### BEFORE THE OIL CONSERVATION DIVISION EXAMINER HEARING JULY 20, 2023

### APPLICATION OF CIMAREX ENERGY CO. FOR A HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case No. 23452:

Loosey Goosey 4-9 Fed Com 204H Well Loosey Goosey 4-9 Fed Com 304H Well

Case No. 23453:

Loosey Goosey 4-9 Fed Com 301H Well

Case No. 23454:

**Loosey Goosey 4-9 Fed Com 302H Well** 

Case No. 23455:

Loosey Goosey 4-9 Fed Com 303H Well

**CIMAREX ENERGY CO.** 

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Reference for Case Nos. 23452-23455 Applications Case Nos. 23452-23455:

Loosey Goosey 4-9 Fed Com 204H Well Loosey Goosey 4-9 Fed Com 304H Well Loosey Goosey 4-9 Fed Com 301H Well Loosey Goosey 4-9 Fed Com 302H Well Loosey Goosey 4-9 Fed Com 303H Well

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

APPLICATION OF CIMAREX ENERGY CO. FOR A HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

### **APPLICATION**

Cimarex Energy Co. ("Cimarex"), OGRID No. 215099, through its undersigned attorneys, hereby files this Application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, Section 70-2-17, seeking an order (1) establishing a standard 320.89-acre, more or less, spacing and proration unit comprised of Lot 1 (NE/4 NE/4 equivalent), the SE/4 NE/4, and the E/2 SE/4 of Section 4 and the E/2 E/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests from a stratigraphic equivalent of 9,373 feet (that being the top of 1st Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], a depth as defined on the log for the Hudson Federal #1 Well (API No. 30-025-32819), to a stratigraphic equivalent of 10,845 feet, as defined by same Well, that being the base of the Bone Spring formation, designated as an oil pool, underlying said unit. Section 4 is an irregular section with correction Lots.

In support of its Application, Cimarex states the following:

1. Cimarex is a working interest owner in the proposed horizontal spacing and proration unit ("HSU") and has a right to drill a well thereon.

- 2. Cimarex proposes and dedicates to the HSU the **Loosey Goosey 4-9 Fed Com 204H**Well and the **Loosey Goosey 4-9 Fed Com 304H Well,** as initial wells, to be drilled to a sufficient depth to test the Bone Spring formation.
- 3. Cimarex proposes the **Loosey Goosey 4-9 Fed Com 204H Well,** an oil well, to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 33, Township 19 South, Range 34 East, NMPM, to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 9, Township 20, Range 34 East, NMPM.
- 4. Cimarex proposes the **Loosey Goosey 4-9 Fed Com 304H Well,** an oil well, to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 33, Township 19 South, Range 34 East, NMPM, to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 9, Township 20, Range 34 East, NMPM.
- 5. The proposed wells are orthodox in their locations, and the take points and completed intervals comply with setback requirements under the statewide rules.
  - 6. Cimarex's review of the land records did not reveal any overlapping units.
- 7. Cimarex has sought in good faith but has been unable to obtain voluntary agreement from all interest owners to participate in the drilling of the wells or the commitment of their interests to the wells for their development within the proposed HSU.
- 8. The pooling of all interests in the Bone Spring formation within the proposed HSU will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.
- 9. In order to provide for its just and fair share of the oil and gas underlying the subject lands, Cimarex requests that all uncommitted interests in this HSU be pooled and that Cimarex be designated the operator of the proposed horizontal wells and HSU.

WHEREFORE, Cimarex requests that this Application be set for hearing on April 6, 2023, before an Examiner of the Oil Conservation Division, and after notice and hearing as required by

law, the Division enter an order:

A. Establishing of a standard 320.89-acre, more or less, spacing and proration unit

comprised of Lot 1 (NE/4 NE/4 equivalent), the SE/4 NE/4, and the E/2 SE/4 of Section 4 and the

E/2 E/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico;

B. Pooling all uncommitted mineral interests in the Bone Spring formation underlying

the proposed HSU;

C. Approving the Loosey Goosey 4-9 Fed Com 204H Well and the Loosey Goosey 4-

**9 Fed Com 304H Well** as the wells for the HSU.

D. Designating Cimarex as operator of this HSU and the horizontal wells to be drilled

thereon;

