

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING NOVEMBER 13, 2025**

CASE No. 25671

SLIM JIM 14-15 FED COM 122H & 142H BS WELLS

EDDY COUNTY, NEW MEXICO

PERMIAN
RESOURCES

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

**APPLICATION OF READ & STEVENS, INC.
FOR APPROVAL OF AN OVERLAPPING
HORIZONTAL WELL SPACING UNIT
AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 25671

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COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 25671

APPLICANT'S RESPONSE

Date

November 13, 2025

Applicant

Read & Stevens, Inc.

Designated Operator & OGRID (affiliation if applicable)

Permian Resources Operating, LLC (372165)

Applicant's Counsel:

Holland & Hart LLP

Case Title:

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

**Submitted by: Permian Resources Operating, LLC
Hearing Date: November 13, 2025
Case No. 25671**

**APPLICATION OF READ & STEVENS, INC.
FOR APPROVAL OF AN OVERLAPPING
HORIZONTAL WELL SPACING UNIT
AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

Entries of Appearance/Intervenors:

Marathon Oil Company

Well Family

Slim Jim

Formation/Pool

Formation Name(s) or Vertical Extent:

Bone Spring formation

Primary Product (Oil or Gas):

Oil

Pooling this vertical extent:

N/A

Pool Name and Pool Code:

Shugart, Bone Spring; North [56405]

Well Location Setback Rules:

Statewide setbacks

Spacing Unit

Type (Horizontal/Vertical)

Horizontal

Size (Acres)

480-acre, more or less

Building Blocks:

40 acres

Orientation:

Laydown

Description: TRS/County

**S/2 N/2 of Sections 14, 15, and 16, Township 18
South, Range 31 East, NMPPM, Eddy County, New
Mexico**

**Standard Horizontal Well Spacing Unit (Y/N), If No, describe and
is approval of non-standard unit requested in this application?**

Yes

Other Situations

Depth Severance: Y/N. If yes, description

No

Proximity Tracts: If yes, description

No

Proximity Defining Well: if yes, description

N/A

Applicant's Ownership in Each Tract

Exhibit C-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	Slim Jim 14-15 Federal Com 122H API: 30-015-PENDING SHL: 39' FSL, 44' FWL (Unit M), Section 12 BHL: 1,650' FNL, 100' FWL (Unit E), Section 16 Completion Target: Bone Spring formation Well Orientation: Laydown Completion Location expected to be: Standard
Well #2	Slim Jim 14-15 Federal Com 142H API: 30-015-PENDING SHL: 39' FSL, 77' FWL (Unit M), Section 12 BHL: 2,310' FNL, 100' FWL (Unit E), Section 16 Completion Target: Bone Spring formation Well Orientation: Laydown Completion Location expected to be: Standard
Horizontal Well First and Last Take Points	Exhibit C-2
Completion Target (Formation, TVD and MD)	Exhibit C-4
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$10,000
Production Supervision/Month \$	\$1,000
Justification for Supervision Costs	Exhibit C
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit B
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit E
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit F
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit C-3
Tract List (including lease numbers and owners)	Exhibit C-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 C-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit C-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-3
Chronology of Contact with Non-Joined Working Interests	Exhibit C-5
Overhead Rates In Proposal Letter	Exhibit C-4

Cost Estimate to Drill and Complete	Exhibit C-4
Cost Estimate to Equip Well	Exhibit C-4
Cost Estimate for Production Facilities	Exhibit C-4
Geology	
Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibit D-2
Gunbarrel/Lateral Trajectory Schematic	Exhibit D-2 & D-3
Well Orientation (with rationale)	Exhibit D & D-2
Target Formation	Exhibit D & D-4
HSU Cross Section	Exhibit D-3
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit C-2
Tracts	Exhibit C-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-3
General Location Map (including basin)	Exhibit D-1
Well Bore Location Map	Exhibit D-2
Structure Contour Map - Subsea Depth	Exhibit D-3
Cross Section Location Map (including wells)	Exhibit D-3
Cross Section (including Landing Zone)	Exhibit D-4
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):	Paula M Vance
Signed Name (Attorney or Party Representative):	
Date:	11/5/2025

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

**APPLICATION OF READ & STEVENS, INC.
FOR APPROVAL OF AN OVERLAPPING
HORIZONTAL WELL SPACING UNIT
AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 25671

APPLICATION

Read & Stevens, Inc. ("Applicant"), through undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order (1) approving a standard 480-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation underlying the S/2 N/2 of Sections 14, 15, and 16, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico, and (2) pooling all uncommitted interests in this acreage. In support of its application, Applicant states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to designate Permian Resources Operating, LLC (OGRID No. 372165) as the operator of the proposed horizontal spacing unit.
3. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Slim Jim 14-15 Federal Com 122H** and **Slim Jim 14-15 Federal Com 142H** wells, both to be horizontally drilled from surface locations in the NE/4 NE/4 (Unit A) of Section 14, to bottom hole locations in the SW/4 NW/4 (Unit E) of Section 16.
4. This proposed horizontal well spacing unit will overlap the following spacing unit in the Bone Spring formation:

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

**Submitted by: Permian Resources Operating, LLC
Hearing Date: November 13, 2025
Case No. 25671**

- An existing 40-acre vertical spacing unit in the Bone Spring formation underlying the SW/4 NE/4 (Unit G) of Section 15, T18S-R31E, currently dedicated to the Tamano 15 Federal Com 2 (API No. 30-015-33398), operated by Mewbourne Oil Company.

5. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all interest owners in the subject spacing unit.

6. The pooling of interests will allow Applicant to obtain a just and fair share of the oil and gas underlying the subject lands, avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

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. Approving the proposed overlapping spacing unit and pooling all uncommitted interests therein;
- B. Designating Permian Resources Operating, LLC as operator of this overlapping horizontal spacing unit and the horizontal wells to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, completing, and equipping the wells;
- D. 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
- E. Imposing a 200% charge 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,

HOLLAND & HART LLP

By: 
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Paula M. Vance
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**ATTORNEYS FOR READ AND STEVENS, INC. &
PERMIAN RESOURCES OPERATING, LLC**

CASE _____: **Application of Read & Stevens, Inc. for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order (1) approving a standard 480-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation underlying the S/2 N/2 of Sections 14, 15, and 16, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico, and (2) pooling all uncommitted interests in this acreage. Said unit will be initially dedicated to the proposed **Slim Jim 14-15 Federal Com 122H** and **Slim Jim 14-15 Federal Com 142H** wells, both to be horizontally drilled from surface locations in the NE/4 NE/4 (Unit A) of Section 14, to bottom hole locations in the SW/4 NW/4 (Unit E) of Section 16. This proposed horizontal well spacing unit will overlap the following spacing unit in the Bone Spring formation:

- An existing 40-acre vertical spacing unit in the Bone Spring formation underlying the SW/4 NE/4 (Unit G) of Section 15, T18S-R31E, currently dedicated to the Tamano 15 Federal Com 2 (API No. 30-015-33398), operated by Mewbourne Oil Company.

Also, to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Permian Resources Operating, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 8.5 miles southwest of Maljamar, New Mexico.

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

APPLICATION OF READ & STEVENS, INC.
FOR APPROVAL OF AN OVERLAPPING
HORIZONTAL WELL SPACING UNIT AND
COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

CASE NO. 25671

SELF-AFFIRMED STATEMENT OF SEAN JOHNSON

1. My name is Sean Johnson. I work for Permian Resources Operating, LLC (“Permian”) as the New Mexico Land Manager. Permian is the proposed designated operator on behalf of Read & Stevens, Inc.

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

3. I am familiar with the applications filed by Read & Stevens, Inc. and Permian Resources Operating, LLC (collectively “Permian” or “Applicant”) in this case, and I am familiar with the status of the lands in the subject area.

4. In Case No. 25671, Permian seeks order (1) approving a standard 480-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation underlying the S/2 N/2 of Sections 14, 15, and 16, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico, and (2) pooling all uncommitted interests in this acreage, and initially dedicate this spacing unit to the proposed **Slim Jim 14-15 Federal Com 122H** and **Slim Jim 14-15 Federal Com 142H** wells, both to be horizontally drilled from surface locations in the NE/4 NE/4 (Unit A) of Section 14, to bottom hole locations in the SW/4 NW/4 (Unit E) of Section 16.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C
Submitted by: Permian Resources Operating, LLC
Hearing Date: November 13, 2025
Case No. 25671

5. This proposed horizontal well spacing unit will overlap the following spacing unit in the Bone Spring formation:

- An existing 40-acre spacing unit in the Bone Spring formation underlying the SWNE of Section 15, T18S-R31E, currently dedicated to the Tamano 15 Federal Com 2H (API No. 30-015-33398), operated by Mewbourne Oil Company.

6. **Permian Exhibit C-1** is a diagram depicting the newly proposed spacing unit, in relation to Mewbourne Oil Company's existing spacing unit. Permian provided notice to Mewbourne Oil Company, operator of the Tamano 15 Federal 2H and the Bureau of Land Management ("BLM") since federal lands are involved. A sample copy of the notice, and mailing report, is included in Permian Exhibit E.

7. **Permian Exhibit C-2** contains a C-102 for the proposed wells. This form demonstrates that the completed interval for the wells will comply with statewide setbacks for oil wells. The wells are dedicated to the Bone Spring formation Tamano; Bone Spring [58040].

8. **Permian Exhibit C-3** identifies the tracts of land comprising the proposed horizontal spacing units, the ownership interests in each tract, and a recapitulation of the ownership. The interest owners that Permian seeks to pool are highlighted in yellow. Permian Exhibit C-3 also includes the title records holder that Permian seeks to pool. The subject acreage that Permian seeks to pool is comprised of state and federal leases.

9. **Permian C-4** contains a sample of the well proposal letter and AFEs for the wells that was sent to owners with a working interest. The costs reflected in the AFEs are consistent with what Permian and other operators have incurred for drilling similar horizontal wells in the area in this formation.

10. Permian requests that the overhead and administrative costs for drilling and producing the proposed wells be set at \$10,000 per month while drilling and \$1,000 per month

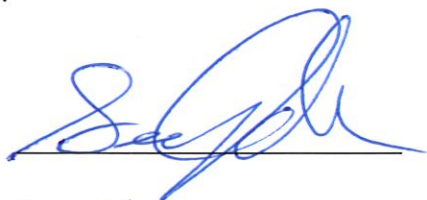
while producing. These costs are consistent with what other operators are charging in this area for similar wells.

11. **Permian Exhibit C-5** contains a general summary of the contacts with the uncommitted interest owners. As indicated in the exhibit, Permian has made a good faith effort to locate and has had communications with the majority of the parties that it seeks to pool in this case in an effort to reach voluntary joinder. In my opinion, Permian has undertaken good faith efforts to reach an agreement with the uncommitted interest owners.

12. Permian has provided the law firm of Holland & Hart LLP with the names and addresses of the parties that Permian seeks to pool and instructed that they be notified of this hearing. Permian has conducted a diligent search of all public records in the county where the property is located, reviewed telephone directories, and conducted computer searches to locate contact information for each interest owner.

13. **Permian Exhibits C-1 through C-5** were either prepared by me or compiled under my direction and supervision.

