

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

**APPLICATION OF CHEVRON U.S.A. INC.  
TO REOPEN CASE NO. 24185 (ORDER NO.  
R-23684 (E.G.L. RESOURCES, INC.) AND  
CASE NO. 24886 (ORDER NO. R-23685  
PBEX, LLC) TO REQUIRE SUBMISSION  
OF PROPER STATEMENTS OF WELL  
COSTS BY OPERATOR AND RECOGNIZE  
THE CONSENTING STATUS OF CHEVRON.**

**CASE NO. 25878**

**PBEX, LLC AND E.G.L. RESOURCES, INC.’S EXPEDITED MOTION TO LIMIT  
SCOPE OF HEARING OR, ALTERNATIVELY, VACATE AND RESET HEARING TO  
ALLOW ADDITIONAL DISCOVERY AND MOTIONS PRACTICE**

PBEX, LLC (“PBEX”) and E.G.L. Resources, Inc. (“E.G.L.”) (collectively, “PBEX”), by and through undersigned counsel, request that the New Mexico Oil Conservation Division (“Division”) limit the scope of the hearing in this matter in accordance with Chevron’s U.S.A. Inc.’s representations and the Division’s prior rulings or, alternatively, vacate the May 13, 2026 hearing and set a status conference to discuss a new scheduling order that allows time for discovery and prehearing briefs regarding Chevron’s claims.<sup>1</sup> In support of its Motion, PBEX states as follows.

**I. INTRODUCTION**

On December 24, 2025, Chevron filed an Application to reopen Case Nos. 24185 and 24886 “to clarify and confirm Chevron’s voluntary joinder to participate in the costs of drilling, completing and equipping the wells authorized by the Division in those cases.” Chevron timely signed its election to participate in the Bond Wells under Order Nos. R-23684 and R-23685

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<sup>1</sup> Counsel for Chevron was contacted regarding this motion; however, undersigned counsel was unable to ascertain Chevron’s position before filing.

(collectively, “Pooling Orders”) and thereby ratified PBEX’s post-order well proposal, including the well locations and depths, but failed to pay its share of the estimated well costs within 30 days of the election as required by Paragraph 25 of the Pooling Orders. Chevron now asks the Division to intervene and remedy its failure.

On August 7, 2025, PBEX sent Chevron proposals for the Bond Wells under the terms of the Orders.<sup>2</sup> The letter included Authorizations for Expenditures (“AFEs”) for each of the Bond Wells, referenced the Orders, and stated “Pursuant to said Orders, if you wish to participate in the operations described above, please indicate so in the space provided, and sign and return the enclosed AFEs within 30 days of receipt of this correspondence.”<sup>3</sup> The proposal and AFEs specifically identified each well that would be drilled and specified the well depths and locations by footage.<sup>4</sup>

On August 27, 2025, Chevron signed the election letter *and agreed to participate in the Bond Wells as they were proposed*.<sup>5</sup> Andrew Armpriester, General Manager North America NOJV and Royalty, signed the election letter on behalf of Chevron and specifically signed each AFE. Chevron’s election letter was unconditional and did not raise any concern regarding the validity of PBEX’s August 7<sup>th</sup> Well Proposal.<sup>6</sup> Chevron did not object that the well numbers or footages differed from those included in the pooling order, that PBEX sent the proposal letter instead of EGL, or that the letter failed to include Chevron’s specific share of the estimated well costs. Chevron, a sophisticated oil and gas operator in New Mexico, did not claim it had insufficient

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<sup>2</sup> August 7, 2025 Well Proposal, attached as **Exhibit 1**.

<sup>3</sup> *Id.*

<sup>4</sup> *Id.*

<sup>5</sup> August 27, 2025 election letter, attached as **Exhibit 2**.

<sup>6</sup> *See id.*

information to complete the election, did not state it would not sign without a JOA, and did not execute the election letter under protest.<sup>7</sup> Rather, Chevron simply executed and returned the signed election letter and associated AFEs.

While Chevron unconditionally elected to participate in the Bond Wells and thereby ratified PBEX's post-order proposal, was notified of the Pooling Orders, and had ample information regarding the Estimated Well Costs and its ownership interest (as shown by both its internal correspondence and from that provided by PBEX), it failed to pay its share of such costs by the deadline set forth in Paragraph 25 of the Orders. Thus, as of September 26, 2025 (30 days after Chevron's August 27, 2025 election to participate in the Bond Wells), Chevron was deemed a "Non-Consenting Pooled Working Interest" under the Pooling Orders. It is possible Chevron chose not to pay the Estimated Well Costs because it did not wish to fund the wells in advance or that the missed payment was a consequence of Chevron's negligence, but either way, Chevron's failure did not result from any action by PBEX. To date, Chevron has still not paid any of the Estimated Well Costs. Now, despite having signed the election letter and each AFE and thereby waiving its objections,<sup>8</sup> Chevron seeks to reopen these proceedings by claiming fault with PBEX's proposals and Statements of Estimated Well Costs under the Orders.

On January 23, 2026, PBEX moved to dismiss Chevron's Application for lack of standing because Chevron cannot show that its alleged harm resulted from any action of PBEX. In its response, Chevron argued that PBEX violated industry standards with respect to the post-order

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<sup>7</sup> The sophistication of a party is relevant to its knowledge and understanding of OCD requirements. *See, e.g.*, Case No. 25809, Order Denying XTO Holdings, LLC's Applications to Reopen Riley Permian Operating Case Nos. 25047-25049 at ¶ 15 (Feb. 25, 2026) ("XTO is a sophisticated party with a dedicated 'Operated By Others' (OBO) division responsible for monitoring pooling proceedings.").

<sup>8</sup> *Id.* at ¶ 16 ("Waiver: By submitting formal elections to participate and signed AFEs, XTO demonstrated actual knowledge of the proceedings and waived any claims regarding procedural notice defects under established principles of waiver and estoppel.").

well proposal and Statement of Estimated Well Costs for the Bond Wells and acknowledged that it is asking the Division to address significant issues of first impression that will affect all operators in New Mexico.<sup>9</sup> Specifically, Chevron argued for a previously unrecognized obligation on operators to negotiate with Pooled Working Interests *after a pooling order has been issued and a party has elected to participate* and that a Statement of Estimated Well Costs does not comply with a pooling order when:

- An operator makes any adjustments to well names and locations for wells included in a pooling order, even if the adjustments do not rise to the level of a material change under OCD's policies;
- Final title information is not provided to the division following issuance of a pooling order;
- A Statement of Estimated Well Costs does not include the Pooled Working Interest's final ownership percentage (even if the percentage is communicated in writing prior to the election deadline);
- An operator under a pooling order is an affiliate of the applicant and the pooling documents submitted to the Division included both parties; and
- A post-order election letter and Statement of Estimated Well Costs references the publicly available pooling orders but does not expressly state that estimated well costs must be paid within 30 days of the election.<sup>10</sup>

The Division denied PBEX's Motion to Dismiss for Lack of Standing on February 26, 2026.

On February 26, 2026, the Division held a status conference to discuss a hearing date. At the status conference, counsel for PBEX explained that PBEX would need time to conduct discovery into the matters alleged by Chevron in its response to the motion to dismiss – including

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<sup>9</sup> See Chevron's Response to PBEX's Motion to Dismiss for Lack of Standing at 2-3 and Exhibit A-2.

<sup>10</sup> See Chevron's Response to PBEX's Motion to Dismiss for Lack of Standing at 2-3 and Exhibit A-2; see also March 10, 2026 Hearing Transcript at 14-16.

Chevron's claims regarding industry standards – and further stated that PBEX intended to file a motion to dismiss on the issue of waiver. 3/4/26 Tr. 67:13 – 68:2. Chevron opposed both discovery and motions practice. *Id.* at 70:4-10. In particular, Chevron's counsel asserted that “[t]his is an issue between Chevron and PBEX.” *Id.* at 70:6-7. The Hearing Examiner set a scheduling conference for March 10, 2026 so that the parties could further address the scope of the hearing. *Id.* at 71:8-10 (“I think it is fundamental to understand what the issues are moving forward.”); *see also id.* at 71:17:19 (“I don't want to cut off [PBEX's] ability to present a full and fair case.”).

At the March 10, 2026 scheduling conference, counsel for Chevron represented that the two issues for hearing were the sufficiency of the statement of well costs and the obligation of PBEX to comply with Division compulsory pooling orders. 3/10/26 Tr. 16:16-21. Counsel for Chevron further represented that it anticipated a half day hearing on these issues. *Id.* at 31:3-5 (“The issues are very discreet. We might have five or six witness, three on each side, a half-day hearing.”). Based on Chevron's representations regarding the scope of the hearing, the Division issued a prehearing order that day, setting this matter for a contested hearing on April 21, 2026.

Also at the March 10<sup>th</sup> status conference, the hearing examiner asked the parties to exchange requested subpoenas and submit them to the Division on March 13, 2026, identifying the requests that were opposed and unopposed. 3/10/26 Tr. 40:17-41:25. PBEX provided its requests to the Division on March 13, 2026 and, to address Chevron's arguments that PBEX's post-order well proposals and statements of estimated well costs violated industry standards, sought: post-order well proposals and statements of estimated well costs that Chevron issued or received from January 1, 2022 to the present; documents regarding post-pooling order well changes for Chevron wells, and documents regarding changes in title information following the

issuance of pooling orders to Chevron.<sup>11</sup> Chevron filed a Notice of Proposed Subpoena Duces Tecum that day and included similar requests.<sup>12</sup> PBEX also moved for the issuance of deposition subpoenas on the grounds that Chevron raised novel theories that impact all operators in New Mexico and that PBEX's post-order well proposals violated industry standards.<sup>13</sup>

On March 15, 2026, the Division issued the document subpoenas and omitted requests relevant to industry standards, including the post-order well proposals and statements of estimated well costs received or provided in other matters.<sup>14</sup> The Division also issued an order denying PBEX's request for depositions on the ground that this case involves "documentary and statutory issues that do not reach the level of technical complexity present in commercial disposal or environmental cases."<sup>15</sup> By limiting discovery to matters that directly involve the Bond Wells, and denying discovery regarding industry standards, the Division effectively limited the scope of this proceeding accordingly.

On March 30, 2026, PBEX filed an unopposed motion to continue the hearing to May 13, 2026 due to the unavailability of PBEX's engineering witness on April 21, 2026. The Division issued an order granting the motion on March 31, 2026. Thus, the case is currently set for hearing on May 13, 2026, with direct testimony and exhibits due on May 7, 2026.

On April 13, 2026, Chevron responded to PBEX's subpoena and identified two expert witnesses on industry standards and Division policies, including a former Division hearing examiner:

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<sup>11</sup> See March 13, 2026 e-mail correspondence and proposed subpoena, attached as **Exhibit 3**.

<sup>12</sup> See Chevron's Notice of Proposed Subpoena Duces Tecum (March 13, 2026).

<sup>13</sup> Motion for Issuance of Deposition Subpoenas at 4 (Mar. 13, 2026).

<sup>14</sup> See Subpoena for Documents to Chevron (March 16, 2026); Subpoena Duces Tecum to PBEX (March 16, 2026).

<sup>15</sup> See Order Denying Motion for Issuance of Deposition Subpoenas (March 15, 2026).

- Scott Sabrsula as an expert in land title and industry custom and practice. He is expect [sic] to testify based upon his education, training and experience. Anticipated testimony topics include, but are not limited to:
  - PBEX/EGL August 7, 2025 statement of wells costs fails to comply with the terms of the Orders, Division Rules and *industry custom and practices*.
- William Jones, Blackwater Engineering LLC, former petroleum engineer, District Supervisor, hearing examiner and technical hearing examiner for the New Mexico Oil Conservation Division, whose credentials as an expert have been accepted as a matter of record by the Division. Mr. Jones is expected to testify based upon his education, training and experience. Anticipated testimony topics include, but are not limited to:
  - *A comparison of the PBEX/EGL exhibits introduced at the hearings in its compulsory pooling cases*, the APDs for the wells listed in the Orders and the August 7, 2025 statement of well costs and descriptions of the wells in the Orders and letter to demonstrate substantial deviation from the development plan presented at the hearing and approved by the Division.
  - Compliance with OCD regulations and Orders, including *compliance with notice requirements, post-order obligations vis-à-vis OCD and pooled working interest owners, including with respect to ownership changes, negotiations with pooled working interests owners, communications with OCD regarding changes in development plans*.<sup>16</sup>

Chevron's list of exhibits includes, *inter alia*:

- The documents attached to Chevron's Response to PBEX/EGL Motion to Dismiss for Lack of Standing, including the Declaration of Scott Sabrsula and its attachments;
- Examples of cash call letters from other operators; and
- Demonstrative Exhibits illustrating and summarizing the analysis and opinions of Chevron's expert witnesses.<sup>17</sup>

Additionally, Chevron produced over 2000 pages of documents but did not identify by bates number which documents were responsive to each of the subpoena responses. And, despite asserting privilege objections, Chevron failed to provide a privilege log.

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<sup>16</sup> Chevron's Response to Subpoena for Documents, attached as **Exhibit 4** (emphasis added).

<sup>17</sup> *Id.* at 5-6.

Chevron's subpoena response unequivocally confirms what PBEX has argued all along—that Chevron intends to raise broad claims regarding industry standards and policies and that PBEX must be afforded a full and fair opportunity to respond. Thus, Chevron's claims are not only "between Chevron and PBEX," 3/4/26 Tr. 70:6-7 (Ms. Bennett), the issues are not "very discreet," 3/10/26 Tr. 31:3-5 (Mr. DeBrine), and the hearing is not going to last a "half-day." *Id.* Chevron's bait and switch regarding the scope of the hearing threatens PBEX's due process rights and precludes the Division from fully vetting the new obligations Chevron asks it to impose. Either Chevron should be held to the narrow scope it has represented to the Division (*i.e.* whether PBEX's Statements of Estimated Well Costs for the Bond Wells complied with Paragraph 24 of the Pooling Orders) or the current hearing should be vacated so that PBEX can properly engage in discovery and motions practice and ensure it has appropriate witnesses available to address Chevron's claims, including external experts.

## II. ARGUMENT

Due process protections apply to administrative proceedings. *Reid v. New Mexico Bd. of Examiners in Optometry*, 1979-NMSC-005, ¶¶ 7-8, 92 N.M. 414, 589 P.2d 198. In fact, "[d]ue process safeguards are particularly important in administrative agency proceedings because many of the customary safeguards affiliated with court proceedings have, in the interest of expedition and a supposed administrative efficiency, been relaxed." *Santa Fe Expl. Co. v. Oil Conservation Comm'n of State of N.M.*, 1992-NMSC-044, ¶ 14, 114 N.M. 103, 835 P.2d 819 (internal quotation marks and citation omitted). Among other requirements, due process requires that parties are reasonably informed of the issues to be addressed at hearing so they have a full and fair opportunity to prepare and present their respective cases. *McCoy v. New Mexico Real Est. Comm'n*, 1980-

NMSC-081, ¶ 9, 94 N.M. 602, 614 P.2d 14 (“[P]rocedural due process requires notice and an opportunity to prepare one’s case and be heard on it.”).

As demonstrated by the chronology set out above, Chevron has repeatedly misrepresented the scope of the case and the nature of its claims to the Division in an attempt to force an expedited decision without any regard for fairness or PBEX’s due process rights. After insisting this was a short and straightforward case that did not even require discovery, vigorously opposing PBEX’s discovery that was necessary to refute Chevron’s claims on industry standards (e.g., post-order well proposals sent or received over the past several years), claiming the hearing would only take a half-day, and opposing pre-hearing briefs on issues like Chevron’s waiver that can narrow the issues, Chevron has identified multiple witnesses to testify on industry standards, including an outside expert, and identified hearing exhibits that include well proposals from other operators. Such gamesmanship should not be countenanced by the Division.

“Embodied in the term ‘procedural due process’ is reasonable notice and opportunity to be heard and present any claim or defense.” *McCoy*, 1980-NMSC-081, ¶ 10. Chevron’s recent subpoena response is inconsistent with the scope of the hearing that Chevron represented at the March scheduling conference. Now, approximately three weeks before testimony and exhibits are due, PBEX must:

- identify and engage an outside expert to respond to Chevron’s proposed expert testimony on industry standards and regulatory compliance issues;
- respond to Chevron’s arguments on industry standards and alleged regulatory requirements without any discovery whatsoever on the basis for those claims;
- address Chevron’s cherry-picked well proposals from other operators without any discovery from Chevron on other well proposals it issued or received;

- comb through over 2000 pages of documents with no information on which documents are responsive to which subpoena requests;
- try to determine if Chevron withheld documents based on a claim of privilege because it did not provide a privilege log; and
- prepare for a hearing well beyond the scope of Chevron's repeated representations to the Division.

At a minimum, due process requires that the Division: (1) enter an order clarifying the narrow scope of the hearing and excluding Chevron's evidence and arguments on industry standards and Division policies; or (2) vacate the hearing to give PBEX a full and fair opportunity to prepare for hearing, to include propounding discovery, deposing experts, reviewing the tranche of documents recently produced by Chevron, and filing prehearing motions. Prehearing motions are particularly important here, where Chevron asks the Division to impose new, post-order obligations on PBEX despite having ratified PBEX's post-order well proposals. Either option is acceptable to PBEX, but forcing PBEX to proceed to hearing on Chevron's broad claims that PBEX's post-order proposals and Statements of Estimated Well Costs violated industry standards and the Division's regulatory policies without discovery or time to identify appropriate witnesses is unfairly prejudicial and violates PBEX's constitutional right to due process.

### **III. CONCLUSION**

For the foregoing reasons, PBEX requests that the Division enter an order limiting the scope of the hearing to only include whether the statements of estimated well costs for the Bond Wells complied with Paragraph 24 of the Pooling Orders or, alternatively, vacate the May 13, 2026 hearing to allow PBEX a full and fair opportunity to prepare for the hearing on the issues identified

by Chevron in its subpoena response. PBEX requests an expedited decision on this motion due to the impending hearing date and deadline for the filing of testimony and exhibits.

Respectfully submitted,

HARDY MCLEAN LLC

/s/ Dana S. Hardy

Dana S. Hardy

Jaclyn M. McLean

Jaime R. Fontaine

Yarithza Peña

125 Lincoln Ave, Ste. 223

Santa Fe, NM 87501

Phone: (505) 230-4410

[dhardy@hardymclean.com](mailto:dhardy@hardymclean.com)

[jmclean@hardymclean.com](mailto:jmclean@hardymclean.com)

[jfontaine@hardymclean.com](mailto:jfontaine@hardymclean.com)

[ypena@hardymclean.com](mailto:ypena@hardymclean.com)

*Counsel for PBEX, LLC and E.G.L. Resources, Inc.*

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing was served upon the following counsel of record by electronic mail on April 15, 2026.

Earl E. DeBrine, Jr.  
Deana M. Bennett  
Jeffrey H. Goodwin  
MODRALL, SPERLING, ROEHL,  
HARRIS & SISK, P.A.  
Post Office Box 2168  
500 Fourth Street NW, Suite 1000  
Albuquerque, New Mexico 87103-2168  
Telephone: 505.848.1800  
earl.debrine@modrall.com  
deana.bennett@modrall.com  
jeffrey.goodwin@modrall.com

*Attorneys for Chevron U.S.A. Inc.*

/s/ Dana S. Hardy  
Dana S. Hardy



August 7, 2025

Chevron USA Inc.  
6301 Deauville Blvd  
Midland, TX 79706  
Attn: Land Department

Re: **Bond 32-34 Fed Com 101H, 103H & Bond 33-34 Fed Com 104H, 106H**  
**Bond 32-34 Fed Com 201H, 205H & Bond 33-34 Fed Com 207H, 211H**  
**Bond 32-34 Fed Com 301H & Bond 33-34 Fed Com 304H, 306H**  
Sections 32, 33 & 34, T18S-R32E  
Lea County, New Mexico

Dear Sir or Madam:

PBEX Operations, LLC, on behalf of PBEX, LLC ("PBX"), hereby proposes under Compulsory Order Nos. R-23684 and R-23685, respectively, the drilling of the following wells located in Sections 32, 33 & 34 of T18S-R32E, Lea County, New Mexico. Please review the attached Authority for Expenditures ("AFE") with the gross estimated total cost to drill and complete each of the referenced wells.

**PHASE 1**

**BOND 32-34 FED COM 201H**

NE4 Sec. 32, N2 Sec. 33, & N2 Sec. 34, T18S-R32E  
SHL- Sec. 32: 1726' FNL, 2465' FWL, or a legal location in Unit F  
FTP- Sec. 32: 330' FNL, 2540' FEL, or at a legal location in Unit B  
LTP- Sec. 34: 330' FNL, 100' FEL, or at a legal location in Unit A  
BHL- Sec. 34: 330' FNL, 10' FEL, or at a legal location in Unit A  
Formation - 2BS            TVD – 9,320'            MD – 23,320'

**BOND 32-34 FED COM 205H**

NE4 Sec. 32, N2 Sec. 33, & N2 Sec. 34, T18S-R32E  
SHL- Sec. 32: 1726' FNL, 2445' FWL, or a legal location in Unit F  
FTP- Sec. 32: 2200' FNL, 2540' FEL, or at a legal location in Unit G  
LTP- Sec. 34: 2200' FNL, 100' FEL, or at a legal location in Unit H  
BHL- Sec. 34: 2200' FNL, 10' FEL, or at a legal location in Unit H  
Formation - 2BS            TVD – 9,320'            MD – 23,320'

**BOND 32-34 FED COM 301H**

NE4 Sec. 32, N2 Sec. 33, & N2 Sec. 34, T18S-R32E  
SHL- Sec. 32: 1726' FNL, 2405' FWL, or a legal location in Unit F  
FTP- Sec. 32: 1640' FNL, 2540' FEL, or at a legal location in Unit G  
LTP- Sec. 34: 1640' FNL, 100' FEL, or at a legal location in Unit H  
BHL- Sec. 34: 1640' FNL, 10' FEL, or at a legal location in Unit H  
Formation - 3BS            TVD – 10,150'            MD – 24,150'

August 7, 2025  
BOND – N2, S2 Well Proposals under CP Order

**BOND 33-34 FED COM 207H**

S2 Sec. 33 & S2 Sec. 34, T18S-R32E  
SHL- Sec. 32: 2000' FSL, 1165' FEL, or a legal location in Unit I  
FTP- Sec. 33: 1630' FSL, 100' FWL, or at a legal location in Unit L  
LTP- Sec. 34: 1630' FSL, 100' FEL, or at a legal location in Unit I  
BHL- Sec. 34: 1630' FSL, 10' FEL, or at a legal location in Unit I  
Formation - 2BS            TVD – 9,320'            MD – 20,680'

**BOND 33-34 FED COM 211H**

S2 Sec. 33 & S2 Sec. 34, T18S-R32E  
SHL- Sec. 32: 1980' FSL, 1165' FEL, or a legal location in Unit I  
FTP- Sec. 33: 330' FSL, 100' FWL, or at a legal location in Unit M  
LTP- Sec. 34: 330' FSL, 100' FEL, or at a legal location in Unit P  
BHL- Sec. 34: 330' FSL, 10' FEL, or at a legal location in Unit P  
Formation - 2BS            TVD – 9,320'            MD – 20,680'

**PHASE 2**

**BOND 32-34 FED COM 101H**

NE4 Sec. 32, N2 Sec. 33, & N2 Sec. 34, T18S-R32E  
SHL- Sec. 32: 1726' FNL, 2425' FWL, or a legal location in Unit F  
FTP- Sec. 32: 660' FNL, 2540' FEL, or at a legal location in Unit B  
LTP- Sec. 34: 660' FNL, 100' FEL, or at a legal location in Unit A  
BHL- Sec. 34: 660' FNL, 10' FEL, or at a legal location in Unit A  
Formation - 1BS            TVD – 8'450'            MD – 22,450'

**BOND 32-34 FED COM 103H**

NE4 Sec. 32, N2 Sec. 33, & N2 Sec. 34, T18S-R32E  
SHL- Sec. 32: 1726' FNL, 2385' FWL, or a legal location in Unit F  
FTP- Sec. 32: 2130' FNL, 2540' FEL, or at a legal location in Unit G  
LTP- Sec. 34: 2130' FNL, 100' FEL, or at a legal location in Unit H  
BHL- Sec. 34: 2130' FNL, 10' FEL, or at a legal location in Unit H  
Formation - 1BS            TVD – 8,450'            MD – 22,450'

**BOND 33-34 FED COM 104H**

S2 Sec. 33 & S2 Sec. 34, T18S-R32E  
SHL- Sec. 32: 1680' FSL, 1165' FEL, or a legal location in Unit I  
FTP- Sec. 33: 1650' FSL, 100' FWL, or at a legal location in Unit L  
LTP- Sec. 34: 1650' FSL, 100' FEL, or at a legal location in Unit I  
BHL- Sec. 34: 1650' FSL, 10' FEL, or at a legal location in Unit I  
Formation - 1BS            TVD – 8,450'            MD – 19,810'

**BOND 33-34 FED COM 106H**

S2 Sec. 33 & S2 Sec. 34, T18S-R32E  
SHL- Sec. 32: 1660' FSL, 1165' FEL, or a legal location in Unit I  
FTP- Sec. 33: 330' FSL, 100' FWL, or at a legal location in Unit M  
LTP- Sec. 34: 330' FSL, 100' FEL, or at a legal location in Unit P

August 7, 2025  
BOND – N2, S2 Well Proposals under CP Order

BHL- Sec. 34: 330' FSL, 10' FEL, or at a legal location in Unit P  
Formation - 1BS            TVD – 7,820'            MD – 19,180'

**BOND 33-34 FED COM 304H**

S2 Sec. 33 & S2 Sec. 34, T18S-R32E  
SHL- Sec. 32: 1700' FSL, 1165' FEL, or a legal location in Unit I  
FTP- Sec. 33: 2230' FSL, 100' FWL, or at a legal location in Unit L  
LTP- Sec. 34: 2230' FSL, 100' FEL, or at a legal location in Unit I  
BHL- Sec. 34: 2230' FSL, 10' FEL, or at a legal location in Unit I  
Formation - 3BS            TVD – 10,150'            MD – 21,510'

**BOND 33-34 FED COM 306H**

S2 Sec. 33 & S2 Sec. 34, T18S-R32E  
SHL- Sec. 32: 1640' FSL, 1165' FEL, or a legal location in Unit I  
FTP- Sec. 33: 330' FSL, 100' FWL, or at a legal location in Unit M  
LTP- Sec. 34: 330' FSL, 100' FEL, or at a legal location in Unit P  
BHL- Sec. 34: 330' FSL, 10' FEL, or at a legal location in Unit P  
Formation - 3BS            TVD – 10,150'            MD – 21,510'

Pursuant to said Orders, if you wish to participate in the operations described above, please indicate so in the space provided, and sign and return the enclosed AFEs within 30 days of receipt of this correspondence.

Should you have any questions or want to discuss any details, please contact me at 432.894.4625 or ruth@pbex.com.

