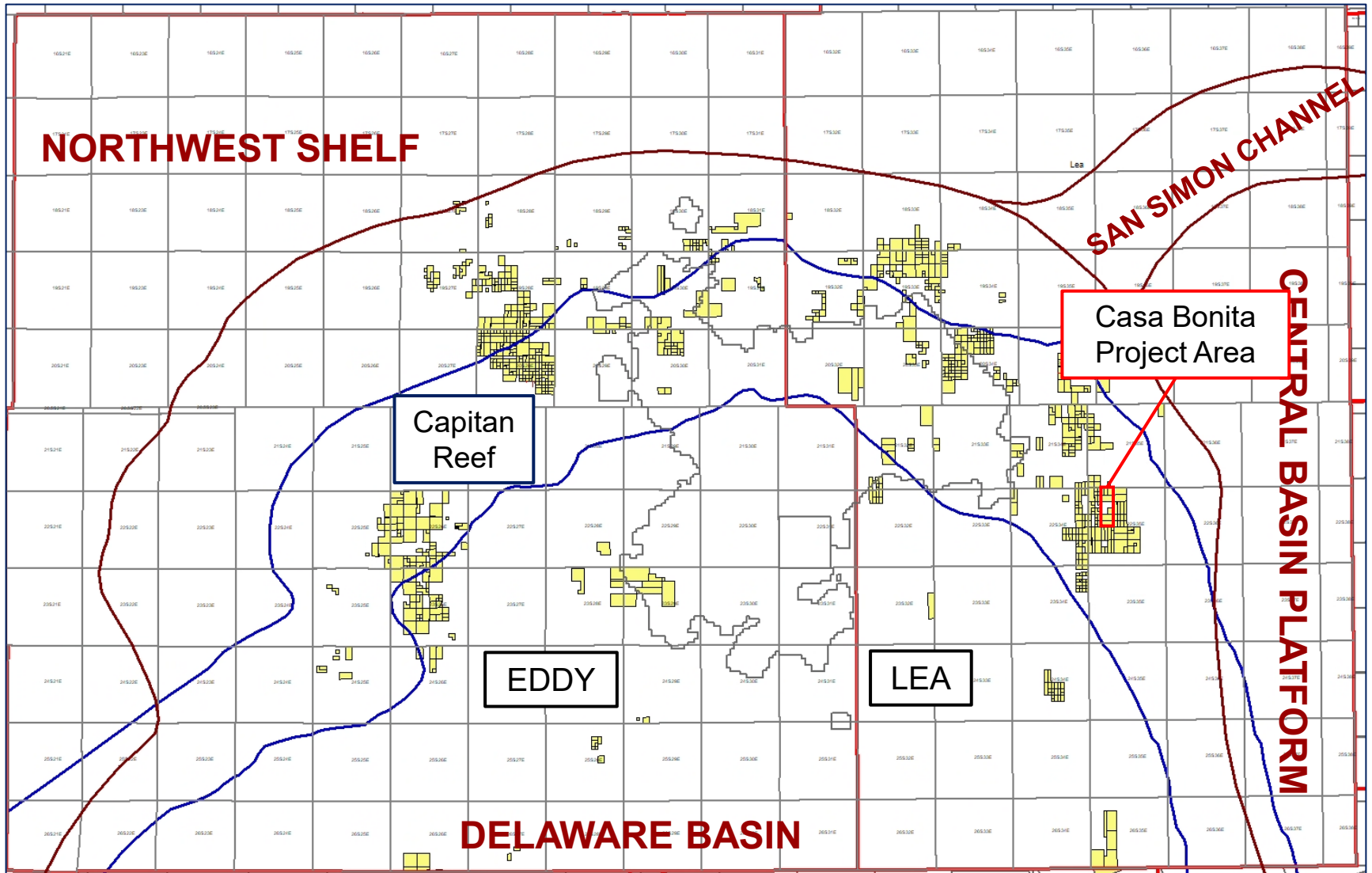
Chris Reudelhuber
CHRIS REUELHUBER

10/31/25
Date



Regional Locator Map

Casa Bonita 5 State Com 604H, Casa Bonita 5 State Com 104H, Casa Bonita 5 State Com 601H,
Casa Bonita 5 State Com 602H, and Casa Bonita 5 State Com 603H