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



Sean Johnson



Date

EXHIBIT C-1

Township 18 South, Range 31 East- S2N2 Sections 14,15,16 (480 acres) Bonespring- Slim Jim 14-15 Fed Com 122H and 142H

NWNW	NENW	NWNE	NENE	NWNW	NENW	NWNE	NENE	NWNW	NENW	NWNE	NENE
SWNW	SENW	SWNE	SENE	SWNW	SENW	SWNE	SENE	SWNW	SENW	SWNE	SENE
NWSW	NESW	NWSE	NESE	NWSW	NESW	18S 31E NWSE	NESE	NWSW	NESW	NWSE	NESE
SWSW	SESW	SWSE	SESE	SWSW	SESW	SWSE	SESE	SWSW	SESW	SWSE	SESE

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Exhibit No. C-1

Submitted by: Permian Resources Operating, LLC

Hearing Date: November 13, 2025

Case No. 25671

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:	☒ Initial Submittal
			☐ Amended Report
		☐ As Drilled	

WELL LOCATION INFORMATION

API Number TBD	Pool Code 56405	Pool Name SHUGART, BONE SPRING; NORTH
Property Code TBD	Property Name SLIM JIM 14-15 FED COM	Well Number 122H
OGRID No. 372165	Operator Name PERMIAN RESOURCES OPERATING, LLC	Ground Level Elevation 3,740.67'
Surface Owner: ☐ State ☐ Fee ☐ Tribal ☒ Federal		Mineral Owner: ☒ State ☐ Fee ☐ Tribal ☒ Federal

Surface Location

UL M	Section 12	Township 18S	Range 31E	Lot	Ft. from N/S 39' FSL	Ft. from E/W 44' FWL	Latitude 32.754927°	Longitude -103.831454°	County EDDY
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Bottom Hole Location

UL E	Section 16	Township 18S	Range 31E	Lot	Ft. from N/S 1,650' FNL	Ft. from E/W 100' FWL	Latitude 32.750196°	Longitude -103.882791°	County EDDY
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Dedicated Acres 480	Infill or Defining Well Infill	Defining Well API TBD	Overlapping Spacing Unit (Y/N) N	Consolidation Code P
Order Numbers.			Well setbacks are under Common Ownership: ☐ Yes ☒ No	

Kick Off Point (KOP)

UL M	Section 12	Township 18S	Range 31E	Lot	Ft. from N/S 39' FSL	Ft. from E/W 44' FWL	Latitude 32.754927°	Longitude -103.831454°	County EDDY
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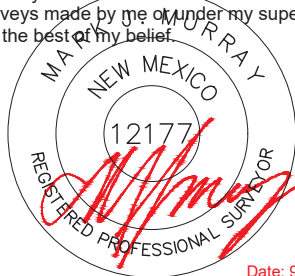
First Take Point (FTP)

UL H	Section 14	Township 18S	Range 31E	Lot	Ft. from N/S 1,650' FNL	Ft. from E/W 100' FEL	Latitude 32.750285°	Longitude -103.831915°	County EDDY
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Last Take Point (LTP)

UL E	Section 16	Township 18S	Range 31E	Lot	Ft. from N/S 1,650' FNL	Ft. from E/W 100' FWL	Latitude 32.750196°	Longitude -103.882791°	County EDDY
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Unitized Area or Area of Uniform Interest	Spacing Unit Type ☒ Horizontal ☐ Vertical	Ground Floor Elevation: TBD
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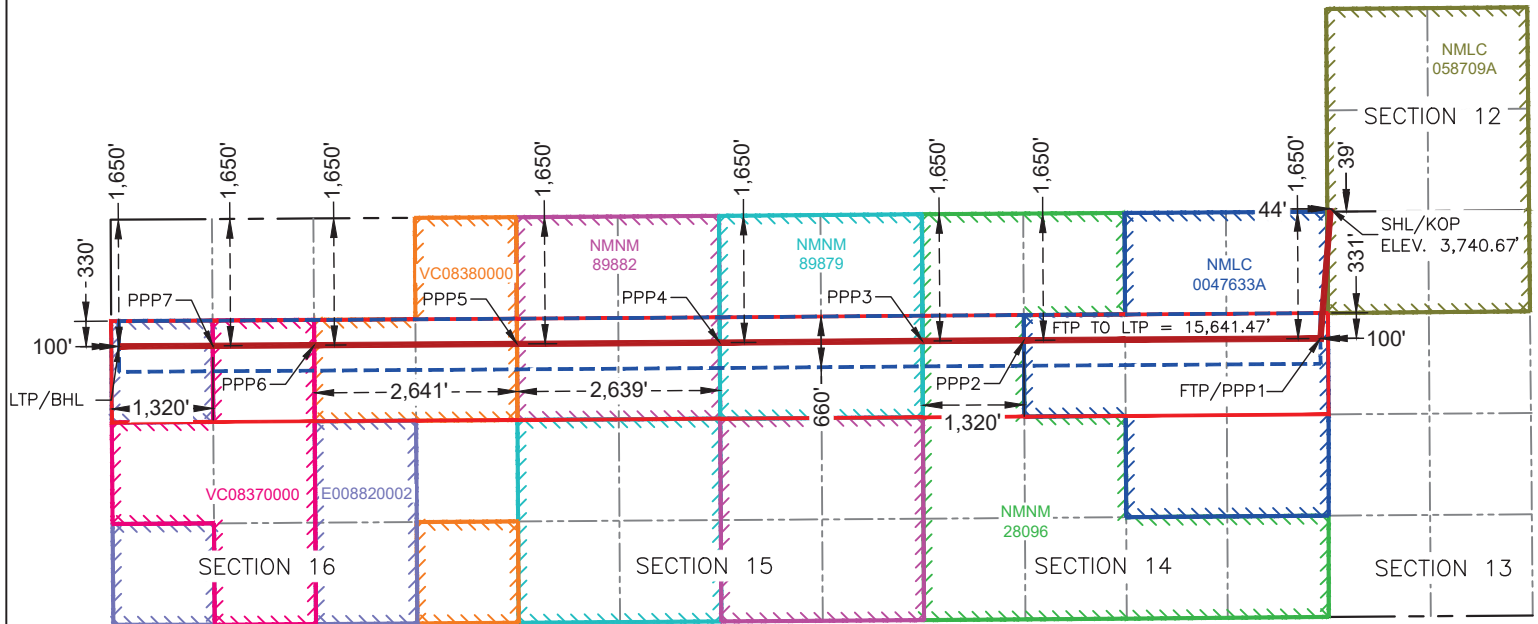
OPERATOR CERTIFICATIONS I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the 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. <i>Stephanie Rabadue</i> 09/19/2025		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.  BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. C-2 Submitted by: Permian Resources Operating, LLC Hearing Date: November 13, 2025 Case No. 25671 Date: 9/19/2025	
Signature _____ Date _____		Signature and Seal of Professional Surveyor _____	
Printed Name Stephanie Rabadue		Certificate Number 12177	Date of Survey 9/19/2025
Email Address stephanie.rabadue@permianres.com		Revision Number 4	

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.



SLIM JIM 14-15 FED COM 122H

SURFACE HOLE LOCATION
& KICK-OFF POINT
39' FSL & 44' FWL
ELEV. = 3,740.67'

NAD 83 X = 695,626.75'
NAD 83 Y = 638,739.98'
NAD 83 LAT = 32.754927°
NAD 83 LONG = -103.831454°
NAD 27 X = 654,448.06'
NAD 27 Y = 638,676.37'
NAD 27 LAT = 32.754808°
NAD 27 LONG = -103.830949°

FIRST TAKE POINT &
PENETRATION POINT 1
1,650' FNL & 100' FEL

NAD 83 X = 695,492.87'
NAD 83 Y = 637,050.42'
NAD 83 LAT = 32.750285°
NAD 83 LONG = -103.831915°
NAD 27 X = 654,314.17'
NAD 27 Y = 636,986.85'
NAD 27 LAT = 32.750166°
NAD 27 LONG = -103.831410°

PENETRATION POINT 2
1,650' FNL & 1,320' FWL

NAD 83 X = 691,632.65'
NAD 83 Y = 637,027.03'
NAD 83 LAT = 32.750270°
NAD 83 LONG = -103.844471°
NAD 27 X = 650,453.92'
NAD 27 Y = 636,963.48'
NAD 27 LAT = 32.750151°
NAD 27 LONG = -103.843966°

PENETRATION POINT 3
1,650' FNL & 0' FEL

NAD 83 X = 690,312.52'
NAD 83 Y = 637,018.86'
NAD 83 LAT = 32.750265°
NAD 83 LONG = -103.848765°
NAD 27 X = 649,133.79'
NAD 27 Y = 636,955.32'
NAD 27 LAT = 32.750145°
NAD 27 LONG = -103.848260°

PENETRATION POINT 4
1,650' FNL & 2,639' FWL

NAD 83 X = 687,672.48'
NAD 83 Y = 636,997.27'
NAD 83 LAT = 32.750238°
NAD 83 LONG = -103.857353°
NAD 27 X = 646,493.73'
NAD 27 Y = 636,933.76'
NAD 27 LAT = 32.750119°
NAD 27 LONG = -103.856847°

PENETRATION POINT 5
1,650' FNL & 0' FEL

NAD 83 X = 685,033.22'
NAD 83 Y = 636,979.97'
NAD 83 LAT = 32.750223°
NAD 83 LONG = -103.865937°
NAD 27 X = 643,854.45'
NAD 27 Y = 636,916.48'
NAD 27 LAT = 32.750104°
NAD 27 LONG = -103.865432°

PENETRATION POINT 6
1,650' FNL & 2,641' FEL

NAD 83 X = 682,392.42'
NAD 83 Y = 636,963.61'
NAD 83 LAT = 32.750210°
NAD 83 LONG = -103.874527°
NAD 27 X = 641,213.64'
NAD 27 Y = 636,900.14'
NAD 27 LAT = 32.750091°
NAD 27 LONG = -103.874021°

PENETRATION POINT 7
1,650' FNL & 1,320' FWL

NAD 83 X = 681,071.96'
NAD 83 Y = 636,955.42'
NAD 83 LAT = 32.750203°
NAD 83 LONG = -103.878822°
NAD 27 X = 639,893.17'
NAD 27 Y = 636,891.96'
NAD 27 LAT = 32.750084°
NAD 27 LONG = -103.878316°

LAST TAKE POINT &
BOTTOM HOLE LOCATION
1,650' FNL & 100' FWL

NAD 83 X = 679,851.75'
NAD 83 Y = 636,947.85'
NAD 83 LAT = 32.750196°
NAD 83 LONG = -103.882791°
NAD 27 X = 638,672.95'
NAD 27 Y = 636,884.40'
NAD 27 LAT = 32.750077°
NAD 27 LONG = -103.882285°

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:	☒ Initial Submittal
			☐ Amended Report
		☐ As Drilled	

WELL LOCATION INFORMATION

API Number TBD	Pool Code 56405	Pool Name SHUGART, BONE SPRING; NORTH
Property Code TBD	Property Name SLIM JIM 14-15 FED COM	Well Number 142H
OGRID No. 372165	Operator Name PERMIAN RESOURCES OPERATING, LLC	Ground Level Elevation 3,740.67'
Surface Owner: ☐ State ☐ Fee ☐ Tribal ☒ Federal		Mineral Owner: ☒ State ☐ Fee ☐ Tribal ☒ Federal

Surface Location

UL M	Section 12	Township 18S	Range 31E	Lot	Ft. from N/S 39' FSL	Ft. from E/W 77' FWL	Latitude 32.754929°	Longitude -103.831347°	County EDDY
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Bottom Hole Location

UL E	Section 16	Township 18S	Range 31E	Lot	Ft. from N/S 2,310' FNL	Ft. from E/W 100' FWL	Latitude 32.748382°	Longitude -103.882788°	County EDDY
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Dedicated Acres 480	Infill or Defining Well Defining	Defining Well API	Overlapping Spacing Unit (Y/N) N	Consolidation Code P
Order Numbers.			Well setbacks are under Common Ownership: ☐ Yes ☒ No	

Kick Off Point (KOP)

UL M	Section 12	Township 18S	Range 31E	Lot	Ft. from N/S 39' FSL	Ft. from E/W 77' FWL	Latitude 32.754929°	Longitude -103.831347°	County EDDY
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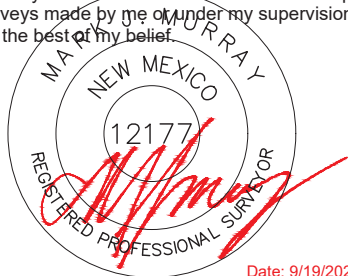
First Take Point (FTP)

UL H	Section 14	Township 18S	Range 31E	Lot	Ft. from N/S 2,310' FNL	Ft. from E/W 100' FEL	Latitude 32.748471°	Longitude -103.831912°	County EDDY
----------------	----------------------	------------------------	---------------------	-----	-----------------------------------	---------------------------------	-------------------------------	----------------------------------	-----------------------

Last Take Point (LTP)

UL E	Section 16	Township 18S	Range 31E	Lot	Ft. from N/S 2,310' FNL	Ft. from E/W 100' FWL	Latitude 32.748382°	Longitude -103.882788°	County EDDY
----------------	----------------------	------------------------	---------------------	-----	-----------------------------------	---------------------------------	-------------------------------	----------------------------------	-----------------------

Unitized Area or Area of Uniform Interest	Spacing Unit Type ☒ Horizontal ☐ Vertical	Ground Floor Elevation: TBD
---	--	-----------------------------