Sincerely,

**PBEX, LLC**

*//Ruth Pelzel//*

Ruth Pelzel  
Senior Landman

RP:bh  
Enc

August 7, 2025  
BOND – N2, S2 Well Proposals under CP Order

WELL NAME	Elect TO PARTICIPATE for proportionate share of costs	Elect <u>NOT</u> TO PARTICIPATE for proportionate share of costs
Bond 32-34 Fed Com 201H		
Bond 32-34 Fed Com 205H		
Bond 32-34 Fed Com 301H		
Bond 33-34 Fed Com 207H		
Bond 33-34 Fed Com 211H		
Bond 32-34 Fed Com 101H		
Bond 32-34 Fed Com 103H		
Bond 33-34 Fed Com 104H		
Bond 33-34 Fed Com 106H		
Bond 33-34 Fed Com 304H		
Bond 33-34 Fed Com 306H		

Company: \_\_\_\_\_

Signed: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

PBEX OPERATIONS LLC  
 AUTHORIZATION FOR EXPENDITURE  
 223 W. Wall St Suite 900  
 Midland, TX 79701

WELL NAME	Bond 32-34 Fed Com 201H	AFE TYPE	Development	AFE NUMBER	
LATERAL LOCATION	Section 32, 33 & 34 of 18S 32E	FIELD	Northern Delaware	PROPERTY NUMBER	
SURFACE LOCATION	32, 1726 FNL, 246S FWL (or Unit F)	FORMATION	2BSS	DRILLING DAYS	25
BOTTOM-HOLE LOCATION	34: 330 FNL, 10 FEL (or Unit A)	COUNTY	LEA	DEPTH (TVD/TMD)	9,320' TVD/ 23,320' MD
PROJECT DESCRIPTION	Drilling, Completion & Facilities costs for PBEX 2.5-mile lateral				
				STATE	NM

ACCT. CODE				DESCRIPTION OF EXPENDITURE	COST ESTIMATE			
IDC	ICC	TDC	TCC		DRILLING	COMPLETIONS	FACILITIES	TOTAL
PREFIX 300	500	PREFIX 400	600					
				<b>WELL INTANGIBLE COSTS</b>				
9201	9301			SURVEY/PERMITS/DAMAGES	\$25,000.00			\$25,000.00
9202	9302			LOCATION & ROAD	\$76,875.00			\$76,875.00
9203				RIG MOVE	\$100,000.00			\$100,000.00
9204				DRILLING - FOOTAGE				\$0.00
9205	9305			DRILLING - DAYWORK	\$750,000.00			\$750,000.00
	9306			COMPLETION/WORKOVER RIG				\$0.00
	9307			COIL TUBING/SNUBBING UNIT		\$300,000.00		\$300,000.00
	9308			SLICKLINE/SWABBING				\$0.00
9209	9309			BITS	\$120,000.00			\$120,000.00
9210	9310			DIRECTIONAL SERVICES	\$232,000.00			\$232,000.00
9211	9311			CASING CREW	\$40,000.00			\$40,000.00
9212	9312			TOOL & EQUIPMENT RENTAL	\$95,000.00	\$300,000.00		\$395,000.00
9213	9313			FUEL & POWER	\$120,000.00	\$650,000.00		\$770,000.00
9214				DIESEL - BASE FOR MUD	\$110,000.00			\$110,000.00
9215	9315			MUD LOGGING & GEOLOGIST				\$0.00
9216	9316			DISPOSAL RESTORATION & BACKFILL	\$90,000.00			\$90,000.00
9217	9317			TRUCKING	\$40,000.00	\$60,000.00		\$100,000.00
	9318			TESTING				\$0.00
9219	9319			CEMENTING	\$200,000.00			\$200,000.00
9220	9320			PERFORATING		\$245,000.00		\$245,000.00
	9321			CASED HOLE LOGS				\$0.00
9222	9322			DOWNHOLE TOOLS & SERVICE	\$40,000.00	\$75,000.00		\$115,000.00
9223	9323			SCIENCE & DIAGNOSTICS				\$0.00
	9324			FORMATION STIMULATION		\$1,600,000.00		\$1,600,000.00
9225	9325			CONSULTING SERVICES/SUPERVISION		\$85,000.00		\$85,000.00
9226	9326			CONTRACT LABOR / SERVICES	\$122,000.00	\$100,000.00		\$222,000.00
9227	9327			OTHER LABOR	\$25,000.00			\$25,000.00
9228	9328			OVERHEAD				\$0.00
9229	9329			WATER - FRESH	\$50,000.00	\$700,000.00		\$750,000.00
9230	9330			FLUIDS & CHEMICALS	\$150,000.00	\$575,000.00		\$725,000.00
9231	9331			CORING & ANALYSIS				\$0.00
9232	9332			COMMUNICATIONS	\$10,000.00	\$10,000.00		\$20,000.00
9233	9333			BOP TESTING	\$28,000.00	\$10,000.00		\$38,000.00
9234	9334			CO2/NITROGEN				\$0.00
9235	9335			FISHING TOOLS & SERVICES				\$0.00
9236	9336			INSPECTIONS	\$20,000.00			\$20,000.00
9237				WIRELINE SERVICES				\$0.00
9238	9338			ENGINEERING & GEOLOGY - FIELD				\$0.00
9239	9339			ENGINEERING & GEOLOGY - OFFICE				\$0.00
9240				MULTISHOT & GYRO				\$0.00
9241				RE-ENTRY SERVICES				\$0.00
9242	9342			CAMPS & TRAILERS	\$52,000.00	\$40,000.00		\$92,000.00
9243	9343			SAFETY EQUIPMENT & H2S	\$10,000.00	\$5,000.00		\$15,000.00
9244				CONTINGENCY				\$0.00
9245	9345			INSURANCE		\$2,000.00		\$2,000.00
9246	9346			MISCELLANEOUS	\$97,672.00			\$97,672.00
9247	9347			OUTSIDE OPERATED				\$0.00
9248	9348			SAND		\$525,000.00		\$525,000.00
9249	9349			SAND LOGISTICS		\$525,000.00		\$525,000.00
9250	9350			VACUUM TRUCK				\$0.00
9251	9351			WATER - BRINE				\$0.00
	9360			FACILITY TRUCKING			\$100,000.00	\$100,000.00
				FACILITY VACUUM TRUCK				\$0.00
	9361			FACILITY CONSULTING SER /SUPERVISION			\$100,000.00	\$100,000.00
	9424			FACILITY CONTRACT LABOR / SER			\$300,000.00	\$300,000.00
	9356			FACILITY SURFACE RENTAL				\$0.00
				SIM-OPS				\$0.00
<b>TOTAL WELL INTANGIBLE COSTS</b>					<b>\$2,603,547.00</b>	<b>\$5,807,000.00</b>	<b>\$500,000.00</b>	<b>\$8,910,547.00</b>
				<b>WELL TANGIBLE COSTS</b>				
	9401			CASING - CONDUCTOR	\$40,000.00			\$40,000.00
	9402			CASING - SURFACE	\$76,453.00			\$76,453.00
	9403			CASING - SALT STRING	\$0.00			\$0.00
	9404			CASING - INTERMEDIATE	\$300,000.00			\$300,000.00
	9405			CASING - PRODUCTION / LINER	\$650,000.00			\$650,000.00
	9406			SUBSURFACE EQUIPMENT				\$0.00
	9407			PRODUCTION TUBING		\$150,000.00		\$150,000.00
	9408			SUBSURFACE PUMPING EQUIPMENT				\$0.00
	9409			WELLHEAD EQUIPMENT	\$80,000.00			\$80,000.00
	9410			FLOWLINES			\$150,000.00	\$150,000.00
	9411			SURFACE PUMPING EQUIPMENT				\$0.00
	9412			LINER HANGER & ASSOC EQUIP				\$0.00
	9413			VALVES & FITTINGS			\$200,000.00	\$200,000.00
	9414			INSTUMENTATION & ELECTRICAL			\$200,000.00	\$200,000.00
	9415			ROADS				\$0.00
	9418			TRUCKING				\$0.00
	9417			RE-ENTRY EQUIPMENT				\$0.00
	9418			PRODUCTION EQUIPMENT			\$300,000.00	\$300,000.00
	9419			MISCELLANECUS				\$0.00
	9420			OUTSIDE OPERATED				\$0.00
	9421			TANGIBLE EQUIP-ACQUISITIONS				\$0.00
<b>TOTAL TANGIBLE COSTS</b>					<b>\$1,146,453.00</b>	<b>\$150,000.00</b>	<b>\$850,000.00</b>	<b>\$2,146,453.00</b>
<b>TOTAL ESTIMATED WELL COST</b>					<b>\$3,750,000.00</b>	<b>\$5,957,000.00</b>	<b>\$1,350,000.00</b>	<b>\$11,057,000.00</b>

PREPARED BY: Alex Bourland & Aaron Cattle DATE: 9/17/2024

OPERATOR APPROVAL: \_\_\_\_\_ DATE: \_\_\_\_\_

OPERATOR APPROVAL: \_\_\_\_\_ DATE: \_\_\_\_\_

PARTNER COMPANY NAME: \_\_\_\_\_ DATE: \_\_\_\_\_

PARTNER APPROVAL: \_\_\_\_\_

TITLE: \_\_\_\_\_

The costs of this AFE are estimates only. Participants in this project agree to pay their proportionate share of the actual costs.

<b>PBEX OPERATIONS LLC</b> <b>AUTHORIZATION FOR EXPENDITURE</b> 223 W. Wall St Suite 900 Midland, TX 79701					
WELL NAME	Bond 32-34 Fed Con 205H	AFE TYPE	Development	AFE NUMBER	
LATERAL LOCATION	Section 32, 33, & 34 of 18S 32E	FIELD	Northern Delaware	PROPERTY NUMBER	
SURFACE LOCATION	32- 1726 FNL, 2445 FWL, or Unit F	FORMATION	295S	DRILLING DAYS	25
BOTTOM-HOLE LOCATION	34- 2200 FNL, 10 FEL, or Unit H	COUNTY	LEA	DEPTH (TVD/DTM)	9,320' TVD/ 23,320' MD
				STATE	NM
PROJECT DESCRIPTION	Drilling, Completion & Facilities costs for PBEX 2.5-mile lateral				

ACCT. CODE				DESCRIPTION OF EXPENDITURE	COST ESTIMATE			
IDC	ICC	TDC	TCC		DRILLING	COMPLETIONS	FACILITIES	TOTAL
PREFIX 300	500	PREFIX 400	600	WELL INTANGIBLE COSTS				
9201	9301			SURVEY/PERMITS/DAMAGES	\$25,000.00			\$25,000.00
9202	9302			LOCATION & ROAD	\$76,875.00			\$76,875.00
9203				RIG MOVE	\$100,000.00			\$100,000.00
9204				DRILLING - FOOTAGE				\$0.00
9205	9305			DRILLING - DAYWORK	\$750,000.00			\$750,000.00
	9306			COMPLETION/WORKOVER R/G				\$0.00
	9307			COIL TUBING/SNUBBING UNIT		\$300,000.00		\$300,000.00
	9308			SLICKLINE/SWABBING				\$0.00
9209	9309			BITS	\$120,000.00			\$120,000.00
9210	9310			DIRECTIONAL SERVICES	\$232,000.00			\$232,000.00
9211	9311			CASING CREW	\$40,000.00			\$40,000.00
9212	9312			TOOL & EQUIPMENT RENTAL	\$95,000.00	\$300,000.00		\$395,000.00
9213	9313			FUEL & POWER	\$120,000.00	\$650,000.00		\$770,000.00
9214				DIESEL - BASE FOR MUD	\$110,000.00			\$110,000.00
9215	9315			MUD LOGGING & GEOLOGIST				\$0.00
9216	9316			DISPOSAL, RESTORATION & BACKFILL	\$90,000.00			\$90,000.00
9217	9317			TRUCKING	\$40,000.00	\$60,000.00		\$100,000.00
	9318			TESTING				\$0.00
9219	9319			CEMENTING	\$200,000.00			\$200,000.00
9220	9320			PERFORATING		\$245,000.00		\$245,000.00
	9321			CASED HOLE LOGS				\$0.00
9222	9322			DOWNHOLE TOOLS & SERVICE	\$40,000.00	\$75,000.00		\$115,000.00
9223	9323			SCIENCE & DIAGNOSTICS				\$0.00
	9324			FORMATION STIMULATION		\$1,600,000.00		\$1,600,000.00
9225	9325			CONSULTING SERVICES/SUPERVISION		\$85,000.00		\$85,000.00
9226	9326			CONTRACT LABOR / SERVICES	\$122,000.00	\$100,000.00		\$222,000.00
9227	9327			OTHER LABOR	\$25,000.00			\$25,000.00
9228	9328			OVERHEAD				\$0.00
9229	9329			WATER - FRESH	\$50,000.00	\$700,000.00		\$750,000.00
9230	9330			FLUIDS & CHEMICALS	\$150,000.00	\$575,000.00		\$725,000.00
9231	9331			CORING & ANALYSIS				\$0.00
9232	9332			COMMUNICATIONS	\$10,000.00	\$10,000.00		\$20,000.00
9233	9333			BOP TESTING	\$28,000.00	\$10,000.00		\$38,000.00
9234	9334			CO2/NITROGEN				\$0.00
9235	9335			FISHING TOOLS & SERVICES				\$0.00
9236	9336			INSPECTIONS	\$20,000.00			\$20,000.00
9237				WIRELINE SERVICES				\$0.00
9238	9338			ENGINEERING & GEOLOGY - FIELD				\$0.00
9239	9339			ENGINEERING & GEOLOGY - OFFICE				\$0.00
9240				MULTISHOT & GYRO				\$0.00
9241				RE-ENTRY SERVICES				\$0.00
9242	9342			CAMPS & TRAILERS	\$52,000.00	\$40,000.00		\$92,000.00
9243	9343			SAFETY EQUIPMENT & H2S	\$10,000.00	\$5,000.00		\$15,000.00
9244				CONTINGENCY				\$0.00
9245	9345			INSURANCE		\$2,000.00		\$2,000.00
9246	9346			MISCELLANEOUS	\$97,672.00			\$97,672.00
9247	9347			OUTSIDE OPERATED				\$0.00
9248	9348			SAND		\$525,000.00		\$525,000.00
9249	9349			SAND LOGISTICS		\$525,000.00		\$525,000.00
9250	9350			VACUUM TRUCK				\$0.00
9251	9351			WATER - BRINE				\$0.00
	9360			FACILITY TRUCKING			\$100,000.00	\$100,000.00
				FACILITY VACUUM TRUCK				\$0.00
9361				FACILITY CONSULTING SER./SUPERVISION			\$100,000.00	\$100,000.00
9424				FACILITY CONTRACT LABOR / SER.			\$300,000.00	\$300,000.00
9356				FACILITY SURFACE RENTAL				\$0.00
				SIM-OPS				\$0.00
<b>TOTAL WELL INTANGIBLE COSTS</b>					<b>\$2,603,547.00</b>	<b>\$5,807,000.00</b>	<b>\$500,000.00</b>	<b>\$8,910,547.00</b>
				WELL TANGIBLE COSTS				
	9401			CASING - CONDUCTOR	\$40,000.00			\$40,000.00
	9402			CASING - SURFACE	\$76,453.00			\$76,453.00
	9403			CASING - SALT STRING	\$0.00			\$0.00
	9404			CASING - INTERMEDIATE	\$300,000.00			\$300,000.00
	9405			CASING - PRODUCTION / LINER	\$650,000.00			\$650,000.00
	9406			SUBSURFACE EQUIPMENT				\$0.00
	9407			PRODUCTION TUBING		\$150,000.00		\$150,000.00
	9408			SUBSURFACE PUMPING EQUIPMENT				\$0.00
	9409			WELLHEAD EQUIPMENT	\$60,000.00			\$60,000.00
	9410			FLOWLINES			\$150,000.00	\$150,000.00
	9411			SURFACE PUMPING EQUIPMENT				\$0.00
	9412			LINER HANGER & ASSOC EQUIP				\$0.00
	9413			VALVES & FITTINGS		\$200,000.00		\$200,000.00
	9414			INSTURMENTATION & ELECTRICAL		\$200,000.00		\$200,000.00
	9415			RODS				\$0.00
	9416			TRUCKING				\$0.00
	9417			RE-ENTRY EQUIPMENT				\$0.00
	9418			PRODUCTION EQUIPMENT			\$300,000.00	\$300,000.00
	9419			MISCELLANEOUS				\$0.00
	9420			OUTSIDE OPERATED				\$0.00
	9421			TANGIBLE EQUIP-ACQUISITIONS				\$0.00
<b>TOTAL TANGIBLE COSTS</b>					<b>\$1,146,453.00</b>	<b>\$150,000.00</b>	<b>\$850,000.00</b>	<b>\$2,146,453.00</b>
<b>TOTAL ESTIMATED WELL COST</b>					<b>\$3,750,000.00</b>	<b>\$5,957,000.00</b>	<b>\$1,350,000.00</b>	<b>\$11,057,000.00</b>

PREPARED BY: Alex Bourland & Aaron Cattle DATE: 9/17/2024

OPERATOR APPROVAL: \_\_\_\_\_ DATE: \_\_\_\_\_

OPERATOR APPROVAL: \_\_\_\_\_ DATE: \_\_\_\_\_

PARTNER COMPANY NAME: \_\_\_\_\_ DATE: \_\_\_\_\_

PARTNER APPROVAL: \_\_\_\_\_

TITLE: \_\_\_\_\_

The costs of this AFE are estimates only. Participants in this project agree to pay their proportionate share of the actual costs.

**PBEX OPERATIONS LLC  
AUTHORIZATION FOR EXPENDITURE  
223 W. Wall St Suite 900  
Midland, TX 79701**

WELL NAME	Bond 32-34 Fed Com 301H	AFE TYPE	Development	AFE NUMBER	
LATERAL LOCATION	Section 32, 33 & 34 of 18S 32E	FIELD	Northern Delaware	PROPERTY NUMBER	
SURFACE LOCATION	32- 1726 FNL, 2405 FWL (or Unit F)	FORMATION	3BSS	DRILLING DAYS	25
BOTTOM-HOLE LOCATION	34- 1840 FNL, 10 FEL (or Unit H)	COUNTY	LEA	DEPTH (TVD/TMD)	10150' TVD/ 24150' MD
PROJECT DESCRIPTION				STATE	NM
Drilling, Completion & Facilities costs for PBEX 2.5-mile lateral					

ACCT. CODE				DESCRIPTION OF EXPENDITURE	COST ESTIMATE			
IDC	ICC	TDC	TCC		DRILLING	COMPLETIONS	FACILITIES	TOTAL
PREFIX 300	500	PREFIX 400	600	WELL INTANGIBLE COSTS				
9201	9301			SURVEY/PERMITS/DAMAGES	\$25,000.00			\$25,000.00
9202	9302			LOCATION & ROAD	\$76,875.00			\$76,875.00
9203				RIG MOVE	\$100,000.00			\$100,000.00
9204				DRILLING - FOOTAGE				\$0.00
9205	9305			DRILLING - DAYWORK	\$750,000.00			\$750,000.00
	9306			COMPLETION/WORKOVER RIG				\$0.00
	9307			COIL TUBING/SNUBBING UNIT		\$300,000.00		\$300,000.00
	9308			SLICKLINE/SWABBING				\$0.00
9209	9309			BITS	\$120,000.00			\$120,000.00
9210	9310			DIRECTIONAL SERVICES	\$232,000.00			\$232,000.00
9211	9311			CASING CREW	\$40,000.00			\$40,000.00
9212	9312			TOOL & EQUIPMENT RENTAL	\$95,000.00	\$300,000.00		\$395,000.00
9213	9313			FUEL & POWER	\$120,000.00	\$650,000.00		\$770,000.00
9214				DIESEL - BASE FOR MUD	\$110,000.00			\$110,000.00
9215	9315			MJD LOGGING & GEOLOGIST				\$0.00
9216	9316			DISPOSAL, RESTORATION & BACKFILL	\$90,000.00			\$90,000.00
9217	9317			TRUCKING	\$40,000.00	\$60,000.00		\$100,000.00
	9318			TESTING				\$0.00
9219	9319			CEMENTING	\$200,000.00			\$200,000.00
9220	9320			PERFORATING		\$245,000.00		\$245,000.00
	9321			CASED HOLE LOGS				\$0.00
9222	9322			DOWNHOLE TOOLS & SERVICE	\$40,000.00	\$75,000.00		\$115,000.00
9223	9323			SCIENCE & DIAGNOSTICS				\$0.00
	9324			FORMATION STIMULATION		\$1,600,000.00		\$1,600,000.00
9225	9325			CONSULTING SERVICES/SUPERVISION		\$85,000.00		\$85,000.00
9226	9326			CONTRACT LABOR / SERVICES	\$122,000.00	\$100,000.00		\$222,000.00
9227	9327			OTHER LABOR	\$25,000.00			\$25,000.00
9228	9328			OVERHEAD				\$0.00
9229	9329			WATER - FRESH	\$50,000.00	\$700,000.00		\$750,000.00
9230	9330			FLUIDS & CHEMICALS	\$150,000.00	\$575,000.00		\$725,000.00
9231	9331			CORING & ANALYSIS				\$0.00
9232	9332			COMMUNICATIONS	\$10,000.00	\$10,000.00		\$20,000.00
9233	9333			BOP TESTING	\$28,000.00	\$10,000.00		\$38,000.00
9234	9334			CO <sub>2</sub> /NITROGEN				\$0.00
9235	9335			FISHING TOOLS & SERVICES				\$0.00
9236	9336			INSPECTIONS	\$20,000.00			\$20,000.00
9237				WIRELINE SERVICES				\$0.00
9238	9338			ENGINEERING & GEOLOGY - FIELD				\$0.00
9239	9339			ENGINEERING & GEOLOGY - OFFICE				\$0.00
9240				MULTISHOT & GYRO				\$0.00
9241				RE-ENTRY SERVICES				\$0.00
9242	9342			CAMPS & TRAILERS	\$52,000.00	\$40,000.00		\$92,000.00
9243	9343			SAFETY EQUIPMENT & H2S	\$10,000.00	\$5,000.00		\$15,000.00
9244				CONTINGENCY				\$0.00
9245	9345			INSURANCE		\$2,000.00		\$2,000.00
9246	9346			MISCELLANEOUS	\$97,672.00			\$97,672.00
9247	9347			OUTSIDE OPERATED				\$0.00
9248	9348			SAND		\$525,000.00		\$525,000.00
9249	9349			SAND LOGISTICS		\$525,000.00		\$525,000.00
9250	9350			VACUUM TRUCK				\$0.00
9251	9351			WATER - BRINE				\$0.00
	9380			FACILITY TRUCKING			\$100,000.00	\$100,000.00
				FACILITY VACUUM TRUCK				\$0.00
9381				FACILITY CONSULTING SER./SUPERVISION			\$100,000.00	\$100,000.00
9422				FACILITY CONTRACT LABOR / SER			\$300,000.00	\$300,000.00
9356				FACILITY SURFACE RENTAL				\$0.00
				SIM-OPS				\$0.00
				<b>TOTAL WELL INTANGIBLE COSTS</b>	<b>\$2,603,547.00</b>	<b>\$5,807,000.00</b>	<b>\$500,000.00</b>	<b>\$8,910,547.00</b>
				<b>WELL TANGIBLE COSTS</b>				
	9401			CASING - CONDUCTOR	\$40,000.00			\$40,000.00
	9402			CASING - SURFACE	\$76,453.00			\$76,453.00
	9403			CASING - SALT STRING	\$0.00			\$0.00
	9404			CASING - INTERMEDIATE	\$300,000.00			\$300,000.00
	9405			CASING - PRODUCTION / LINER	\$650,000.00			\$650,000.00
	9406			SUBSURFACE EQUIPMENT				\$0.00
	9407			PRODUCTION TUBING		\$150,000.00		\$150,000.00
	9408			SUBSURFACE PUMPING EQUIPMENT				\$0.00
	9409			WELLHEAD EQUIPMENT	\$80,000.00			\$80,000.00
	9410			FLOWLINES			\$150,000.00	\$150,000.00
	9411			SURFACE PUMPING EQUIPMENT				\$0.00
	9412			LINER HANGER & ASSOC EQUIP				\$0.00
	9413			VALVES & FITTINGS		\$200,000.00		\$200,000.00
	9414			INSTURMENTATION & ELECTRICAL		\$200,000.00		\$200,000.00
	9415			RODS				\$0.00
	9416			TRUCKING				\$0.00
	9417			RE-ENTRY EQUIPMENT				\$0.00
	9418			PRODUCTION EQUIPMENT			\$300,000.00	\$300,000.00
	9419			MISCELLANEOUS				\$0.00
	9420			OUTSIDE OPERATED				\$0.00
	9421			TANGIBLE EQUIP-ACQUISITIONS				\$0.00
				<b>TOTAL TANGIBLE COSTS</b>	<b>\$1,146,453.00</b>	<b>\$150,000.00</b>	<b>\$850,000.00</b>	<b>\$2,146,453.00</b>
				<b>TOTAL ESTIMATED WELL COST</b>	<b>\$3,750,000.00</b>	<b>\$5,957,000.00</b>	<b>\$1,350,000.00</b>	<b>\$11,057,000.00</b>

PREPARED BY: Alex Bourland & Aaron Cattiey DATE: 9/17/2024

OPERATOR APPROVAL: \_\_\_\_\_ DATE: \_\_\_\_\_

OPERATOR APPROVAL: \_\_\_\_\_ DATE: \_\_\_\_\_

---

PARTNER COMPANY NAME: \_\_\_\_\_ DATE: \_\_\_\_\_

PARTNER APPROVAL: \_\_\_\_\_

TITLE: \_\_\_\_\_

The costs of this AFE are estimates only. Participants in this project agree to pay their proportionate share of the actual costs.

WELL NAME		BOND 33-94 FED COM 207H		AFE TYPE	Development	AFE NUMBER			
LATERAL LOCATION		Section 33 & 34 of 185 32E		FIELD	Northern Delaware	PROPERTY NUMBER			
SURFACE LOCATION		32: 2000 FSL, 1165 FEL (or Unit I)		FORMATION	2BSS	DRILLING DAYS	25		
BOTTOM-HOLE LOCATION		34: 1630 FSL, 10 FEL (or Unit I)		COUNTY	LEA	DEPTH (TVD/TMD)	9 320' TVD/ 20 680' MD		
PROJECT DESCRIPTION		Drilling, Completion & Facilities costs for PBEX 2 mile lateral							
IDC	ICC	TDC	TCC	DESCRIPTION OF EXPENDITURE		COST ESTIMATE			
PREFIX 300	500	PREFIX 400	600			DRILLING	COMPLETIONS	FACILITIES	TOTAL
<b>WELL INTANGIBLE COSTS</b>									
9201	9301			SURVEY/PERMITS/DAMAGES		\$25,000.00			\$25,000.00
9202	9302			LOCATION & ROAD		\$76,875.00			\$76,875.00
9203				RIG MOVE		\$75,000.00			\$75,000.00
9204				DRILLING - FOOTAGE					\$0.00
9205	9305			DRILLING - DAYWORK		\$500,000.00			\$500,000.00
	9306			COMPLETION/WORKOVER RIG					\$0.00
	9307			COIL TUBING/SNUBBING UNIT			\$250,000.00		\$250,000.00
	9308			SLICKLINE/SWABBING					\$0.00
9209	9309			BITS		\$50,000.00			\$50,000.00
9210	9310			DIRECTIONAL SERVICES		\$250,000.00			\$250,000.00
9211	9311			CASING CREW		\$50,000.00			\$50,000.00
9212	9312			TOOL & EQUIPMENT RENTAL		\$95,000.00	\$275,000.00		\$370,000.00
9213	9313			FUEL & POWER		\$200,000.00	\$525,000.00		\$725,000.00
9214				DIESEL - BASE FOR MUD		\$125,000.00			\$125,000.00
9215	9315			MUD LOGGING & GEOLOGIST					\$0.00
9216	9316			DISPOSAL RESTORATION & BACKFILL		\$100,000.00			\$100,000.00
9217	9317			TRUCKING		\$40,000.00	\$50,000.00		\$90,000.00
	9318			TESTING					\$0.00
9219	9319			CEMENTING		\$200,000.00			\$200,000.00
9220	9320			PERFORATING			\$200,000.00		\$200,000.00
	9321			CASED HOLE LOGS					\$0.00
9222	9322			DOWNHOLE TOOLS & SERVICE		\$40,000.00	\$60,000.00		\$100,000.00
9223	9323			SCIENCE & DIAGNOSTICS					\$0.00
	9324			FORMATION STIMULATION			\$1,100,000.00		\$1,100,000.00
9225	9325			CONSULTING SERVICES/SUPERVISION			\$75,000.00		\$75,000.00
9226	9326			CONTRACT LABOR / SERVICES		\$100,000.00	\$90,000.00		\$190,000.00
9227	9327			OTHER LABOR		\$20,000.00			\$20,000.00
9228	9328			OVERHEAD					\$0.00
9229	9329			WATER - FRESH		\$100,000.00	\$500,000.00		\$600,000.00
9230	9330			FLUIDS & CHEMICALS		\$200,000.00	\$375,000.00		\$575,000.00
9231	9331			CORING & ANALYSIS					\$0.00
9232	9332			COMMUNICATIONS		\$10,000.00	\$10,000.00		\$20,000.00
9233	9333			BOP TESTING		\$28,000.00	\$10,000.00		\$38,000.00
9234	9334			CO2/NITROGEN					\$0.00
9235	9335			FISHING TOOLS & SERVICES					\$0.00
9236	9336			INSPECTIONS		\$20,000.00			\$20,000.00
9237				WIRELINE SERVICES					\$0.00
9238	9338			ENGINEERING & GEOLOGY - FIELD					\$0.00
9239	9339			ENGINEERING & GEOLOGY - OFFICE					\$0.00
9240				MULTISHOT & GYRO					\$0.00
9241				RE-ENTRY SERVICES					\$0.00
9242	9342			CAMPS & TRAILERS		\$30,000.00	\$40,000.00		\$70,000.00
9243	9343			SAFETY EQUIPMENT & H2S		\$10,000.00	\$5,000.00		\$15,000.00
9244				CONTINGENCY					\$0.00
9245	9345			INSURANCE			\$2,000.00		\$2,000.00
9246	9346			MISCELLANEOUS		\$120,000.00			\$120,000.00
9247	9347			OUTSIDE OPERATED					\$0.00
9248	9348			SAND			\$400,000.00		\$400,000.00
9249	9349			SAND LOGISTICS			\$400,000.00		\$400,000.00
9250	9350			VACUUM TRUCK					\$0.00
9251	9351			WATER - BRINE					\$0.00
	9360			FACILITY TRUCKING					\$0.00
				FACILITY VACUUM TRUCK					\$0.00
	9361			FACILITY CONSULTING SER./SUPERVISION				\$100,000.00	\$100,000.00
	9424			FACILITY CONTRACT LABOR / SER.				\$100,000.00	\$100,000.00
	9356			FACILITY SURFACE RENTAL					\$0.00
				SIM-OPS					\$0.00
<b>TOTAL WELL INTANGIBLE COSTS</b>						<b>\$2,464,875.00</b>	<b>\$4,367,000.00</b>	<b>\$200,000.00</b>	<b>\$7,031,875.00</b>
<b>WELL TANGIBLE COSTS</b>									
	9401			CASING - CONDUCTOR		\$40,000.00			\$40,000.00
	9402			CASING - SURFACE		\$76,453.00			\$76,453.00
	9403			CASING - SALT STRING		\$0.00			\$0.00
	9404			CASING - INTERMEDIATE		\$300,000.00			\$300,000.00
	9405			CASING - PRODUCTION / LINER		\$650,000.00			\$650,000.00
	9406			SUBSURFACE EQUIPMENT					\$0.00
	9407			PRODUCTION TUBING			\$150,000.00		\$150,000.00
	9408			SUBSURFACE PUMPING EQUIPMENT					\$0.00
	9409			WELLHEAD EQUIPMENT		\$100,000.00			\$100,000.00
	9410			FLOWLINES				\$150,000.00	\$150,000.00
	9411			SURFACE PUMPING EQUIPMENT					\$0.00
	9412			LINER HANGER & ASSOC EQUIP					\$0.00
	9413			VALVES & FITTINGS			\$200,000.00		\$200,000.00
	9414			INSTURMENTATION & ELECTRICAL			\$200,000.00		\$200,000.00
	9415			RODS					\$0.00
	9416			TRUCKING					\$0.00
	9417			RE-ENTRY EQUIPMENT					\$0.00
	9418			PRODUCTION EQUIPMENT			\$400,000.00		\$400,000.00
	9419			MISCELLANEOUS					\$0.00
	9420			OUTSIDE OPERATED					\$0.00
	9421			TANGIBLE EQUIP-ACQUISITIONS					\$0.00
<b>TOTAL TANGIBLE COSTS</b>						<b>\$1,166,453.00</b>	<b>\$150,000.00</b>	<b>\$950,000.00</b>	<b>\$2,266,453.00</b>
<b>TOTAL ESTIMATED WELL COST</b>						<b>\$3,631,328.00</b>	<b>\$4,517,000.00</b>	<b>\$1,150,000.00</b>	<b>\$9,298,328.00</b>

PREPARED BY: Alex Bourland & Aaron Cattle DATE: 9/17/2024

OPERATOR APPROVAL: \_\_\_\_\_ DATE: \_\_\_\_\_


OPERATOR APPROVAL: \_\_\_\_\_ DATE: \_\_\_\_\_

PARTNER COMPANY NAME: \_\_\_\_\_ DATE: \_\_\_\_\_

PARTNER APPROVAL: \_\_\_\_\_

TITLE: \_\_\_\_\_

The costs of this AFE are estimates only. Participants in this project agree to pay their proportionate share of the actual costs.