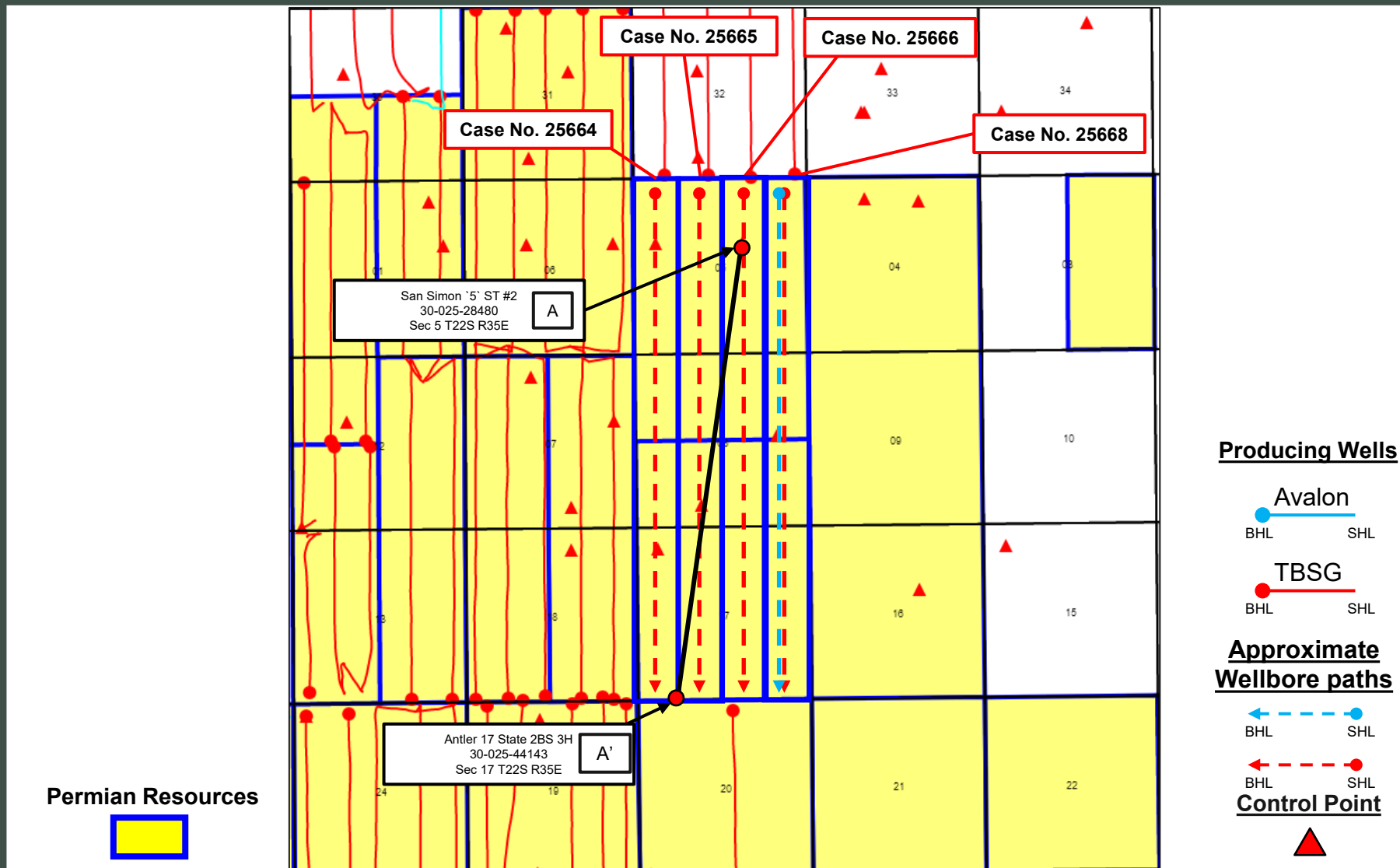


Permian Resources



Cross-Section Locator Map

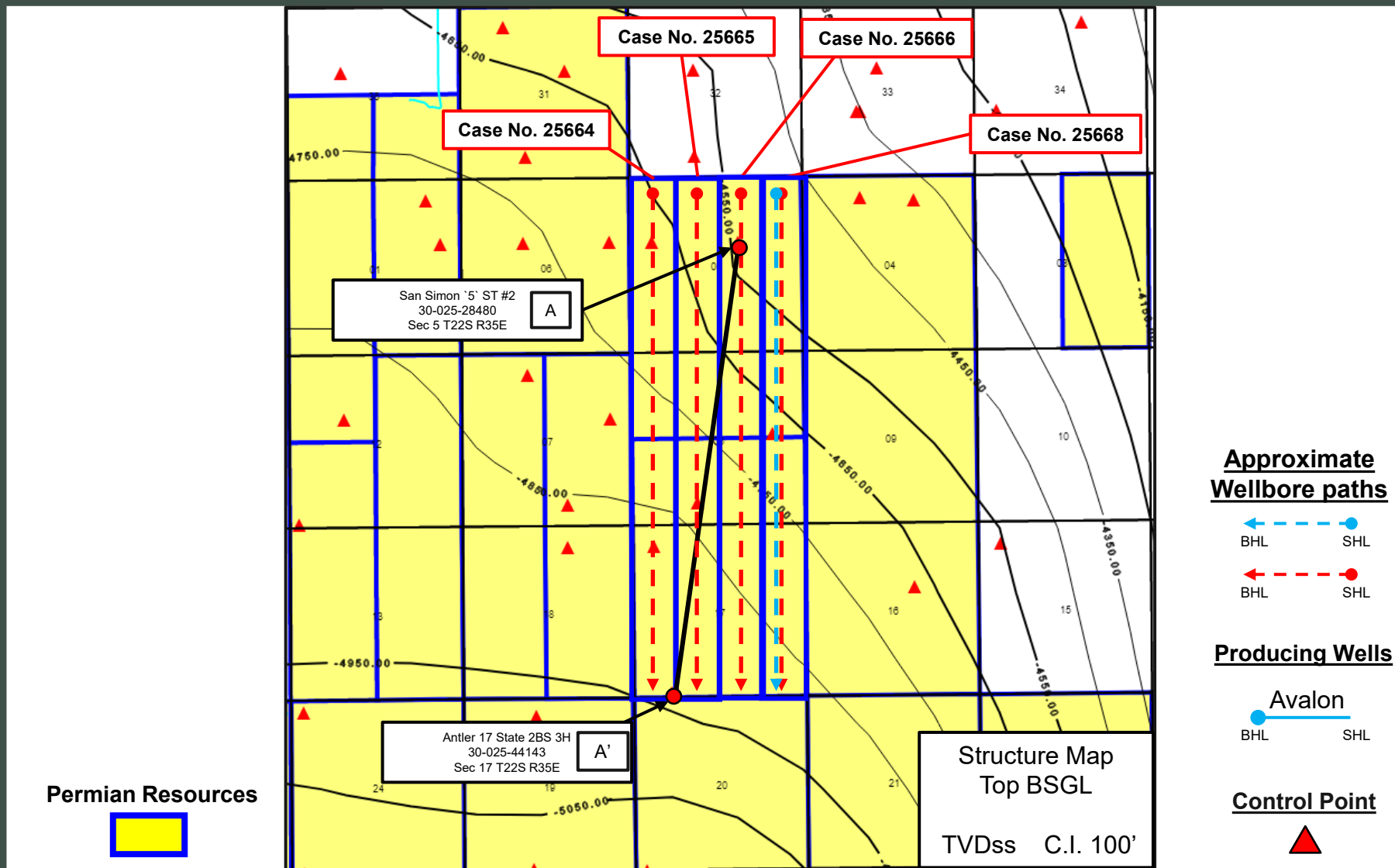
Casa Bonita 5 State Com 604H, Casa Bonita 5 State Com 104H, Casa Bonita 5 State Com 601H, Casa Bonita 5 State Com 602H, and Casa Bonita 5 State Com 603H