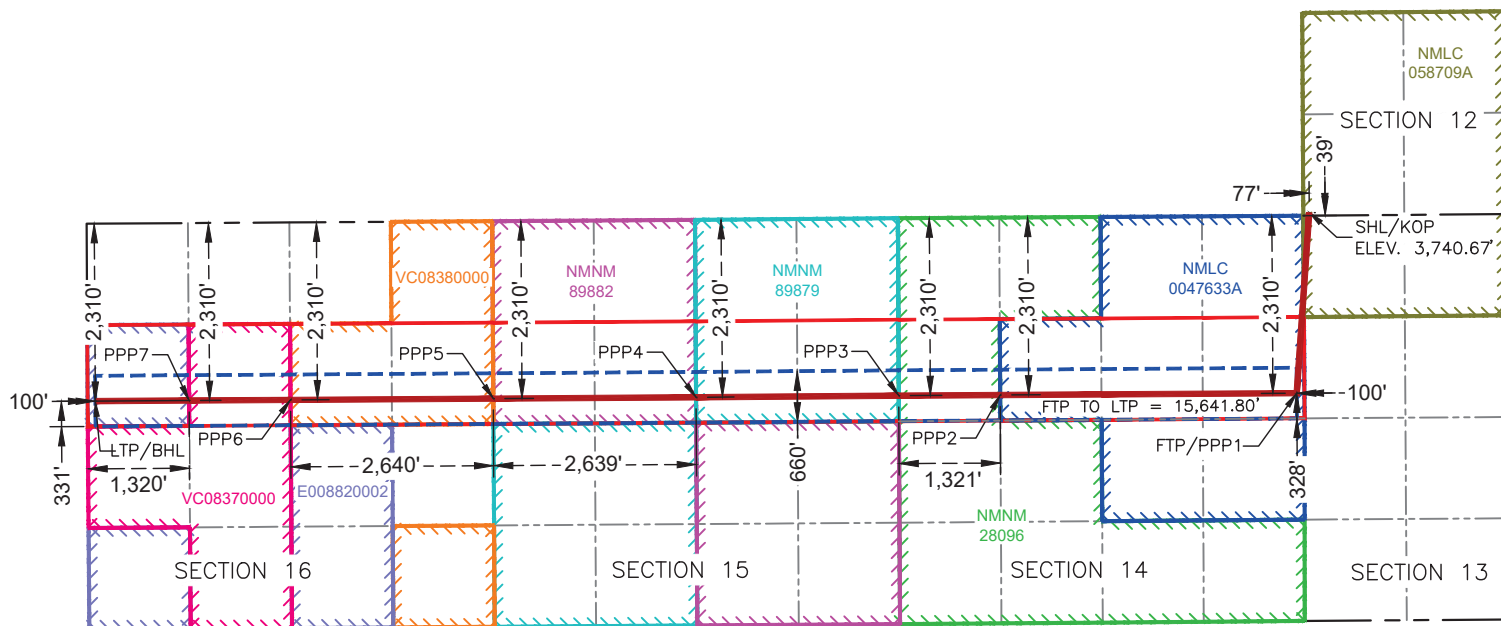
OPERATOR CERTIFICATIONS I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the 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. <i>Stephanie Rabadue</i> 09/19/2025		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: 9/19/2025	
Signature _____ Date _____		Signature and Seal of Professional Surveyor _____	
Printed Name Stephanie Rabadue		Certificate Number 12177	
Email Address stephanie.rabadue@permianres.com		Date of Survey 9/19/2025	
		Revision Number 4	

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.



SLIM JIM 14-15 FED COM 142H

**SURFACE HOLE LOCATION
& KICK-OFF POINT**
39' FSL & 77' FWL
ELEV. = 3,740.67'

NAD 83 X = 695,659.74'
NAD 83 Y = 638,740.72'
NAD 83 LAT = 32.754929°
NAD 83 LONG = -103.831347°
NAD 27 X = 654,481.05'
NAD 27 Y = 638,677.11'
NAD 27 LAT = 32.754809°
NAD 27 LONG = -103.830842°

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

NAD 83 X = 695,496.91'
NAD 83 Y = 636,390.44'
NAD 83 LAT = 32.748471°
NAD 83 LONG = -103.831912°
NAD 27 X = 654,318.19'
NAD 27 Y = 636,326.87°
NAD 27 LAT = 32.748352°
NAD 27 LONG = -103.831408°

PENETRATION POINT 2
2,310' FNL & 1,321' FWL

NAD 83 X = 691,636.23'
NAD 83 Y = 636,367.04'
NAD 83 LAT = 32.748456°
NAD 83 LONG = -103.844470°
NAD 27 X = 650,457.49'
NAD 27 Y = 636,303.51°
NAD 27 LAT = 32.748337°
NAD 27 LONG = -103.843965°

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

NAD 83 X = 690,315.56'
NAD 83 Y = 636,358.87°
NAD 83 LAT = 32.748451°
NAD 83 LONG = -103.848765°
NAD 27 X = 649,136.81°
NAD 27 Y = 636,295.35°
NAD 27 LAT = 32.748331°
NAD 27 LONG = -103.848260°

PENETRATION POINT 4
2,310' FNL & 2,639' FWL

NAD 83 X = 687,676.33°
NAD 83 Y = 636,337.28°
NAD 83 LAT = 32.748424°
NAD 83 LONG = -103.857350°
NAD 27 X = 646,497.57°
NAD 27 Y = 636,273.78°
NAD 27 LAT = 32.748305°
NAD 27 LONG = -103.856844°

PENETRATION POINT 5
2,310' FNL & 0' FEL

NAD 83 X = 685,036.97°
NAD 83 Y = 636,319.98°
NAD 83 LAT = 32.748409°
NAD 83 LONG = -103.865935°
NAD 27 X = 643,858.19°
NAD 27 Y = 636,256.50°
NAD 27 LAT = 32.748290°
NAD 27 LONG = -103.865429°

PENETRATION POINT 6
2,310' FNL & 2,640' FEL

NAD 83 X = 682,396.76°
NAD 83 Y = 636,303.63°
NAD 83 LAT = 32.748396°
NAD 83 LONG = -103.874522°
NAD 27 X = 641,217.96°
NAD 27 Y = 636,240.17°
NAD 27 LAT = 32.748277°
NAD 27 LONG = -103.874017°

PENETRATION POINT 7
2,310' FNL & 1,320' FWL

NAD 83 X = 681,076.10°
NAD 83 Y = 636,295.43°
NAD 83 LAT = 32.748389°
NAD 83 LONG = -103.878818°
NAD 27 X = 639,897.30°
NAD 27 Y = 636,231.99°
NAD 27 LAT = 32.748270°
NAD 27 LONG = -103.878312°

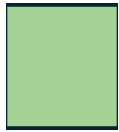
**LAST TAKE POINT &
BOTTOM HOLE LOCATION**
2,310' FNL & 100' FWL

NAD 83 X = 679,855.45°
NAD 83 Y = 636,287.86°
NAD 83 LAT = 32.748382°
NAD 83 LONG = -103.882788°
NAD 27 X = 638,676.64°
NAD 27 Y = 636,224.42°
NAD 27 LAT = 32.748263°
NAD 27 LONG = -103.882282°

Exhibit C-3

Township 18 South, Range 31 East- S2N2 Sections 14,15,16 (480 acres) Bonespring- Slim Jim 14-15 Fed Com 122H and 142H

NWNW	NENW	NWNE	NENE	NWNW	NENW	NWNE	NENE	NWNW	NENW	NWNE	NENE
SWNW 5	SENW	SWNE	SENE	SWNW 2	SENW	SWNE 4	SENE 3	SWNW 1	SENW	SWNE	SENE
NWSW	NESW	NWSE	NESE	NWSW	NESW	18S 31E NWSE	NESE	NWSW	NESW	NWSE	NESE
SWSW	SESW	SWSE	SESE	SWSW	SESW	SWSE	SESE	SWSW	SESW	SWSE	SESE

Tract Breakdown

Tract 1- S2NE, SENW, SWNW Section 14

Read & Stevens, Inc. .5

Permian Resources Operating, LLC .5

Total: 1.0

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. C-3

Submitted by: Permian Resources Operating, LLC

Hearing Date: November 13, 2025

Case No. 25671

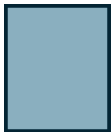
Exhibit C-3



Tract 2- S2NW Section 15

Josephine T. Hudson Testamentary Trust FBO J. Terrel Ard	.012396
REG XI Assets, L.L.C.	.037188
The Delmar Hudson Lewis Living Trust, Bank of America, N.A., Trustee	.074375
Permian Resources Operating, LLC	.876042

Total: 1.0

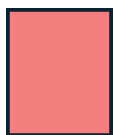


Tract 3- SENE Section 15

Marathon Oil Permian, LLC	.5
Permian Resources Operating, LLC	.322917
The Delmar Hudson Lewis Living Trust, Bank of America, N.A., Trustee	.10625
Josephine T. Hudson Testamentary Trust FBO J. Terrel Ard	.017708
REG XI Assets, L.L.C.	.053125

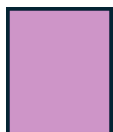
Total: 1.0

Exhibit C-3



Tract 4- SWNE Section 15

Josephine T. Hudson Testamentary Trust FBO J. Terrel Ard	.017708
REG XI Assets, L.L.C.	.053125
Permian Resources Operating, LLC	.902604
<u>The Delmar Hudson Lewis Living Trust, Bank of America, N.A., Trustee</u>	<u>.026563</u>
Total:	1.0



Tract 5- SWNW Section 16

<u>XTO Holdings, LLC</u>	<u>1.0</u>
Total:	1.0



Tract 6- SENW, S2NE Section 16

<u>Permian Resources Operating, LLC</u>	<u>1.0</u>
Total:	1.0

Exhibit C-3

UNIT RECAPITULATION

Permian Resources Operating LLC	.6648
Read & Stevens, Inc.	.166667
REG XI Assets, L.L.C.	.015052
The Delmar Hudson Lewis Living Trust, Bank of America, N.A., Trustee	.023464
Josephine T. Hudson Testamentary Trust FBO J. Terrel Ard	.005017
XTO Holdings, LLC	.083333
Marathon Oil Permian, LLC	.041667
Total:	1.0

Record Title

Delmar Hudson Lewis Living Trust

Marathon Oil Permian LLC

Parties highlighted in yellow are being pooled.



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

OFFICE 432.695.4222
FAX 432.695.4063

August 20, 2025

Via USPS Certified Mail

XTO Holdings, LLC
22777 Springwoods Village Parkway
Spring, TX 77389

Re: **Proposal to Drill**
Slim Jim 14-15 Fed Com 111H, 131H, 122H, 142H
S2N2 Sections 14, 15 & 16, Township 18 South, Range 31 East
Eddy County, New Mexico

Dear Owner:

Permian Resources Operating, LLC, as operator ("Permian") hereby proposes the drilling and completion of the below Slim Jim 14-15 Fed Com wells at an approximate location within the S2N2 of Section 14, 15 & 16, Township 18 South, Range 31 East, Lea County, New Mexico.

S2N2 Proration Unit Wells: (SHL – At a Legal Location in Section 14 / BHL – Section 16)			
Well Name	BHL / LTP	TVD/TMD	Target Interval
Slim Jim 14-15 Fed Com 122H	100' FWL & 1650' FNL	8760'/24045'	2 nd BSPG
Slim Jim 14-15 Fed Com 142H	100' FWL & 2310' FNL	8390'/23675	2 nd BSPG Up

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

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

Please indicate your election to participate in the drilling and completion of the proposed wells in the space provided below. Please sign and return one copy of this letter, a signed copy of the proposed AFE, and your geologic well requirements.

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

Please sign and return one copy of this letter, a signed copy of the AFEs, and your geologic well requirements to the above address or by email Kimberly.smith@permianres.com.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-4

Submitted by: Permian Resources Operating, LLC
Hearing Date: November 13, 2025
Case No. 25671

If you have any questions or concerns regarding this proposal, please contact Kevin Woolley at kevin.woolley@permianres.com.