 <b>PBEX LLC</b> <b>AUTHORIZATION FOR EXPENDITURE</b> 223 W Wall St. 1 Midland, TX 79701												
WELL NAME		Bond 33-34 Fed Com 211H		AFE TYPE	Development		AFE NUMBER					
LATERAL LOCATION		Section 33 & 34 of 185 32E		FIELD	Northern Delaware		PROPERTY NUMBER					
SURFACE LOCATION		32: 1980 FSL, 1165 FEL (or Unit I)		FORMATION	2B55		DRILLING DAYS					
BOTTOM-HOLE LOCATION		34: 330 FSL - 10 FEL (or Unit P)		COUNTY	LEA		DEPTH (TVD/TMD)	9,320' TVD/ 20660' MD				
PROJECT DESCRIPTION		Drilling, Completion & Facilities costs for PBEX 2 mile lateral								STATE	NM	
ACCT. CODE				DESCRIPTION OF EXPENDITURE				COST ESTIMATE				
IDC	ICC	TDC	TCC					DRILLING	COMPLETIONS	FACILITIES	TOTAL	
PREFIX	500	PREFIX	400	600								
307		400		600	WELL INTANGIBLE COSTS							
9201	9301				SURVEY/PERMITS/DAMAGES			\$25,000.00			\$25,000.00	
9202	9302				LOCATION & ROAD			\$76,875.00			\$76,875.00	
9203					RIG MOVE			\$75,000.00			\$75,000.00	
9204					DRILLING - FOOTAGE						\$0.00	
9205	9305				DRILLING - DAYWORK			\$500,000.00			\$500,000.00	
	9306				COMPLETION/WORKOVER RIG						\$0.00	
	9307				COIL TUBING/SNUBBING UNIT				\$250,000.00		\$250,000.00	
	9308				SLICKLINE/SWABBING						\$0.00	
9209	9309				BITS			\$50,000.00			\$50,000.00	
9210	9310				DIRECTIONAL SERVICES			\$250,000.00			\$250,000.00	
9211	9311				CASING CREW			\$50,000.00			\$50,000.00	
9212	9312				TOOL & EQUIPMENT RENTAL			\$85,000.00	\$275,000.00		\$370,000.00	
9213	9313				FUEL & POWER			\$200,000.00	\$525,000.00		\$725,000.00	
9214					DIESEL - BASE FOR MUD			\$125,000.00			\$125,000.00	
9215	9315				MUD LOGGING & GEOLOGIST						\$0.00	
9216	9316				DISPOSAL RESTORATION & BACKFILL			\$100,000.00			\$100,000.00	
9217	9317				TRUCKING			\$40,000.00	\$50,000.00		\$90,000.00	
	9318				TESTING						\$0.00	
9219	9319				CEMENTING			\$200,000.00			\$200,000.00	
9220	9320				PERFORATING				\$200,000.00		\$200,000.00	
	9321				CASED HOLE LOGS						\$0.00	
9222	9322				DOWNHOLE TOOLS & SERVICE			\$40,000.00	\$60,000.00		\$100,000.00	
9223	9323				SCIENCE & DIAGNOSTICS						\$0.00	
	9324				FORMATION STIMULATION				\$1,100,000.00		\$1,100,000.00	
9226	9326				CONSULTING SERVICE/SUPERVISION				\$75,000.00		\$75,000.00	
9226	9326				CONTRACT LABOR / SERVICES			\$100,000.00	\$90,000.00		\$190,000.00	
9227	9327				OTHER LABOR			\$20,000.00			\$20,000.00	
9228	9328				OVERHEAD						\$0.00	
9229	9329				WATER - FRESH			\$100,000.00	\$500,000.00		\$600,000.00	
9230	9330				FLUIDS & CHEMICALS			\$200,000.00	\$375,000.00		\$575,000.00	
9231	9331				CORING & ANALYSIS						\$0.00	
9232	9332				COMMUNICATIONS			\$10,000.00	\$10,000.00		\$20,000.00	
9233	9333				BOP TESTING			\$28,000.00	\$10,000.00		\$38,000.00	
9234	9334				CO2/NITROGEN						\$0.00	
9235	9335				FISHING TOOLS & SERVICES						\$0.00	
9236	9336				INSPECTIONS			\$20,000.00			\$20,000.00	
9237					WIRELINE SERVICES						\$0.00	
9238	9338				ENGINEERING & GEOLOGY - FIELD						\$0.00	
9239	9339				ENGINEERING & GEOLOGY - OFFICE						\$0.00	
9240					MULTISHOT & GYRO						\$0.00	
9241					RE-ENTRY SERVICES						\$0.00	
9242	9342				CAMPS & TRAILERS			\$30,000.00	\$40,000.00		\$70,000.00	
9243	9343				SAFETY EQUIPMENT & H2S			\$10,000.00	\$5,000.00		\$15,000.00	
9244					CONTINGENCY						\$0.00	
9245	9345				INSURANCE				\$2,000.00		\$2,000.00	
9246	9346				MISCELLANEOUS			\$120,000.00			\$120,000.00	
9247	9347				OUTSIDE OPERATED						\$0.00	
9248	9348				SAND				\$400,000.00		\$400,000.00	
9249	9349				SAND LOGISTICS				\$400,000.00		\$400,000.00	
9250	9350				VACUUM TRUCK						\$0.00	
9251	9351				WATER - BRINE						\$0.00	
	9360				FACILITY TRUCKING						\$0.00	
					FACILITY VACUUM TRUCK						\$0.00	
	9361				FACILITY CONSULTING SER/SUPERVISION					\$100,000.00	\$100,000.00	
	9424				FACILITY CONTRACT LABOR / SER.					\$100,000.00	\$100,000.00	
	9356				FACILITY SURFACE RENTAL						\$0.00	
					SIM-OPS						\$0.00	
<b>TOTAL WELL INTANGIBLE COSTS</b>								<b>\$2,464,875.00</b>	<b>\$4,367,000.00</b>	<b>\$200,000.00</b>	<b>\$7,031,875.00</b>	
WELL TANGIBLE COSTS												
	9401				CASING - CONDUCTOR			\$40,000.00			\$40,000.00	
	9402				CASING - SURFACE			\$76,453.00			\$76,453.00	
	9403				CASING - SALT STRING			\$0.00			\$0.00	
	9404				CASING - INTERMEDIATE			\$300,000.00			\$300,000.00	
	9405				CASING - PRODUCTION / LINER			\$650,000.00			\$650,000.00	
		9406			SUBSURFACE EQUIPMENT						\$0.00	
		9407			PRODUCTION TUBING				\$150,000.00		\$150,000.00	
		9408			SUBSURFACE PUMPING EQUIPMENT						\$0.00	
		9409			WELLHEAD EQUIPMENT			\$100,000.00			\$100,000.00	
		9410			FLOWLINES					\$150,000.00	\$150,000.00	
		9411			SURFACE PUMPING EQUIPMENT						\$0.00	
		9412			LINER HANGER & ASSOC EQUIP						\$0.00	
		9413			VALVES & FITTINGS					\$200,000.00	\$200,000.00	
		9414			INSTURMENTATION & ELECTRICAL					\$200,000.00	\$200,000.00	
		9415			RODS						\$0.00	
		9416			TRUCKING						\$0.00	
		9417			RE-ENTRY EQUIPMENT						\$0.00	
		9418			PRODUCTION EQUIPMENT					\$400,000.00	\$400,000.00	
		9419			MISCELLANEOUS						\$0.00	
		9420			OUTSIDE OPERATED						\$0.00	
		9421			TANGIBLE EQUIP-ACQUISITIONS						\$0.00	
<b>TOTAL TANGIBLE COSTS</b>								<b>\$1,166,453.00</b>	<b>\$150,000.00</b>	<b>\$950,000.00</b>	<b>\$2,266,453.00</b>	
<b>TOTAL ESTIMATED WELL COST</b>								<b>\$3,631,328.00</b>	<b>\$4,517,000.00</b>	<b>\$1,150,000.00</b>	<b>\$9,298,328.00</b>	

PREPARED BY: Alex Bourland & Aaron Cathey DATE: 9/17/2024

OPERATOR APPROVAL: \_\_\_\_\_ DATE: \_\_\_\_\_

OPERATOR APPROVAL: \_\_\_\_\_ DATE: \_\_\_\_\_

PARTNER COMPANY NAME: \_\_\_\_\_ DATE: \_\_\_\_\_

PARTNER APPROVAL: \_\_\_\_\_

TITLE: \_\_\_\_\_

The costs of this AFE are estimates only. Participants in this project agree to pay their proportionate share of the actual costs.

PBEX OPERATIONS LLC AUTHORIZATION FOR EXPENDITURE 223 W. Wall St Suite 900 Midland, TX 79701							
WELL NAME	Bons 32-34 Fed Com 101H		AFE TYPE	Development	AFE NUMBER		
LATERAL LOCATION	Section 32, 33, & 34 of 18S 32E		FIELD	Northern Delaware	PROPERTY NUMBER		
SURFACE LOCATION	32, 1726 FNL & 2425 FWL (or Unit F)		FORMATION	18SS	DRILLING DAYS	24	
BOTTOM-HOLE LOCATION	34: 660 FNL & 10 FEL (or Unit A)		COUNTY	LEA	DEPTH (TV D/TMD)	8,450' TVD/ 22,450' MD	
STATE					STATE	NM	
PROJECT DESCRIPTION	Drilling, Completion & Facilities costs for PBEX 2.5-mile lateral						
ACCT. CODE			COST ESTIMATE				
IDC	ICC	TCC	DESCRIPTION OF EXPENDITURE	DRILLING	COMPLETIONS	FACILITIES	TOTAL
PREFIX 300	500	PREFIX 400					
WELL INTANGIBLE COSTS							
9201	9301		SURVEY/PERMITS/DAMAGES	\$25,000.00			\$25,000.00
9202	9302		LOCATION & ROAD	\$76,875.00			\$76,875.00
9203			RIG MOVE	\$100,000.00			\$100,000.00
9204			DRILLING - FOOTAGE				\$0.00
9205	9305		DRILLING - DAYWORK	\$633,000.00			\$633,000.00
	9306		COMPLETION/WORKOVER RIG				\$0.00
	9307		COIL TUBING/SNUBBING UNIT		\$300,000.00		\$300,000.00
	9308		SLICKLINE/SWABBING				\$0.00
9209	9309		BITS	\$100,000.00			\$100,000.00
9210	9310		DIRECTIONAL SERVICES	\$230,000.00			\$230,000.00
9211	9311		CASING CREW	\$40,000.00			\$40,000.00
9212	9312		TOOL & EQUIPMENT RENTAL	\$105,000.00	\$300,000.00		\$405,000.00
9213	9313		FUEL & POWER	\$130,000.00	\$650,000.00		\$780,000.00
9214			DIESEL - BASE FOR MUD	\$70,000.00			\$70,000.00
9215	9315		MUD LOGGING & GEOLOGIST				\$0.00
9216	9316		DISPOSAL, RESTORATION & BACKFILL	\$90,000.00			\$90,000.00
9217	9317		TRUCKING	\$40,000.00	\$60,000.00		\$100,000.00
	9318		TESTING				\$0.00
9219	9319		CEMENTING	\$190,000.00			\$190,000.00
9220	9320		PERFORATING		\$245,000.00		\$245,000.00
	9321		CASED HOLE LOGS				\$0.00
9222	9322		DOWNHOLE TOOLS & SERVICE	\$40,000.00	\$75,000.00		\$115,000.00
9223	9323		SCIENCE & DIAGNOSTICS				\$0.00
	9324		FORMATION STIMULATION		\$1,600,000.00		\$1,600,000.00
9225	9325		CONSULTING SERVICES/SUPERVISION		\$85,000.00		\$85,000.00
9226	9326		CONTRACT LABOR / SERVICES	\$92,000.00	\$100,000.00		\$192,000.00
9227	9327		OTHER LABOR	\$25,000.00			\$25,000.00
9228	9328		OVERHEAD				\$0.00
9229	9329		WATER - FRESH	\$50,000.00	\$700,000.00		\$750,000.00
9230	9330		FLUIDS & CHEMICALS	\$150,000.00	\$575,000.00		\$725,000.00
9231	9331		FORMING & ANALYSIS				\$0.00
9232	9332		COMMUNICATIONS	\$10,000.00	\$10,000.00		\$20,000.00
9233	9333		BOP TESTING	\$28,000.00	\$10,000.00		\$38,000.00
9234	9334		CO2/NITROGEN				\$0.00
9235	9335		FISHING TOOLS & SERVICES				\$0.00
9236	9336		INSPECTIONS	\$20,000.00			\$20,000.00
9237			WIRELINE SERVICES				\$0.00
9238	9338		ENGINEERING & GEOLOGY - FIELD				\$0.00
9239	9339		ENGINEERING & GEOLOGY - OFFICE				\$0.00
9240			MULTISHOT & GYRO				\$0.00
9241			RE-ENTRY SERVICES				\$0.00
9242	9342		CAMPS & TRAILERS	\$52,000.00	\$40,000.00		\$92,000.00
9243	9343		SAFETY EQUIPMENT & H2S	\$10,000.00	\$5,000.00		\$15,000.00
9244			CONTINGENCY				\$0.00
9245	9345		INSURANCE		\$2,000.00		\$2,000.00
9246	9346		MISCELLANEOUS	\$149,801.87			\$149,801.87
9247	9347		OUTSIDE OPERATED				\$0.00
9248	9348		SAND		\$525,000.00		\$525,000.00
9249	9349		SAND LOGISTICS		\$525,000.00		\$525,000.00
9250	9350		VACUUM TRUCK				\$0.00
9251	9351		WATER - BRINE				\$0.00
	9360		FACILITY TRUCKING			\$100,000.00	\$100,000.00
			FACILITY VACUUM TRUCK				\$0.00
	9361		FACILITY CONSULTING SER./SUPERVISION			\$100,000.00	\$100,000.00
	9424		FACILITY CONTRACT LABOR / SER.			\$300,000.00	\$300,000.00
	9356		FACILITY SURFACE RENTAL				\$0.00
			SIM-OPS				\$0.00
TOTAL WELL INTANGIBLE COSTS				\$2,456,676.87	\$5,807,000.00	\$500,000.00	\$8,763,676.87
WELL TANGIBLE COSTS							
	9401		CASING - CONDUCTOR	\$40,000.00			\$40,000.00
	9402		CASING - SURFACE	\$76,453.13			\$76,453.13
	9403		CASING - SALT STRING	\$0.00			\$0.00
	9404		CASING - INTERMEDIATE	\$303,870.00			\$303,870.00
	9405		CASING - PRODUCTION / LINER	\$643,000.00			\$643,000.00
	9406		SUBSURFACE EQUIPMENT				\$0.00
	9407		PRODUCTION TUBING		\$150,000.00		\$150,000.00
	9408		SUBSURFACE PUMPING EQUIPMENT				\$0.00
	9409		WELLHEAD EQUIPMENT	\$80,000.00			\$80,000.00
	9410		FLOWLINES			\$150,000.00	\$150,000.00
	9411		SURFACE PUMPING EQUIPMENT				\$0.00
	9412		LINER HANGER & ASSOC EQUIP				\$0.00
	9413		VALVES & FITTINGS			\$200,000.00	\$200,000.00
	9414		INSTURMENTATION & ELECTRICAL			\$200,000.00	\$200,000.00
	9415		RODS				\$0.00
	9416		TRUCKING				\$0.00
	9417		RE-ENTRY EQUIPMENT				\$0.00
	9418		PRODUCTION EQUIPMENT			\$300,000.00	\$300,000.00
	9419		MISCELLANEOUS				\$0.00
	9420		OUTSIDE OPERATED				\$0.00
	9421		TANGIBLE EQUIP.ACQUISITIONS				\$0.00
TOTAL TANGIBLE COSTS				\$1,143,323.13	\$150,000.00	\$850,000.00	\$2,143,323.13
TOTAL ESTIMATED WELL COST				DRILLING	COMPLETIONS	FACILITIES	TOTAL
				\$3,800,000.00	\$5,957,000.00	\$1,350,000.00	\$10,907,000.00

PREPARED BY: Alex Bourland & Aaron Catley DATE: 9/17/2024

OPERATOR APPROVAL: \_\_\_\_\_ DATE: \_\_\_\_\_

OPERATOR APPROVAL: \_\_\_\_\_ DATE: \_\_\_\_\_

PARTNER COMPANY NAME: \_\_\_\_\_ DATE: \_\_\_\_\_

PARTNER APPROVAL: \_\_\_\_\_

TITLE: \_\_\_\_\_

The costs of this AFE are estimates only. Participants in this project agree to pay their proportional share of the actual costs.

PBEX OPERATIONS LLC  
 AUTHORIZATION FOR EXPENDITURE  
 223 W. Wall St Suite 900  
 Midland, TX 79701

WELL NAME	Bond 32-34 Fed Com 103H	A/E TYPE	Development	A/E NUMBER	
LATERAL LOCATION	Section 32, 33 & 34 of 16S 32E	FIELD	Northern Delaware	PROPERTY NUMBER	
SURFACE LOCATION	32, 1726 FNL & 2385 FVL (or Unit F)	FORMATION	1BSS	DRILLING DAYS	24
BOTTOM-HOLE LOCATION	34, 2130 FNL & 10 FEL (or Unit H)	COUNTY	LEA	DEPTH (TVD/TMD)	8,450' TVD/ 22,450' MD
PROJECT DESCRIPTION	Drilling - Completion & Facilities costs for PBEX 2.5-mile lateral				
				STATE	NM

ACCT. CODE				DESCRIPTION OF EXPENDITURE	COST ESTIMATE			
IDC	ICC	TDC	TCC		DRILLING	COMPLETIONS	FACILITIES	TOTAL
PREFIX 300	500	PREFIX 400	600	WELL INTANGIBLE COSTS				
9201	9301			SURVEY/PERMITS/DAMAGES	\$25,000.00			\$25,000.00
9202	9302			LOCATION & ROAD	\$76,875.00			\$76,875.00
9203				RIG MOVE	\$100,000.00			\$100,000.00
9204				DRILLING - FOOTAGE				\$0.00
9205	9305			DRILLING - DAYWORK	\$633,000.00			\$633,000.00
	9306			COMPLETION/WORKOVER RIG				\$0.00
	9307			COIL TUBING/SNUBBING UNIT		\$300,000.00		\$300,000.00
	9308			SLICKLINE/SWABBING				\$0.00
9206	9309			BITS	\$100,000.00			\$100,000.00
9210	9310			DIRECTIONAL SERVICES	\$230,000.00			\$230,000.00
9211	9311			CASING CREW	\$40,000.00			\$40,000.00
9212	9312			TOOL & EQUIPMENT RENTAL	\$105,000.00	\$300,000.00		\$405,000.00
9213	9313			FUEL & POWER	\$130,000.00	\$650,000.00		\$780,000.00
9214				DIESEL - BASE FOR MJD	\$70,000.00			\$70,000.00
9215	9315			MJD LOGGING & GEOLOGIST				\$0.00
9216	9316			DISPOSAL RESTORATION & BACKFILL	\$90,000.00			\$90,000.00
9217	9317			TRUCKING	\$40,000.00	\$60,000.00		\$100,000.00
	9318			TESTING				\$0.00
9219	9319			CEMENTING	\$190,000.00			\$190,000.00
9220	9320			PERFORATING		\$245,000.00		\$245,000.00
	9321			CASED HOLE LOGS				\$0.00
9222	9322			DOWNHOLE TOOLS & SERVICE	\$40,000.00	\$75,000.00		\$115,000.00
9223	9323			SCIENCE & DIAGNOSTICS				\$0.00
	9324			FORMATION STIMULATION		\$1,600,000.00		\$1,600,000.00
9225	9325			CONSULTING SERVICES/SUPERVISION		\$85,000.00		\$85,000.00
9226	9326			CONTRACT LABOR / SERVICES	\$92,000.00	\$100,000.00		\$192,000.00
9227	9327			OTHER LABOR	\$25,000.00			\$25,000.00
9228	9328			OVERHEAD				\$0.00
9229	9329			WATER - FRESH	\$50,000.00	\$700,000.00		\$750,000.00
9230	9330			FLUIDS & CHEMICALS	\$150,000.00	\$575,000.00		\$725,000.00
9231	9331			CORING & ANALYSIS				\$0.00
9232	9332			COMMUNICATIONS	\$10,000.00	\$10,000.00		\$20,000.00
9233	9333			BOP TESTING	\$28,000.00	\$10,000.00		\$38,000.00
9234	9334			CO2/NITROGEN				\$0.00
9235	9335			FISHING TOOLS & SERVICES				\$0.00
9236	9336			INSPECTIONS	\$20,000.00			\$20,000.00
9237				WIRELINE SERVICES				\$0.00
9238	9338			ENGINEERING & GEOLOGY - FIELD				\$0.00
9239	9339			ENGINEERING & GEOLOGY - OFFICE				\$0.00
9240				MULTISHOT & GYRO				\$0.00
9241				RE-ENTRY SERVICES				\$0.00
9242	9342			CAMPS & TRAILERS	\$52,000.00	\$40,000.00		\$92,000.00
9243	9343			SAFETY EQUIPMENT & H2S	\$10,000.00	\$5,000.00		\$15,000.00
9244				CONTINGENCY				\$0.00
9245	9345			INSURANCE		\$2,000.00		\$2,000.00
9246	9346			MISCELLANEOUS	\$149,801.87			\$149,801.87
9247	9347			OUTSIDE OPERATED				\$0.00
9248	9348			SAND		\$525,000.00		\$525,000.00
9249	9349			SAND LOGISTICS		\$525,000.00		\$525,000.00
9250	9350			VACUUM TRUCK				\$0.00
9251	9351			WATER - BRINE				\$0.00
	9360			FACILITY TRUCKING			\$100,000.00	\$100,000.00
				FACILITY VACUUM TRUCK				\$0.00
	9361			FACILITY CONSULTING SER /SUPERVISION			\$100,000.00	\$100,000.00
	9424			FACILITY CONTRACT LABOR / SER			\$300,000.00	\$300,000.00
	9366			FACILITY SURFACE RENTAL				\$0.00
				SIM-OPS				\$0.00
<b>TOTAL WELL INTANGIBLE COSTS</b>					<b>\$2,456,676.87</b>	<b>\$5,807,000.00</b>	<b>\$500,000.00</b>	<b>\$8,763,676.87</b>
<b>WELL TANGIBLE COSTS</b>								
	9401			CASING - CONDUCTOR	\$40,000.00			\$40,000.00
	9402			CASING - SURFACE	\$76,453.13			\$76,453.13
	9403			CASING - SALT STRING	\$0.00			\$0.00
	9404			CASING - INTERMEDIATE	\$303,870.00			\$303,870.00
	9405			CASING - PRODUCTION / LINER	\$643,000.00			\$643,000.00
	9406			SUBSURFACE EQUIPMENT				\$0.00
	9407			PRODUCTION TUBING		\$150,000.00		\$150,000.00
	9408			SUBSURFACE PUMPING EQUIPMENT				\$0.00
	9409			WELLHEAD EQUIPMENT	\$80,000.00			\$80,000.00
	9410			FLOWLINES			\$150,000.00	\$150,000.00
	9411			SURFACE PUMPING EQUIPMENT				\$0.00
	9412			LINER HANGER & ASSOC EQUIP				\$0.00
	9413			VALVES & FITTINGS			\$200,000.00	\$200,000.00
	9414			INSTURMENTATION & ELECTRICAL			\$200,000.00	\$200,000.00
	9415			TOOLS				\$0.00
	9416			TRUCKING				\$0.00
	9417			RE-ENTRY EQUIPMENT				\$0.00
	9418			PRODUCTION EQUIPMENT			\$300,000.00	\$300,000.00
	9419			MISCELLANEOUS				\$0.00
	9420			OUTSIDE OPERATED				\$0.00
	9421			TANGIBLE EQUIP-ACQUISITIONS				\$0.00
<b>TOTAL TANGIBLE COSTS</b>					<b>\$1,143,323.13</b>	<b>\$150,000.00</b>	<b>\$850,000.00</b>	<b>\$2,143,323.13</b>
<b>TOTAL ESTIMATED WELL COST</b>					<b>\$3,600,000.00</b>	<b>\$5,957,000.00</b>	<b>\$1,350,000.00</b>	<b>\$10,907,000.00</b>

PREPARED BY: Alex Bourland & Aaron Cattle DATE: 9/17/2024

OPERATOR APPROVAL: \_\_\_\_\_ DATE: \_\_\_\_\_

OPERATOR APPROVAL: \_\_\_\_\_ DATE: \_\_\_\_\_

PARTNER COMPANY NAME: \_\_\_\_\_ DATE: \_\_\_\_\_

PARTNER APPROVAL: \_\_\_\_\_

TITLE: \_\_\_\_\_

The costs of this AFE are estimates only. Participants in this project agree to pay their proportionate share of the actual costs.