Bone Spring Lime – BSGL SSTVD Structure Map

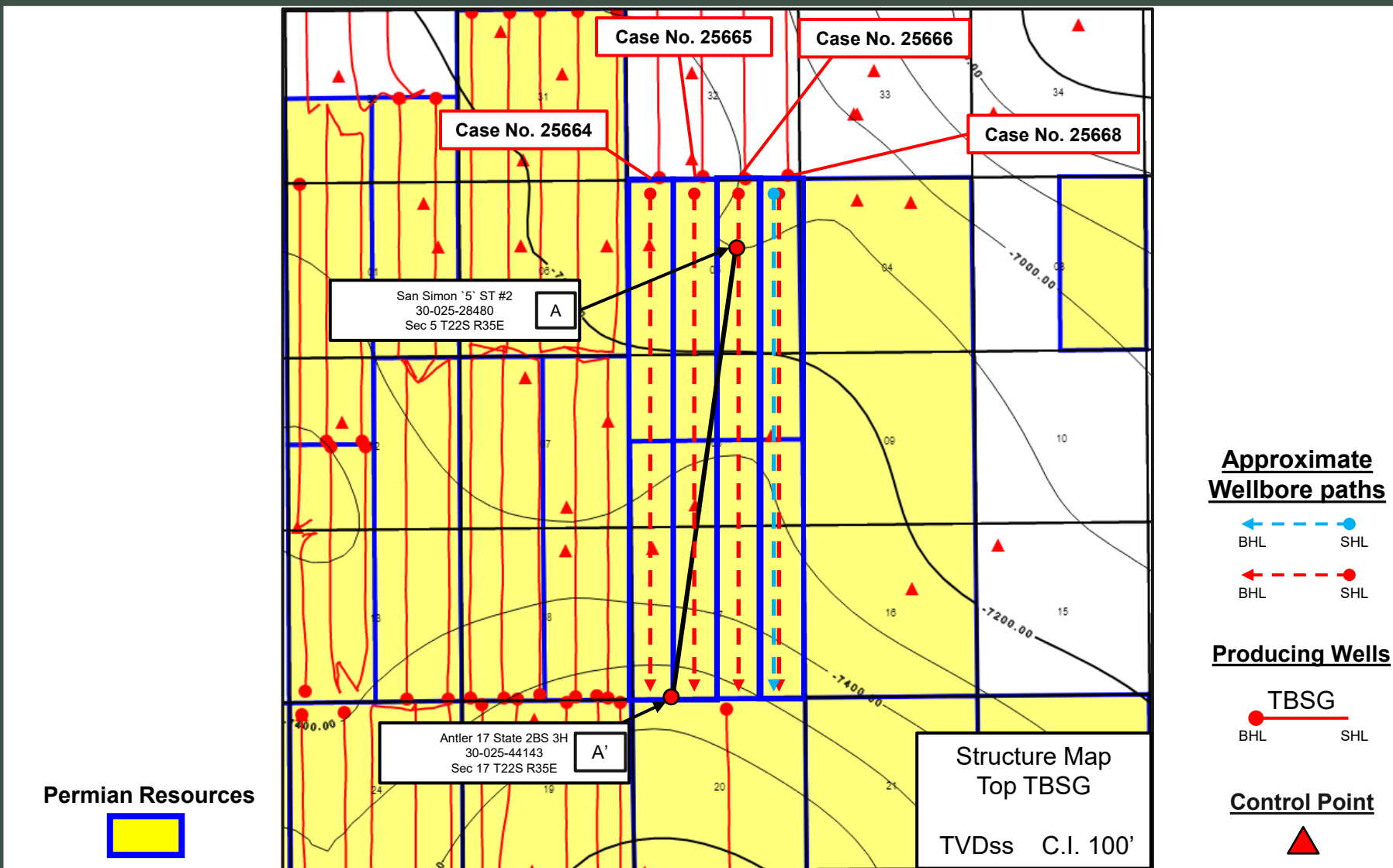
Casa Bonita 5 State Com 604H, Casa Bonita 5 State Com 104H, Casa Bonita 5 State Com 601H, Casa Bonita 5 State Com 602H, and Casa Bonita 5 State Com 603H