Sincerely,

PERMIAN RESOURCES OPERATING, LLC

Non-Operator hereby elects to:

<u>Well Name</u>	<u>PARTICIPATE in the Drilling and Completion:</u>	<u>NON-CONSENT to the Drilling and Completion:</u>
Slim Jim 14-15 Fed Com 122H		
Slim Jim 14-15 Fed Com 142H		

Agreed this _____ day of _____, 2025 by:

XTO Holdings, LLC

By: _____

Printed Name: _____

Title: _____

Participate / Rejection Declaration

Please return this page to Permian Resources 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 Resources, then, to the extent that Permian Resources has an obligation to secure any such insurance on your behalf under any applicable agreements or otherwise, Permian Resources will be relieved of such obligation, and Permian Resources 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:

XTO Holdings, LLC

By: _____

Printed Name: _____

Title: _____



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

OFFICE 432.695.4222
FAX 432.695.4063

August 20, 2025

Via USPS Certified Mail

XTO Holdings, LLC
PO Box 548806
Oklahoma City, OK 73154-8806

Re: **Proposal to Drill**
Slim Jim 14-15 Fed Com 111H, 131H, 122H, 142H
S2N2 Sections 14, 15 & 16, Township 18 South, Range 31 East
Eddy County, New Mexico

Dear Owner:

Permian Resources Operating, LLC, as operator ("Permian") hereby proposes the drilling and completion of the below Slim Jim 14-15 Fed Com wells at an approximate location within the S2N2 of Section 14, 15 & 16, Township 18 South, Range 31 East, Lea County, New Mexico.

S2N2 Proration Unit Wells: (SHL – At a Legal Location in Section 14 / BHL – Section 16)			
Well Name	BHL / LTP	TVD/TMD	Target Interval
Slim Jim 14-15 Fed Com 122H	100' FWL & 1650' FNL	8760'/24045'	2 nd BSPG
Slim Jim 14-15 Fed Com 142H	100' FWL & 2310' FNL	8390'/23675	2 nd BSPG Up

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

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If you have any questions or concerns regarding this proposal, please contact Kevin Woolley at kevin.woolley@permianres.com.

Sincerely,

PERMIAN RESOURCES OPERATING, LLC

Non-Operator hereby elects to:

<u>Well Name</u>	<u>PARTICIPATE in the Drilling and Completion:</u>	<u>NON-CONSENT to the Drilling and Completion:</u>
Slim Jim 14-15 Fed Com 122H		
Slim Jim 14-15 Fed Com 142H		

Agreed this _____ day of _____, 2025 by:

XTO Holdings, LLC

By: _____

Printed Name: _____

Title: _____

Participate / Rejection Declaration

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- ☐ I hereby elect to reject the insurance coverage arranged by Permian Resources Operating, LLC.

Agreed this _____ day of _____, 2025 by:

XTO Holdings, LLC

By: _____

Printed Name: _____

Title: _____



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

OFFICE 432.695.4222
FAX 432.695.4063

August 20, 2025

Via USPS Certified Mail

Josephine T. Hudson Testamentary Trust FBO J. Terrel Ard
P.O. Box 1600
San Antonio, TX 78296

Re: **Proposal to Drill**
Slim Jim 14-15 Fed Com 111H, 131H, 122H, 142H
S2N2 Sections 14, 15 & 16, Township 18 South, Range 31 East
Eddy County, New Mexico

Dear Owner:

Permian Resources Operating, LLC, as operator ("Permian") hereby proposes the drilling and completion of the below Slim Jim 14-15 Fed Com wells at an approximate location within the S2N2 of Section 14, 15 & 16, Township 18 South, Range 31 East, Lea County, New Mexico.

S2N2 Proration Unit Wells: (SHL – At a Legal Location in Section 14 / BHL – Section 16)			
Well Name	BHL / LTP	TVD/TMD	Target Interval
Slim Jim 14-15 Fed Com 122H	100' FWL & 1650' FNL	8760'/24045'	2 nd BSPG
Slim Jim 14-15 Fed Com 142H	100' FWL & 2310' FNL	8390'/23675	2 nd BSPG Up

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- Permian Resources Operating, LLC named as Operator

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If you have any questions or concerns regarding this proposal, please contact Kevin Woolley at kevin.woolley@permianres.com.

Sincerely,

PERMIAN RESOURCES OPERATING, LLC

Non-Operator hereby elects to:

<u>Well Name</u>	<u>PARTICIPATE in the Drilling and Completion:</u>	<u>NON-CONSENT to the Drilling and Completion:</u>
Slim Jim 14-15 Fed Com 122H		
Slim Jim 14-15 Fed Com 142H		

Agreed this _____ day of _____, 2025 by:

Josephine T. Hudson Testamentary Trust FBO J. Terrel Ard

By: _____

Printed Name: _____

Title: _____

Participate / Rejection Declaration

Please return this page to Permian Resources 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 Resources, then, to the extent that Permian Resources has an obligation to secure any such insurance on your behalf under any applicable agreements or otherwise, Permian Resources will be relieved of such obligation, and Permian Resources 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:

Josephine T. Hudson Testamentary Trust FBO J. Terrel Ard

By: _____

Printed Name: _____

Title: _____



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

OFFICE 432.695.4222
FAX 432.695.4063

August 20, 2025

Via USPS Certified Mail

Josephine T. Hudson Testamentary Trust FBO J. Terrel Ard
640 Taylor St., Ste 1000
Fort Worth, TX 76102

Re: **Proposal to Drill**
Slim Jim 14-15 Fed Com 111H, 131H, 122H, 142H
S2N2 Sections 14, 15 & 16, Township 18 South, Range 31 East
Eddy County, New Mexico

Dear Owner:

Permian Resources Operating, LLC, as operator ("Permian") hereby proposes the drilling and completion of the below Slim Jim 14-15 Fed Com wells at an approximate location within the S2N2 of Section 14, 15 & 16, Township 18 South, Range 31 East, Lea County, New Mexico.

S2N2 Proration Unit Wells: (SHL – At a Legal Location in Section 14 / BHL – Section 16)			
Well Name	BHL / LTP	TVD/TMD	Target Interval
Slim Jim 14-15 Fed Com 122H	100' FWL & 1650' FNL	8760'/24045'	2 nd BSPG
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If you have any questions or concerns regarding this proposal, please contact Kevin Woolley at kevin.woolley@permianres.com.

Sincerely,

PERMIAN RESOURCES OPERATING, LLC

Non-Operator hereby elects to:

<u>Well Name</u>	<u>PARTICIPATE in the Drilling and Completion:</u>	<u>NON-CONSENT to the Drilling and Completion:</u>
Slim Jim 14-15 Fed Com 122H		
Slim Jim 14-15 Fed Com 142H		

Agreed this _____ day of _____, 2025 by:

Josephine T. Hudson Testamentary Trust FBO J. Terrel Ard

By: _____

Printed Name: _____

Title: _____

Participate / Rejection Declaration

Please return this page to Permian Resources 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 Resources, then, to the extent that Permian Resources has an obligation to secure any such insurance on your behalf under any applicable agreements or otherwise, Permian Resources will be relieved of such obligation, and Permian Resources 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:

Josephine T. Hudson Testamentary Trust FBO J. Terrel Ard

By: _____

Printed Name: _____

Title: _____



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

OFFICE 432.695.4222
FAX 432.695.4063

August 20, 2025

Via USPS Certified Mail

Marathon Oil Permian, LLC
990 Town & Country Blvd.
Houston, TX 77024

Re: **Proposal to Drill**
Slim Jim 14-15 Fed Com 111H, 131H, 122H, 142H
S2N2 Sections 14, 15 & 16, Township 18 South, Range 31 East
Eddy County, New Mexico

Dear Owner:

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S2N2 Proration Unit Wells: (SHL – At a Legal Location in Section 14 / BHL – Section 16)			
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Slim Jim 14-15 Fed Com 122H	100' FWL & 1650' FNL	8760'/24045'	2 nd BSPG
Slim Jim 14-15 Fed Com 142H	100' FWL & 2310' FNL	8390'/23675	2 nd BSPG Up

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

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

Please indicate your election to participate in the drilling and completion of the proposed wells in the space provided below. Please sign and return one copy of this letter, a signed copy of the proposed AFE, and your geologic well requirements.

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

Please sign and return one copy of this letter, a signed copy of the AFEs, and your geologic well requirements to the above address or by email Kimberly.smith@permianres.com.

If you have any questions or concerns regarding this proposal, please contact Kevin Woolley at kevin.woolley@permianres.com.

Sincerely,

PERMIAN RESOURCES OPERATING, LLC

Non-Operator hereby elects to:

<u>Well Name</u>	<u>PARTICIPATE in the Drilling and Completion:</u>	<u>NON-CONSENT to the Drilling and Completion:</u>
Slim Jim 14-15 Fed Com 122H		
Slim Jim 14-15 Fed Com 142H		

Agreed this _____ day of _____, 2025 by:

Marathon Oil Permian, LLC

By: _____

Printed Name: _____

Title: _____

Participate / Rejection Declaration

Please return this page to Permian Resources 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 Resources, then, to the extent that Permian Resources has an obligation to secure any such insurance on your behalf under any applicable agreements or otherwise, Permian Resources will be relieved of such obligation, and Permian Resources 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:

Marathon Oil Permian, LLC

By: _____

Printed Name: _____

Title: _____



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

OFFICE 432.695.4222
FAX 432.695.4063

August 20, 2025

Via USPS Certified Mail

Marathon Oil Permian, LLC
600 W. Illinois Ave.
Midland, TX 79701

Re: **Proposal to Drill**
Slim Jim 14-15 Fed Com 111H, 131H, 122H, 142H
S2N2 Sections 14, 15 & 16, Township 18 South, Range 31 East
Eddy County, New Mexico

Dear Owner:

Permian Resources Operating, LLC, as operator ("Permian") hereby proposes the drilling and completion of the below Slim Jim 14-15 Fed Com wells at an approximate location within the S2N2 of Section 14, 15 & 16, Township 18 South, Range 31 East, Lea County, New Mexico.

S2N2 Proration Unit Wells: (SHL – At a Legal Location in Section 14 / BHL – Section 16)			
Well Name	BHL / LTP	TVD/TMD	Target Interval
Slim Jim 14-15 Fed Com 122H	100' FWL & 1650' FNL	8760'/24045'	2 nd BSPG
Slim Jim 14-15 Fed Com 142H	100' FWL & 2310' FNL	8390'/23675	2 nd BSPG Up

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

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

Please indicate your election to participate in the drilling and completion of the proposed wells in the space provided below. Please sign and return one copy of this letter, a signed copy of the proposed AFE, and your geologic well requirements.

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

Please sign and return one copy of this letter, a signed copy of the AFEs, and your geologic well requirements to the above address or by email Kimberly.smith@permianres.com.

If you have any questions or concerns regarding this proposal, please contact Kevin Woolley at kevin.woolley@permianres.com.

Sincerely,

PERMIAN RESOURCES OPERATING, LLC

Non-Operator hereby elects to:

<u>Well Name</u>	<u>PARTICIPATE in the Drilling and Completion:</u>	<u>NON-CONSENT to the Drilling and Completion:</u>
Slim Jim 14-15 Fed Com 122H		
Slim Jim 14-15 Fed Com 142H		

Agreed this _____ day of _____, 2025 by:

Marathon Oil Permian, LLC

By: _____

Printed Name: _____

Title: _____

Participate / Rejection Declaration

Please return this page to Permian Resources 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 Resources, then, to the extent that Permian Resources has an obligation to secure any such insurance on your behalf under any applicable agreements or otherwise, Permian Resources will be relieved of such obligation, and Permian Resources 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:

Marathon Oil Permian, LLC

By: _____

Printed Name: _____

Title: _____



Cost Estimate

Printed Date: Aug 18, 2025

AFE Number:	506287	Description:	SLIM JIM 14 FED COM 122H
AFE Name:	SLIM JIM 14 FED COM 122H	AFE TYPE:	Drill and Complete
Well Operator:	PERMIAN RESOURCES		
Operator AFE #:			