PBEX LLC AUTHORIZATION FOR EXPENDITURE 223 W Wall St., Midland, TX 79701											
WELL NAME		Bond 33-34 Fed Com 104H		AFE TYPE		Development		AFE NUMBER			
LATERAL LOCATION		Section 33 & 34 of 18S 32E		FIELD		Northern Delaware		PROPERTY NUMBER			
SURFACE LOCATION		32-1680 FSL, 1165 FEL (or Unit I)		FORMATION		1BSS		DRILLING DAYS			
BOTTOM-HOLE LOCATION		34-1640 FSL, 10 FEL (or Unit I)		COUNTY		LEA		DEPTH (TVD/TMD)			
								STATE		8450 TVD / 19810 MD	
PROJECT DESCRIPTION											
Drilling, Completion & Facilities costs for PBEX 2 mile lateral											
ACCT. CODE				DESCRIPTION OF EXPENDITURE				COST ESTIMATE			
IDC	ICC	TDC	TCC					DRILLING	COMPLETIONS	FACILITIES	TOTAL
PREFIX 300	PREFIX 500	PREFIX 400	PREFIX 600	WELL INTANGIBLE COSTS							
9201	9301			SURVEY/PERMITS/DAMAGES				\$25,000.00			\$25,000.00
9202	9302			LOCATION & ROAD				\$76,875.00			\$76,875.00
9203				RIG MOVE				\$75,000.00			\$75,000.00
9204				DRILLING - FOOTAGE							\$0.00
9205	9305			DRILLING - DAYWORK				\$500,000.00			\$500,000.00
	9306			COMPLETION/WORKOVER RIG							\$0.00
	9307			COIL TUBING/SNLUBBING UNIT					\$250,000.00		\$250,000.00
	9308			SLICKLINE/SWABBING							\$0.00
9209	9309			BITS				\$50,000.00			\$50,000.00
9210	9310			DIRECTIONAL SERVICES				\$250,000.00			\$250,000.00
9211	9311			CASING CREW				\$50,000.00			\$50,000.00
9212	9312			TOOL & EQUIPMENT RENTAL				\$95,000.00	\$275,000.00		\$370,000.00
9213	9313			FUEL & POWER				\$200,000.00	\$925,000.00		\$725,000.00
9214				DIESEL - BASE FOR MUD				\$125,000.00			\$125,000.00
9215	9315			MUD LOGGING & GEOLOGIST							\$0.00
9216	9316			DISPOSAL, RESTORATION & BACKFILL				\$100,000.00			\$100,000.00
9217	9317			TRUCKING				\$40,000.00	\$50,000.00		\$90,000.00
	9318			TESTING							\$0.00
9219	9319			CEMENTING				\$200,000.00			\$200,000.00
9220	9320			PERFORATING					\$200,000.00		\$200,000.00
	9321			CASED HOLE LOGS							\$0.00
9222	9322			DOWNHOLE TOOLS & SERVICE				\$40,000.00	\$60,000.00		\$100,000.00
9223	9323			SCIENCE & DIAGNOSTICS							\$0.00
	9324			FORMATION STIMULATION					\$1,100,000.00		\$1,100,000.00
9225	9325			CONSULTING SERVICES/SUPERVISION					\$75,000.00		\$75,000.00
9226	9326			CONTRACT LABOR / SERVICES				\$100,000.00	\$90,000.00		\$190,000.00
9227	9327			OTHER LABOR				\$20,000.00			\$20,000.00
9228	9328			OVERHEAD							\$0.00
9229	9329			WATER - FRESH				\$100,000.00	\$500,000.00		\$600,000.00
9230	9330			FLUIDS & CHEMICALS				\$200,000.00	\$375,000.00		\$575,000.00
9231	9331			CORING & ANALYSIS							\$0.00
9232	9332			COMMUNICATIONS				\$10,000.00	\$10,000.00		\$20,000.00
9233	9333			BOP TESTING				\$28,000.00	\$10,000.00		\$38,000.00
9234	9334			CO2/NITROGEN							\$0.00
9235	9335			FISHING TOOLS & SERVICES							\$0.00
9236	9336			INSPECTIONS				\$20,000.00			\$20,000.00
9237				WIRELINE SERVICES							\$0.00
9238	9338			ENGINEERING & GEOLOGY - FIELD							\$0.00
9239	9339			ENGINEERING & GEOLOGY - OFFICE							\$0.00
9240				MULTISHOT & GYRO							\$0.00
9241				RE-ENTRY SERVICES							\$0.00
9242	9342			CAMPS & TRAILERS				\$30,000.00	\$40,000.00		\$70,000.00
9243	9343			SAFETY EQUIPMENT & H2S				\$10,000.00	\$5,000.00		\$15,000.00
9244				CONTINGENCY							\$0.00
9245	9345			INSURANCE					\$2,000.00		\$2,000.00
9246	9346			MISCELLANEOUS				\$120,000.00			\$120,000.00
9247	9347			OUTSIDE OPERATED							\$0.00
9248	9348			SAND					\$400,000.00		\$400,000.00
9249	9349			SAND LOGISTICS					\$400,000.00		\$400,000.00
9250	9350			VACUUM TRUCK							\$0.00
9251	9351			WATER - BRINE							\$0.00
	9360			FACILITY TRUCKING							\$0.00
				FACILITY VACUUM TRUCK							\$0.00
	9361			FACILITY CONSULTING SER./SUPERVISION						\$100,000.00	\$100,000.00
	9424			FACILITY CONTRACT LABOR / SER.						\$100,000.00	\$100,000.00
	9356			FACILITY SURFACE RENTAL							\$0.00
				SIM-OPS							\$0.00
<b>TOTAL WELL INTANGIBLE COSTS</b>							<b>\$2,464,875.00</b>	<b>\$4,367,000.00</b>	<b>\$200,000.00</b>	<b>\$7,031,875.00</b>	
WELL TANGIBLE COSTS											
	9401			CASING - CONDUCTOR				\$40,000.00			\$40,000.00
	9402			CASING - SURFACE				\$76,453.00			\$76,453.00
	9403			CASING - SALT STRING				\$0.00			\$0.00
	9404			CASING - INTERMEDIATE				\$300,000.00			\$300,000.00
	9405			CASING - PRODUCTION / LINER				\$650,000.00			\$650,000.00
	9406			SUBSURFACE EQUIPMENT							\$0.00
	9407			PRODUCTION TUBING					\$150,000.00		\$150,000.00
	9408			SUBSURFACE PUMPING EQUIPMENT							\$0.00
	9409			WELLHEAD EQUIPMENT				\$100,000.00			\$100,000.00
	9410			FLOWLINES					\$150,000.00		\$150,000.00
	9411			SURFACE PUMPING EQUIPMENT							\$0.00
	9412			LINER HANGER & ASSOC EQUIP.							\$0.00
	9413			VALVES & FITTINGS					\$200,000.00		\$200,000.00
	9414			INSTUMENTATION & ELECTRICAL					\$200,000.00		\$200,000.00
	9415			RODS							\$0.00
	9416			TRUCKING							\$0.00
	9417			RE-ENTRY EQUIPMENT							\$0.00
	9418			PRODUCTION EQUIPMENT					\$400,000.00		\$400,000.00
	9419			MISCELLANEOUS							\$0.00
	9420			OUTSIDE OPERATED							\$0.00
	9421			TANGIBLE EQUIP-ACQUISITIONS							\$0.00
<b>TOTAL TANGIBLE COSTS</b>							<b>\$1,166,453.00</b>	<b>\$150,000.00</b>	<b>\$950,000.00</b>	<b>\$2,266,453.00</b>	
<b>TOTAL ESTIMATED WELL COST</b>							<b>\$3,631,328.00</b>	<b>\$4,517,000.00</b>	<b>\$1,150,000.00</b>	<b>\$9,298,328.00</b>	

PREPARED BY: Alex Bourland & Aaron Cattley DATE: 9/17/2024

OPERATOR APPROVAL: \_\_\_\_\_ DATE: \_\_\_\_\_

OPERATOR APPROVAL: \_\_\_\_\_ DATE: \_\_\_\_\_

PARTNER COMPANY NAME: \_\_\_\_\_ DATE: \_\_\_\_\_

PARTNER APPROVAL: \_\_\_\_\_

TITLE: \_\_\_\_\_

The costs of this AFE are estimates only. Participants in this project agree to pay their proportionate share of the actual costs.

WELL NAME		BOND 33-34 Fed Com 106H		AFE TYPE		Development		AFE NUMBER	
LATERAL LOCATION		Section 33, & 34 of 18S 32E		FIELD		Northern Delaware		PROPERTY NUMBER	
SURFACE LOCATION		32-1660 FSL, 1165 FEL (or Unit I)		FORMATION		18SS		DRILLING DAYS	
BOTTOM-HOLE LOCATION		34-330 FSL, 10 FEL (or Unit P)		COUNTY		LEA		DEPTH (TVD/TMD)	
PROJECT DESCRIPTION		Drilling, Completion & Facilities costs for PBEX 2 m/lateral							
ACCT. CODE		DESCRIPTION OF EXPENDITURE						COST ESTIMATE	
IDC	ICG	TDC	TCC			DRILLING	COMPLETIONS	FACILITIES	TOTAL
PREFIX 300	500	PREFIX 400	600	WELL INTANGIBLE COSTS					
9201	9301			SURVEY/PERMITS/DAMAGES		\$25,000.00			\$25,000.00
9202	9302			LOCATION & ROAD		\$76,875.00			\$76,875.00
9203				RIG MOVE		\$75,000.00			\$75,000.00
9204				DRILLING - FOOTAGE					\$0.00
9205	9305			DRILLING - DAYWORK		\$500,000.00			\$500,000.00
	9306			COMPLETION/WORKOVER RIG					\$0.00
	9307			COIL TUBING/SNUBBING UNIT			\$250,000.00		\$250,000.00
	9308			SLICKLINE/SWABBING					\$0.00
9209	9309			BITS		\$50,000.00			\$50,000.00
9210	9310			DIRECTIONAL SERVICES		\$250,000.00			\$250,000.00
9211	9311			CASING CREW		\$50,000.00			\$50,000.00
9212	9312			TOOL & EQUIPMENT RENTAL		\$95,000.00	\$275,000.00		\$370,000.00
9213	9313			FUEL & POWER		\$200,000.00	\$525,000.00		\$725,000.00
9214				DIESEL - BASE FOR MUD		\$125,000.00			\$125,000.00
9215	9315			MUD LOGGING & GEOLOGIST					\$0.00
9216	9316			DISPOSAL, RESTORATION & BACKFILL		\$100,000.00			\$100,000.00
9217	9317			TRUCKING		\$40,000.00	\$90,000.00		\$90,000.00
	9318			TESTING					\$0.00
9219	9319			CEMENTING		\$200,000.00			\$200,000.00
9220	9320			PERFORATING			\$200,000.00		\$200,000.00
	9321			CASED HOLE LOGS					\$0.00
9222	9322			DOWNHOLE TOOLS & SERVICE		\$40,000.00	\$60,000.00		\$100,000.00
9223	9323			SCIENCE & DIAGNOSTICS					\$0.00
	9324			FORMATION STIMULATION			\$1,100,000.00		\$1,100,000.00
9226	9326			CONSULTING SERVICE/SUPERVISION			\$75,000.00		\$75,000.00
9226	9326			CONTRACT LABOR / SERVICES		\$100,000.00	\$90,000.00		\$190,000.00
9227	9327			OTHER LABOR		\$20,000.00			\$20,000.00
9228	9328			OVERHEAD					\$0.00
9229	9329			WATER - FRESH		\$100,000.00	\$500,000.00		\$600,000.00
9230	9330			FLUIDS & CHEMICALS		\$200,000.00	\$375,000.00		\$575,000.00
9231	9331			CORING & ANALYSIS					\$0.00
9232	9332			COMMUNICATIONS		\$10,000.00	\$10,000.00		\$20,000.00
9233	9333			BOP TESTING		\$28,000.00	\$10,000.00		\$38,000.00
9234	9334			CO2/NITROGEN					\$0.00
9235	9335			FISHING TOOLS & SERVICES					\$0.00
9236	9336			INSPECTIONS		\$20,000.00			\$20,000.00
9237				WIRELINE SERVICES					\$0.00
9238	9338			ENGINEERING & GEOLOGY - FIELD					\$0.00
9239	9339			ENGINEERING & GEOLOGY - OFFICE					\$0.00
9240				MULTI-HOT & GYRO					\$0.00
9241				RE-ENTRY SERVICES					\$0.00
9242	9342			CAMPS & TRAILERS		\$30,000.00	\$40,000.00		\$70,000.00
9243	9343			SAFETY EQUIPMENT & H2S		\$10,000.00	\$5,000.00		\$15,000.00
9244				CONTINGENCY					\$0.00
9245	9345			INSURANCE			\$2,000.00		\$2,000.00
9246	9346			MISCELLANEOUS		\$120,000.00			\$120,000.00
9247	9347			OUTSIDE OPERATED					\$0.00
9248	9348			SAND			\$400,000.00		\$400,000.00
9249	9349			SAND LOGISTICS			\$400,000.00		\$400,000.00
9250	9350			VACUUM TRUCK					\$0.00
9251	9351			WATER - BRINE					\$0.00
	9360			FACILITY TRUCKING					\$0.00
				FACILITY VACUUM TRUCK					\$0.00
9361				FACILITY CONSULTING SER./SUPERVISION				\$100,000.00	\$100,000.00
9424				FACILITY CONTRACT LABOR / SER.				\$100,000.00	\$100,000.00
9366				FACILITY SURFACE RENTAL					\$0.00
				SIM-OPS					\$0.00
<b>TOTAL WELL INTANGIBLE COSTS</b>						<b>\$2,464,875.00</b>	<b>\$4,367,000.00</b>	<b>\$200,000.00</b>	<b>\$7,031,875.00</b>
		WELL TANGIBLE COSTS							
	9401			CASING - CONDUCTOR		\$40,000.00			\$40,000.00
	9402			CASING - SURFACE		\$76,453.00			\$76,453.00
	9403			CASING - SALT STRING		\$0.00			\$0.00
	9404			CASING - INTERMEDIATE		\$300,000.00			\$300,000.00
	9405			CASING - PRODUCTION / LINER		\$650,000.00			\$650,000.00
	9406			SUBSURFACE EQUIPMENT					\$0.00
	9407			PRODUCTION TUBING			\$150,000.00		\$150,000.00
	9408			SUBSURFACE PUMPING EQUIPMENT					\$0.00
	9409			WELLHEAD EQUIPMENT		\$100,000.00			\$100,000.00
	9410			FLOWLINES				\$150,000.00	\$150,000.00
	9411			SURFACE PUMPING EQUIPMENT					\$0.00
	9412			LINER HANGER & ASSOC EQUIP					\$0.00
	9413			VALVES & FITTINGS				\$200,000.00	\$200,000.00
	9414			INSTURMENTATION & ELECTRICAL				\$200,000.00	\$200,000.00
	9415			RODS					\$0.00
	9416			TRUCKING					\$0.00
	9417			RE-ENTRY EQUIPMENT					\$0.00
	9418			PRODUCTION EQUIPMENT				\$400,000.00	\$400,000.00
	9419			MISCELLANEOUS					\$0.00
	9420			OUTSIDE OPERATED					\$0.00
	9421			TANGIBLE EQUIP-ACQUISITIONS					\$0.00
<b>TOTAL TANGIBLE COSTS</b>						<b>\$1,166,453.00</b>	<b>\$150,000.00</b>	<b>\$950,000.00</b>	<b>\$2,266,453.00</b>
<b>TOTAL ESTIMATED WELL COST</b>						<b>\$3,631,328.00</b>	<b>\$4,517,000.00</b>	<b>\$1,150,000.00</b>	<b>\$9,298,328.00</b>

PREPARED BY: Alex Bourland & Aaron Cattley DATE: 9/17/2024

OPERATOR APPROVAL: DATE: \_\_\_\_\_

OPERATOR APPROVAL: DATE: \_\_\_\_\_

PARTNER COMPANY NAME: DATE: \_\_\_\_\_

PARTNER APPROVAL: \_\_\_\_\_

TITLE: \_\_\_\_\_

The costs of this AFE are estimates only. Participants in this project agree to pay their proportionate share of the actual costs.

PBEX LLC AUTHORIZATION FOR EXPENDITURE 223 W Wall St. 7 Midland, TX 79701											
WELL NAME		Bond 33-34 Fed Com 304H		AFE TYPE	Development <th>AFE NUMBER</th> <td></td> <td colspan="2"></td>	AFE NUMBER					
LATERAL LOCATION		Section 33, & 34 of 18S 32E		FIELD	Northern Delaware	PROPERTY NUMBER					
SURFACE LOCATION		32, 1700 FSL, 1165 FEL (or Unit I)		FORMATION	38SS	DRILLING DAYS	25				
BOTTOM-HOLE LOCATION		34, 2230 FSL, 10 FEL (or Unit I)		COUNTY	LEA	DEPTH (TVD/TMD)	10150' TVD/ 21510' MD				
PROJECT DESCRIPTION		Drilling, Completion & Facilities costs for PBEX 2 mile lateral									
ACCT. CODE				DESCRIPTION OF EXPENDITURE				COST ESTIMATE			
IDC	ICG	TDC	TCC					DRILLING	COMPLETIONS	FACILITIES	TOTAL
PREFIX 300	500	PREFIX 400	600	WELL INTANGIBLE COSTS							
9201	9301			SURVEY/PERMITS/DAMAGES				\$25,000.00			\$25,000.00
9202	9302			LOCATION & ROAD				\$76,875.00			\$76,875.00
9203				RIG MOVE				\$75,000.00			\$75,000.00
9204				DRILLING - FOOTAGE							\$0.00
9205	9305			DRILLING - DAYWORK				\$500,000.00			\$500,000.00
	9306			COMPLETION/WORKOVER RIG							\$0.00
	9307			COIL TUBING/SNUBBING UNIT					\$250,000.00		\$250,000.00
	9308			SLICKLINE/SWABBING							\$0.00
9209	9309			BITS				\$50,000.00			\$50,000.00
9210	9310			DIRECTIONAL SERVICES				\$250,000.00			\$250,000.00
9211	9311			CASING CREW				\$50,000.00			\$50,000.00
9212	9312			TOOL & EQUIPMENT RENTAL				\$95,000.00	\$275,000.00		\$370,000.00
9213	9313			FUEL & POWER				\$200,000.00	\$525,000.00		\$725,000.00
9214				DIESEL - BASE FOR MUD				\$125,000.00			\$125,000.00
9215	9315			MUD LOGGING & GEOLOGIST							\$0.00
9216	9316			DISPOSAL, RESTORATION & BACKFILL				\$100,000.00			\$100,000.00
9217	9317			TRUCKING				\$40,000.00	\$50,000.00		\$90,000.00
	9318			TESTING							\$0.00
9219	9319			CEMENTING				\$200,000.00			\$200,000.00
9220	9320			PERFORATING					\$200,000.00		\$200,000.00
	9321			CASED HOLE LOGS							\$0.00
9222	9322			DOWNHOLE TOOLS & SERVICE				\$40,000.00	\$60,000.00		\$100,000.00
9223	9323			SCIENCE & DIAGNOSTICS							\$0.00
9224	9324			FORMATION STIMULATION					\$1,100,000.00		\$1,100,000.00
9225	9325			CONSULTING SERVICES/SUPERVISION					\$75,000.00		\$75,000.00
9226	9326			CONTRACT LABOR / SERVICES				\$100,000.00	\$90,000.00		\$190,000.00
9227	9327			OTHER LABOR				\$20,000.00			\$20,000.00
9228	9328			OVERHEAD							\$0.00
9229	9329			WATER - FRESH				\$100,000.00	\$500,000.00		\$600,000.00
9230	9330			FLUIDS & CHEMICALS				\$200,000.00	\$375,000.00		\$575,000.00
9231	9331			CORING & ANALYSIS							\$0.00
9232	9332			COMMUNICATIONS				\$10,000.00	\$10,000.00		\$20,000.00
9233	9333			BDP TESTING				\$28,000.00	\$10,000.00		\$38,000.00
9234	9334			CO2/NITROGEN							\$0.00
9235	9335			FISHING TOOLS & SERVICES							\$0.00
9236	9336			INSPECTIONS				\$20,000.00			\$20,000.00
9237				WIRELINE SERVICES							\$0.00
9238	9338			ENGINEERING & GEOLOGY - FIELD							\$0.00
9239	9339			ENGINEERING & GEOLOGY - OFFICE							\$0.00
9240				MULTISHOT & GYRO							\$0.00
9241				RE-ENTRY SERVICES							\$0.00
9242	9342			CAMPS & TRAILERS				\$30,000.00	\$40,000.00		\$70,000.00
9243	9343			SAFETY EQUIPMENT & H2S				\$10,000.00	\$5,000.00		\$15,000.00
9244				CONTINGENCY							\$0.00
9245	9345			INSURANCE					\$2,000.00		\$2,000.00
9246	9346			MISCELLANEOUS				\$120,000.00			\$120,000.00
9247	9347			OUTSIDE OPERATED							\$0.00
9248	9348			SAND					\$400,000.00		\$400,000.00
9249	9348			SAND LOGISTICS					\$400,000.00		\$400,000.00
9250	9350			VACUUM TRUCK							\$0.00
9251	9351			WATER - BRINE							\$0.00
	9360			FACILITY TRUCKING							\$0.00
				FACILITY VACUUM TRUCK							\$0.00
	9361			FACILITY CONSULTING SER./SUPERVISION						\$100,000.00	\$100,000.00
	9424			FACILITY CONTRACT LABOR / SER.						\$100,000.00	\$100,000.00
	9356			FACILITY SURFACE RENTAL							\$0.00
				SIM-OPS							\$0.00
<b>TOTAL WELL INTANGIBLE COSTS</b>							<b>\$2,464,875.00</b>	<b>\$4,367,000.00</b>	<b>\$200,000.00</b>	<b>\$7,031,875.00</b>	
WELL TANGIBLE COSTS											
	9401			CASING - CONDUCTOR				\$40,000.00			\$40,000.00
	9402			CASING - SURFACE				\$76,453.00			\$76,453.00
	9403			CASING - SALT STRING				\$0.00			\$0.00
	9404			CASING - INTERMEDIATE				\$300,000.00			\$300,000.00
	9405			CASING - PRODUCTION / LINER				\$650,000.00			\$650,000.00
	9406			SUBSURFACE EQUIPMENT							\$0.00
	9407			PRODUCTION TUBING					\$150,000.00		\$150,000.00
	9408			SUBSURFACE PUMPING EQUIPMENT							\$0.00
	9409			WELLHEAD EQUIPMENT				\$100,000.00			\$100,000.00
	9410			FLOWLINES						\$150,000.00	\$150,000.00
	9411			SURFACE PUMPING EQUIPMENT							\$0.00
	9412			LINER HANGER & ASSOC EQUIP							\$0.00
	9413			VALVES & FITTINGS					\$200,000.00		\$200,000.00
	9414			INSTUMENTATION & ELECTRICAL					\$200,000.00		\$200,000.00
	9415			RODS							\$0.00
	9416			TRUCKING							\$0.00
	9417			RE-ENTRY EQUIPMENT							\$0.00
	9418			PRODUCTION EQUIPMENT						\$400,000.00	\$400,000.00
	9419			MISCELLANEOUS							\$0.00
	9420			OUTSIDE OPERATED							\$0.00
	9421			TANGIBLE EQUIP-ACQUISITIONS							\$0.00
<b>TOTAL TANGIBLE COSTS</b>							<b>\$1,166,453.00</b>	<b>\$150,000.00</b>	<b>\$950,000.00</b>	<b>\$2,266,453.00</b>	
TOTAL ESTIMATED WELL COST							DRILLING	COMPLETIONS	FACILITIES	TOTAL	
							<b>\$3,631,328.00</b>	<b>\$4,517,000.00</b>	<b>\$1,150,000.00</b>	<b>\$9,298,328.00</b>	

PREPARED BY: Alex Bourland & Aaren Cattle DATE: 8/17/2024

OPERATOR APPROVAL: \_\_\_\_\_ DATE: \_\_\_\_\_

OPERATOR APPROVAL: \_\_\_\_\_ DATE: \_\_\_\_\_

PARTNER COMPANY NAME: \_\_\_\_\_ DATE: \_\_\_\_\_

PARTNER APPROVAL: \_\_\_\_\_

TITLE: \_\_\_\_\_

The costs of this AFE are estimates only. Participants in this project agree to pay their proportionate share of the actual costs.

WELL NAME		Bond 33-34 Fed Com 306H		AFE TYPE	Development	AFE NUMBER		
LATERAL LOCATION		Section 33, & 34 of 18S 32E		FIELD	Northern Delaware	PROPERTY NUMBER		
SURFACE LOCATION		32, 1640 FSL, 1165 FEL (Or Unit I)		FORMATION	JBSS	DRILLING DAYS	25	
BOTTOM-HOLE LOCATION		34, 330 FSL, 10 FEL (or Unit P)		COUNTY	LEA	DEPTH (TVD/MD)	10150' TVD/ 21510' MD	
PROJECT DESCRIPTION		Drilling, Completion & Facilities costs for PBEX 2 mile lateral						
STATE		NM						
ACCT. CODE		DESCRIPTION OF EXPENDITURE				COST ESTIMATE		
IDC	ICC	TDC	TCC		DRILLING	COMPLETIONS	FACILITIES	TOTAL
PREFIX 300	500	PREFIX 400	600					
<b>WELL INTANGIBLE COSTS</b>								
9201	9301			SURVEY/PERMITS/DAMAGES	\$25,000.00			\$25,000.00
9202	9302			LOCATION AND ROAD	\$76,875.00			\$76,875.00
9203				RIG MOVE	\$75,000.00			\$75,000.00
9204				DRILLING - FOOTAGE				\$0.00
9205	9305			DRILLING - DAYWORK	\$500,000.00			\$500,000.00
	9306			COMPLETION/WORKOVER RIG				\$0.00
	9307			COIL TUBING/SNUBBING UNIT		\$250,000.00		\$250,000.00
	9308			SLICKLINE/SWABBING				\$0.00
9209	9309			BITS	\$50,000.00			\$50,000.00
9210	9310			DIRECTIONAL SERVICES	\$250,000.00			\$250,000.00
9211	9311			CASING CREW	\$50,000.00			\$50,000.00
9212	9312			TOOL & EQUIPMENT RENTAL	\$95,000.00	\$275,000.00		\$370,000.00
9213	9313			FUEL & POWER	\$200,000.00	\$525,000.00		\$725,000.00
9214				DIESEL - BASE FOR MUD	\$125,000.00			\$125,000.00
9215	9315			MUD LOGGING & GEOLOGIST				\$0.00
9216	9316			DISPOSAL, RESTORATION & BACKFILL	\$100,000.00			\$100,000.00
9217	9317			TRUCKING	\$40,000.00	\$50,000.00		\$90,000.00
	9318			TESTING				\$0.00
9219	9319			CEMENTING	\$200,000.00			\$200,000.00
9220	9320			PERFORATING		\$200,000.00		\$200,000.00
	9321			CASED HOLE LOGS				\$0.00
9222	9322			DOWNHOLE TOOLS & SERVICE	\$40,000.00	\$60,000.00		\$100,000.00
9223	9323			SCIENCE & DIAGNOSTICS				\$0.00
	9324			FORMATION STIMULATION		\$1,100,000.00		\$1,100,000.00
9225	9325			CONSULTING SERVICES/SUPERVISION		\$75,000.00		\$75,000.00
9226	9326			CONTRACT LABOR / SERVICES	\$100,000.00	\$90,000.00		\$190,000.00
9227	9327			OTHER LABOR	\$20,000.00			\$20,000.00
9228	9328			OVERHEAD				\$0.00
9229	9329			WATER - FRESH	\$100,000.00	\$500,000.00		\$600,000.00
9230	9330			FLUIDS & CHEMICALS	\$200,000.00	\$375,000.00		\$575,000.00
9231	9331			CORING & ANALYSIS				\$0.00
9232	9332			COMMUNICATIONS	\$10,000.00	\$10,000.00		\$20,000.00
9233	9333			BOP TESTING	\$28,000.00	\$10,000.00		\$38,000.00
9234	9334			CO2/NITROGEN				\$0.00
9235	9335			FISHING TOOLS & SERVICES				\$0.00
9236	9336			INSPECTIONS	\$20,000.00			\$20,000.00
9237				WIRELINE SERVICES				\$0.00
9238	9338			ENGINEERING & GEOLOGY - FIELD				\$0.00
9239	9339			ENGINEERING & GEOLOGY - OFFICE				\$0.00
9240				MULTISHOT & GYRO				\$0.00
9241				RE-ENTRY SERVICES				\$0.00
9242	9342			CAMPS & TRAILERS	\$30,000.00	\$40,000.00		\$70,000.00
9243	9343			SAFETY EQUIPMENT & H2S	\$10,000.00	\$5,000.00		\$15,000.00
9244				CONTINGENCY				\$0.00
9245	9345			INSURANCE		\$2,000.00		\$2,000.00
9246	9346			MISCELLANEOUS	\$120,000.00			\$120,000.00
9247	9347			OUTSIDE OPERATED				\$0.00
9248	9348			SAND		\$400,000.00		\$400,000.00
9249	9349			SAND LOGISTICS		\$400,000.00		\$400,000.00
9250	9350			VACUUM TRUCK				\$0.00
9251	9351			WATER - BRINE				\$0.00
	9360			FACILITY TRUCKING				\$0.00
				FACILITY VACUUM TRUCK				\$0.00
	9361			FACILITY CONSULTING SER./SUPERVISION			\$100,000.00	\$100,000.00
	9424			FACILITY CONTRACT LABOR / SER.			\$100,000.00	\$100,000.00
	9356			FACILITY SURFACE RENTAL				\$0.00
				SIM-OPS				\$0.00
<b>TOTAL WELL INTANGIBLE COSTS</b>					<b>\$2,464,875.00</b>	<b>\$4,367,000.00</b>	<b>\$200,000.00</b>	<b>\$7,031,875.00</b>
<b>WELL TANGIBLE COSTS</b>								
	9401			CASING - CONDUCTOR	\$40,000.00			\$40,000.00
	9402			CASING - SURFACE	\$76,453.00			\$76,453.00
	9403			CASING - SALT STRING	\$0.00			\$0.00
	9404			CASING - INTERMEDIATE	\$300,000.00			\$300,000.00
	9405			CASING - PRODUCTION / LINER	\$650,000.00			\$650,000.00
	9406			SUBSURFACE EQUIPMENT				\$0.00
	9407			PRODUCTION TUBING		\$150,000.00		\$150,000.00
	9408			SUBSURFACE PUMPING EQUIPMENT				\$0.00
	9409			WELLHEAD EQUIPMENT	\$100,000.00			\$100,000.00
	9410			FLOWLINES		\$150,000.00		\$150,000.00
	9411			SURFACE PUMPING EQUIPMENT				\$0.00
	9412			LINER HANGER & ASSOC EQUIP				\$0.00
	9413			VALVES & FITTINGS		\$200,000.00		\$200,000.00
	9414			INSTURMENTATION & ELECTRICAL		\$200,000.00		\$200,000.00
	9415			RODS				\$0.00
	9416			TRUCKING				\$0.00
	9417			RE-ENTRY EQUIPMENT				\$0.00
	9418			PRODUCTION EQUIPMENT		\$400,000.00		\$400,000.00
	9419			MISCELLANEOUS				\$0.00
	9420			OUTSIDE OPERATED				\$0.00
	9421			TANGIBLE EQUIP-ACQUISITIONS				\$0.00
<b>TOTAL TANGIBLE COSTS</b>					<b>\$1,166,453.00</b>	<b>\$150,000.00</b>	<b>\$950,000.00</b>	<b>\$2,266,453.00</b>
<b>TOTAL ESTIMATED WELL COST</b>					<b>\$3,631,328.00</b>	<b>\$4,517,000.00</b>	<b>\$1,150,000.00</b>	<b>\$9,298,328.00</b>

PREPARED BY: Alex Bourland & Aaron Cattley DATE: 9/17/2024

OPERATOR APPROVAL: \_\_\_\_\_ DATE: \_\_\_\_\_

OPERATOR APPROVAL: \_\_\_\_\_ DATE: \_\_\_\_\_

PARTNER COMPANY NAME: \_\_\_\_\_ DATE: \_\_\_\_\_

PARTNER APPROVAL: \_\_\_\_\_

TITLE: \_\_\_\_\_

The costs of this AFE are estimates only. Participants in this project agree to pay their proportionate share of the actual costs.