Third Bone Spring – TBSG SSTVD Structure Map

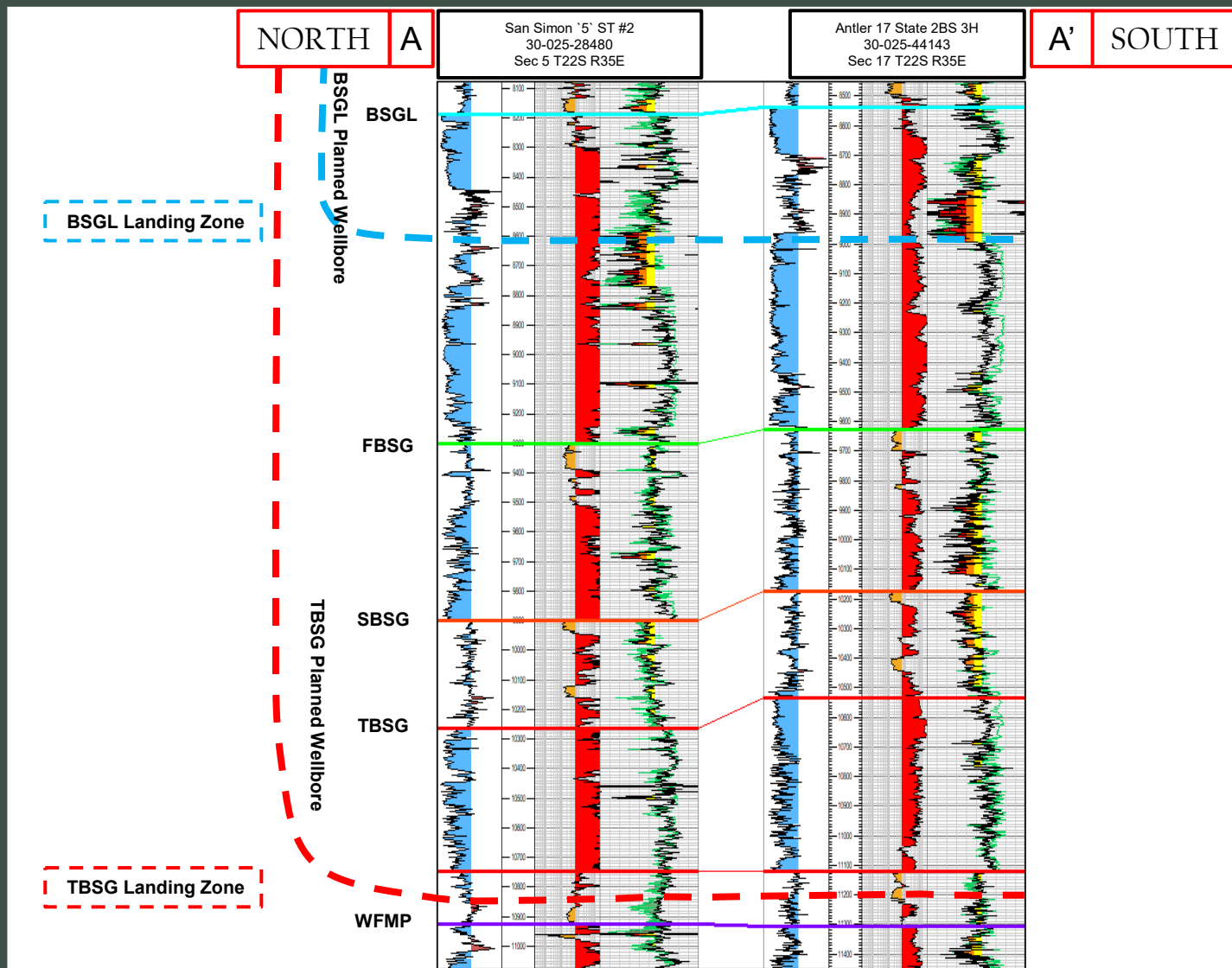
Casa Bonita 5 State Com 604H, Casa Bonita 5 State Com 104H, Casa Bonita 5 State Com 601H, Casa Bonita 5 State Com 602H, and Casa Bonita 5 State Com 603H





Stratigraphic Cross-Section A-A'