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
Drilling Intangible		
8015.2300	IDC - FUEL / POWER	\$91,163.00
8015.1000	IDC - PERMITS,LICENSES,ETC	\$15,000.00
8015.2700	IDC - INSPECTION, TESTING & REPAIR	\$37,000.00
8015.5000	IDC - WELL CONTROL INSURANCE	\$6,600.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	\$16,800.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE	\$42,500.00
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	\$27,000.00
8015.5200	IDC - CONTINGENCY	\$99,396.00
8015.1300	IDC - SURFACE DAMAGE / ROW	\$35,000.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR	\$12,500.00
8015.4100	IDC - RENTAL EQUIPMENT	\$60,000.00
8015.1500	IDC - RIG MOB / TRUCKING	\$99,397.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS	\$51,000.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	\$157,034.00
8015.1600	IDC - RIG MOB / STANDBY RATE	\$36,800.00
8015.1100	IDC - STAKING & SURVEYING	\$15,000.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING	\$155,219.00
8015.1700	IDC - DAYWORK CONTRACT	\$469,200.00
8015.4600	IDC - SAFETY / ENVIRONMENTAL	\$13,200.00
8015.1310	IDC - PERMANENT EASEMENT	\$12,000.00
8015.3100	IDC - CASING CREW & TOOLS	\$50,006.00
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$47,175.00
8015.4300	IDC - WELLSITE SUPERVISION	\$69,600.00
8015.2350	IDC - FUEL/MUD	\$69,103.00
8015.4200	IDC - MANCAMP	\$28,800.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY	\$249,773.00
8015.2150	IDC - DRILL BIT	\$113,000.00
8015.1400	IDC - ROAD, LOCATIONS, PITS	\$95,625.00
8015.1200	IDC - LEGAL, TITLE SERVICES	\$13,000.00
8015.3700	IDC - DISPOSAL	\$100,298.00
8015.3400	IDC - MATERIALS & SUPPLIES	\$5,000.00
8015.2400	IDC - RIG WATER	\$15,000.00
	Sub-total	\$2,308,189.00
Facilities		
8035.2100	FAC - INSPECTION & TESTING	\$714.00
8035.1600	FAC - TRANSPORTATION TRUCKING	\$1,714.00
8035.3800	FAC - FLARE/COMBUSTER	\$15,714.00
8035.2500	FAC - CONSULTING SERVICES	\$714.00
8035.4400	FAC - COMPANY LABOR	\$714.00
8035.2900	FAC - TANK BATTERY	\$57,429.00

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

PERMIAN
 RESOURCES

Cost Estimate

Printed Date: Aug 18, 2025

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
8035.3100	FAC - VRU RENTAL	\$2,143.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL	\$571.00
8035.3300	FAC - CIRCULATING TRANSFER PUMP	\$16,929.00
8035.3700	FAC - AUTOMATION MATERIAL	\$28,571.00
8035.3500	FAC - COMPRESSOR	\$5,000.00
8035.3000	FAC - HEATER TREATER/SEPARATOR	\$101,429.00
8035.3600	FAC - ELECTRICAL	\$35,714.00
8035.3400	FAC - METERS	\$34,143.00
8035.1500	FAC - MATERIALS & SUPPLIES	\$3,571.00
8035.1700	FAC - RENTAL EQUIPMENT	\$10,000.00
8035.3200	FAC - VALVES FITTINGS & PIPE	\$85,714.00
8035.4500	FAC - CONTINGENCY	\$12,857.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB	\$35,714.00
8035.1300	FAC - SURFACE DAMAGE	\$429.00
8035.2400	FAC - SUPERVISION	\$10,000.00
8035.1400	FAC - ROAD LOCATIONS PITS	\$57,143.00
Sub-total		\$516,927.00
Pipeline		
8036.2100	PLN - INSPECTION & TESTING	\$2,857.00
8036.2800	PLN - FLOWLINE MATERIAL	\$35,000.00
8036.2200	PLN - CONTRACT LABOR	\$60,000.00
8036.3200	PLN - VALVES FITTINGS & PIPE	\$6,429.00
8036.1310	PLN - PERMANENT EASEMENT	\$3,636.00
8036.2400	PLN - SUPERVISION	\$1,429.00
8036.1700	PLN - RENTAL EQUIPMENT	\$5,714.00
Sub-total		\$115,065.00
Completion Intangible		
8025.2500	ICC - WELL STIMULATION/FRACTUR	\$2,290,897.00
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK	\$21,525.00
8025.1600	ICC - COILED TUBING	\$525,000.00
8025.3600	ICC - SUPERVISION/ENGINEERING	\$5,000.00
8025.3000	ICC - WATER HANDLING	\$375,150.00
8025.1500	ICC - FUEL / POWER	\$551,210.00
8025.1100	ICC - ROAD, LOCATIONS, PITS	\$10,500.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING	\$442,680.00
8025.3500	ICC - WELLSITE SUPERVISION	\$70,200.00
8025.3800	ICC - OVERHEAD	\$10,000.00
8025.3100	ICC - WELLHEAD/FRACTURE REPAIR	\$40,000.00
8025.3400	ICC - RENTAL EQUIPMENT	\$223,200.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE	\$40,000.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT	\$15,000.00
8025.2300	ICC - COMPLETION FLUIDS	\$10,000.00
8025.3050	ICC - SOURCE WATER	\$581,483.00
8025.2000	ICC - TRUCKING	\$14,375.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL	\$15,000.00
Sub-total		\$5,241,220.00



Cost Estimate

Printed Date: Aug 18, 2025

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
Artificial Lift Intangible		
8060.2600	IAL - CONTRACT LABOR/ROUSTABOUT	\$15,000.00
8060.3410	IAL - LAYDOWN MACHINE	\$5,000.00
8060.3420	IAL - REVERSE UNIT RENTAL	\$5,000.00
8060.1900	IAL - INSPECTION & TESTING	\$3,000.00
8060.3500	IAL - WELLSITE SUPERVISION	\$10,000.00
8060.1100	IAL - ROAD, LOCATIONS, PITS	\$2,000.00
8060.2000	IAL - TRUCKING/VACUUM/TRANSP	\$5,000.00
8060.2300	IAL - COMPLETION FLUIDS	\$5,000.00
8060.2010	IAL - KILL TRUCK	\$5,000.00
8060.1210	IAL - SPOOLING SERVICES	\$10,000.00
8060.3400	IAL - RENTAL EQUIPMENT	\$15,000.00
8060.1200	IAL - WORKOVER RIG	\$20,000.00
	Sub-total	\$100,000.00
Artificial Lift Tangible		
8065.3200	TAL - COMM, TELEMETRY & AUTOMA	\$5,000.00
8065.2200	TAL - OHP INFRASTRUCTURE EQUIPMENT/INSTALL	\$20,000.00
8065.1100	TAL - TUBING	\$55,000.00
8065.2000	TAL - WELLHEAD EQUIPMENT	\$50,000.00
8065.2500	TAL - VALVES/CONNECTIONS/FTGS	\$15,000.00
8065.2100	TAL - WELL SITE POWER EQUIPMENT/INSTALL	\$75,000.00
8065.3100	TAL - MEASUREMENT EQUIPMENT	\$5,000.00
8065.1310	TAL - ESP EQUIPMENT/INSTALL	\$120,000.00
8065.1300	TAL - DOWNHOLE ARTIFICIAL LIFT EQPT	\$15,000.00
	Sub-total	\$360,000.00
Drilling Tangible		
8020.1500	TDC - WELLHEAD EQUIPMENT	\$53,125.00
8020.1200	TDC - CASING - INTERMEDIATE - 1	\$89,726.00
8020.1100	TDC - CASING - SURFACE	\$19,359.00
8020.1400	TDC - CASING - PRODUCTION	\$573,379.00
	Sub-total	\$735,589.00
Flowback Intangible		
8040.3400	IFC - RENTAL EQUIPMENT	\$10,000.00
8040.2900	IFC - WELL TESTING / FLOWBACK	\$85,000.00
8040.1100	IFC - ROADS LOCATIONS / PITS	\$2,000.00
8040.3430	IFC - SURFACE PUMP RENTAL	\$8,000.00
8040.2000	IFC - TRUCKING/VACUUM/TRANSP	\$8,000.00
8040.3420	IFC - TANK RENTALS	\$8,000.00
8040.3500	IFC - WELLSITE SUPERVISION	\$5,000.00
8040.1899	IFC - FRAC WATER RECOVERY	\$195,557.00
8040.4000	IFC - CHEMICALS	\$14,000.00
	Sub-total	\$335,557.00
Completion Tangible		
8030.2000	TCC - WELLHEAD EQUIPMENT	\$47,250.00
	Sub-total	\$47,250.00
Grand Total		\$9,759,797.00



Cost Estimate

Printed Date: Aug 18, 2025

Account

Description

Slim Jim 14-15 Fed Com #122H

Gross Est. (\$)

Accepted and Approved By:

Company Name (If Applicable): _____

By: _____

Printed Name: _____

Title: _____

Date: _____



Cost Estimate

Printed Date: Aug 18, 2025

AFE Number:	506294	Description:	SLIM JIM 14-15 FED COM 142H
AFE Name:	SLIM JIM 14-15 FED COM 142H	AFE TYPE:	Drill and Complete
Well Operator:	PERMIAN RESOURCES		
Operator AFE #:			

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
Facilities		
8035.1300	FAC - SURFACE DAMAGE	\$429.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL	\$571.00
8035.2400	FAC - SUPERVISION	\$10,000.00
8035.3000	FAC - HEATER TREATER/SEPARATOR	\$101,429.00
8035.4400	FAC - COMPANY LABOR	\$714.00
8035.3500	FAC - COMPRESSOR	\$5,000.00
8035.3200	FAC - VALVES FITTINGS & PIPE	\$85,714.00
8035.4500	FAC - CONTINGENCY	\$12,857.00
8035.2500	FAC - CONSULTING SERVICES	\$714.00
8035.1400	FAC - ROAD LOCATIONS PITS	\$57,143.00
8035.1500	FAC - MATERIALS & SUPPLIES	\$3,571.00
8035.3800	FAC - FLARE/COMBUSTER	\$15,714.00
8035.3600	FAC - ELECTRICAL	\$35,714.00
8035.2900	FAC - TANK BATTERY	\$57,429.00
8035.1700	FAC - RENTAL EQUIPMENT	\$10,000.00
8035.3400	FAC - METERS	\$34,143.00
8035.3700	FAC - AUTOMATION MATERIAL	\$28,571.00
8035.3300	FAC - CIRCULATING TRANSFER PUMP	\$16,929.00
8035.2100	FAC - INSPECTION & TESTING	\$714.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB	\$35,714.00
8035.1600	FAC - TRANSPORTATION TRUCKING	\$1,714.00
8035.3100	FAC - VRU RENTAL	\$2,143.00
	Sub-total	\$516,927.00
Drilling Tangible		
8020.1400	TDC - CASING - PRODUCTION	\$573,379.00
8020.1200	TDC - CASING - INTERMEDIATE - 1	\$89,726.00
8020.1100	TDC - CASING - SURFACE	\$19,359.00
8020.1500	TDC - WELLHEAD EQUIPMENT	\$53,125.00
	Sub-total	\$735,589.00
Artificial Lift Intangible		
8060.2010	IAL - KILL TRUCK	\$5,000.00
8060.2000	IAL - TRUCKING/VACUUM/TRANSP	\$5,000.00
8060.1210	IAL - SPOOLING SERVICES	\$10,000.00
8060.3420	IAL - REVERSE UNIT RENTAL	\$5,000.00
8060.2300	IAL - COMPLETION FLUIDS	\$5,000.00
8060.1900	IAL - INSPECTION & TESTING	\$3,000.00
8060.1200	IAL - WORKOVER RIG	\$20,000.00
8060.3500	IAL - WELLSITE SUPERVISION	\$10,000.00
8060.3410	IAL - LAYDOWN MACHINE	\$5,000.00
8060.1100	IAL - ROAD, LOCATIONS, PITS	\$2,000.00

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



Cost Estimate

Printed Date: Aug 18, 2025

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
8060.2600	IAL - CONTRACT LABOR/ROUSTABOUT	\$15,000.00
8060.3400	IAL - RENTAL EQUIPMENT	\$15,000.00
	Sub-total	\$100,000.00
Pipeline		
8036.3200	PLN - VALVES FITTINGS & PIPE	\$6,429.00
8036.2100	PLN - INSPECTION & TESTING	\$2,857.00
8036.2200	PLN - CONTRACT LABOR	\$60,000.00
8036.2400	PLN - SUPERVISION	\$1,429.00
8036.1700	PLN - RENTAL EQUIPMENT	\$5,714.00
8036.2800	PLN - FLOWLINE MATERIAL	\$35,000.00
8036.1310	PLN - PERMANENT EASEMENT	\$3,636.00
	Sub-total	\$115,065.00
Drilling Intangible		
8015.2400	IDC - RIG WATER	\$15,000.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	\$157,034.00
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$47,175.00
8015.2350	IDC - FUEL/MUD	\$69,103.00
8015.4300	IDC - WELLSITE SUPERVISION	\$69,600.00
8015.5000	IDC - WELL CONTROL INSURANCE	\$6,600.00
8015.1310	IDC - PERMANENT EASEMENT	\$12,000.00
8015.3400	IDC - MATERIALS & SUPPLIES	\$5,000.00
8015.1400	IDC - ROAD, LOCATIONS, PITS	\$95,625.00
8015.1500	IDC - RIG MOB / TRUCKING	\$99,397.00
8015.1700	IDC - DAYWORK CONTRACT	\$469,200.00
8015.3100	IDC - CASING CREW & TOOLS	\$50,006.00
8015.1200	IDC - LEGAL, TITLE SERVICES	\$13,000.00
8015.1000	IDC - PERMITS,LICENSES,ETC	\$15,000.00
8015.5200	IDC - CONTINGENCY	\$99,396.00
8015.2300	IDC - FUEL / POWER	\$91,163.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	\$16,800.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING	\$155,219.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE	\$42,500.00
8015.1300	IDC - SURFACE DAMAGE / ROW	\$35,000.00
8015.4600	IDC - SAFETY / ENVIRONMENTAL	\$13,200.00
8015.1100	IDC - STAKING & SURVEYING	\$15,000.00
8015.4100	IDC - RENTAL EQUIPMENT	\$60,000.00
8015.3700	IDC - DISPOSAL	\$100,298.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS	\$51,000.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR	\$12,500.00
8015.2700	IDC - INSPECTION, TESTING & REPAIR	\$37,000.00
8015.4200	IDC - MANCAMP	\$28,800.00
8015.2150	IDC - DRILL BIT	\$113,000.00
8015.1600	IDC - RIG MOB / STANDBY RATE	\$36,800.00
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	\$27,000.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY	\$249,773.00
	Sub-total	\$2,308,189.00