August 7, 2025

Chevron USA Inc.  
6301 Deauville Blvd  
Midland, TX 79706  
Attn: Land Department

Re: **Bond 32-34 Fed Com 101H, 103H & Bond 33-34 Fed Com 104H, 106H  
Bond 32-34 Fed Com 201H, 205H & Bond 33-34 Fed Com 207H, 211H  
Bond 32-34 Fed Com 301H & Bond 33-34 Fed Com 304H, 306H**  
Sections 32, 33 & 34, T18S-R32E  
Lea County, New Mexico

Dear Sir or Madam:

PBEX Operations, LLC, on behalf of PBEX, LLC ("PBX"), hereby proposes under Compulsory Order Nos. R-23684 and R-23685, respectively, the drilling of the following wells located in Sections 32, 33 & 34 of T18S-R32E, Lea County, New Mexico. Please review the attached Authority for Expenditures ("AFE") with the gross estimated total cost to drill and complete each of the referenced wells.

**PHASE 1**

**BOND 32-34 FED COM 201H**

NE4 Sec. 32, N2 Sec. 33, & N2 Sec. 34, T18S-R32E  
SHL- Sec. 32: 1726' FNL, 2465' FWL, or a legal location in Unit F  
FTP- Sec. 32: 330' FNL, 2540' FEL, or at a legal location in Unit B  
LTP- Sec. 34: 330' FNL, 100' FEL, or at a legal location in Unit A  
BHL- Sec. 34: 330' FNL, 10' FEL, or at a legal location in Unit A  
Formation - 2BS            TVD – 9,320'            MD – 23,320'

**BOND 32-34 FED COM 205H**

NE4 Sec. 32, N2 Sec. 33, & N2 Sec. 34, T18S-R32E  
SHL- Sec. 32: 1726' FNL, 2445' FWL, or a legal location in Unit F  
FTP- Sec. 32: 2200' FNL, 2540' FEL, or at a legal location in Unit G  
LTP- Sec. 34: 2200' FNL, 100' FEL, or at a legal location in Unit H  
BHL- Sec. 34: 2200' FNL, 10' FEL, or at a legal location in Unit H  
Formation - 2BS            TVD – 9,320'            MD – 23,320'

**BOND 32-34 FED COM 301H**

NE4 Sec. 32, N2 Sec. 33, & N2 Sec. 34, T18S-R32E  
SHL- Sec. 32: 1726' FNL, 2405' FWL, or a legal location in Unit F  
FTP- Sec. 32: 1640' FNL, 2540' FEL, or at a legal location in Unit G  
LTP- Sec. 34: 1640' FNL, 100' FEL, or at a legal location in Unit H  
BHL- Sec. 34: 1640' FNL, 10' FEL, or at a legal location in Unit H  
Formation - 3BS            TVD – 10,150'            MD – 24,150'

August 7, 2025  
BOND – N2, S2 Well Proposals under CP Order

**BOND 33-34 FED COM 207H**

S2 Sec. 33 & S2 Sec. 34, T18S-R32E  
SHL- Sec. 32: 2000' FSL, 1165' FEL, or a legal location in Unit I  
FTP- Sec. 33: 1630' FSL, 100' FWL, or at a legal location in Unit L  
LTP- Sec. 34: 1630' FSL, 100' FEL, or at a legal location in Unit I  
BHL- Sec. 34: 1630' FSL, 10' FEL, or at a legal location in Unit I  
Formation - 2BS            TVD – 9,320'            MD – 20,680'

**BOND 33-34 FED COM 211H**

S2 Sec. 33 & S2 Sec. 34, T18S-R32E  
SHL- Sec. 32: 1980' FSL, 1165' FEL, or a legal location in Unit I  
FTP- Sec. 33: 330' FSL, 100' FWL, or at a legal location in Unit M  
LTP- Sec. 34: 330' FSL, 100' FEL, or at a legal location in Unit P  
BHL- Sec. 34: 330' FSL, 10' FEL, or at a legal location in Unit P  
Formation - 2BS            TVD – 9,320'            MD – 20,680'

**PHASE 2**

**BOND 32-34 FED COM 101H**

NE4 Sec. 32, N2 Sec. 33, & N2 Sec. 34, T18S-R32E  
SHL- Sec. 32: 1726' FNL, 2425' FWL, or a legal location in Unit F  
FTP- Sec. 32: 660' FNL, 2540' FEL, or at a legal location in Unit B  
LTP- Sec. 34: 660' FNL, 100' FEL, or at a legal location in Unit A  
BHL- Sec. 34: 660' FNL, 10' FEL, or at a legal location in Unit A  
Formation - 1BS            TVD – 8'450'            MD – 22,450'

**BOND 32-34 FED COM 103H**

NE4 Sec. 32, N2 Sec. 33, & N2 Sec. 34, T18S-R32E  
SHL- Sec. 32: 1726' FNL, 2385' FWL, or a legal location in Unit F  
FTP- Sec. 32: 2130' FNL, 2540' FEL, or at a legal location in Unit G  
LTP- Sec. 34: 2130' FNL, 100' FEL, or at a legal location in Unit H  
BHL- Sec. 34: 2130' FNL, 10' FEL, or at a legal location in Unit H  
Formation - 1BS            TVD – 8,450'            MD – 22,450'

**BOND 33-34 FED COM 104H**

S2 Sec. 33 & S2 Sec. 34, T18S-R32E  
SHL- Sec. 32: 1680' FSL, 1165' FEL, or a legal location in Unit I  
FTP- Sec. 33: 1650' FSL, 100' FWL, or at a legal location in Unit L  
LTP- Sec. 34: 1650' FSL, 100' FEL, or at a legal location in Unit I  
BHL- Sec. 34: 1650' FSL, 10' FEL, or at a legal location in Unit I  
Formation - 1BS            TVD – 8,450'            MD – 19,810'

**BOND 33-34 FED COM 106H**

S2 Sec. 33 & S2 Sec. 34, T18S-R32E  
SHL- Sec. 32: 1660' FSL, 1165' FEL, or a legal location in Unit I  
FTP- Sec. 33: 330' FSL, 100' FWL, or at a legal location in Unit M  
LTP- Sec. 34: 330' FSL, 100' FEL, or at a legal location in Unit P

August 7, 2025  
BOND – N2, S2 Well Proposals under CP Order

BHL- Sec. 34: 330’ FSL, 10’ FEL, or at a legal location in Unit P  
Formation - 1BS            TVD – 7,820’            MD – 19,180’

**BOND 33-34 FED COM 304H**

S2 Sec. 33 & S2 Sec. 34, T18S-R32E  
SHL- Sec. 32: 1700’ FSL, 1165’ FEL, or a legal location in Unit I  
FTP- Sec. 33: 2230’ FSL, 100’ FWL, or at a legal location in Unit L  
LTP- Sec. 34: 2230’ FSL, 100’ FEL, or at a legal location in Unit I  
BHL- Sec. 34: 2230’ FSL, 10’ FEL, or at a legal location in Unit I  
Formation - 3BS            TVD – 10,150’            MD – 21,510’

**BOND 33-34 FED COM 306H**

S2 Sec. 33 & S2 Sec. 34, T18S-R32E  
SHL- Sec. 32: 1640’ FSL, 1165’ FEL, or a legal location in Unit I  
FTP- Sec. 33: 330’ FSL, 100’ FWL, or at a legal location in Unit M  
LTP- Sec. 34: 330’ FSL, 100’ FEL, or at a legal location in Unit P  
BHL- Sec. 34: 330’ FSL, 10’ FEL, or at a legal location in Unit P  
Formation - 3BS            TVD – 10,150’            MD – 21,510’

Pursuant to said Orders, if you wish to participate in the operations described above, please indicate so in the space provided, and sign and return the enclosed AFEs within 30 days of receipt of this correspondence.

Should you have any questions or want to discuss any details, please contact me at 432.894.4625 or ruth@pbex.com.

Sincerely,

**PBEX, LLC**

*//Ruth Pelzel//*

Ruth Pelzel  
Senior Landman

RP:bh  
Enc

August 7, 2025  
 BOND – N2, S2 Well Proposals under CP Order

WELL NAME	Elect TO PARTICIPATE for proportionate share of costs	Elect <u>NOT</u> TO PARTICIPATE for proportionate share of costs
Bond 32-34 Fed Com 201H	X	
Bond 32-34 Fed Com 205H	X	
Bond 32-34 Fed Com 301H	X	
Bond 33-34 Fed Com 207H	X	
Bond 33-34 Fed Com 211H	X	
Bond 32-34 Fed Com 101H	X	
Bond 32-34 Fed Com 103H	X	
Bond 33-34 Fed Com 104H	X	
Bond 33-34 Fed Com 106H	X	
Bond 33-34 Fed Com 304H	X	
Bond 33-34 Fed Com 306H	X	

Company: Chevron USA

Signed: 

Name: Andrew M. Armpriester

Title: General Manager, North America NOJV and Royalty

Date: 08/26/2025

PBEX OPERATIONS LLC  
 AUTHORIZATION FOR EXPENDITURE  
 223 W. Wall St Suite 900  
 Midland, TX 79701

WELL NAME	Bond 32-34 Fed Com 201H	AFE TYPE	Development	AFE NUMBER	
LATERAL LOCATION	Section 32, 33 & 34 of 1B3 32E	FIELD	Northern Delaware	PROPERTY NUMBER	
SURFACE LOCATION	32: 1726 FNL, 246S FWL (or Unit F)	FORMATION	2BSS	DRILLING DAYS	25
BOTTOM-HOLE LOCATION	34: 330 FNL, 10 FEL (or Unit A)	COUNTY	LEA	DEPTH (TVD/TMD)	9,320' TVD/ 23,320' MD
PROJECT DESCRIPTION	Drilling, Completion & Facilities costs for PBEX 2.5-mile lateral				
				STATE	NM

ACCT. CODE				DESCRIPTION OF EXPENDITURE	COST ESTIMATE			
IDC	ICC	TDC	TCC		DRILLING	COMPLETIONS	FACILITIES	TOTAL
PREFIX 300	500	PREFIX 400	600	WELL INTANGIBLE COSTS				
9201	9301			SURVEY/PERMITS/DAMAGES	\$25,000.00			\$25,000.00
9202	9302			LOCATION & ROAD	\$76,875.00			\$76,875.00
9203				RIG MOVE	\$100,000.00			\$100,000.00
9204				DRILLING - FOOTAGE				\$0.00
9205	9305			DRILLING - DAYWORK	\$750,000.00			\$750,000.00
	9306			COMPLETION/WORKOVER RIG				\$0.00
	9307			COIL TUBING/SNUBBING UNIT		\$300,000.00		\$300,000.00
	9308			SLICKLINE/SWABBING				\$0.00
9209	9309			BITS	\$120,000.00			\$120,000.00
9210	9310			DIRECTIONAL SERVICES	\$232,000.00			\$232,000.00
9211	9311			CASING CREW	\$40,000.00			\$40,000.00
9212	9312			TOOL & EQUIPMENT RENTAL	\$95,000.00	\$300,000.00		\$395,000.00
9213	9313			FUEL & POWER	\$120,000.00	\$650,000.00		\$770,000.00
9214				DIESEL - BASE FOR MUD	\$110,000.00			\$110,000.00
9215	9315			MUD LOGGING & GEOLOGIST				\$0.00
9216	9316			DISPOSAL RESTORATION & BACKFILL	\$90,000.00			\$90,000.00
9217	9317			TRUCKING	\$40,000.00	\$60,000.00		\$100,000.00
	9318			TESTING				\$0.00
9219	9318			CEMENTING	\$200,000.00			\$200,000.00
9220	9320			PERFORATING		\$245,000.00		\$245,000.00
	9321			CASED HOLE LOGS				\$0.00
9222	9322			DOWNHOLE TOOLS & SERVICE	\$40,000.00	\$75,000.00		\$115,000.00
9223	9323			SCIENCE & DIAGNOSTICS				\$0.00
	9324			FORMATION STIMULATION		\$1,600,000.00		\$1,600,000.00
9225	9325			CONSULTING SERVICES/SUPERVISION		\$85,000.00		\$85,000.00
9226	9326			CONTRACT LABOR / SERVICES	\$122,000.00	\$100,000.00		\$222,000.00
9227	9327			OTHER LABOR	\$25,000.00			\$25,000.00
9228	9328			OVERHEAD				\$0.00
9229	9329			WATER - FRESH	\$50,000.00	\$700,000.00		\$750,000.00
9230	9330			FLUIDS & CHEMICALS	\$150,000.00	\$575,000.00		\$725,000.00
9231	9331			CORING & ANALYSIS				\$0.00
9232	9332			COMMUNICATIONS	\$10,000.00	\$10,000.00		\$20,000.00
9233	9333			BOP TESTING	\$28,000.00	\$10,000.00		\$38,000.00
9234	9334			CO2/NITROGEN				\$0.00
9235	9335			FISHING TOOLS & SERVICES				\$0.00
9236	9336			INSPECTIONS	\$20,000.00			\$20,000.00
9237				WIRELINE SERVICES				\$0.00
9238	9338			ENGINEERING & GEOLOGY - FIELD				\$0.00
9239	9339			ENGINEERING & GEOLOGY - OFFICE				\$0.00
9240				MULTISHOT & GYRO				\$0.00
9241				RE-ENTRY SERVICES				\$0.00
9242	9342			CAMPS & TRAILERS	\$52,000.00	\$40,000.00		\$92,000.00
9243	9343			SAFETY EQUIPMENT & H2S	\$10,000.00	\$5,000.00		\$15,000.00
9244				CONTINGENCY				\$0.00
9245	9345			INSURANCE		\$2,000.00		\$2,000.00
9246	9346			MISCELLANEOUS	\$97,672.00			\$97,672.00
9247	9347			OUTSIDE OPERATED				\$0.00
9248	9348			SAND		\$525,000.00		\$525,000.00
9249	9349			SAND LOGISTICS		\$525,000.00		\$525,000.00
9250	9350			VACUUM TRUCK				\$0.00
9251	9351			WATER - BRINE				\$0.00
	9360			FACILITY TRUCKING			\$100,000.00	\$100,000.00
				FACILITY VACUUM TRUCK				\$0.00
	9361			FACILITY CONSULTING SER./SUPERVISION			\$100,000.00	\$100,000.00
	9424			FACILITY CONTRACT LABOR / SER.			\$300,000.00	\$300,000.00
	9356			FACILITY SURFACE RENTAL				\$0.00
				SIM-OPS				\$0.00
<b>TOTAL WELL INTANGIBLE COSTS</b>					<b>\$2,603,547.00</b>	<b>\$5,807,000.00</b>	<b>\$500,000.00</b>	<b>\$8,910,547.00</b>

WELL TANGIBLE COSTS				DRILLING	COMPLETIONS	FACILITIES	TOTAL
9401			CASING - CONDUCTOR	\$40,000.00			\$40,000.00
9402			CASING - SURFACE	\$76,453.00			\$76,453.00
9403			CASING - SALT STRING	\$0.00			\$0.00
9404			CASING - INTERMEDIATE	\$300,000.00			\$300,000.00
9405			CASING - PRODUCTION / LINER	\$650,000.00			\$650,000.00
	9406		SUBSURFACE EQUIPMENT				\$0.00
	9407		PRODUCTION TUBING		\$150,000.00		\$150,000.00
	9408		SUBSURFACE PUMPING EQUIPMENT				\$0.00
	9409		WELLHEAD EQUIPMENT	\$80,000.00			\$80,000.00
	9410		FLOWLINES			\$150,000.00	\$150,000.00
	9411		SURFACE PUMPING EQUIPMENT				\$0.00
	9412		LINER HANGER & ASSOC EQUIP				\$0.00
	9413		VALVES & FITTINGS			\$200,000.00	\$200,000.00
	9414		INSTURMENTATION & ELECTRICAL			\$200,000.00	\$200,000.00
	9415		RODS				\$0.00
	9416		TRUCKING				\$0.00
	9417		RE-ENTRY EQUIPMENT				\$0.00
	9418		PRODUCTION EQUIPMENT			\$300,000.00	\$300,000.00
	9419		MISCELLANEOUS				\$0.00
	9420		OUTSIDE OPERATED				\$0.00
	9421		TANGIBLE EQUIP-ACQUISITIONS				\$0.00
<b>TOTAL TANGIBLE COSTS</b>				<b>\$1,146,453.00</b>	<b>\$150,000.00</b>	<b>\$850,000.00</b>	<b>\$2,146,453.00</b>

<b>TOTAL ESTIMATED WELL COST</b>				<b>\$3,750,000.00</b>	<b>\$5,957,000.00</b>	<b>\$1,350,000.00</b>	<b>\$11,057,000.00</b>
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PREPARED BY: Alex Bourland & Aaron Cattley DATE: 9/17/2024  
 OPERATOR APPROVAL: \_\_\_\_\_ DATE: \_\_\_\_\_  
 OPERATOR APPROVAL: \_\_\_\_\_ DATE: \_\_\_\_\_

PARTNER COMPANY NAME: Chevron USA DATE: 08/26/2025  
 PARTNER APPROVAL: Andrew M. Armpriester  
 TITLE: General Manager, North America Non-Operated Joint Venture and Royalty

The costs of this AFE are estimates only. Participants in this project agree to pay their proportionate share of the actual costs.

PBEX OPERATIONS LLC AUTHORIZATION FOR EXPENDITURE 223 W. Wall St Suite 900 Midland, TX 79701											
WELL NAME		Bore 32-34 Fed Com 205H		AFE TYPE	Development		AFE NUMBER				
LATERAL LOCATION		Section 32, 33, & 34 of 18S 32E		FIELD	Northern Delaware		PROPERTY NUMBER				
SURFACE LOCATION		32-1726 FNL, 2445 FWL, or Unit F1		FORMATION	295S		DRILLING DAYS				
BOTTOM-HOLE LOCATION		34-2200 FNL, 10 FEL, or Unit H1		COUNTY	LEA		DEPTH (TVD/DTM)				
							9,320' TVD/23,320' MD				
							STATE NM				
PROJECT DESCRIPTION											
Drilling, Completion & Facilities costs for PBEX 2.5-mile lateral											
ACCT. CODE				DESCRIPTION OF EXPENDITURE						COST ESTIMATE	
IDC	ICC	TDC	TCC					DRILLING	COMPLETIONS	FACILITIES	TOTAL
PREFIX 300	500	PREFIX 400	600	WELL INTANGIBLE COSTS							
9201	9301			SURVEY/PERMITS/DAMAGES				\$25,000.00			\$25,000.00
9202	9302			LOCATION & ROAD				\$76,875.00			\$76,875.00
9203				RIG MOVE				\$100,000.00			\$100,000.00
9204				DRILLING - FOOTAGE							\$0.00
9205	9305			DRILLING - DAYWORK				\$750,000.00			\$750,000.00
	9306			COMPLETION/WORKOVER R/G							\$0.00
	9307			COIL TUBING/SNUBBING UNIT					\$300,000.00		\$300,000.00
	9308			SLICKLINE/SWABBING							\$0.00
9209	9309			BITS				\$120,000.00			\$120,000.00
9210	9310			DIRECTIONAL SERVICES				\$232,000.00			\$232,000.00
9211	9311			CASINGS CREW				\$40,000.00			\$40,000.00
9212	9312			TOOL & EQUIPMENT RENTAL				\$95,000.00	\$300,000.00		\$395,000.00
9213	9313			FUEL & POWER				\$120,000.00	\$650,000.00		\$770,000.00
9214				DIESEL - BASE FOR MUD				\$110,000.00			\$110,000.00
9215	9315			MUD LOGGING & GEOLOGIST							\$0.00
9216	9316			DISPOSAL, RESTORATION & BACKFILL				\$90,000.00			\$90,000.00
9217	9317			TRUCKING				\$40,000.00	\$60,000.00		\$100,000.00
	9318			TESTING							\$0.00
9219	9319			CEMENTING				\$200,000.00			\$200,000.00
9220	9320			PERFORATING					\$245,000.00		\$245,000.00
	9321			CASED HOLE LOGS							\$0.00
9222	9322			DOWNHOLE TOOLS & SERVICE				\$40,000.00	\$75,000.00		\$115,000.00
9223	9323			SCIENCE & DIAGNOSTICS							\$0.00
	9324			FORMATION STIMULATION					\$1,600,000.00		\$1,600,000.00
9225	9325			CONSULTING SERVICES/SUPERVISION					\$85,000.00		\$85,000.00
9226	9326			CONTRACT LABOR / SERVICES				\$122,000.00	\$100,000.00		\$222,000.00
9227	9327			OTHER LABOR				\$25,000.00			\$25,000.00
9228	9328			OVERHEAD							\$0.00
9229	9329			WATER - FRESH				\$50,000.00	\$700,000.00		\$750,000.00
9230	9330			FLUIDS & CHEMICALS				\$150,000.00	\$575,000.00		\$725,000.00
9231	9331			CORING & ANALYSIS							\$0.00
9232	9332			COMMUNICATIONS				\$10,000.00	\$10,000.00		\$20,000.00
9233	9333			BOP TESTING				\$28,000.00	\$10,000.00		\$38,000.00
9234	9334			CO2/NITROGEN							\$0.00
9235	9335			FISHING TOOLS & SERVICES							\$0.00
9236	9336			INSPECTIONS				\$20,000.00			\$20,000.00
9237				WIRELINE SERVICES							\$0.00
9238	9338			ENGINEERING & GEOLOGY - FIELD							\$0.00
9239	9339			ENGINEERING & GEOLOGY - OFFICE							\$0.00
9240				MULTISHOT & GYRO							\$0.00
9241				RE-ENTRY SERVICES							\$0.00
9242	9342			CAMPS & TRAILERS				\$52,000.00	\$40,000.00		\$92,000.00
9243	9343			SAFETY EQUIPMENT & H2S				\$10,000.00	\$5,000.00		\$15,000.00
9244				CONTINGENCY							\$0.00
9245	9345			INSURANCE					\$2,000.00		\$2,000.00
9246	9346			MISCELLANEOUS				\$97,672.00			\$97,672.00
9247	9347			OUTSIDE OPERATED							\$0.00
9248	9348			SAND					\$525,000.00		\$525,000.00
9249	9349			SAND LOGISTICS					\$525,000.00		\$525,000.00
9250	9350			VACUUM TRUCK							\$0.00
9251	9351			WATER - BRINE							\$0.00
	9360			FACILITY TRUCKING						\$100,000.00	\$100,000.00
				FACILITY VACUUM TRUCK							\$0.00
9361				FACILITY CONSULTING SER./SUPERVISION						\$100,000.00	\$100,000.00
9424				FACILITY CONTRACT LABOR / SER.						\$300,000.00	\$300,000.00
9356				FACILITY SURFACE RENTAL							\$0.00
				SIM-OPS							\$0.00
<b>TOTAL WELL INTANGIBLE COSTS</b>							<b>\$2,603,547.00</b>	<b>\$5,807,000.00</b>	<b>\$500,000.00</b>	<b>\$8,910,547.00</b>	
WELL TANGIBLE COSTS											
	9401			CASING - CONDUCTOR				\$40,000.00			\$40,000.00
	9402			CASING - SURFACE				\$76,453.00			\$76,453.00
	9403			CASING - SALT STRING				\$0.00			\$0.00
	9404			CASING - INTERMEDIATE				\$300,000.00			\$300,000.00
	9405			CASING - PRODUCTION / LINER				\$650,000.00			\$650,000.00
	9406			SUBSURFACE EQUIPMENT							\$0.00
	9407			PRODUCTION TUBING					\$150,000.00		\$150,000.00
	9408			SUBSURFACE PUMPING EQUIPMENT							\$0.00
	9409			WELLHEAD EQUIPMENT				\$60,000.00			\$60,000.00
	9410			FLOWLINES					\$150,000.00		\$150,000.00
	9411			SURFACE PUMPING EQUIPMENT							\$0.00
	9412			LINER HANGER & ASSOC EQUIP							\$0.00
	9413			VALVES & FITTINGS					\$200,000.00		\$200,000.00
	9414			INSTURMENTATION & ELECTRICAL					\$200,000.00		\$200,000.00
	9415			RODS							\$0.00
	9416			TRUCKING							\$0.00
	9417			RE-ENTRY EQUIPMENT							\$0.00
	9418			PRODUCTION EQUIPMENT					\$300,000.00		\$300,000.00
	9419			MISCELLANEOUS							\$0.00
	9420			OUTSIDE OPERATED							\$0.00
	9421			TANGIBLE EQUIP-ACQUISITIONS							\$0.00
<b>TOTAL TANGIBLE COSTS</b>							<b>\$1,146,453.00</b>	<b>\$150,000.00</b>	<b>\$850,000.00</b>	<b>\$2,146,453.00</b>	
TOTAL ESTIMATED WELL COST							DRILLING	COMPLETIONS	FACILITIES	TOTAL	
							<b>\$3,750,000.00</b>	<b>\$5,957,000.00</b>	<b>\$1,350,000.00</b>	<b>\$11,057,000.00</b>	

PREPARED BY: Alex Bourland & Aaron Cattle DATE: 9/17/2024  
 OPERATOR APPROVAL: \_\_\_\_\_ DATE: \_\_\_\_\_  
 OPERATOR APPROVAL: \_\_\_\_\_ DATE: \_\_\_\_\_

PARTNER COMPANY NAME: Chevron USA DATE: 08/26/2025  
 PARTNER APPROVAL: Andrew M. Armpriester  
 TITLE: General Manager, North America Non-Operated Joint Venture and Royalty

The costs of this AFE are estimates only. Participants in this project agree to pay their proportionate share of the actual costs.