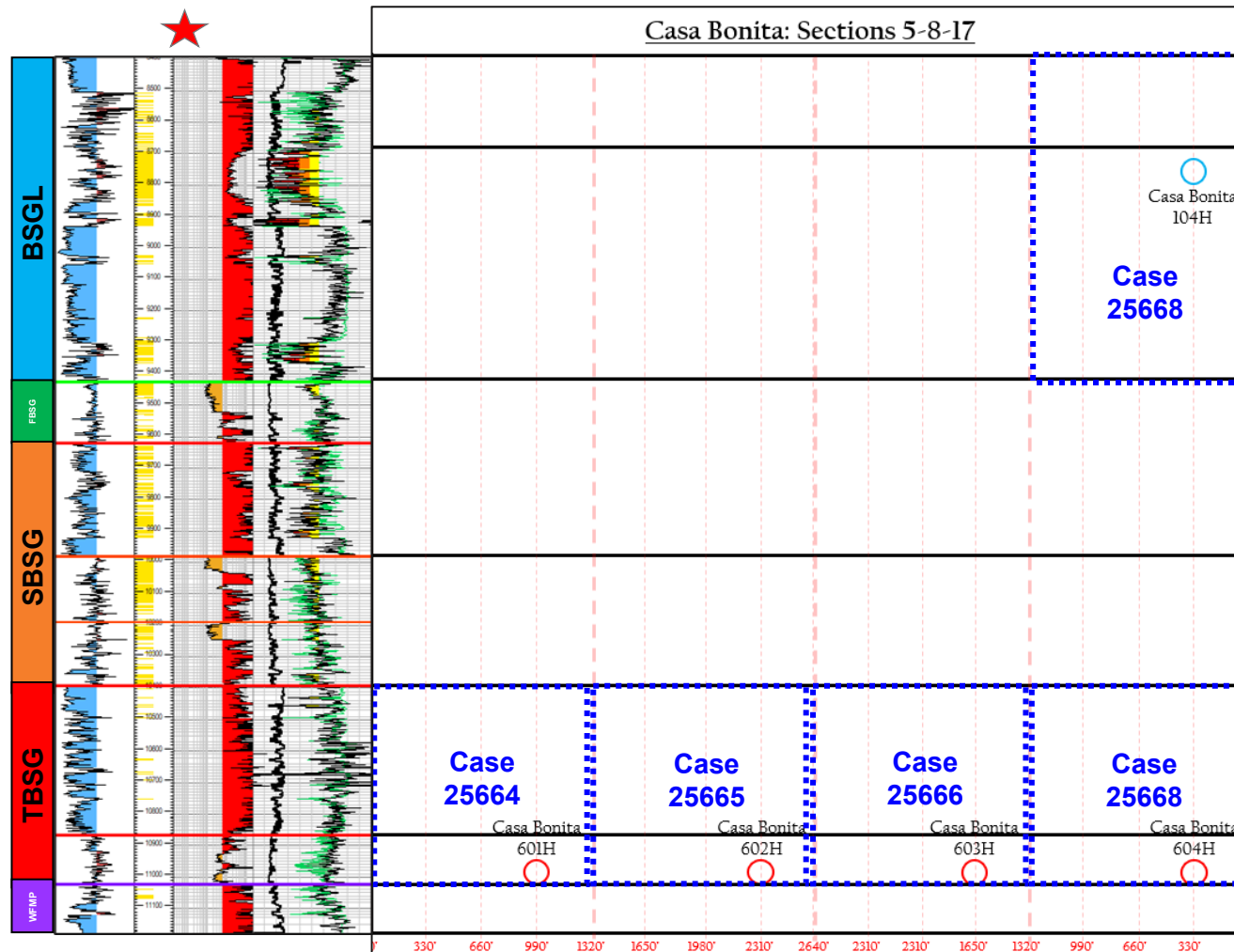
Casa Bonita 5 State Com 604H, Casa Bonita 5 State Com 104H, Casa Bonita 5 State Com 601H,
Casa Bonita 5 State Com 602H, and Casa Bonita 5 State Com 603H





Gun Barrel Development Plan

Casa Bonita 5 State Com 604H, Casa Bonita 5 State Com 104H, Casa Bonita 5 State Com 601H, Casa Bonita 5 State Com 602H, and Casa Bonita 5 State Com 603H