Cost Estimate

Printed Date: Aug 18, 2025

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
Flowback Intangible		
8040.3400	IFC - RENTAL EQUIPMENT	\$10,000.00
8040.4000	IFC - CHEMICALS	\$14,000.00
8040.3420	IFC - TANK RENTALS	\$8,000.00
8040.1899	IFC - FRAC WATER RECOVERY	\$225,334.50
8040.3500	IFC - WELLSITE SUPERVISION	\$5,000.00
8040.2000	IFC - TRUCKING/VACUUM/TRANSP	\$8,000.00
8040.1100	IFC - ROADS LOCATIONS / PITS	\$2,000.00
8040.2900	IFC - WELL TESTING / FLOWBACK	\$85,000.00
8040.3430	IFC - SURFACE PUMP RENTAL	\$8,000.00
	Sub-total	\$365,334.50
Completion Intangible		
8025.1100	ICC - ROAD, LOCATIONS, PITS	\$10,500.00
8025.2300	ICC - COMPLETION FLUIDS	\$10,000.00
8025.3050	ICC - SOURCE WATER	\$581,483.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE	\$40,000.00
8025.3100	ICC - WELLHEAD/FRACTURE REPAIR	\$40,000.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING	\$442,680.00
8025.2000	ICC - TRUCKING	\$14,375.00
8025.1500	ICC - FUEL / POWER	\$551,210.00
8025.3800	ICC - OVERHEAD	\$10,000.00
8025.3400	ICC - RENTAL EQUIPMENT	\$223,200.00
8025.3000	ICC - WATER HANDLING	\$375,150.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL	\$15,000.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT	\$15,000.00
8025.3600	ICC - SUPERVISION/ENGINEERING	\$5,000.00
8025.3500	ICC - WELLSITE SUPERVISION	\$70,200.00
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK	\$21,525.00
8025.2500	ICC - WELL STIMULATION/FRACTUR	\$2,290,897.00
8025.1600	ICC - COILED TUBING	\$525,000.00
	Sub-total	\$5,241,220.00
Artificial Lift Tangible		
8065.3200	TAL - COMM, TELEMETRY & AUTOMA	\$5,000.00
8065.2100	TAL - WELL SITE POWER EQUIPMENT/INSTALL	\$75,000.00
8065.3100	TAL - MEASUREMENT EQUIPMENT	\$5,000.00
8065.2200	TAL - OHP INFRASTRUCTURE EQUIPMENT/INSTALL	\$20,000.00
8065.2500	TAL - VALVES/CONNECTIONS/FTGS	\$15,000.00
8065.1300	TAL - DOWNHOLE ARTIFICIAL LIFT EQPT	\$15,000.00
8065.1100	TAL - TUBING	\$55,000.00
8065.1310	TAL - ESP EQUIPMENT/INSTALL	\$120,000.00
8065.2000	TAL - WELLHEAD EQUIPMENT	\$50,000.00
	Sub-total	\$360,000.00
Completion Tangible		
8030.2000	TCC - WELLHEAD EQUIPMENT	\$47,250.00
	Sub-total	\$47,250.00
Grand Total		\$9,789,574.50



Cost Estimate

Printed Date: Aug 18, 2025

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
	Slim Jim 14-15 Fed Com #142H	

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

By: _____

Printed Name: _____

Title: _____

Date: _____

Communication Log- Slim Jim Fed Com Wells

Carolyn Beall*	discussed with husband plans of development- will sogn JOA
Darin T. Boyd	AFE/Proposal delivered via USPS Tracking on 9/11/25
Doralea S. Bean	AFE/Proposal sent 8/20/25 & returned undeliverable. Established contact with interest representative.
Effco Investments*	Multiple phone calls and emails discussing participating and potential voluntary deal-should decide to particpate soon
James B. Read*	signed AFEs, just needing JOA executed-should have signed JOA shortly
James G Smith*	discussed plans of development and options to participate and voluntary agreement- discussing potential purchase- plan on receiving signed JOA shortly
Karen Outland	AFE/Proposal delivered via USPS Tracking on 8/29/25
Lindy's Living Trust UTA dated July 8, 1994*	Term assigning to Permian-voluntary comitted

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Exhibit No. C-5

Submitted by: Permian Resources Operating, LLC

Hearing Date: November 13, 2025

Case No. 25671

Communication Log- Slim Jim Fed Com Wells

New Mexico Salt Water Disposal Company, Inc.	AFE/Proposal sent 8/20/25 & returned undeliverable. Working to establish reliable contact.
Rottman 1984 Family Trust	AFE/Proposal delivered via USPS Tracking on 8/27/25
Rottman Group Six	AFE/Proposal delivered via USPS Tracking on 8/27/25
SBI West Texas I, LLC*	Currently working through JOA, multiple emails discussing recognition of AFEs. Waiting on JOA, should have signed JOA shortly
Tierra Encantada, LLC*	AFE/Proposal delivered via USPS Tracking on 8/26/25. Received signed AFEs, working through JOA.
Devon Energy Production Company, LP*	Calls and emails around AFE and JOA with multiple landman, awaiting decision-should have signed JOA shortly
Javelina Partners*	appears working deal with 3rd party-interest to be voluntary comitted

Communication Log- Slim Jim Fed Com Wells

Maverick Permian Agent Corp*	multiple phone calls and email with representative, JOA provided and will get back to PR- should have signed JOA soon
Moore & Shelton Co., Ltd.*	communicated AFEs received, provided interest and followed up on direction of what they want to do-will continue to follow up-indicated will participate, should have signed JOA soon
Occidental Permian Limited Partnership*	multiple emails around development plans and JOA provided-stated will sign JOA
Paloma Permian Assetco, LLC*	in trade discussions and JOA provided for review-PR to acquire
Zorro Partners, Ltd.*	appears working deal with 3rd party-should voluntary comit interest
V-F Petroleum Inc.*	deal reached between VF and PR- will not pool
The Delmar Hudson Lewis Living Trust, Bank of America, N.A., Trustee	in current discussions of aquiring interest
REG XI Assets, L.L.C.	multiple attempts to contact-no returned calls

Communication Log- Slim Jim Fed Com Wells

XTO Holdings, LLC*	Multiple emails and discussions with land representative. JOA provided, and currently in trade talks-should have JOA soon
Josephine T. Hudson Testamentary Trust FBO J. Terrel Ard	appears working deal with 3rd party
Marathon Oil Permian, LLC*	Multiple emails with land representative, JOA provided and awaiting decision- JOA negotiated, waiting on signature
Abby Corp	AFE/Proposal delivered via USPS Tracking on 8/25/25
Alfred J. Rodriguez	waiting on AFE delivery-appears received, but owner hasn't not picked up from post office. Searching for additional contact information.
B & N Energy LLC Attn: John Strange - Strange & Coats PC	AFE/Proposal delivered via USPS Tracking on 8/22/25
Buchholz Oil and Gas Co.	AFE/Proposal delivered via USPS Tracking on 8/25/25
Christie Rene Townsend Baker*	signed AFEs, just needing JOA executed
DHB Partnership*	signed AFEs, just needing JOA executed
Glenda Farris Richter, as Trustee of the Donald Edward Richter Estate Trust	Non-Consents

Communication Log- Slim Jim Fed Com Wells

Jack C. Holland*	sold to cresent and Broad Creek- signed AFEs, working on JOA
Josephine T. Hudson Testamentary Trust FBO J. Terrel Ard	appears working deal with 3rd party
Joshua Brice Townsend*	signed AFEs, just needing JOA executed
Marjorie C Echols	waiting on AFE delivery
New Mexico Western Minerals, Inc*	signed AFEs, just needing JOA executed
Pat Cox Dowell	AFE/Proposal sent 8/20/25 & returned undeliverable. Trying to establish reliable contact.
To the Estate of Ralph E Peacock	AFE/Proposal sent 8/20/25 & returned undeliverable. Searching for reliable heirs/contacts.
Rottman Oil Partners	AFE/Proposal delivered via USPS Tracking on 8/25/25
S.N.S. Oil & Gas Properties, Inc.	emails around development plans and transfers of interest, still waitning on decision
Sharron Stone Trollinger Trust, Sharron S. Trollinger (presumed) Trustee	AFE/Proposal sent 8/20/25 & returned undeliverable- searching for realible contact.
Tanner Joseph Townsend.	AFE/Proposal delivered via USPS Tracking on 8/22/25

Communication Log- Slim Jim Fed Com Wells

The Delmar Hudson Lewis Living Trust, Bank of America, N.A., Trustee	AFE/Proposal delivered via USPS Tracking on 8/22/25
Theresa Carol Townsend Cox*	signed AFEs, just needing JOA executed
Turner Royalties, LLC	AFE/Proposal delivered via USPS Tracking on 8/22/25
Bruce Alan MacNaughton Trust Bank of America N.A. and Bruce Alan MacNaughton, Co-Trustees	assigned to Reserve MGMT, Inc. - No ABOS provided yet
Estate of Mamie L. Anderson	AFE/Proposal sent 8/20/25 & returned undeliverable- attempting to establish realible contact for estate
Estate of Marjorie C. Echols	AFE/Proposal sent 8/20/25 & returned undeliverable- attempting to establish realible contact for estate
S. Neil Sisson	emails around development plans and transfers of interest, still waitning on decision
Union Hill Oil & Gas LLC c/o Robert A Buchholz	AFE/Proposal delivered via USPS Tracking on 8/25/25

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

**APPLICATION OF READ & STEVENS, INC.
FOR APPROVAL OF AN OVERLAPPING
HORIZONTAL WELL SPACING UNIT
AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 25671

SELF-AFFIRMED STATEMENT OF CHRIS CANTIN

1. My name is Chris Cantin. I work for Permian Resources Operating, LLC (“Permian”) as a Geologist.

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

3. I am familiar with the application filed by Read & Stevens, Inc. and Permian Resources Operating, LLC (collectively “Permian” or “Applicant”) in this case, and I have conducted a geologic study of the lands in the subject area.

4. Permian has targeted the Bone Spring formation in this case.

5. **Permian Exhibit D-1** is a regional locator map that identifies the Slim Jim project area, in proximity to the Capitan Reef within the Delaware Basin, for the Bone Spring horizontal spacing unit that is the subject of this application.

6. **Permian Exhibit D-2** is a cross-section location map for the proposed horizontal spacing unit within the Bone Spring formation. The approximate location of the proposed unit is outlined in blue. Existing producing wells in the targeted interval are represented by solid lines and the relative location of the proposed well as dashed lines. This map identifies the cross-

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

**Submitted by: Permian Resources Operating, LLC
Hearing Date: November 13, 2025
Case No. 25671**

section running from A-A' with the cross-section well names and a black line in proximity to the proposed wells.

7. **Permian Exhibit D-3** is a subsea structure map that I prepared for the Bone Spring formation, with a contour interval of 50 feet. The structure map shows the Bone Spring gently dipping to the southeast. The Bone Spring structure appears consistent across the wellbore paths. I do not observe any faulting, pinchouts, or other geologic impediments in the spacing unit. This map also shows the relative location of the proposed wells as dashed lines, as well as the offset producers as solid lines.