**PBEX OPERATIONS LLC  
AUTHORIZATION FOR EXPENDITURE  
223 W. Wall St Suite 900  
Midland, TX 79701**

WELL NAME	Bond 32-34 Fed Com 301H	AFE TYPE	Development	AFE NUMBER	
LATERAL LOCATION	Section 32, 33 & 34 of 18S 32E	FIELD	Northern Delaware	PROPERTY NUMBER	
SURFACE LOCATION	32- 1726 FNL, 2405 FWL (or Unit F)	FORMATION	3BSS	DRILLING DAYS	25
BOTTOM-HOLE LOCATION	34- 1840 FNL, 10 FEL (or Unit H)	COUNTY	LEA	DEPTH (TVD/TMD)	10150' TVD/ 24150' MD
				STATE	NM

PROJECT DESCRIPTION: Drilling, Completion & Facilities costs for PBEX 2.5-mile lateral

ACCT. CODE				DESCRIPTION OF EXPENDITURE	COST ESTIMATE			
IDC	ICC	TDC	TCC		DRILLING	COMPLETIONS	FACILITIES	TOTAL
PREFIX 300	500	PREFIX 400	600	WELL INTANGIBLE COSTS				
9201	9301			SURVEY/PERMITS/DAMAGES	\$25,000.00			\$25,000.00
9202	9302			LOCATION & ROAD	\$76,875.00			\$76,875.00
9203				RIG MOVE	\$100,000.00			\$100,000.00
9204				DRILLING - FOOTAGE				\$0.00
9205	9305			DRILLING - DAYWORK	\$750,000.00			\$750,000.00
	9306			COMPLETION/WORKOVER RIG				\$0.00
	9307			COIL TUBING/SNUBBING UNIT		\$300,000.00		\$300,000.00
	9308			SLICKLINE/SWABBING				\$0.00
9209	9309			BITS	\$120,000.00			\$120,000.00
9210	9310			DIRECTIONAL SERVICES	\$232,000.00			\$232,000.00
9211	9311			CASING CREW	\$40,000.00			\$40,000.00
9212	9312			TOOL & EQUIPMENT RENTAL	\$95,000.00	\$300,000.00		\$395,000.00
9213	9313			FUEL & POWER	\$120,000.00	\$650,000.00		\$770,000.00
9214				DIESEL - BASE FOR MUD	\$110,000.00			\$110,000.00
9215	9315			MJD LOGGING & GEOLOGIST				\$0.00
9216	9316			DISPOSAL, RESTORATION & BACKFILL	\$90,000.00			\$90,000.00
9217	9317			TRUCKING	\$40,000.00	\$60,000.00		\$100,000.00
	9318			TESTING				\$0.00
9219	9319			CEMENTING	\$200,000.00			\$200,000.00
9220	9320			PERFORATING		\$245,000.00		\$245,000.00
	9321			CASED HOLE LOGS				\$0.00
9222	9322			DOWNHOLE TOOLS & SERVICE	\$40,000.00	\$75,000.00		\$115,000.00
9223	9323			SCIENCE & DIAGNOSTICS				\$0.00
	9324			FORMATION STIMULATION		\$1,600,000.00		\$1,600,000.00
9225	9325			CONSULTING SERVICES/SUPERVISION		\$85,000.00		\$85,000.00
9226	9326			CONTRACT LABOR / SERVICES	\$122,000.00	\$100,000.00		\$222,000.00
9227	9327			OTHER LABOR	\$25,000.00			\$25,000.00
9228	9328			OVERHEAD				\$0.00
9229	9329			WATER - FRESH	\$50,000.00	\$700,000.00		\$750,000.00
9230	9330			FLUIDS & CHEMICALS	\$150,000.00	\$575,000.00		\$725,000.00
9231	9331			CORING & ANALYSIS				\$0.00
9232	9332			COMMUNICATIONS	\$10,000.00	\$10,000.00		\$20,000.00
9233	9333			BOP TESTING	\$28,000.00	\$10,000.00		\$38,000.00
9234	9334			CO <sub>2</sub> /NITROGEN				\$0.00
9235	9335			FISHING TOOLS & SERVICES				\$0.00
9236	9336			INSPECTIONS	\$20,000.00			\$20,000.00
9237				WIRELINE SERVICES				\$0.00
9238	9338			ENGINEERING & GEOLOGY - FIELD				\$0.00
9239	9339			ENGINEERING & GEOLOGY - OFFICE				\$0.00
9240				MULTISHOT & GYRO				\$0.00
9241				RE-ENTRY SERVICES				\$0.00
9242	9342			CAMPS & TRAILERS	\$52,000.00	\$40,000.00		\$92,000.00
9243	9343			SAFETY EQUIPMENT & H2S	\$10,000.00	\$5,000.00		\$15,000.00
9244				CONTINGENCY				\$0.00
9245	9345			INSURANCE		\$2,000.00		\$2,000.00
9246	9346			MISCELLANEOUS	\$97,672.00			\$97,672.00
9247	9347			OUTSIDE OPERATED				\$0.00
9248	9348			SAND		\$525,000.00		\$525,000.00
9249	9349			SAND LOGISTICS		\$525,000.00		\$525,000.00
9250	9350			VACUUM TRUCK				\$0.00
9251	9351			WATER - BRINE				\$0.00
	9380			FACILITY TRUCKING			\$100,000.00	\$100,000.00
				FACILITY VACUUM TRUCK				\$0.00
9381				FACILITY CONSULTING SER./SUPERVISION			\$100,000.00	\$100,000.00
9422				FACILITY CONTRACT LABOR / SER			\$300,000.00	\$300,000.00
9356				FACILITY SURFACE RENTAL				\$0.00
				SIM-OPS				\$0.00
				<b>TOTAL WELL INTANGIBLE COSTS</b>	<b>\$2,603,547.00</b>	<b>\$5,807,000.00</b>	<b>\$500,000.00</b>	<b>\$8,910,547.00</b>

				WELL TANGIBLE COSTS				
IDC	ICC	TDC	TCC	DESCRIPTION OF EXPENDITURE	DRILLING	COMPLETIONS	FACILITIES	TOTAL
	9401			CASING - CONDUCTOR	\$40,000.00			\$40,000.00
	9402			CASING - SURFACE	\$76,453.00			\$76,453.00
	9403			CASING - SALT STRING	\$0.00			\$0.00
	9404			CASING - INTERMEDIATE	\$300,000.00			\$300,000.00
	9405			CASING - PRODUCTION / LINER	\$650,000.00			\$650,000.00
	9406			SUBSURFACE EQUIPMENT				\$0.00
	9407			PRODUCTION TUBING		\$150,000.00		\$150,000.00
	9408			SUBSURFACE PUMPING EQUIPMENT				\$0.00
	9409			WELLHEAD EQUIPMENT	\$80,000.00			\$80,000.00
	9410			FLOWLINES			\$150,000.00	\$150,000.00
	9411			SURFACE PUMPING EQUIPMENT				\$0.00
	9412			LINER HANGER & ASSOC EQUIP				\$0.00
	9413			VALVES & FITTINGS			\$200,000.00	\$200,000.00
	9414			INSTURMENTATION & ELECTRICAL			\$200,000.00	\$200,000.00
	9415			RODS				\$0.00
	9416			TRUCKING				\$0.00
	9417			RE-ENTRY EQUIPMENT				\$0.00
	9418			PRODUCTION EQUIPMENT			\$300,000.00	\$300,000.00
	9419			MISCELLANEOUS				\$0.00
	9420			OUTSIDE OPERATED				\$0.00
	9421			TANGIBLE EQUIP-ACQUISITIONS				\$0.00
				<b>TOTAL TANGIBLE COSTS</b>	<b>\$1,146,453.00</b>	<b>\$150,000.00</b>	<b>\$850,000.00</b>	<b>\$2,146,453.00</b>

<b>TOTAL ESTIMATED WELL COST</b>					<b>\$3,750,000.00</b>	<b>\$5,957,000.00</b>	<b>\$1,350,000.00</b>	<b>\$11,057,000.00</b>
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PREPARED BY: Alex Bourland & Aaron Cattie DATE: 9/17/2024  
 OPERATOR APPROVAL: \_\_\_\_\_ DATE: \_\_\_\_\_  
 OPERATOR APPROVAL: \_\_\_\_\_ DATE: \_\_\_\_\_

PARTNER COMPANY NAME: Chevron DATE: 08/26/2025  
 PARTNER APPROVAL: Andrew M. Armpriester  
 TITLE: General Manager, North America Non-Operated Joint Venture and Royalty


The costs of this AFE are estimates only. Participants in this project agree to pay their proportionate share of the actual costs.

WELL NAME		BOND 33-94 FED COM 207H		AFE TYPE	Development	AFE NUMBER					
LATERAL LOCATION		Section 33 & 34 of 185 32E		FIELD	Northern Delaware	PROPERTY NUMBER					
SURFACE LOCATION		32: 2000 FSL, 1165 FEL (or Unit I)		FORMATION	2BSS	DRILLING DAYS	25				
BOTTOM-HOLE LOCATION		34: 1630 FSL, 10 FEL (or Unit I)		COUNTY	LEA	DEPTH (TVD/TMD)	9 320' TVD/ 20 680' MD				
PROJECT DESCRIPTION		Drilling, Completion & Facilities costs for PBEX 2 mile lateral						STATE	NM		
ACCT. CODE				DESCRIPTION OF EXPENDITURE				COST ESTIMATE			
IDC	ICC	TDC	TCC					DRILLING	COMPLETIONS	FACILITIES	TOTAL
PREFIX 300	500	PREFIX 400	600	WELL INTANGIBLE COSTS							
9201	9301			SURVEY/PERMITS/DAMAGES				\$25,000.00			\$25,000.00
9202	9302			LOCATION & ROAD				\$76,875.00			\$76,875.00
9203				RIG MOVE				\$75,000.00			\$75,000.00
9204				DRILLING - FOOTAGE							\$0.00
9205	9305			DRILLING - DAYWORK				\$500,000.00			\$500,000.00
	9306			COMPLETION/WORKOVER RIG							\$0.00
	9307			COIL TUBING/SNUBBING UNIT					\$250,000.00		\$250,000.00
	9308			SLICKLINE/SWABBING							\$0.00
9209	9309			BITS				\$50,000.00			\$50,000.00
9210	9310			DIRECTIONAL SERVICES				\$250,000.00			\$250,000.00
9211	9311			CASING CREW				\$50,000.00			\$50,000.00
9212	9312			TOOL & EQUIPMENT RENTAL				\$95,000.00	\$275,000.00		\$370,000.00
9213	9313			FUEL & POWER				\$200,000.00	\$525,000.00		\$725,000.00
9214				DIESEL - BASE FOR MUD				\$125,000.00			\$125,000.00
9215	9315			MUD LOGGING & GEOLOGIST							\$0.00
9216	9316			DISPOSAL RESTORATION & BACKFILL				\$100,000.00			\$100,000.00
9217	9317			TRUCKING				\$40,000.00	\$50,000.00		\$90,000.00
	9318			TESTING							\$0.00
9219	9319			CEMENTING				\$200,000.00			\$200,000.00
9220	9320			PERFORATING					\$200,000.00		\$200,000.00
	9321			CASED HOLE LOGS							\$0.00
9222	9322			DOWNHOLE TOOLS & SERVICE				\$40,000.00	\$60,000.00		\$100,000.00
9223	9323			SCIENCE & DIAGNOSTICS							\$0.00
	9324			FORMATION STIMULATION					\$1,100,000.00		\$1,100,000.00
9225	9325			CONSULTING SERVICES/SUPERVISION					\$75,000.00		\$75,000.00
9226	9326			CONTRACT LABOR / SERVICES				\$100,000.00	\$90,000.00		\$190,000.00
9227	9327			OTHER LABOR				\$20,000.00			\$20,000.00
9228	9328			OVERHEAD							\$0.00
9229	9329			WATER - FRESH				\$100,000.00	\$500,000.00		\$600,000.00
9230	9330			FLUIDS & CHEMICALS				\$200,000.00	\$375,000.00		\$575,000.00
9231	9331			CORING & ANALYSIS							\$0.00
9232	9332			COMMUNICATIONS				\$10,000.00	\$10,000.00		\$20,000.00
9233	9333			BOP TESTING				\$28,000.00	\$10,000.00		\$38,000.00
9234	9334			CO2/NITROGEN							\$0.00
9235	9335			FISHING TOOLS & SERVICES							\$0.00
9236	9336			INSPECTIONS				\$20,000.00			\$20,000.00
9237				WIRELINE SERVICES							\$0.00
9238	9338			ENGINEERING & GEOLOGY - FIELD							\$0.00
9239	9339			ENGINEERING & GEOLOGY - OFFICE							\$0.00
9240				MULTISHOT & GYRO							\$0.00
9241				RE-ENTRY SERVICES							\$0.00
9242	9342			CAMPS & TRAILERS				\$30,000.00	\$40,000.00		\$70,000.00
9243	9343			SAFETY EQUIPMENT & H2S				\$10,000.00	\$5,000.00		\$15,000.00
9244				CONTINGENCY							\$0.00
9245	9345			INSURANCE					\$2,000.00		\$2,000.00
9246	9346			MISCELLANEOUS				\$120,000.00			\$120,000.00
9247	9347			OUTSIDE OPERATED							\$0.00
9248	9348			SAND					\$400,000.00		\$400,000.00
9249	9349			SAND LOGISTICS					\$400,000.00		\$400,000.00
9250	9350			VACUUM TRUCK							\$0.00
9251	9351			WATER - BRINE							\$0.00
	9360			FACILITY TRUCKING							\$0.00
				FACILITY VACUUM TRUCK							\$0.00
	9361			FACILITY CONSULTING SER./SUPERVISION						\$100,000.00	\$100,000.00
	9424			FACILITY CONTRACT LABOR / SER.						\$100,000.00	\$100,000.00
	9356			FACILITY SURFACE RENTAL							\$0.00
				SIM-OPS							\$0.00
<b>TOTAL WELL INTANGIBLE COSTS</b>							<b>\$2,464,875.00</b>	<b>\$4,367,000.00</b>	<b>\$200,000.00</b>	<b>\$7,031,875.00</b>	
<b>WELL TANGIBLE COSTS</b>											
		9401		CASING - CONDUCTOR				\$40,000.00			\$40,000.00
		9402		CASING - SURFACE				\$76,453.00			\$76,453.00
		9403		CASING - SALT STRING				\$0.00			\$0.00
		9404		CASING - INTERMEDIATE				\$300,000.00			\$300,000.00
		9405		CASING - PRODUCTION / LINER				\$650,000.00			\$650,000.00
		9406		SUBSURFACE EQUIPMENT							\$0.00
		9407		PRODUCTION TUBING					\$150,000.00		\$150,000.00
		9408		SUBSURFACE PUMPING EQUIPMENT							\$0.00
		9409		WELLHEAD EQUIPMENT				\$100,000.00			\$100,000.00
		9410		FLOWLINES						\$150,000.00	\$150,000.00
		9411		SURFACE PUMPING EQUIPMENT							\$0.00
		9412		LINER HANGER & ASSOC EQUIP							\$0.00
		9413		VALVES & FITTINGS					\$200,000.00		\$200,000.00
		9414		INSTURMENTATION & ELECTRICAL					\$200,000.00		\$200,000.00
		9415		RODS							\$0.00
		9416		TRUCKING							\$0.00
		9417		RE-ENTRY EQUIPMENT							\$0.00
		9418		PRODUCTION EQUIPMENT					\$400,000.00		\$400,000.00
		9419		MISCELLANEOUS							\$0.00
		9420		OUTSIDE OPERATED							\$0.00
		9421		TANGIBLE EQUIP-ACQUISITIONS							\$0.00
<b>TOTAL TANGIBLE COSTS</b>							<b>\$1,166,453.00</b>	<b>\$150,000.00</b>	<b>\$950,000.00</b>	<b>\$2,266,453.00</b>	
<b>TOTAL ESTIMATED WELL COST</b>							<b>\$3,631,328.00</b>	<b>\$4,517,000.00</b>	<b>\$1,150,000.00</b>	<b>\$9,298,328.00</b>	

PREPARED BY: Alex Bourland & Aaron Cattle DATE: 9/17/2024  
 OPERATOR APPROVAL: \_\_\_\_\_ DATE: \_\_\_\_\_  
 OPERATOR APPROVAL: \_\_\_\_\_ DATE: \_\_\_\_\_

PARTNER COMPANY NAME: Chevron USA DATE: 08/26/2025  
 PARTNER APPROVAL: Andrew M. Armppriester  
 TITLE: General Manager, North America Non-Operated Joint Venture and Royalty

The costs of this AFE are estimates only. Participants in this project agree to pay their proportionate share of the actual costs.

 <b>PBEX LLC</b> <b>AUTHORIZATION FOR EXPENDITURE</b> 223 W Wall St. 1 Midland, TX 79701												
WELL NAME		Bond 33-34 Fed Com 211H		AFE TYPE	Development <th colspan="2">AFE NUMBER</th> <td></td>		AFE NUMBER					
LATERAL LOCATION		Section 33 & 34 of 185 32E		FIELD	Northern Delaware		PROPERTY NUMBER					
SURFACE LOCATION		32: 1980 FSL, 1165 FEL (or Unit I)		FORMATION	2B55		DRILLING DAYS		25			
BOTTOM-HOLE LOCATION		34: 330 FSL - 10 FEL (or Unit P)		COUNTY	LEA		DEPTH (TVD/TMD)		9,320' TVD/ 20660' MD			
PROJECT DESCRIPTION		Drilling, Completion & Facilities costs for PBEX 2 mile lateral								STATE	NM	
ACCT. CODE				DESCRIPTION OF EXPENDITURE				COST ESTIMATE				
IDC	ICC	TDC	TCC					DRILLING	COMPLETIONS	FACILITIES	TOTAL	
PREFIX	500	PREFIX	400	600								
300		400		600	WELL INTANGIBLE COSTS							
9201	9301				SURVEY/PERMITS/DAMAGES			\$25,000.00			\$25,000.00	
9202	9302				LOCATION & ROAD			\$76,875.00			\$76,875.00	
9203					RIG MOVE			\$75,000.00			\$75,000.00	
9204					DRILLING - FOOTAGE						\$0.00	
9205	9305				DRILLING - DAYWORK			\$500,000.00			\$500,000.00	
	9306				COMPLETION/WORKOVER RIG						\$0.00	
	9307				COIL TUBING/SNUBBING UNIT				\$250,000.00		\$250,000.00	
	9308				SLICKLINE/SWABBING						\$0.00	
9209	9309				BITS			\$50,000.00			\$50,000.00	
9210	9310				DIRECTIONAL SERVICES			\$250,000.00			\$250,000.00	
9211	9311				CASING CREW			\$50,000.00			\$50,000.00	
9212	9312				TOOL & EQUIPMENT RENTAL			\$85,000.00	\$275,000.00		\$370,000.00	
9213	9313				FUEL & POWER			\$200,000.00	\$525,000.00		\$725,000.00	
9214					DIESEL - BASE FOR MUD			\$125,000.00			\$125,000.00	
9215	9315				MUD LOGGING & GEOLOGIST						\$0.00	
9216	9316				DISPOSAL RESTORATION & BACKFILL			\$100,000.00			\$100,000.00	
9217	9317				TRUCKING			\$40,000.00	\$50,000.00		\$90,000.00	
	9318				TESTING						\$0.00	
9219	9319				CEMENTING			\$200,000.00			\$200,000.00	
9220	9320				PERFORATING				\$200,000.00		\$200,000.00	
	9321				CASED HOLE LOGS						\$0.00	
9222	9322				DOWNHOLE TOOLS & SERVICE			\$40,000.00	\$60,000.00		\$100,000.00	
9223	9323				SCIENCE & DIAGNOSTICS						\$0.00	
	9324				FORMATION STIMULATION				\$1,100,000.00		\$1,100,000.00	
9226	9326				CONSULTING SERVICE/SUPERVISION				\$75,000.00		\$75,000.00	
9226	9326				CONTRACT LABOR / SERVICES			\$100,000.00	\$90,000.00		\$190,000.00	
9227	9327				OTHER LABOR			\$20,000.00			\$20,000.00	
9228	9328				OVERHEAD						\$0.00	
9229	9329				WATER - FRESH			\$100,000.00	\$500,000.00		\$600,000.00	
9230	9330				FLUIDS & CHEMICALS			\$200,000.00	\$375,000.00		\$575,000.00	
9231	9331				CORING & ANALYSIS						\$0.00	
9232	9332				COMMUNICATIONS			\$10,000.00	\$10,000.00		\$20,000.00	
9233	9333				BOP TESTING			\$28,000.00	\$10,000.00		\$38,000.00	
9234	9334				CO2/NITROGEN						\$0.00	
9235	9335				FISHING TOOLS & SERVICES						\$0.00	
9236	9336				INSPECTIONS			\$20,000.00			\$20,000.00	
9237					WIRELINE SERVICES						\$0.00	
9238	9338				ENGINEERING & GEOLOGY - FIELD						\$0.00	
9239	9339				ENGINEERING & GEOLOGY - OFFICE						\$0.00	
9240					MULTISHOT & GYRO						\$0.00	
9241					RE-ENTRY SERVICES						\$0.00	
9242	9342				CAMPS & TRAILERS			\$30,000.00	\$40,000.00		\$70,000.00	
9243	9343				SAFETY EQUIPMENT & H2S			\$10,000.00	\$5,000.00		\$15,000.00	
9244					CONTINGENCY						\$0.00	
9245	9345				INSURANCE				\$2,000.00		\$2,000.00	
9246	9346				MISCELLANEOUS			\$120,000.00			\$120,000.00	
9247	9347				OUTSIDE OPERATED						\$0.00	
9248	9348				SAND				\$400,000.00		\$400,000.00	
9249	9349				SAND LOGISTICS				\$400,000.00		\$400,000.00	
9250	9350				VACUUM TRUCK						\$0.00	
9251	9351				WATER - BRINE						\$0.00	
	9360				FACILITY TRUCKING						\$0.00	
					FACILITY VACUUM TRUCK						\$0.00	
	9361				FACILITY CONSULTING SER/SUPERVISION					\$100,000.00	\$100,000.00	
	9424				FACILITY CONTRACT LABOR / SER.					\$100,000.00	\$100,000.00	
	9356				FACILITY SURFACE RENTAL						\$0.00	
					SIM-OPS						\$0.00	
<b>TOTAL WELL INTANGIBLE COSTS</b>								<b>\$2,464,875.00</b>	<b>\$4,367,000.00</b>	<b>\$200,000.00</b>	<b>\$7,031,875.00</b>	
WELL TANGIBLE COSTS												
	9401				CASING - CONDUCTOR			\$40,000.00			\$40,000.00	
	9402				CASING - SURFACE			\$76,453.00			\$76,453.00	
	9403				CASING - SALT STRING			\$0.00			\$0.00	
	9404				CASING - INTERMEDIATE			\$300,000.00			\$300,000.00	
	9405				CASING - PRODUCTION / LINER			\$650,000.00			\$650,000.00	
		9406			SUBSURFACE EQUIPMENT						\$0.00	
		9407			PRODUCTION TUBING				\$150,000.00		\$150,000.00	
		9408			SUBSURFACE PUMPING EQUIPMENT						\$0.00	
		9409			WELLHEAD EQUIPMENT			\$100,000.00			\$100,000.00	
		9410			FLOWLINES					\$150,000.00	\$150,000.00	
		9411			SURFACE PUMPING EQUIPMENT						\$0.00	
		9412			LINER HANGER & ASSOC EQUIP						\$0.00	
		9413			VALVES & FITTINGS					\$200,000.00	\$200,000.00	
		9414			INSTURMENTATION & ELECTRICAL					\$200,000.00	\$200,000.00	
		9415			RODS						\$0.00	
		9416			TRUCKING						\$0.00	
		9417			RE-ENTRY EQUIPMENT						\$0.00	
		9418			PRODUCTION EQUIPMENT					\$400,000.00	\$400,000.00	
		9419			MISCELLANEOUS						\$0.00	
		9420			OUTSIDE OPERATED						\$0.00	
		9421			TANGIBLE EQUIP-ACQUISITIONS						\$0.00	
<b>TOTAL TANGIBLE COSTS</b>								<b>\$1,166,453.00</b>	<b>\$150,000.00</b>	<b>\$950,000.00</b>	<b>\$2,266,453.00</b>	
<b>TOTAL ESTIMATED WELL COST</b>								<b>\$3,631,328.00</b>	<b>\$4,517,000.00</b>	<b>\$1,150,000.00</b>	<b>\$9,298,328.00</b>	

PREPARED BY: Alex Bourland & Aaron Cathey DATE: 9/17/2024

OPERATOR APPROVAL: \_\_\_\_\_ DATE: \_\_\_\_\_

OPERATOR APPROVAL: \_\_\_\_\_ DATE: \_\_\_\_\_

PARTNER COMPANY NAME: Chevron USA DATE: 08/26/2025

PARTNER APPROVAL: Andrew M. Armpriester

TITLE: General Manager, North America Non-Operated Joint Venture and Royalty

The costs of this AFE are estimates only. Participants in this project agree to pay their proportionate share of the actual costs.

PBEX OPERATIONS LLC AUTHORIZATION FOR EXPENDITURE 223 W. Wall St Suite 900 Midland, TX 79701							
WELL NAME	Bons 32-34 Fast Com 101H		AFE TYPE	Development	AFE NUMBER		
LATERAL LOCATION	Section 32, 33, & 34 of 18S 32E		FIELD	Northern Delaware	PROPERTY NUMBER		
SURFACE LOCATION	32, 1726 FNL & 2425 FWL (or Unit F)		FORMATION	18SS	DRILLING DAYS	24	
BOTTOM-HOLE LOCATION	34: 660 FNL & 10 FEL (or Unit A)		COUNTY	LEA	DEPTH (TV D/TMD)	8,450' TVD/ 22,450' MD	
STATE					STATE	NM	
PROJECT DESCRIPTION	Drilling, Completion & Facilities costs for PBEX 2.5-mile lateral						
ACCT. CODE			COST ESTIMATE				
IDC	ICC	TCC	DESCRIPTION OF EXPENDITURE	DRILLING	COMPLETIONS	FACILITIES	TOTAL
PREFIX 300	500	PREFIX 400	600	WELL INTANGIBLE COSTS			
9201	9301		SURVEY/PERMITS/DAMAGES	\$25,000.00			\$25,000.00
9202	9302		LOCATION & ROAD	\$76,875.00			\$76,875.00
9203			RIG MOVE	\$100,000.00			\$100,000.00
9204			DRILLING - FOOTAGE				\$0.00
9205	9305		DRILLING - DAYWORK	\$633,000.00			\$633,000.00
	9306		COMPLETION/WORKOVER RIG				\$0.00
	9307		COIL TUBING/SNUBBING UNIT		\$300,000.00		\$300,000.00
	9308		SLICKLINE/SWABBING				\$0.00
9209	9309		BITS	\$100,000.00			\$100,000.00
9210	9310		DIRECTIONAL SERVICES	\$230,000.00			\$230,000.00
9211	9311		CASING CREW	\$40,000.00			\$40,000.00
9212	9312		TOOL & EQUIPMENT RENTAL	\$105,000.00	\$300,000.00		\$405,000.00
9213	9313		FUEL & POWER	\$130,000.00	\$650,000.00		\$780,000.00
9214			DIESEL - BASE FOR MUD	\$70,000.00			\$70,000.00
9215	9315		MUD LOGGING & GEOLOGIST				\$0.00
9216	9316		DISPOSAL, RESTORATION & BACKFILL	\$90,000.00			\$90,000.00
9217	9317		TRUCKING	\$40,000.00	\$60,000.00		\$100,000.00
	9318		TESTING				\$0.00
9219	9319		CEMENTING	\$190,000.00			\$190,000.00
9220	9320		PERFORATING		\$245,000.00		\$245,000.00
	9321		CASED HOLE LOGS				\$0.00
9222	9322		DOWNHOLE TOOLS & SERVICE	\$40,000.00	\$75,000.00		\$115,000.00
9223	9323		SCIENCE & DIAGNOSTICS				\$0.00
	9324		FORMATION STIMULATION		\$1,600,000.00		\$1,600,000.00
9225	9325		CONSULTING SERVICES/SUPERVISION		\$85,000.00		\$85,000.00
9226	9326		CONTRACT LABOR / SERVICES	\$92,000.00	\$100,000.00		\$192,000.00
9227	9327		OTHER LABOR	\$25,000.00			\$25,000.00
9228	9328		OVERHEAD				\$0.00
9229	9329		WATER - FRESH	\$50,000.00	\$700,000.00		\$750,000.00
9230	9330		FLUIDS & CHEMICALS	\$150,000.00	\$575,000.00		\$725,000.00
9231	9331		FORMING & ANALYSIS				\$0.00
9232	9332		COMMUNICATIONS	\$10,000.00	\$10,000.00		\$20,000.00
9233	9333		BOP TESTING	\$28,000.00	\$10,000.00		\$38,000.00
9234	9334		CO2/NITROGEN				\$0.00
9235	9335		FISHING TOOLS & SERVICES				\$0.00
9236	9336		INSPECTIONS	\$20,000.00			\$20,000.00
9237			WIRELINE SERVICES				\$0.00
9238	9338		ENGINEERING & GEOLOGY - FIELD				\$0.00
9239	9339		ENGINEERING & GEOLOGY - OFFICE				\$0.00
9240			MULTISHOT & GYRO				\$0.00
9241			RE-ENTRY SERVICES				\$0.00
9242	9342		CAMPS & TRAILERS	\$52,000.00	\$40,000.00		\$92,000.00
9243	9343		SAFETY EQUIPMENT & H2S	\$10,000.00	\$5,000.00		\$15,000.00
9244			CONTINGENCY				\$0.00
9245	9345		INSURANCE		\$2,000.00		\$2,000.00
9246	9346		MISCELLANEOUS	\$149,801.87			\$149,801.87
9247	9347		OUTSIDE OPERATED				\$0.00
9248	9348		SAND		\$525,000.00		\$525,000.00
9249	9349		SAND LOGISTICS		\$525,000.00		\$525,000.00
9250	9350		VACUUM TRUCK				\$0.00
9251	9351		WATER - BRINE				\$0.00
	9360		FACILITY TRUCKING			\$100,000.00	\$100,000.00
			FACILITY VACUUM TRUCK				\$0.00
9361			FACILITY CONSULTING SER./SUPERVISION			\$100,000.00	\$100,000.00
9424			FACILITY CONTRACT LABOR / SER.			\$300,000.00	\$300,000.00
9356			FACILITY SURFACE RENTAL				\$0.00
			SIM-OPS				\$0.00
TOTAL WELL INTANGIBLE COSTS				\$2,456,676.87	\$5,807,000.00	\$500,000.00	\$8,763,676.87
WELL TANGIBLE COSTS							
	9401		CASING - CONDUCTOR	\$40,000.00			\$40,000.00
	9402		CASING - SURFACE	\$76,453.13			\$76,453.13
	9403		CASING - SALT STRING	\$0.00			\$0.00
	9404		CASING - INTERMEDIATE	\$303,870.00			\$303,870.00
	9405		CASING - PRODUCTION / LINER	\$643,000.00			\$643,000.00
	9406		SUBSURFACE EQUIPMENT				\$0.00
	9407		PRODUCTION TUBING		\$150,000.00		\$150,000.00
	9408		SUBSURFACE PUMPING EQUIPMENT				\$0.00
	9409		WELLHEAD EQUIPMENT	\$80,000.00			\$80,000.00
	9410		FLOWLINES			\$150,000.00	\$150,000.00
	9411		SURFACE PUMPING EQUIPMENT				\$0.00
	9412		LINER HANGER & ASSOC EQUIP				\$0.00
	9413		VALVES & FITTINGS			\$200,000.00	\$200,000.00
	9414		INSTURMENTATION & ELECTRICAL			\$200,000.00	\$200,000.00
	9415		RODS				\$0.00
	9416		TRUCKING				\$0.00
	9417		RE-ENTRY EQUIPMENT				\$0.00
	9418		PRODUCTION EQUIPMENT			\$300,000.00	\$300,000.00
	9419		MISCELLANEOUS				\$0.00
	9420		OUTSIDE OPERATED				\$0.00
	9421		TANGIBLE EQUIP.ACQUISITIONS				\$0.00
TOTAL TANGIBLE COSTS				\$1,143,323.13	\$150,000.00	\$850,000.00	\$2,143,323.13
TOTAL ESTIMATED WELL COST				\$3,600,000.00	\$5,957,000.00	\$1,350,000.00	\$10,907,000.00

PREPARED BY: Alex Bourland & Aaron Catley DATE: 9/17/2024  
 OPERATOR APPROVAL: \_\_\_\_\_ DATE: \_\_\_\_\_  
 OPERATOR APPROVAL: \_\_\_\_\_ DATE: \_\_\_\_\_

PARTNER COMPANY NAME: Chevron USA DATE: 08/26/2025  
 PARTNER APPROVAL: Andrew M. Armpriester  
 TITLE: General Manager, North America Non-Operated Joint Venture and Royalty

The costs of this AFE are estimates only. Participants in this project agree to pay their proportional share of the actual costs.