30-025-28480



Casa Bonita 5-8-17

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

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

CASE NO. 25666

**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 Letters attached as **Exhibit C-1**, and caused the Notice Letters, 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 Letters were 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 September 23, 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

September 25, 2025
Date

**Permian Resources Operating, LLC
Case No. 25666
Exhibit C**



September 18, 2025

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: ALL PARTIES ENTITLED TO NOTICE

**Re: Case No. 25666 - Application of Permian Resources Operating, LLC for
Compulsory Pooling and Overlapping Spacing Unit, Lea County, New Mexico.**

To whom it may concern:

This letter is to advise you that the enclosed application was filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **October 9, 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.

This letter is also to advise you that the spacing unit Permian Resources seeks to pool in Case No. 25666 overlaps with the spacing unit for the following wells:

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. 25666
Exhibit C-1

Hardy McLean LLC
September 18, 2025

Page 2

- Casa Bonita 8 State Com #123H (API No. 30-025-52486), which produces from the WC-025 G-07 S223505N Pool (Code 98136);
- Butter Stotch 8 State Com #1253 (API No. 30-025-52196), which produces from the WC-025 G-07 S223505N Pool (Code 98136); and
- Casa Bonita 5 State Com #303H (API No. 30-025-54262), which produces from the WC-025 G-07 S223505N Pool (Code 98136).

In accordance with 19.15.15.12(B) NMAC, you have 20 days to notify the undersigned counsel or Reagan Armstrong, Landman with Permian Resources, at Reagan.Armstrong@permianres.com.

Please do not hesitate to contact me if you have any questions regarding this matter.

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

Postal Delivery Report

PR Casa Bonita - Case No. 25666

Recipient	Date Mailed	USPS Tracking Number	Date Received	Status
Oxy Y-1 Company	9/17/2025	9414836208551287968844	9/22/2025	Delivered to Agent, Front Desk/Reception/Mail Room
CL&F Operating, LLC	9/17/2025	9414836208551287968851	9/22/2025	Delivered, Left with Individual SPRING, TX 77389
FR Energy, LLC	9/17/2025	9414836208551287968868	9/22/2025	Delivered, Left with Individual HOUSTON, TX 77055
Timothy R. MacDonald	9/17/2025	9414836208551287968875	9/25/2025	Delivered, Left with Individual COLLEGE STATION, TX 77845
Hilcorp Energy I, LP	9/17/2025	9414836208551287968882	9/22/2025	Delivered, Left with Individual

Permian Resources Operating, LLC
Case No. 25666
Exhibit C-2



September 22, 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 1287 9688 44.

Item Details

Status:	Delivered to Agent, Front Desk/Reception/Mail Room
Status Date / Time:	September 22, 2025, 11:59 am
Location:	HOUSTON, TX 77046
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™ Return Receipt Electronic
Recipient Name:	OXY Y 1 COMPANY

Recipient Signature

Signature of Recipient:
(Authorized Agent)

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

Oxy Y-1 Company
5 Greenway Plaza
Suite 110
Houston, TX 77046
Reference #: PR Casa Bonita 25666
Item ID: PR Casa Bonita 25666

Permian Resources Operating, LLC
Case No. 25666
Exhibit C-3



September 22, 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 1287 9688 51.

Item Details

Status:	Delivered, Left with Individual
Status Date / Time:	September 22, 2025, 3:40 pm
Location:	SPRING, TX 77389
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™ Return Receipt Electronic
Recipient Name:	CL F OPERATING 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

CL&F Operating, LLC
1700 City Plaza Dr
Suite 360
Spring , TX 77389
Reference #: PR Casa Bonita 25666
Item ID: PR Casa Bonita 25666



September 22, 2025

Dear Simple Certified:

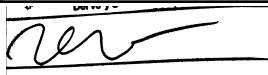
The following is in response to your request for proof of delivery on your item with the tracking number:
9414 8362 0855 1287 9688 68.