8. **Permian Exhibit D-4** is a stratigraphic cross-section that I prepared displaying open-hole logs run over the Bone Spring from the representative wells denoted from A to A'. For each well in the cross-section, the exhibit shows the following logs: gamma ray, resistivity, and porosity. The interval is labeled and approximate target is marked by dashed lines. The logs in the cross-section demonstrate that the interval is continuous across the entire spacing unit.

9. In my opinion, laydown orientation of the proposed wells is the appropriate orientation for horizontal well development in this area because it is near perpendicular to the maximum horizontal stress of the area.

10. Based on my geologic study, the Bone Spring formation underlying the subject area is suitable for development by horizontal wells and the acreage comprising the proposed spacing unit will contribute more-or-less equally to the production from the wellbores. I have not identified any geologic impediments to drilling horizontal wells in the area of the spacing unit proposed.

11. In my opinion, horizontal drilling will be the most efficient method to develop this acreage, to prevent the drilling of unnecessary wells, and to result in the greatest ultimate recovery,

and that approving Read & Stevens's application will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.

12. **Permian Exhibits D-1 through D-4** were either prepared by me or compiled under my direction and supervision.

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

Chris Cantin
Chris Cantin

10-02-2025
Date



Compulsory Pooling Hearing – Case Nos. 25671 Geology Exhibits



Permian Resources is a result of the merger of Centennial Resource Development and Colgate Energy effective September 1, 2022.



Submitted by: Permian Resources Operating, LLC
Hearing Date: November 13, 2025
Case No. 25671




Exhibit 2

Cross-Section Locator Map

Slim Jim 14-15 Fed Com Fed Com Bone Spring

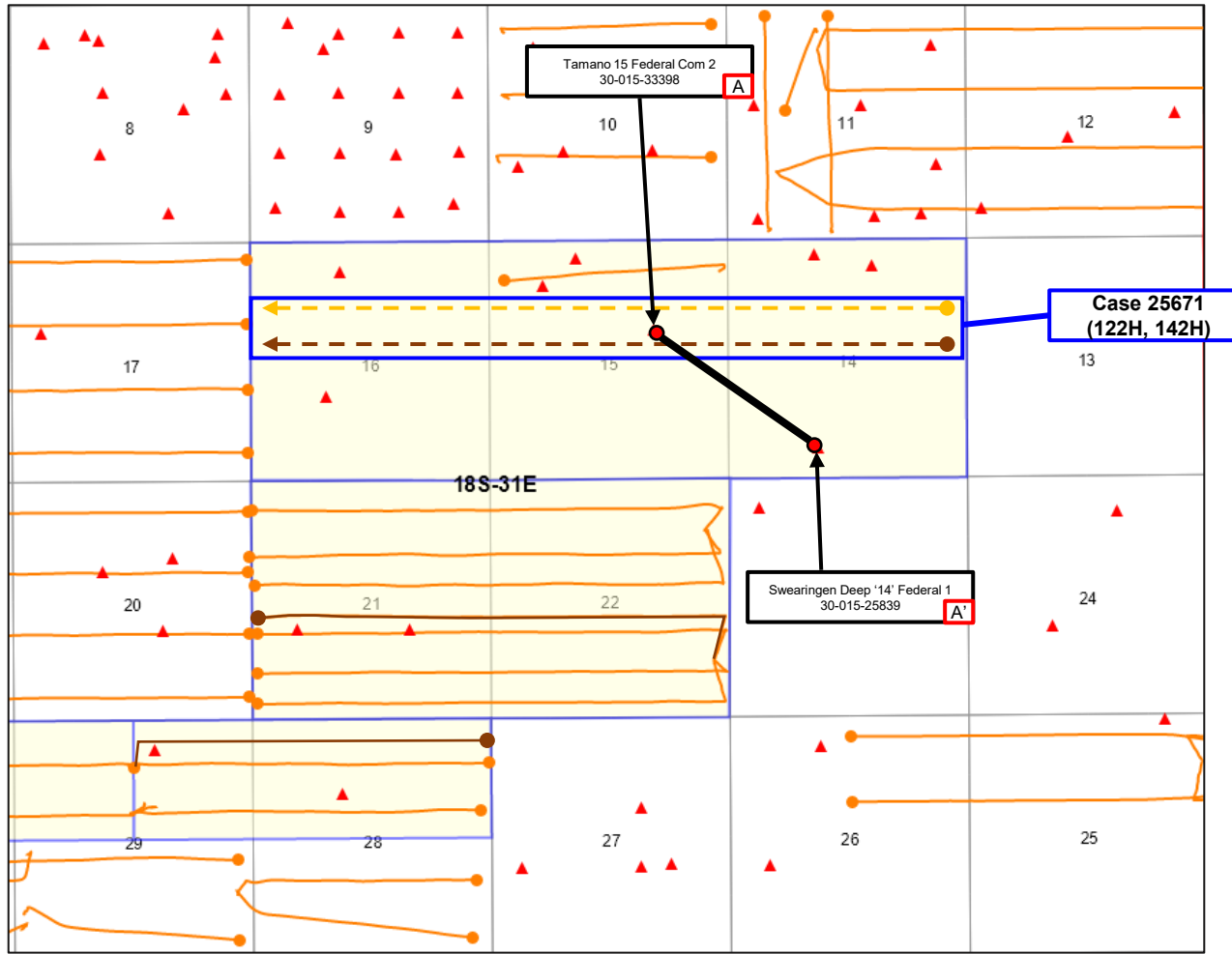
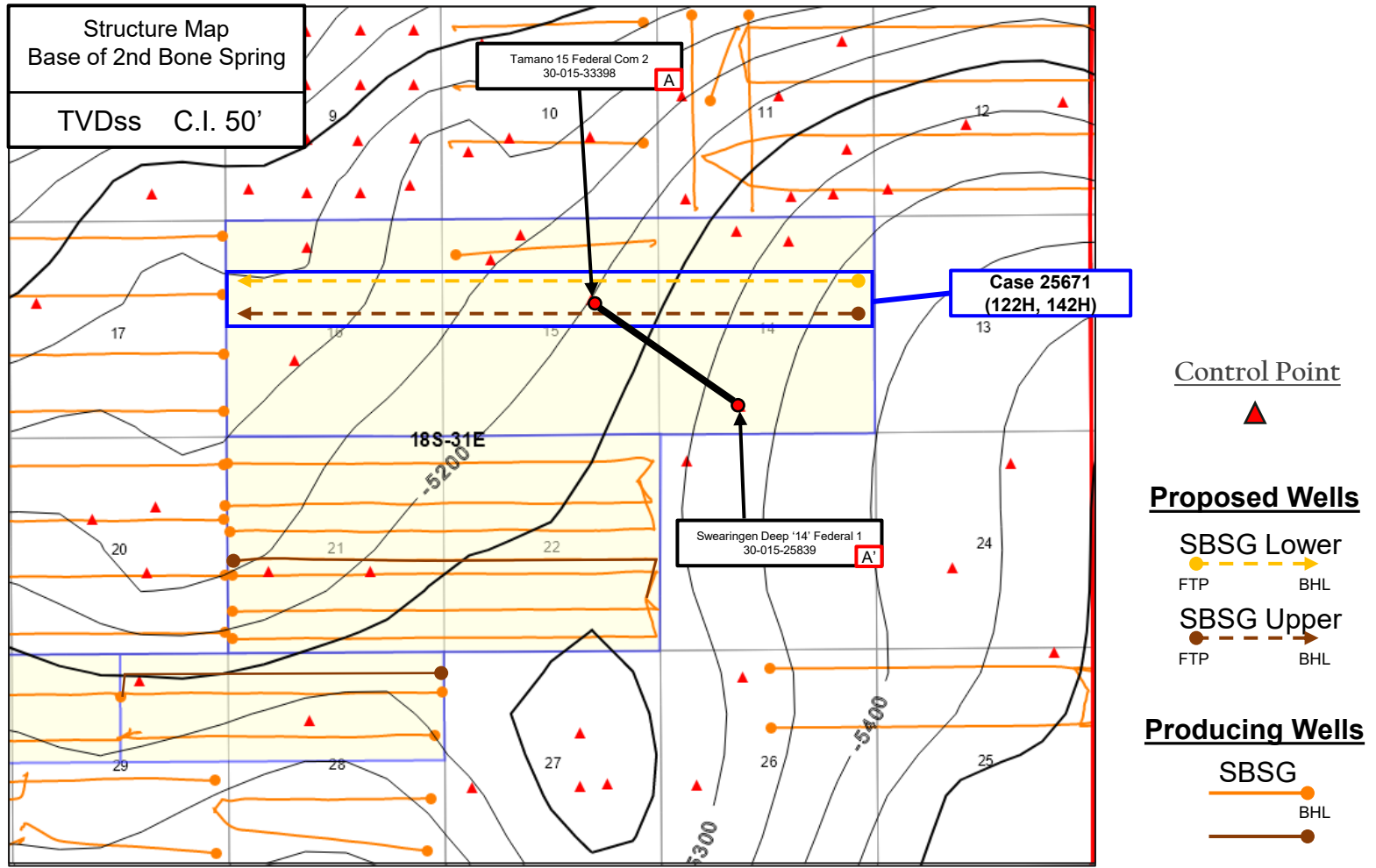



Exhibit 3

Base of Bone Spring – Structure Map

Slim Jim 14-15 Fed Com Fed Com





Stratigraphic Cross-Section A-A'

Slim Jim DSU Targets

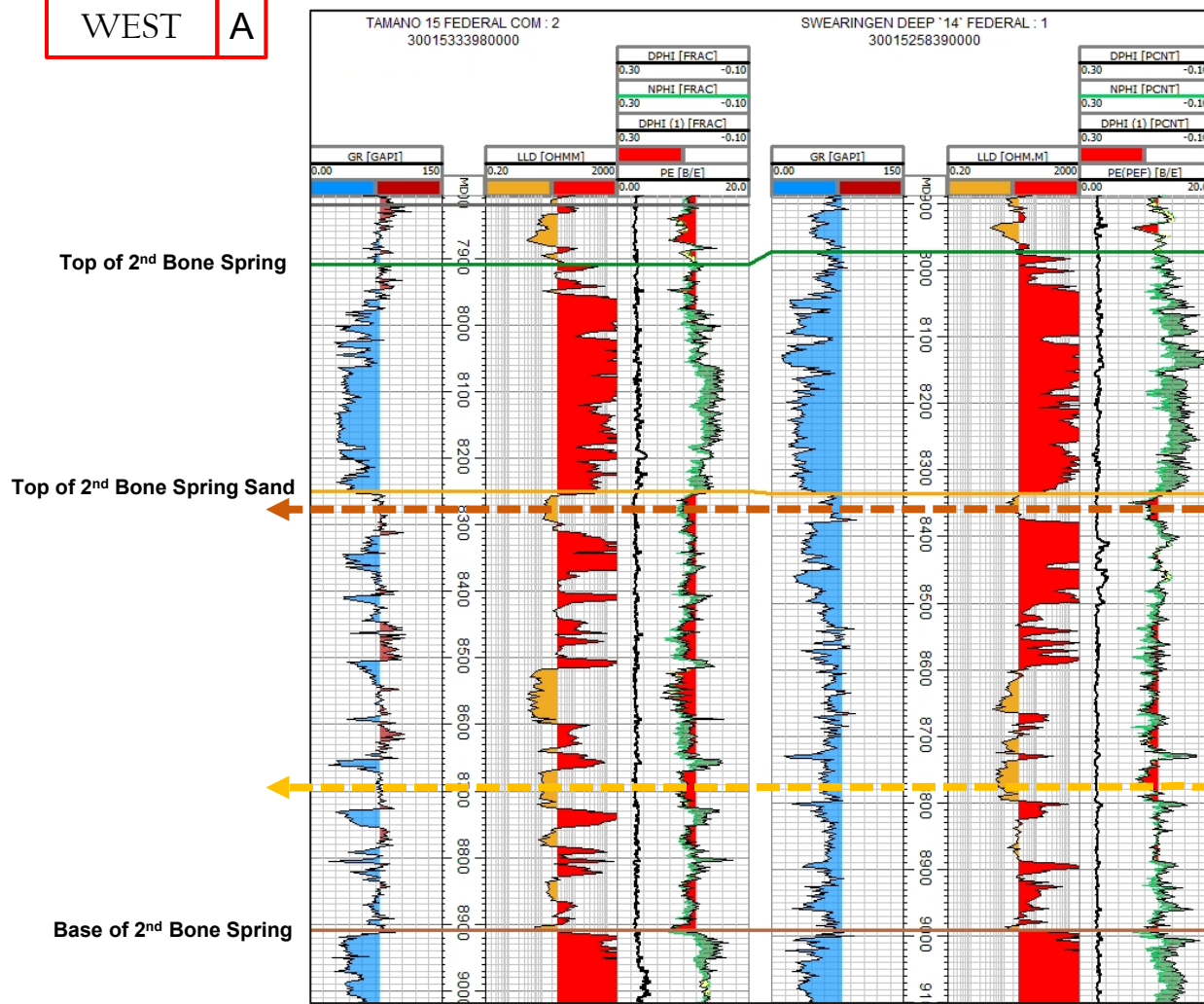
Exhibit 4

WEST

A

A'

EAST



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Exhibit No. D-4

Submitted by: Permian Resources Operating, LLC

Hearing Date: November 13, 2025

Case No. 25671

--- SBSG Lower

--- SBSG Upper

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

**APPLICATION OF READ & STEVENS, INC.
FOR APPROVAL OF AN OVERLAPPING
HORIZONTAL WELL SPACING UNIT
AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 25671

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

1. I am attorney in fact and authorized representative of Read & Stevens, Inc., the Applicant herein. I have personal knowledge of the matter addressed herein and am competent to provide this self-affirmed statement.