PBEX OPERATIONS LLC  
 AUTHORIZATION FOR EXPENDITURE  
 223 W. Wall St Suite 900  
 Midland, TX 79701

WELL NAME	Block 32-34 Fed Com 103H	A/E TYPE	Development	A/E NUMBER	
LATERAL LOCATION	Section 32, 33 & 34 of 18S 32E	FIELD	Northern Delaware	PROPERTY NUMBER	
SURFACE LOCATION	32, 1728 FNL & 2385 FVL (or Unit F)	FORMATION	1BSS	DRILLING DAYS	24
BOTTOM-HOLE LOCATION	34, 2130 FNL & 10 FEL (or Unit H)	COUNTY	LEA	DEPTH (TVD/TMD)	8,450' TVD/ 22,450' MD
PROJECT DESCRIPTION	Drilling, Completion & Facilities costs for PBEX 2.5-mile lateral				
				STATE	NM

ACCT. CODE				DESCRIPTION OF EXPENDITURE	COST ESTIMATE			
IDC	ICC	TDC	TCC		DRILLING	COMPLETIONS	FACILITIES	TOTAL
PREFIX 300	500	PREFIX 400	600	WELL INTANGIBLE COSTS				
9201	9301			SURVEY/PERMITS/DAMAGES	\$25,000.00			\$25,000.00
9202	9302			LOCATION & ROAD	\$76,875.00			\$76,875.00
9203				RIG MOVE	\$100,000.00			\$100,000.00
9204				DRILLING - FOOTAGE				\$0.00
9205	9305			DRILLING - DAYWORK	\$633,000.00			\$633,000.00
	9306			COMPLETION/WORKOVER RIG				\$0.00
	9307			COIL TUBING/SNUBBING UNIT		\$300,000.00		\$300,000.00
	9308			SLICKLINE/SWABBING				\$0.00
9206	9309			BITS	\$100,000.00			\$100,000.00
9210	9310			DIRECTIONAL SERVICES	\$230,000.00			\$230,000.00
9211	9311			CASING CREW	\$40,000.00			\$40,000.00
9212	9312			TOOL & EQUIPMENT RENTAL	\$105,000.00	\$300,000.00		\$405,000.00
9213	9313			FUEL & POWER	\$130,000.00	\$650,000.00		\$780,000.00
9214				DIESEL - BASE FOR MJD	\$70,000.00			\$70,000.00
9215	9315			MJD LOGGING & GEOLOGIST				\$0.00
9216	9316			DISPOSAL RESTORATION & BACKFILL	\$90,000.00			\$90,000.00
9217	9317			TRUCKING	\$40,000.00	\$60,000.00		\$100,000.00
	9318			TESTING				\$0.00
9219	9319			CEMENTING	\$190,000.00			\$190,000.00
9220	9320			PERFORATING		\$245,000.00		\$245,000.00
	9321			CASED HOLE LOGS				\$0.00
9222	9322			DOWNHOLE TOOLS & SERVICE	\$40,000.00	\$75,000.00		\$115,000.00
9223	9323			SCIENCE & DIAGNOSTICS				\$0.00
	9324			FORMATION STIMULATION		\$1,600,000.00		\$1,600,000.00
9225	9325			CONSULTING SERVICES/SUPERVISION		\$85,000.00		\$85,000.00
9226	9326			CONTRACT LABOR / SERVICES	\$92,000.00	\$100,000.00		\$192,000.00
9227	9327			OTHER LABOR	\$25,000.00			\$25,000.00
9228	9328			OVERHEAD				\$0.00
9229	9329			WATER - FRESH	\$50,000.00	\$700,000.00		\$750,000.00
9230	9330			FLUIDS & CHEMICALS	\$150,000.00	\$575,000.00		\$725,000.00
9231	9331			CORING & ANALYSIS				\$0.00
9232	9332			COMMUNICATIONS	\$10,000.00	\$10,000.00		\$20,000.00
9233	9333			BOP TESTING	\$28,000.00	\$10,000.00		\$38,000.00
9234	9334			CO2/NITROGEN				\$0.00
9235	9335			FISHING TOOLS & SERVICES				\$0.00
9236	9336			INSPECTIONS	\$20,000.00			\$20,000.00
9237				WIRELINE SERVICES				\$0.00
9238	9338			ENGINEERING & GEOLOGY - FIELD				\$0.00
9239	9339			ENGINEERING & GEOLOGY - OFFICE				\$0.00
9240				MULTISHOT & GYRO				\$0.00
9241				RE-ENTRY SERVICES				\$0.00
9242	9342			CAMPS & TRAILERS	\$52,000.00	\$40,000.00		\$92,000.00
9243	9343			SAFETY EQUIPMENT & H2S	\$10,000.00	\$5,000.00		\$15,000.00
9244				CONTINGENCY				\$0.00
9245	9345			INSURANCE		\$2,000.00		\$2,000.00
9246	9346			MISCELLANEOUS	\$149,801.87			\$149,801.87
9247	9347			OUTSIDE OPERATED				\$0.00
9248	9348			SAND		\$525,000.00		\$525,000.00
9249	9349			SAND LOGISTICS		\$525,000.00		\$525,000.00
9250	9350			VACUUM TRUCK				\$0.00
9251	9351			WATER - BRINE				\$0.00
	9360			FACILITY TRUCKING			\$100,000.00	\$100,000.00
				FACILITY VACUUM TRUCK				\$0.00
	9361			FACILITY CONSULTING SER /SUPERVISION			\$100,000.00	\$100,000.00
	9424			FACILITY CONTRACT LABOR / SER			\$300,000.00	\$300,000.00
	9366			FACILITY SURFACE RENTAL				\$0.00
				SIM-OPS				\$0.00
<b>TOTAL WELL INTANGIBLE COSTS</b>					<b>\$2,456,676.87</b>	<b>\$5,807,000.00</b>	<b>\$500,000.00</b>	<b>\$8,763,676.87</b>
WELL TANGIBLE COSTS					DRILLING	COMPLETIONS	FACILITIES	TOTAL
9401				CASING - CONDUCTOR	\$40,000.00			\$40,000.00
9402				CASING - SURFACE	\$76,453.13			\$76,453.13
9403				CASING - SALT STRING	\$0.00			\$0.00
9404				CASING - INTERMEDIATE	\$303,870.00			\$303,870.00
9405				CASING - PRODUCTION / LINER	\$643,000.00			\$643,000.00
	9406			SUBSURFACE EQUIPMENT				\$0.00
	9407			PRODUCTION TUBING		\$150,000.00		\$150,000.00
	9408			SUBSURFACE PUMPING EQUIPMENT				\$0.00
	9409			WELLHEAD EQUIPMENT	\$80,000.00			\$80,000.00
	9410			FLOWLINES			\$150,000.00	\$150,000.00
	9411			SURFACE PUMPING EQUIPMENT				\$0.00
	9412			LINER HANGER & ASSOC EQUIP				\$0.00
	9413			VALVES & FITTINGS			\$200,000.00	\$200,000.00
	9414			INSTURMENTATION & ELECTRICAL			\$200,000.00	\$200,000.00
	9415			TOOLS				\$0.00
	9416			TRUCKING				\$0.00
	9417			RE-ENTRY EQUIPMENT				\$0.00
	9418			PRODUCTION EQUIPMENT			\$300,000.00	\$300,000.00
	9419			MISCELLANEOUS				\$0.00
	9420			OUTSIDE OPERATED				\$0.00
	9421			TANGIBLE EQUIP-ACQUISITIONS				\$0.00
<b>TOTAL TANGIBLE COSTS</b>					<b>\$1,143,323.13</b>	<b>\$150,000.00</b>	<b>\$850,000.00</b>	<b>\$2,143,323.13</b>
<b>TOTAL ESTIMATED WELL COST</b>					<b>\$3,600,000.00</b>	<b>\$5,957,000.00</b>	<b>\$1,350,000.00</b>	<b>\$10,907,000.00</b>

PREPARED BY: Alex Bourland & Aaron Cattle DATE: 9/17/2024  
 OPERATOR APPROVAL: \_\_\_\_\_ DATE: \_\_\_\_\_  
 OPERATOR APPROVAL: \_\_\_\_\_ DATE: \_\_\_\_\_

PARTNER COMPANY NAME: Chevron USA DATE: 08/26/2025  
 PARTNER APPROVAL: Andrew M. Armpriester  
 TITLE: General Manager, North America Non-Operated Joint Venture and Royalty

The costs of this AFE are estimates only. Participants in this project agree to pay their proportionate share of the actual costs.

PBEX LLC AUTHORIZATION FOR EXPENDITURE 223 W Wall St., Midland, TX 79701											
WELL NAME		Bond 33-34 Fed Com 104H		AFE TYPE		Development		AFE NUMBER			
LATERAL LOCATION		Section 33, & 34 of 18S 32E		FIELD		Northern Delaware		PROPERTY NUMBER			
SURFACE LOCATION		32-1680 FSL, 1165 FEL (or Unit I)		FORMATION		1BSS		DRILLING DAYS			
BOTTOM-HOLE LOCATION		34-1640 FSL, 10 FEL (or Unit I)		COUNTY		LEA		DEPTH (TVD/TMD)			
								STATE		8450 TVD / 19810 MD	
PROJECT DESCRIPTION											
Drilling, Completion & Facilities costs for PBEX 2 mile lateral											
ACCT. CODE				DESCRIPTION OF EXPENDITURE				COST ESTIMATE			
IDC	ICC	TDC	TCC					DRILLING	COMPLETIONS	FACILITIES	TOTAL
PREFIX 300	500	PREFIX 400	600	WELL INTANGIBLE COSTS							
9201	9301			SURVEY/PERMITS/DAMAGES				\$25,000.00			\$25,000.00
9202	9302			LOCATION & ROAD				\$76,875.00			\$76,875.00
9203				RIG MOVE				\$75,000.00			\$75,000.00
9204				DRILLING - FOOTAGE							\$0.00
9205	9305			DRILLING - DAYWORK				\$500,000.00			\$500,000.00
	9306			COMPLETION/WORKOVER RIG							\$0.00
	9307			COIL TUBING/SNLUBBING UNIT					\$250,000.00		\$250,000.00
	9308			SLICKLINE/SWABBING							\$0.00
9209	9309			BITS				\$50,000.00			\$50,000.00
9210	9310			DIRECTIONAL SERVICES				\$250,000.00			\$250,000.00
9211	9311			CASING CREW				\$50,000.00			\$50,000.00
9212	9312			TOOL & EQUIPMENT RENTAL				\$95,000.00	\$275,000.00		\$370,000.00
9213	9313			FUEL & POWER				\$200,000.00	\$925,000.00		\$725,000.00
9214				DIESEL - BASE FOR MUD				\$125,000.00			\$125,000.00
9215	9315			MUD LOGGING & GEOLOGIST							\$0.00
9216	9316			DISPOSAL, RESTORATION & BACKFILL				\$100,000.00			\$100,000.00
9217	9317			TRUCKING				\$40,000.00	\$50,000.00		\$90,000.00
	9318			TESTING							\$0.00
9219	9319			CEMENTING				\$200,000.00			\$200,000.00
9220	9320			PERFORATING					\$200,000.00		\$200,000.00
	9321			CASED HOLE LOGS							\$0.00
9222	9322			DOWNHOLE TOOLS & SERVICE				\$40,000.00	\$60,000.00		\$100,000.00
9223	9323			SCIENCE & DIAGNOSTICS							\$0.00
	9324			FORMATION STIMULATION					\$1,100,000.00		\$1,100,000.00
9225	9325			CONSULTING SERVICES/SUPERVISION					\$75,000.00		\$75,000.00
9226	9326			CONTRACT LABOR / SERVICES				\$100,000.00	\$90,000.00		\$190,000.00
9227	9327			OTHER LABOR				\$20,000.00			\$20,000.00
9228	9328			OVERHEAD							\$0.00
9229	9329			WATER - FRESH				\$100,000.00	\$500,000.00		\$600,000.00
9230	9330			FLUIDS & CHEMICALS				\$200,000.00	\$375,000.00		\$575,000.00
9231	9331			CORING & ANALYSIS							\$0.00
9232	9332			COMMUNICATIONS				\$10,000.00	\$10,000.00		\$20,000.00
9233	9333			BOP TESTING				\$28,000.00	\$10,000.00		\$38,000.00
9234	9334			CO2/NITROGEN							\$0.00
9235	9335			FISHING TOOLS & SERVICES							\$0.00
9236	9336			INSPECTIONS				\$20,000.00			\$20,000.00
9237				WIRELINE SERVICES							\$0.00
9238	9338			ENGINEERING & GEOLOGY - FIELD							\$0.00
9239	9339			ENGINEERING & GEOLOGY - OFFICE							\$0.00
9240				MULTISHOT & GYRO							\$0.00
9241				RE-ENTRY SERVICES							\$0.00
9242	9342			CAMPS & TRAILERS				\$30,000.00	\$40,000.00		\$70,000.00
9243	9343			SAFETY EQUIPMENT & H2S				\$10,000.00	\$5,000.00		\$15,000.00
9244				CONTINGENCY							\$0.00
9245	9345			INSURANCE					\$2,000.00		\$2,000.00
9246	9346			MISCELLANEOUS				\$120,000.00			\$120,000.00
9247	9347			OUTSIDE OPERATED							\$0.00
9248	9348			SAND					\$400,000.00		\$400,000.00
9249	9349			SAND LOGISTICS					\$400,000.00		\$400,000.00
9250	9350			VACUUM TRUCK							\$0.00
9251	9351			WATER - BRINE							\$0.00
	9360			FACILITY TRUCKING							\$0.00
				FACILITY VACUUM TRUCK							\$0.00
	9361			FACILITY CONSULTING SER./SUPERVISION						\$100,000.00	\$100,000.00
	9424			FACILITY CONTRACT LABOR / SER.						\$100,000.00	\$100,000.00
	9356			FACILITY SURFACE RENTAL							\$0.00
				SIM-OPS							\$0.00
<b>TOTAL WELL INTANGIBLE COSTS</b>							<b>\$2,464,875.00</b>	<b>\$4,367,000.00</b>	<b>\$200,000.00</b>	<b>\$7,031,875.00</b>	
WELL TANGIBLE COSTS											
	9401			CASING - CONDUCTOR				\$40,000.00			\$40,000.00
	9402			CASING - SURFACE				\$76,453.00			\$76,453.00
	9403			CASING - SALT STRING				\$0.00			\$0.00
	9404			CASING - INTERMEDIATE				\$300,000.00			\$300,000.00
	9405			CASING - PRODUCTION / LINER				\$650,000.00			\$650,000.00
		9406		SUBSURFACE EQUIPMENT							\$0.00
		9407		PRODUCTION TUBING					\$150,000.00		\$150,000.00
		9408		SUBSURFACE PUMPING EQUIPMENT							\$0.00
		9409		WELLHEAD EQUIPMENT				\$100,000.00			\$100,000.00
		9410		FLOWLINES					\$150,000.00		\$150,000.00
		9411		SURFACE PUMPING EQUIPMENT							\$0.00
		9412		LINER HANGER & ASSOC EQUIP.							\$0.00
		9413		VALVES & FITTINGS					\$200,000.00		\$200,000.00
		9414		INSTUMENTATION & ELECTRICAL					\$200,000.00		\$200,000.00
		9415		RODS							\$0.00
		9416		TRUCKING							\$0.00
		9417		RE-ENTRY EQUIPMENT							\$0.00
		9418		PRODUCTION EQUIPMENT					\$400,000.00		\$400,000.00
		9419		MISCELLANEOUS							\$0.00
		9420		OUTSIDE OPERATED							\$0.00
		9421		TANGIBLE EQUIP-ACQUISITIONS							\$0.00
<b>TOTAL TANGIBLE COSTS</b>							<b>\$1,166,453.00</b>	<b>\$150,000.00</b>	<b>\$950,000.00</b>	<b>\$2,266,453.00</b>	
<b>TOTAL ESTIMATED WELL COST</b>							<b>\$3,631,328.00</b>	<b>\$4,517,000.00</b>	<b>\$1,150,000.00</b>	<b>\$9,298,328.00</b>	

PREPARED BY: Alex Bourland & Aaron Cattley DATE: 9/17/2024

OPERATOR APPROVAL: \_\_\_\_\_ DATE: \_\_\_\_\_

OPERATOR APPROVAL: \_\_\_\_\_ DATE: \_\_\_\_\_

PARTNER COMPANY NAME: Chevron USA DATE: 08/26/2025

PARTNER APPROVAL: Andrew M. Armpriester

TITLE: General Manager, North America Non-Operated Joint Venture and Royalty

The costs of this AFE are estimates only. Participants in this project agree to pay their proportionate share of the actual costs.

PBEX LLC AUTHORIZATION FOR EXPENDITURE 223 W Wall St, 1 Midland, TX 79701											
WELL NAME		Bond 33-34 Fed Com 106H		AFE TYPE		Development		AFE NUMBER			
LATERAL LOCATION		Section 33, & 34 of 18S 32E		FIELD		Northern Delaware		PROPERTY NUMBER			
SURFACE LOCATION		32-1660 FSL, 1165 FEL (or Unit I)		FORMATION		18SS		DRILLING DAYS			
BOTTOM-HOLE LOCATION		34-330 FSL, 10 FEL (or Unit P)		COUNTY		LEA		DEPTH (TVD/TMD)			
								7820 TVD / 19180 MD			
								STATE			
								NM			
PROJECT DESCRIPTION											
Drilling, Completion & Facilities costs for PBEX 2 m/lateral											
ACCT. CODE				DESCRIPTION OF EXPENDITURE				COST ESTIMATE			
IDC	ICG	TDC	TCC					DRILLING	COMPLETIONS	FACILITIES	TOTAL
PREFIX 300	500	PREFIX 400	600	WELL INTANGIBLE COSTS							
9201	9301			SURVEY/PERMITS/DAMAGES				\$25,000.00			\$25,000.00
9202	9302			LOCATION & ROAD				\$76,875.00			\$76,875.00
9203				RIG MOVE				\$75,000.00			\$75,000.00
9204				DRILLING - FOOTAGE							\$0.00
9205	9305			DRILLING - DAYWORK				\$500,000.00			\$500,000.00
	9306			COMPLETION/WORKOVER RIG							\$0.00
	9307			COIL TUBING/SNUBBING UNIT					\$250,000.00		\$250,000.00
	9308			SLICKLINE/SWABBING							\$0.00
9209	9309			BITS				\$50,000.00			\$50,000.00
9210	9310			DIRECTIONAL SERVICES				\$250,000.00			\$250,000.00
9211	9311			CASING CREW				\$50,000.00			\$50,000.00
9212	9312			TOOL & EQUIPMENT RENTAL				\$95,000.00	\$275,000.00		\$370,000.00
9213	9313			FUEL & POWER				\$200,000.00	\$525,000.00		\$725,000.00
9214				DIESEL - BASE FOR MUD				\$125,000.00			\$125,000.00
9215	9315			MUD LOGGING & GEOLOGIST							\$0.00
9216	9316			DISPOSAL, RESTORATION & BACKFILL				\$100,000.00			\$100,000.00
9217	9317			TRUCKING				\$40,000.00	\$80,000.00		\$90,000.00
	9318			TESTING							\$0.00
9219	9319			CEMENTING				\$200,000.00			\$200,000.00
9220	9320			PERFORATING					\$200,000.00		\$200,000.00
	9321			CASED HOLE LOGS							\$0.00
9222	9322			DOWNHOLE TOOLS & SERVICE				\$40,000.00	\$60,000.00		\$100,000.00
9223	9323			SCIENCE & DIAGNOSTICS							\$0.00
	9324			FORMATION STIMULATION					\$1,100,000.00		\$1,100,000.00
9226	9326			CONSULTING SERVICE/SUPERVISION					\$75,000.00		\$75,000.00
9226	9326			CONTRACT LABOR / SERVICES				\$100,000.00	\$90,000.00		\$190,000.00
9227	9327			OTHER LABOR				\$20,000.00			\$20,000.00
9228	9328			OVERHEAD							\$0.00
9229	9329			WATER - FRESH				\$100,000.00	\$500,000.00		\$600,000.00
9230	9330			FLUIDS & CHEMICALS				\$200,000.00	\$375,000.00		\$575,000.00
9231	9331			CORING & ANALYSIS							\$0.00
9232	9332			COMMUNICATIONS				\$10,000.00	\$10,000.00		\$20,000.00
9233	9333			BOP TESTING				\$28,000.00	\$10,000.00		\$38,000.00
9234	9334			CO2/NITROGEN							\$0.00
9235	9335			FISHING TOOLS & SERVICES							\$0.00
9236	9336			INSPECTIONS				\$20,000.00			\$20,000.00
9237				WIRELINE SERVICES							\$0.00
9238	9338			ENGINEERING & GEOLOGY - FIELD							\$0.00
9239	9339			ENGINEERING & GEOLOGY - OFFICE							\$0.00
9240				MULTI-HOT & GYRO							\$0.00
9241				RE-ENTRY SERVICES							\$0.00
9242	9342			CAMPS & TRAILERS				\$30,000.00	\$40,000.00		\$70,000.00
9243	9343			SAFETY EQUIPMENT & H2S				\$10,000.00	\$5,000.00		\$15,000.00
9244				CONTINGENCY							\$0.00
9245	9345			INSURANCE					\$2,000.00		\$2,000.00
9246	9346			MISCELLANEOUS				\$120,000.00			\$120,000.00
9247	9347			OUTSIDE OPERATED							\$0.00
9248	9348			SAND					\$400,000.00		\$400,000.00
9249	9349			SAND LOGISTICS					\$400,000.00		\$400,000.00
9250	9350			VACUUM TRUCK							\$0.00
9251	9351			WATER - BRINE							\$0.00
	9360			FACILITY TRUCKING							\$0.00
				FACILITY VACUUM TRUCK							\$0.00
	9361			FACILITY CONSULTING SER./SUPERVISION						\$100,000.00	\$100,000.00
	9424			FACILITY CONTRACT LABOR / SER.						\$100,000.00	\$100,000.00
	9356			FACILITY SURFACE RENTAL							\$0.00
				SIM-OPS							\$0.00
<b>TOTAL WELL INTANGIBLE COSTS</b>							<b>\$2,464,875.00</b>	<b>\$4,367,000.00</b>	<b>\$200,000.00</b>	<b>\$7,031,875.00</b>	
WELL TANGIBLE COSTS											
		9401		CASING - CONDUCTOR				\$40,000.00			\$40,000.00
		9402		CASING - SURFACE				\$76,453.00			\$76,453.00
		9403		CASING - SALT STRING				\$0.00			\$0.00
		9404		CASING - INTERMEDIATE				\$300,000.00			\$300,000.00
		9405		CASING - PRODUCTION / LINER				\$650,000.00			\$650,000.00
		9406		SUBSURFACE EQUIPMENT							\$0.00
		9407		PRODUCTION TUBING					\$150,000.00		\$150,000.00
		9408		SUBSURFACE PUMPING EQUIPMENT							\$0.00
		9409		WELLHEAD EQUIPMENT				\$100,000.00			\$100,000.00
		9410		FLOWLINES						\$150,000.00	\$150,000.00
		9411		SURFACE PUMPING EQUIPMENT							\$0.00
		9412		LINER HANGER & ASSOC EQUIP							\$0.00
		9413		VALVES & FITTINGS					\$200,000.00		\$200,000.00
		9414		INSTURMENTATION & ELECTRICAL					\$200,000.00		\$200,000.00
		9415		RODS							\$0.00
		9416		TRUCKING							\$0.00
		9417		RE-ENTRY EQUIPMENT							\$0.00
		9418		PRODUCTION EQUIPMENT					\$400,000.00		\$400,000.00
		9419		MISCELLANEOUS							\$0.00
		9420		OUTSIDE OPERATED							\$0.00
		9421		TANGIBLE EQUIP-ACQUISITIONS							\$0.00
<b>TOTAL TANGIBLE COSTS</b>							<b>\$1,166,453.00</b>	<b>\$150,000.00</b>	<b>\$950,000.00</b>	<b>\$2,266,453.00</b>	
TOTAL ESTIMATED WELL COST							DRILLING	COMPLETIONS	FACILITIES	TOTAL	
							<b>\$3,631,328.00</b>	<b>\$4,517,000.00</b>	<b>\$1,150,000.00</b>	<b>\$9,298,328.00</b>	

PREPARED BY: Alex Bourland & Aaron Cattley DATE: 9/17/2024  
 OPERATOR APPROVAL: DATE: \_\_\_\_\_  
 OPERATOR APPROVAL: DATE: \_\_\_\_\_

PARTNER COMPANY NAME: Chevron USA DATE: 08/26/2025  
 PARTNER APPROVAL: Andrew M. Armpriester  
 TITLE: General Manager, North America Non-Operated Joint Venture and Royalty


The costs of this AFE are estimates only. Participants in this project agree to pay their proportionate share of the actual costs.