Item Details

Status:	Delivered, Left with Individual
Status Date / Time:	September 22, 2025, 2:37 pm
Location:	HOUSTON, TX 77055
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™ Return Receipt Electronic
Recipient Name:	FR ENERGY LLC

Recipient Signature

Signature of Recipient:


VW 6
1106 Witte Rd Ste 400

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

FR Energy, LLC
1106 Witte Rd
Suite 400
Houston , TX 77055
Reference #: PR Casa Bonita 25666
Item ID: PR Casa Bonita 25666



September 25, 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 1287 9688 75.

Item Details

Status:	Delivered, Left with Individual
Status Date / Time:	September 25, 2025, 11:44 am
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:

3003 PALEO PT, COLLEGE
STATION, TX 77845

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

Timothy R. MacDonald
3003 Paleo Point
College Station , TX 77845
Reference #: PR Casa Bonita 25666
Item ID: PR Casa Bonita 25666



September 22, 2025

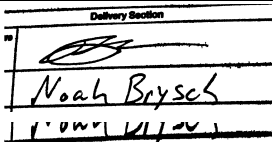
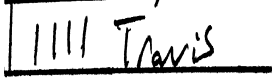
Dear Simple Certified:

The following is in response to your request for proof of delivery on your item with the tracking number:
9414 8362 0855 1287 9688 82.

Item Details

Status:	Delivered, Left with Individual
Status Date / Time:	September 22, 2025, 12:03 pm
Location:	HOUSTON, TX 77002
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™ Return Receipt Electronic
Recipient Name:	HILCORP ENERGY I LP

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

Hilcorp Energy I, LP
1111 Travis Street
Houston, TX 77002
Reference #: PR Casa Bonita 25666
Item ID: PR Casa Bonita 25666

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

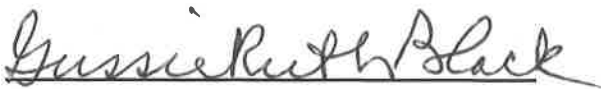
I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

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



Publisher

Sworn and subscribed to before me this
23rd day of September 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 September 23, 2025

This is to notify all interested parties, including OXY Y-1 Company; CL&F Operating, LLC; FR Energy, LLC; Timothy R. MacDonald; Hilcorp Energy I, L.P.; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Permian Resources Operating, LLC (Case No. 25666). The hearing will be conducted on October 9, 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/oecd/hearing-info/>. Permian Resources Operating, LLC ("Applicant") applies for an order pooling all uncommitted interests in the Avalon formation and the Third Bone Spring interval of the Bone Spring formation underlying a 482.11-acre, more or less, standard, overlapping horizontal spacing unit comprised of the W/2 E/2 of irregular Section 5 and the W/2 E/2 of Sections 8 and 17, Township 22 South, Range 35 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to **Casa Bonita 5 State Com 603H** well ("Well"), which will produce from a first take point in the NW/4 NE/4 (Lot 2) of Section 5 to a last take point in the SW/4 SE/4 (Unit O) of Section 17. The completed interval of the Well will be orthodox. Multiple depth severances exist within the Unit. Accordingly, Applicant seeks to pool uncommitted interests from the top of the Avalon formation, at a stratigraphic equivalent of approximately 8,724' TVD, to the base of the Avalon, at a stratigraphic equivalent of 9,366' TVD, and from the top of the Third Bone Spring interval, at a stratigraphic equivalent of approximately 10,344' TVD, to the base of the Third Bone Spring interval, at a stratigraphic equivalent of approximately 10,956' TVD, as observed on the San Simon 32-A State Com #1 well log (API No. 30-025-27306). The Unit will partially overlap with the following spacing units: the Casa Bonita 8 State Com #123H (API No. 30-025-52486) well, which produces from the WC-025 G-07 S223505N Pool (Code 98136); the Butter Stotch 8 State Com #123H (API No. 30-025-52196) well, which produces from the WC-025 G-07 S223505N Pool (Code 98136); and Casa Bonita 5 State Com #303H (API No. 30-025-54262) well, which produces from the WC-025 G-07 S223505N Pool (Code 98136). Also to be considered will be the cost of drilling and completing the Well and the allocation of the costs, the designation of Applicant as operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 13.4 miles southwest of Eunice, New Mexico.
#00304453

67118479

00304453

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

Permian Resources Operating, LLC
Case No. 25666
Exhibit C-4