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

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

4. The spreadsheet attached hereto contains the information provided by the United States Postal Service on the status of the delivery of this notice as of October 31, 2025.

5. I caused a notice to be published to all parties subject to these proceedings. An affidavit of publication from the publication's legal clerk with a copy of the notice of publication is attached herein.

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

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. E
Submitted by: Permian Resources Operating, LLC
Hearing Date: November 13, 2025
Case No. 25671**



Paula M. Vance

11/04/25

Date



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

September 19, 2025

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Read & Stevens, Inc. for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, New Mexico: *Slim Jim 14-15 Federal Com 122H & 142H wells*

Ladies & Gentlemen:

This letter is to advise you that Read & Stevens, Inc. has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on October 9, 2025, and the status of the hearing can be monitored through the Division's website at <https://www.emnrd.nm.gov/ocd/>.

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

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

If you have any questions about this matter, please contact Sean Johnson at (903) 360-1438 or sean.johnson@permianres.com.

Sincerely,

A handwritten signature in blue ink that appears to read "Paula M. Vance".

Paula M. Vance
**ATTORNEY FOR READ AND STEVENS, INC. &
PERMIAN RESOURCES OPERATING, LLC**

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

Alaska
Colorado
Idaho

Montana
Nevada
New Mexico

Utah
Washington, D.C.
Wyoming



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

October 1, 2025

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

**TO ALL WORKING INTEREST OWNERS IN THE AGREAGE AFFECTED BY
 PROPOSED OVERLAPPING SPACING UNIT**

Re: *Revised* Notice of Overlapping Spacing Unit
 Tamano; Bone Spring [58040]
 Slim Jim 14-15 Federal Com 111H, 131H, 122H and 142H wells
 N/2 of Sections 14, 15, and 16, Township 18 South, Range 31 East, NMPM, Eddy
 County, New Mexico

To Whom It May Concern:

Read & Stevens, Inc. has proposed the Slim Jim 14-15 Federal Com 111H, 131H, 122H and 142H wells for the initial development of the Bone Spring underlying acreage covering the N/2 of Sections 14, 15, and 16, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. This letter is to advise you that this proposed development plan will require the formation of the following spacing units:

Slim Jim 14-15 Federal Com 111H

N/2 N/2 of Sections 14, 15, and 16, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico
 SHL: NE/4 NE/4 (Unit A) of Section 14
 BHL: NW/4 NW/4 (Unit D) of Section 16
 From the top of the Bone Spring formation (~6,040' TVD) to the base of the First Bone Spring (~7,955' TVD)

Slim Jim 14-15 Federal Com 131H

N/2 N/2 of Sections 14, 15, and 16, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico
 SHL: NE/4 NE/4 (Unit A) of Section 14
 BHL: NW/4 NW/4 (Unit D) of Section 16
 From approximately ~9,293' TVD to the base of the Bone Spring (~9,517' TVD)

Slim Jim 14-15 Federal Com 122H

S/2 N/2 of Sections 14, 15, and 16, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico
 SHL: NE/4 NE/4 (Unit A) of Section 14
 BHL: SW/4 NW/4 (Unit E) of Section 16

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

Alaska
 Colorado
 Idaho

Montana
 Nevada
 New Mexico

Utah
 Washington, D.C.
 Wyoming



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

Formation: Second Bone Spring (approx. ~8,760' TVD/~24,045' TMD)

Slim Jim 14-15 Federal Com 142H

S/2 N/2 of Sections 14, 15, and 16, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico

SHL: NE/4 NE/4 (Unit A) of Section 14

BHL: SW/4 NW/4 (Unit E) of Section 16

Formation: Second Bone Spring (approx. ~8,390' TVD/~23,675' TMD)

The proposed spacing units will overlap the following existing spacing units and wells:

- Tamano 15 AD Federal Com 1H (API No. 30-015-40868), in the Bone Spring formation underlying the N/2 N/2 of Section 15, T18S-R31E, operated by Mewbourne Oil Company; and
- Tamano 15 Federal Com 2 (API No. 30-015-33398), in the Bone Spring formation underlying the SW/4 NE/4 (Unit G) of Section 15, T18S-R31E, operated by Mewbourne Oil Company.

Pursuant to NMAC 19.15.16.15.B(9) and 19.15.15.12.B, you have a right to object the overlapping spacing unit by delivering a written statement of objection to our office within twenty (20) days of the mailing of this notice. If no objection is received within this 20-day period, we will proceed with obtaining any remaining regulatory approvals for the proposed spacing unit.

If you have any questions about this matter, please contact my office.

Sincerely,

A handwritten signature in blue ink, appearing to read "Paula M. Vance".

Paula M. Vance
ATTORNEY FOR READ AND STEVENS, INC. &
PERMIAN RESOURCES OPERATING, LLC

Permian - Slim Jim 122H, 142H wells - Case no. 25671
Postal Delivery Report

9414811898765477230374	Josephine T. Hudson Testamentary Trust FBO J. Terrel Ard	PO Box 1600	San Antonio	TX	78296-1600	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765477230053	Josephine T. Hudson Testamentary Trust FBO J. Terrel Ard	640 Taylor St Ste 1000	Fort Worth	TX	76102-4815	Your item was delivered to an individual at the address at 12:43 pm on September 25, 2025 in FORT WORTH, TX 76102.
9414811898765477230022	Marathon Oil Permian, LLC	990 Town And Country Blvd	Houston	TX	77024-2217	Your item was returned to the sender on October 4, 2025 at 11:05 am in SANTA FE, NM 87501 because it could not be delivered as addressed.
9414811898765477230046	Marathon Oil Permian, LLC	600 W Illinois Ave	Midland	TX	79701-4882	Your item has been delivered and is available at a PO Box at 8:04 am on September 24, 2025 in MIDLAND, TX 79701.
9414811898765477230039	REG XI Assets, L.L.C.	1200 Smith St Ste 1950	Houston	TX	77002-4322	Your item was delivered to an individual at the address at 12:08 pm on September 23, 2025 in HOUSTON, TX 77002.
9414811898765477230411	The Delmar Hudson Lewis Living Trust, Bank of America, N.A., Trustee	PO Box 840738	Dallas	TX	75284-0738	Your item has been delivered and is available at a PO Box at 5:48 am on September 23, 2025 in DALLAS, TX 75284.
9414811898765477230466	XTO Holdings, LLC	22777 Springwoods Village Pkwy	Spring	TX	77389-1425	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765477230497	XTO Holdings, LLC	PO Box 548806	Oklahoma City	OK	73154-8806	Your item was delivered to an individual at the address at 7:23 am on September 26, 2025 in OKLAHOMA CITY, OK 73154.

Proof of Delivery

Dear Customer,

This notice serves as proof of delivery for the shipment listed below.

Tracking Number
1Z8112520195888521

Service
UPS Next Day Air®

Shipped / Billed On
10/01/2025

Delivered On
10/02/2025 3:50 P.M.

Delivered To
SANTA FE, NM, US

Received By
BOWDIN

Left At
Inside Delivery

Please print for your records as photo and details are only available for a limited time.

Sincerely,
UPS

Tracking results provided by UPS: 11/04/2025 11:35 A.M. EST

Proof of Delivery

Dear Customer,

This notice serves as proof of delivery for the shipment listed below.

Tracking Number
1Z8112520194859797

Service
UPS Next Day Air®

Shipped / Billed On
10/01/2025

Delivered On
10/02/2025 10:15 A.M.

Delivered To
CARLSBAD, NM, US

Received By
LOCKE

Left At
Receiver

Please print for your records as photo and details are only available for a limited time.

Sincerely,

UPS

Tracking results provided by UPS: 11/04/2025 11:36 A.M. EST

Proof of Delivery

Dear Customer,

This notice serves as proof of delivery for the shipment listed below.

Tracking Number
1Z8112520194859797

Service
UPS Next Day Air®

Shipped / Billed On
10/01/2025

Delivered On
10/02/2025 10:15 A.M.

Delivered To
CARLSBAD, NM, US

Received By
LOCKE

Left At
Receiver

Please print for your records as photo and details are only available for a limited time.

Sincerely,

UPS

Tracking results provided by UPS: 11/04/2025 11:36 A.M. EST

Affidavit of Publication**Copy of Publication:**No. 64570

State of New Mexico

Publisher

County of Eddy:

Adrian Hedden

being duly sworn, says that he is the

Publisher

of the Carlsbad Current Argus, a weekly newspaper of

general circulation, published in English at Carlsbad,

said county and state, and that the hereto attached

Legal Ad

was published in a regular and entire issue of the said

Carlsbad Current Argus, a weekly newspaper duly qualified

for that purpose within the meaning of Chapter 167 of

the 1937 Session Laws of the state of New Mexico for

1 Consecutive weeks/day on the same

day as follows:

First Publication September 25, 2025

Second Publication _____

Third Publication _____

Fourth Publication _____

Fifth Publication _____

Sixth Publication _____

Seventh Publication _____

Eighth Publication _____

Subscribed and sworn before me this

25th day of September 2025

LATISHA ROMINE
Notary Public, State of New Mexico
Commission No. 1076338
My Commission Expires
05-12-2027

Latisha Romine

Latisha Romine

Notary Public, Eddy County, New Mexico

Case No. 25671: Application of Read & Stevens, Inc. for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Eddy County, New Mexico. Notice to all affected interest owners, including all heirs, devisees and successors of: Josephine T. Hudson Testamentary Trust FBO J. Terrel Ard; Marathon Oil Permian, LLC; REG XI Assets, L.L.C.; The Delmar Hudson Lewis Living Trust, Bank of America, N.A., Trustee; and XTO Holdings, LLC. The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division (Division) hereby gives notice that the Division will hold public hearing 8:30 a.m. on October 9, 2025, to consider this application. The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate in the hearings electronically, see the instructions posted on the docket for the hearing date: <https://www.emnrd.nm.gov/ocd/hearing-info/> or contact Freya Tschantz, at Freya.Tschantz@emnrd.nm.gov. Applicant in the above-styled cause seeks an order (1) approving a standard 480-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation underlying the S/2 N/2 of Sections 14, 15, and 16, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico, and (2) pooling all uncommitted interests in this acreage. Said unit will be initially dedicated to the proposed Slim Jim 14-15 Federal Com 122H and Slim Jim 14-15 Federal Com 142H wells, both to be horizontally drilled from surface locations in the NE/4 NE/4 (Unit A) of Section 14, to bottom hole locations in the SW/4 NW/4 (Unit E) of Section 16. This proposed horizontal well spacing unit will overlap the following spacing unit in the Bone Spring formation:

" An existing 40-acre vertical spacing unit in the Bone Spring formation underlying the SW/4 NE/4 (Unit G) of Section 15, T18S-R31E, currently dedicated to the Tamano 15 Federal Com 2 (API No. 30-015-33398), operated by Mewbourne Oil Company.

Also, to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Permian Resources Operating, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 8.5 miles southwest of Maljamar, New Mexico. 64570-Published in Carlsbad Current Argus Sept. 25, 2025.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Exhibit No. F

Submitted by: Permian Resources Operating, LLC

Hearing Date: November 13, 2025

Case No. 25671