PBEX LLC AUTHORIZATION FOR EXPENDITURE 223 W Wall St. 7 Midland, TX 79701											
WELL NAME		Bond 33-34 Fed Corn 304H		AFE TYPE	Development <th>AFE NUMBER</th> <td></td> <td colspan="2"></td>	AFE NUMBER					
LATERAL LOCATION		Section 33, & 34 of 18S 32E		FIELD	Northern Delaware	PROPERTY NUMBER					
SURFACE LOCATION		32, 1700 FSL, 1165 FEL (or Unit I)		FORMATION	38SS	DRILLING DAYS	25				
BOTTOM-HOLE LOCATION		34, 2230 FSL, 10 FEL (or Unit I)		COUNTY	LEA	DEPTH (TVD/TMD)	10150' TVD/ 21510' MD				
PROJECT DESCRIPTION		Drilling, Completion & Facilities costs for PBEX 2 mile lateral									
ACCT. CODE				DESCRIPTION OF EXPENDITURE				COST ESTIMATE			
IDC	ICG	TDC	TCC					DRILLING	COMPLETIONS	FACILITIES	TOTAL
PREFIX 300	500	PREFIX 400	600	WELL INTANGIBLE COSTS							
9201	9301			SURVEY/PERMITS/DAMAGES				\$25,000.00			\$25,000.00
9202	9302			LOCATION & ROAD				\$76,875.00			\$76,875.00
9203				RIG MOVE				\$75,000.00			\$75,000.00
9204				DRILLING - FOOTAGE							\$0.00
9205	9305			DRILLING - DAYWORK				\$500,000.00			\$500,000.00
	9306			COMPLETION/WORKOVER RIG							\$0.00
	9307			COIL TUBING/SNUBBING UNIT					\$250,000.00		\$250,000.00
	9308			SLICKLINE/SWABBING							\$0.00
9209	9309			BITS				\$50,000.00			\$50,000.00
9210	9310			DIRECTIONAL SERVICES				\$250,000.00			\$250,000.00
9211	9311			CASING CREW				\$50,000.00			\$50,000.00
9212	9312			TOOL & EQUIPMENT RENTAL				\$95,000.00	\$275,000.00		\$370,000.00
9213	9313			FUEL & POWER				\$200,000.00	\$525,000.00		\$725,000.00
9214				DIESEL - BASE FOR MUD				\$125,000.00			\$125,000.00
9215	9315			MUD LOGGING & GEOLOGIST							\$0.00
9216	9316			DISPOSAL, RESTORATION & BACKFILL				\$100,000.00			\$100,000.00
9217	9317			TRUCKING				\$40,000.00	\$50,000.00		\$90,000.00
	9318			TESTING							\$0.00
9219	9319			CEMENTING				\$200,000.00			\$200,000.00
9220	9320			PERFORATING					\$200,000.00		\$200,000.00
	9321			CASED HOLE LOGS							\$0.00
9222	9322			DOWNHOLE TOOLS & SERVICE				\$40,000.00	\$60,000.00		\$100,000.00
9223	9323			SCIENCE & DIAGNOSTICS							\$0.00
9224	9324			FORMATION STIMULATION					\$1,100,000.00		\$1,100,000.00
9225	9325			CONSULTING SERVICES/SUPERVISION					\$75,000.00		\$75,000.00
9226	9326			CONTRACT LABOR / SERVICES				\$100,000.00	\$90,000.00		\$190,000.00
9227	9327			OTHER LABOR				\$20,000.00			\$20,000.00
9228	9328			OVERHEAD							\$0.00
9229	9329			WATER - FRESH				\$100,000.00	\$500,000.00		\$600,000.00
9230	9330			FLUIDS & CHEMICALS				\$200,000.00	\$375,000.00		\$575,000.00
9231	9331			CORING & ANALYSIS							\$0.00
9232	9332			COMMUNICATIONS				\$10,000.00	\$10,000.00		\$20,000.00
9233	9333			BDP TESTING				\$28,000.00	\$10,000.00		\$38,000.00
9234	9334			CO2/NITROGEN							\$0.00
9235	9335			FISHING TOOLS & SERVICES							\$0.00
9236	9336			INSPECTIONS				\$20,000.00			\$20,000.00
9237				WIRELINE SERVICES							\$0.00
9238	9338			ENGINEERING & GEOLOGY - FIELD							\$0.00
9239	9339			ENGINEERING & GEOLOGY - OFFICE							\$0.00
9240				MULTISHOT & GYRO							\$0.00
9241				RE-ENTRY SERVICES							\$0.00
9242	9342			CAMPS & TRAILERS				\$30,000.00	\$40,000.00		\$70,000.00
9243	9343			SAFETY EQUIPMENT & H2S				\$10,000.00	\$5,000.00		\$15,000.00
9244				CONTINGENCY							\$0.00
9245	9345			INSURANCE					\$2,000.00		\$2,000.00
9246	9346			MISCELLANEOUS				\$120,000.00			\$120,000.00
9247	9347			OUTSIDE OPERATED							\$0.00
9248	9348			SAND					\$400,000.00		\$400,000.00
9249	9348			SAND LOGISTICS					\$400,000.00		\$400,000.00
9250	9350			VACUUM TRUCK							\$0.00
9251	9351			WATER - BRINE							\$0.00
	9360			FACILITY TRUCKING							\$0.00
				FACILITY VACUUM TRUCK							\$0.00
	9361			FACILITY CONSULTING SER./SUPERVISION						\$100,000.00	\$100,000.00
	9424			FACILITY CONTRACT LABOR / SER.						\$100,000.00	\$100,000.00
	9356			FACILITY SURFACE RENTAL							\$0.00
				SIM-OPS							\$0.00
<b>TOTAL WELL INTANGIBLE COSTS</b>							<b>\$2,464,875.00</b>	<b>\$4,367,000.00</b>	<b>\$200,000.00</b>	<b>\$7,031,875.00</b>	
WELL TANGIBLE COSTS											
	9401			CASING - CONDUCTOR				\$40,000.00			\$40,000.00
	9402			CASING - SURFACE				\$76,453.00			\$76,453.00
	9403			CASING - SALT STRING				\$0.00			\$0.00
	9404			CASING - INTERMEDIATE				\$300,000.00			\$300,000.00
	9405			CASING - PRODUCTION / LINER				\$650,000.00			\$650,000.00
	9406			SUBSURFACE EQUIPMENT							\$0.00
	9407			PRODUCTION TUBING					\$150,000.00		\$150,000.00
	9408			SUBSURFACE PUMPING EQUIPMENT							\$0.00
	9409			WELLHEAD EQUIPMENT				\$100,000.00			\$100,000.00
	9410			FLOWLINES						\$150,000.00	\$150,000.00
	9411			SURFACE PUMPING EQUIPMENT							\$0.00
	9412			LINER HANGER & ASSOC EQUIP							\$0.00
	9413			VALVES & FITTINGS					\$200,000.00		\$200,000.00
	9414			INSTUMENTATION & ELECTRICAL					\$200,000.00		\$200,000.00
	9415			RODS							\$0.00
	9416			TRUCKING							\$0.00
	9417			RE-ENTRY EQUIPMENT							\$0.00
	9418			PRODUCTION EQUIPMENT						\$400,000.00	\$400,000.00
	9419			MISCELLANEOUS							\$0.00
	9420			OUTSIDE OPERATED							\$0.00
	9421			TANGIBLE EQUIP-ACQUISITIONS							\$0.00
<b>TOTAL TANGIBLE COSTS</b>							<b>\$1,166,453.00</b>	<b>\$150,000.00</b>	<b>\$950,000.00</b>	<b>\$2,266,453.00</b>	
TOTAL ESTIMATED WELL COST							DRILLING	COMPLETIONS	FACILITIES	TOTAL	
							<b>\$3,631,328.00</b>	<b>\$4,517,000.00</b>	<b>\$1,150,000.00</b>	<b>\$9,298,328.00</b>	

PREPARED BY: Alex Bourland & Aaren Cattle DATE: 8/17/2024  
 OPERATOR APPROVAL: \_\_\_\_\_ DATE: \_\_\_\_\_  
 OPERATOR APPROVAL: \_\_\_\_\_ DATE: \_\_\_\_\_

PARTNER COMPANY NAME: Chevron USA DATE: 08/26/2025  
 PARTNER APPROVAL: Andrew M. Armprister  
 TITLE: General Manager, North America Non-Operated Joint Venture and Royalty

The costs of this AFE are estimates only. Participants in this project agree to pay their proportionate share of the actual costs.

 PBEX LLC AUTHORIZATION FOR EXPENDITURE 223 W Wall St., Midland, TX 79701												
WELL NAME		Bond 33-34 Fed Com 306H		AFE TYPE		Development		AFE NUMBER				
LATERAL LOCATION		Section 33, & 34 of 18S 32E		FIELD		Northern Delaware		PROPERTY NUMBER				
SURFACE LOCATION		32, 1640 FSL, 1165 FEL (Or Unit I)		FORMATION		J85S		DRILLING DAYS				
BOTTOM-HOLE LOCATION		34, 330 FSL, 10 FEL (or Unit P)		COUNTY		LEA		DEPTH (TVD/MD)				
								10150' TVD/ 21510' MD				
								STATE				
								NM				
PROJECT DESCRIPTION												
Drilling, Completion & Facilities costs for PBEX 2 mile lateral												
ACCT. CODE				DESCRIPTION OF EXPENDITURE				COST ESTIMATE				
IDC	ICC	TDC	TCC					DRILLING	COMPLETIONS	FACILITIES	TOTAL	
PREFIX		PREFIX										
300	500	400	600									
WELL INTANGIBLE COSTS												
9201	9301			SURVEY/PERMITS/DAMAGES				\$25,000.00			\$25,000.00	
9202	9302			LOCATION AND ROAD				\$76,875.00			\$76,875.00	
9203				RIG MOVE				\$75,000.00			\$75,000.00	
9204				DRILLING - FOOTAGE							\$0.00	
9205	9305			DRILLING - DAYWORK				\$500,000.00			\$500,000.00	
	9306			COMPLETION/WORKOVER RIG							\$0.00	
	9307			COIL TUBING/SNUBBING UNIT					\$250,000.00		\$250,000.00	
	9308			SLICKLINE/SWABBING							\$0.00	
9209	9309			BITS				\$50,000.00			\$50,000.00	
9210	9310			DIRECTIONAL SERVICES				\$250,000.00			\$250,000.00	
9211	9311			CASING CREW				\$50,000.00			\$50,000.00	
9212	9312			TOOL & EQUIPMENT RENTAL				\$95,000.00	\$275,000.00		\$370,000.00	
9213	9313			FUEL & POWER				\$200,000.00	\$525,000.00		\$725,000.00	
9214				DIESEL - BASE FOR MUD				\$125,000.00			\$125,000.00	
9215	9315			MUD LOGGING & GEOLOGIST							\$0.00	
9216	9316			DISPOSAL, RESTORATION & BACKFILL				\$100,000.00			\$100,000.00	
9217	9317			TRUCKING				\$40,000.00	\$50,000.00		\$90,000.00	
	9318			TESTING							\$0.00	
9219	9319			CEMENTING				\$200,000.00			\$200,000.00	
9220	9320			PERFORATING					\$200,000.00		\$200,000.00	
	9321			CASED HOLE LOGS							\$0.00	
9222	9322			DOWNHOLE TOOLS & SERVICE				\$40,000.00	\$60,000.00		\$100,000.00	
9223	9323			SCIENCE & DIAGNOSTICS							\$0.00	
	9324			FORMATION STIMULATION					\$1,100,000.00		\$1,100,000.00	
9225	9325			CONSULTING SERVICES/SUPERVISION					\$75,000.00		\$75,000.00	
9226	9326			CONTRACT LABOR / SERVICES				\$100,000.00	\$90,000.00		\$190,000.00	
9227	9327			OTHER LABOR				\$20,000.00			\$20,000.00	
9228	9328			OVERHEAD							\$0.00	
9229	9329			WATER - FRESH				\$100,000.00	\$500,000.00		\$600,000.00	
9230	9330			FLUIDS & CHEMICALS				\$200,000.00	\$375,000.00		\$575,000.00	
9231	9331			CORING & ANALYSIS							\$0.00	
9232	9332			COMMUNICATIONS				\$10,000.00	\$10,000.00		\$20,000.00	
9233	9333			BDP TESTING				\$28,000.00	\$10,000.00		\$38,000.00	
9234	9334			CO2/NITROGEN							\$0.00	
9235	9335			FISHING TOOLS & SERVICES							\$0.00	
9236	9336			INSPECTIONS				\$20,000.00			\$20,000.00	
9237				WIRELINE SERVICES							\$0.00	
9238	9338			ENGINEERING & GEOLOGY - FIELD							\$0.00	
9239	9339			ENGINEERING & GEOLOGY - OFFICE							\$0.00	
9240				MULTISHOT & GYRO							\$0.00	
9241				RE-ENTRY SERVICES							\$0.00	
9242	9342			CAMPS & TRAILERS				\$30,000.00	\$40,000.00		\$70,000.00	
9243	9343			SAFETY EQUIPMENT & H2S				\$10,000.00	\$5,000.00		\$15,000.00	
9244				CONTINGENCY							\$0.00	
9245	9345			INSURANCE					\$2,000.00		\$2,000.00	
9246	9346			MISCELLANEOUS				\$120,000.00			\$120,000.00	
9247	9347			OUTSIDE OPERATED							\$0.00	
9248	9348			SAND					\$400,000.00		\$400,000.00	
9249	9349			SAND LOGISTICS					\$400,000.00		\$400,000.00	
9250	9350			VACUUM TRUCK							\$0.00	
9251	9351			WATER - BRINE							\$0.00	
	9360			FACILITY TRUCKING							\$0.00	
				FACILITY VACUUM TRUCK							\$0.00	
	9361			FACILITY CONSULTING SER./SUPERVISION						\$100,000.00	\$100,000.00	
	9424			FACILITY CONTRACT LABOR / SER.						\$100,000.00	\$100,000.00	
	9356			FACILITY SURFACE RENTAL							\$0.00	
				SIM-OPS							\$0.00	
<b>TOTAL WELL INTANGIBLE COSTS</b>							<b>\$2,464,875.00</b>	<b>\$4,367,000.00</b>	<b>\$200,000.00</b>	<b>\$7,031,875.00</b>		
WELL TANGIBLE COSTS												
				9401	CASING - CONDUCTOR				\$40,000.00			\$40,000.00
				9402	CASING - SURFACE				\$76,453.00			\$76,453.00
				9403	CASING - SALT STRING				\$0.00			\$0.00
				9404	CASING - INTERMEDIATE				\$300,000.00			\$300,000.00
				9405	CASING - PRODUCTION / LINER				\$650,000.00			\$650,000.00
				9406	SUBSURFACE EQUIPMENT							\$0.00
				9407	PRODUCTION TUBING					\$150,000.00		\$150,000.00
				9408	SUBSURFACE PUMPING EQUIPMENT							\$0.00
				9409	WELLHEAD EQUIPMENT				\$100,000.00			\$100,000.00
				9410	FLOWLINES					\$150,000.00		\$150,000.00
				9411	SURFACE PUMPING EQUIPMENT							\$0.00
				9412	LINER HANGER & ASSOC EQUIP							\$0.00
				9413	VALVES & FITTINGS					\$200,000.00		\$200,000.00
				9414	INSTURMENTATION & ELECTRICAL					\$200,000.00		\$200,000.00
				9415	RODS							\$0.00
				9416	TRUCKING							\$0.00
				9417	RE-ENTRY EQUIPMENT							\$0.00
				9418	PRODUCTION EQUIPMENT					\$400,000.00		\$400,000.00
				9419	MISCELLANEOUS							\$0.00
				9420	OUTSIDE OPERATED							\$0.00
				9421	TANGIBLE EQUIP-ACQUISITIONS							\$0.00
<b>TOTAL TANGIBLE COSTS</b>							<b>\$1,166,453.00</b>	<b>\$150,000.00</b>	<b>\$950,000.00</b>	<b>\$2,266,453.00</b>		
<b>TOTAL ESTIMATED WELL COST</b>							<b>\$3,631,328.00</b>	<b>\$4,517,000.00</b>	<b>\$1,150,000.00</b>	<b>\$9,298,328.00</b>		

PREPARED BY: Alex Bourland & Aaron Cattley DATE: 9/17/2024

OPERATOR APPROVAL: \_\_\_\_\_ DATE: \_\_\_\_\_

OPERATOR APPROVAL: \_\_\_\_\_ DATE: \_\_\_\_\_

PARTNER COMPANY NAME: Chevron USA DATE: 08/26/2025

PARTNER APPROVAL: Andrew M. Armpriester

TITLE: General Manager, North America Non-Operated Joint Venture and Royalty

The costs of this AFE are estimates only. Participants in this project agree to pay their proportionate share of the actual costs.

**From:** Dana S. Hardy <[dhardy@hardymclean.com](mailto:dhardy@hardymclean.com)>  
**Sent:** Friday, March 13, 2026 4:48 PM  
**To:** Tschantz, Freya, EMNRD <[freya.tschantz@emnrn.nm.gov](mailto:freya.tschantz@emnrn.nm.gov)>  
**Cc:** Dana S. Hardy <[dhardy@hardymclean.com](mailto:dhardy@hardymclean.com)>; Earl E. DeBrine <[edebrine@modrall.com](mailto:edebrine@modrall.com)>; Deana M. Bennett <[deana.bennett@modrall.com](mailto:deana.bennett@modrall.com)>; Jeff Goodwin <[jeff.goodwin@modrall.com](mailto:jeff.goodwin@modrall.com)>; Jaclyn M. McLean <[jmclean@hardymclean.com](mailto:jmclean@hardymclean.com)>; Jaime R. Fontaine <[jfontaine@hardymclean.com](mailto:jfontaine@hardymclean.com)>; Yarithza Peña <[ypena@hardymclean.com](mailto:ypena@hardymclean.com)>  
**Subject:** RE: [EXTERNAL] RE: CHEVRON U.S.A. | CASE NO. 25878

Good evening, Freya,

I'm attaching PBEX/EGL's subpoena for documents. It is my understanding that Chevron does not object to Request No. 13 or non-privileged communications responsive to Request Nos. 14 and 15.

I'm also attaching a motion for deposition subpoenas, which I understand Chevron opposes.

Regarding Chevron's document subpoena, which I understand will be sent by Chevron's counsel, PBEX/EGL may be able to agree to some of the requests, but I received the subpoena after 4 pm MT and have not been able to consult with my client. I can provide a substantive response on Monday morning.

Please let me know if you have any questions.

Thank you,  
Dana



**Dana S. Hardy**

Senior Managing Partner

Phone: 505-230-4426

Email: [dhardy@hardymclean.com](mailto:dhardy@hardymclean.com)

Web [www.hardymclean.com](http://www.hardymclean.com)

125 Lincoln Avenue, Suite 223, Santa Fe, NM 87501



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**EXHIBIT 3**

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

**APPLICATION OF CHEVRON U.S.A. INC.  
TO REOPEN CASE NO. 24185 (ORDER NO.  
R-23684 (E.G.L. RESOURCES, INC.) AND  
CASE NO. 24186 (ORDER NO. R-23685  
PBEX, LLC) TO REQUIRE SUBMISSION  
OF A PROPER STATEMENTS OF WELL  
COSTS BY OPERATOR AND RECOGNIZE  
THE CONSENTING STATUS OF CHEVRON.**

**CASE NO. 25878**

**SUBPOENA FOR DOCUMENTS**

To: Chevron U.S.A. Inc.  
c/o Earl E. DeBrine, Jr.  
Deana M. Bennett  
Jeffrey H. Goodwin  
MODRALL, SPERLING, ROEHL,  
HARRIS & SISK, P.A.  
Post Office Box 2168  
500 Fourth Street NW, Suite 1000  
Albuquerque, New Mexico 87103-2168  
Telephone: 505.848.1800  
earl.debrine@modrall.com  
deana.bennett@modrall.com  
jeffrey.goodwin@modrall.com

YOU ARE HEREBY COMMANDED pursuant to NMSA 1978, § 70-2-8 and Rule 19.15.4.16(A) NMAC to produce the following documents within fourteen (14) days of service of this subpoena to all counsel of record in this matter:

1. Every election letter that Chevron received under a New Mexico Oil Conservation Division (“OCD”) pooling order from January 1, 2022 to the present, including any amended election letters received as a result of a change in working interest, well name, or any other change;
2. Every response Chevron sent to an election letter under an OCD pooling order from January 1, 2022 to the present;

3. Every OCD pooling order that Chevron obtained from January 1, 2022 to the present;
4. All well proposal letters that Chevron sent to Pooled Working Interests<sup>1</sup> under OCD pooling orders from January 1, 2022 to the present;
5. For the period January 1, 2022 to the present, all correspondence that Chevron sent to Pooled Working Interests notifying them of changes in the names or locations of wells authorized by an OCD pooling order;
6. Every statement of estimated well costs that Chevron sent to Pooled Working Interests under an OCD pooling order from January 1, 2022 to the present;
7. Every notice that Chevron filed with OCD from January 1, 2022 to the present, providing updated title information under an OCD pooling order after the pooling order was issued to reflect any change in the title information from that which was included in the original hearing exhibits for such OCD pooling order;
8. For the period January 1, 2022 to the present all correspondence that Chevron sent to Pooled Working Interests providing updated title information under an OCD pooling order after the pooling order was issued to reflect any change in the title information from that which was included in the original hearing exhibits for such OCD pooling order;
9. Every sundry notice that Chevron filed with OCD for a well covered by an OCD pooling order from January 1, 2022 to the present;
10. All communications with Pooled Working Interests regarding sundry notices for wells covered by OCD pooling orders issued to Chevron from January 1, 2022 to the present.

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<sup>1</sup> For purposes of this subpoena, "Pooled Working Interest" has the meaning used in Order Nos. R-23684 and R-23685; i.e., "each owner of an uncommitted working interest in the pool."

11. For the period January 1, 2022 to the present, every C-145 Change of Operator form that was submitted by or on behalf of Chevron for a well authorized by an OCD pooling order;
12. For the period January 1, 2022 to the present, all correspondence that Chevron sent to Pooled Working Interests regarding C-145 Change of Operator forms submitted by or on behalf of Chevron for a well authorized by an OCD pooling order;
13. All communications with PBEX and/or E.G.L. regarding the Bond Wells;
14. All internal communications regarding Chevron's elections to participate in the Bond Wells;
15. All internal communications regarding the payment of estimated well costs for the Bond Wells;
16. Chevron's communications with any potential third-party purchaser(s) regarding the acreage that includes the Bond Wells;
17. Chevron's communications with any potential third-party purchasers regarding Chevron's status with respect to the Bond Wells;
18. A list of all witnesses who will testify on Chevron's behalf at the hearing in this matter;
19. For all expert witnesses who will testify on Chevron's behalf at the hearing in this matter: the subject matter on which the expert is expected to testify; the substance of the facts and opinions to which the expert is expected to testify and a summary of the grounds for each opinion; the qualifications of the expert; any reports prepared by the expert regarding this proceeding; a list of all publications authored by the witness within the preceding ten (10) years; and a list of any

other cases in which the witness has testified as an expert at trial or by deposition within the preceding four (4) years; and

20. All exhibits Chevron intends to introduce into evidence at the hearing in this matter.

This subpoena is issued on application of PBEX, LLC and E.G.L. Resources, Inc., through its attorneys, Dana S. Hardy and Jaclyn M. McLean, of Hardy McLean LLC.

DATED: March --, 2026

**NEW MEXICO OIL CONSERVATION DIVISION**

**BY:** \_\_\_\_\_

**DATE:** \_\_\_\_\_

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

**APPLICATION OF CHEVRON U.S.A. INC.  
TO REOPEN CASE NO. 24185 (ORDER NO.  
R-23684 (E.G.L. RESOURCES, INC.) AND  
CASE NO. 24886 (ORDER NO. R-23685  
PBEX, LLC) TO REQUIRE SUBMISSION  
OF PROPER STATEMENTS OF WELL  
COSTS BY OPERATOR AND RECOGNIZE  
THE CONSENTING STATUS OF CHEVRON**

**CASE NO. 25878**

**CHEVRON U.S.A. INC.'S RESPONSE TO  
PBEX, LLC AND E.G.L.'S SUBPOENA FOR DOCUMENTS**

Chevron U.S.A. Inc. ("Chevron") by and through its counsel of record, and pursuant to NMSA 1978, § 70-2-8 and Rule 19.15.4.16(A) NMAC, hereby provides its objections and responses to PBEX, LLC's and E.G.L. Resources, Inc.'s ("PBEX/EGL ") Subpoena for Documents.

**GENERAL OBJECTIONS**

Chevron objects to Request Nos. 2 and 3 to the extent they seek non-public, proprietary, or confidential financial, business, or operational information or non-public or confidential settlement information and/or communications that is not subject to public disclosure under § 57-NMSA 1978, § 57-3A-6; NMSA 1978, §71-2-8; §19.11.1.8 NMAC and Rule 1-026 of the New Mexico Rules of Civil Procedure. In accordance with these statutes and rules, Chevron is designating such information as "Confidential" upon the agreement and understanding that PBEX/EGL will maintain the confidentiality of such information and seek approval before utilizing such information in a public filing. Chevron further reserves the right to request that any portion of the hearing in this case discussing the information be closed to the public.

**EXHIBIT 4**

**REQUIRED DOCUMENTS AND INFORMATION:**

1. **Bond Well Communications:** All communications with PBEX, LLC, E.G.L. Resources, or PBEX Operations regarding the Estimated Well Costs or proposals for the Bond Wells.

**Response:** Copies of non-privileged, responsive documents are being produced with this Response.

2. **Election Decisions:** Internal communications regarding Chevron's specific elections to participate or not participate in the Bond Wells pursuant to the 30-day window established in Paragraph 25.

**Response:** Copies of non-privileged, responsive documents are being produced with this Response.

3. **Payment Records:** All internal communications and records regarding the rendering of payment (or the decision to withhold payment) for Estimated Well Costs for the Bond Wells.

**Response:** Copies of non-privileged, responsive documents are being produced with this Response.

4. **Hearing Witnesses:** A list of all witnesses, including fact and expert witnesses, who will testify on Chevron's behalf regarding the issues of cost submission and election timing.

**Response:** Chevron has not made a final determination with regard to its witnesses who will testify and will be designated and filed four business days before the May 13, 2026 contested hearing pursuant to the Prehearing Order. In accordance with the agreement between counsel concerning disclosure of witnesses in response to this subpoena and reserving its right to designate witnesses pursuant to the Prehearing Order, Chevron anticipates it will call, Scott Sabrsula, petroleum landman for Chevron as both a fact witness concerning his dealings with PBEX/EGL and as an expert in petroleum land matters, including industry custom and practice.

Chevron anticipates it will also call Cody Comiskey. Petroleum geophysicist for Chevron as both a fact witness concerning his evaluation of the proposal for drilling the wells in the August 7, 2025 letter and as an expert in petroleum geology. Chevron also reserves the right to call Ruth Pelzel as a fact witness.

5. **Expert Qualifications:** For any expert witness: the subject matter of testimony, the substance of facts/opinions, and a summary of the grounds for each opinion as they relate to the application of Paragraphs 24 and 25.

**Response:** Chevron has not made a final determination with regard to its expert witnesses who will testify and will be designated and filed four business days before the May 13, 2026 contested hearing in accordance with the Prehearing Order. Additionally, it is anticipated that any experts designated will rely on documents to be produced by PBEX/EGL in response to Chevron's subpoena as a basis for their opinion. Subject to this objection and qualification, in accordance with the agreement between counsel concerning disclosure of expert witnesses in response to this subpoena, Chevron anticipates it will call the following expert witnesses:

- Scott Sabrsula as an expert in land title and industry custom and practice. He is expect to testify based upon his education, training and experience. Anticipated testimony topics include, but are not limited to:
  - PBEX/EGL August 7, 2025 statement of wells costs fails to comply with the terms of the Orders, Division Rules and industry custom and practices.
  - Granting of Chevron's application will protect correlative rights and prevent waste.
- Cody Comiskey, as an expert in petroleum geology whose credentials as an expert have been accepted as a matter of record by the Division. He is expect to testify based upon his education, training and experience. Anticipated testimony topics include, but are not limited to:

- An analysis of the geological formation underlying the horizontal spacing units established by the Orders
  - A comparison of the PBEX/EGL exhibits introduced at the hearings in its compulsory pooling cases, the APDs for the wells listed in the Orders and the August 7, 2025 statement of well costs and descriptions of the wells in the Orders and letter to demonstrate substantial deviation from the development plan presented at the hearing and approved by the Division.
  - Granting Chevron's application will prevent waste and protect correlative rights.
- William Jones, Blackwater Engineering LLC, former petroleum engineer, District Supervisor, hearing examiner and technical hearing examiner for the New Mexico Oil Conservation Division, whose credentials as an expert have been accepted as a matter of record by the Division. Mr. Jones is expected to testify based upon his education, training and experience. Anticipated testimony topics include, but are not limited to:
    - An analysis of the geological formation underlying the horizontal spacing units established by the Orders;
    - A comparison of the PBEX/EGL exhibits introduced at the hearings in its compulsory pooling cases, the APDs for the wells listed in the Orders and the August 7, 2025 statement of well costs and descriptions of the wells in the Orders and letter to demonstrate substantial deviation from the development plan presented at the hearing and approved by the Division.
    - Compliance with OCD regulations and Orders, including compliance with notice requirements, post-order obligations vis-à-vis OCD and pooled working interest owners, including with respect to ownership changes, negotiations with pooled working interests owners, communications with OCD regarding changes in development plans.
    - Granting of Chevron's application will prevent waste and protect correlative rights.

Chevron reserves the right to make a final designation of witnesses four business days before the May 13, 2026 contested hearing and call rebuttal witnesses consistent with the Pre-Hearing Order.

6. **Exhibits:** All exhibits Chevron intends to introduce at the April 21 hearing regarding the Bond Wells and the disputed cost/election timeline.

**Response:** Chevron has not made a final determination with regard to its exhibits, which are due to be filed four business days before the May 13, 2026 contested hearing in accordance with the Prehearing Order. Additionally, Chevron is expecting to receive documents responsive to the subpoena issued to PBEX, which may be designated as exhibits. In accordance with the agreement between counsel concerning exchange of exhibits on April 22, 2025 and reserving its right to make a final designation of exhibits four business days before the May 13, 2026 contested hearing consistent with the Pre-Hearing Order, subject to these objections and qualifications, Chevron anticipates its exhibits may include the following:

- The Applications filed by PBEX/EGL in Case Numbers 24185 and 24886;
- All exhibits filed by PBEX/EGL in Case Numbers 24185 and 24886;
- Orders R-23684 and R-23685;
- The August 7, 2025 statement of wells costs sent to Chevron, including attachments;
- The August 18, 2025 and February 13, 2026 statement of well costs sent to other working interest owners and correspondence with other owners, to the extent not included in Chevron's Response to PBEX/EGL Motion to Dismiss for Lack of Standing;
- The PBEX/EGL extension applications in Case Nos. 25758 and 25759 and correspondence concerning the request for their dismissal;
- An excerpt from transcripts of the February 26, 2026 and March 10, 2026 hearings in this case;
- The APDs for the Bond Wells filed with the Division;
- The documents attached to Chevron's Response to PBEX/EGL Motion to Dismiss for Lack of Standing, including the Declaration of Scott Sabrsula and its attachments;

- The JOAs and correspondence attached to PBEX/EGL's Motion to Dismiss.
- Emails between Chevron and PBEX regarding Chevron's ownership, matters in the August 7, 2025 letter and anticipated drilling of the well listed in the order;
- Examples of cash call letters from other operators; and
- Demonstrative Exhibits illustrating and summarizing the analysis and opinions of Chevron's expert witnesses.

Chevron reserves the right to make a final designation of exhibits four business days before the May 13, 2026 contested hearing and designate rebuttal exhibits consistent with the Pre-Hearing Order, which may include additional exhibits, demonstrative exhibits and summaries.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS  
& SISK, P.A.

By: /s/ Earl E. DeBrine, Jr.

Earl E. DeBrine, Jr.  
Deana M. Bennett  
Jeffrey H. Goodwin  
Post Office Box 2168  
500 Fourth Street NW, Suite 1000  
Albuquerque, New Mexico 87103-2168  
Telephone: 505.848.1800  
[earl.debrine@modrall.com](mailto:earl.debrine@modrall.com)  
[deana.bennett@modrall.com](mailto:deana.bennett@modrall.com)  
[jeff.goodwin@modrall.com](mailto:jeff.goodwin@modrall.com)

*Attorneys for Chevron U.S.A. Inc.*