E. Authorizing Cimarex to recover its costs of drilling, equipping, and completing the

wells;

F. Approving actual operating charges and costs of supervision, to the maximum extent

allowable, while drilling and after completion, together with a provision adjusting the rates

pursuant to the COPAS accounting procedures; and

G. Setting a 200% charge for the risk assumed by Cimarex in drilling and completing

the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

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**Attorneys for Cimarex Energy Co.** 

Application of Cimarex Energy Co. for a Horizontal Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) establishing a standard 320.89-acre, more or less, horizontal spacing and proration unit comprised of Lot 1 (NE/4 NE/4 equivalent), the SE/4 NE/4, and the E/2 SE/4 of Section 4 and the E/2 E/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests from a depth of 9,373 feet (top of first Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], to a depth of 10,845 feet, that being the base of said Bone Spring, designated as an oil pool, underlying the unit. Section 4 is an irregular section containing correction lots. The proposed wells to be dedicated to the horizontal spacing unit are the Loosey Goosey 4-9 Fed Com 204H Well and the Loosey Goosey 4-9 Fed Com 304H Well, both oil wells, to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 33, Township 19 South, Range 34 East, NMPM, to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 9, Township 20 South, Range 34 East, NMPM. The wells will be orthodox, and the take points and completed intervals will comply with the setback requirements under the statewide Rules; also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 40 miles northeast of Carlsbad, New Mexico.

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

APPLICATION OF CIMAREX ENERGY CO. FOR A HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case No. 23453

### **APPLICATION**

Cimarex Energy Co. ("Cimarex"), OGRID No. 215099, through its undersigned attorneys, hereby files this Application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, Section 70-2-17, seeking an order (1) establishing a standard 320.21-acre, more or less, spacing and proration unit comprised of Lot 4 (NW/4 NW/4 equivalent), the SW/4 NW/4, and the W/2 SW/4 of Section 4 and the W/2 W/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests from a stratigraphic equivalent of 9,373 feet (that being the top of 1st Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], a depth as defined on the log for the Hudson Federal #1 Well (API No. 30-025-32819), to a stratigraphic equivalent of 10,845 feet, as defined by same Well, that being the base of the Bone Spring formation, designated as an oil pool, underlying said unit. Section 4 is an irregular section with correction Lots.

In support of its Application, Cimarex states the following:

- 1. Cimarex is a working interest owner in the proposed horizontal spacing and proration unit ("HSU") and has a right to drill a well thereon.
- 2. Cimarex proposes and dedicates to the HSU the **Loosey Goosey 4-9 Fed Com 301H Well,** as the initial well, to be drilled to a sufficient depth to test the Bone Spring formation.

- 3. Cimarex proposes the **Loosey Goosey 4-9 Fed Com 301H Well,** an oil well, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 33, Township 19 South, Range 34 East, NMPM, to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 9, Township 20, Range 34 East, NMPM.
- 4. The proposed well is orthodox in its location, and the take points and completed interval comply with setback requirements under the statewide rules.
- 5. Cimarex has sought in good faith but has been unable to obtain voluntary agreement from all interest owners to participate in the drilling of the well or the commitment of their interests to the well for their development within the proposed HSU.
- 6. The pooling of all interests in the Bone Spring formation within the proposed HSU will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.
  - 7. Cimarex's review of the land records did not reveal any overlapping units.
- 8. In order to provide for its just and fair share of the oil and gas underlying the subject lands, Cimarex requests that all uncommitted interests in this HSU be pooled and that Cimarex be designated the operator of the proposed horizontal well and HSU.

WHEREFORE, Cimarex requests that this Application be set for hearing on April 6, 2023, before an Examiner of the Oil Conservation Division, and after notice and hearing as required by law, the Division enter an order:

A. Establishing of a standard 320.21-acre, more or less, spacing and proration unit comprised of Lot 4 (NW/4 NW/4 equivalent), the SW/4 NW/4, and the W/2 SW/4 of Section 4 and the W/2 W/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico;

- B. Pooling all uncommitted mineral interests in the Bone Spring formation underlying the proposed HSU;
  - C. Approving the Loosey Goosey 4-9 Fed Com 301H Well as the well for the HSU.
- D. Designating Cimarex as operator of this HSU and the horizontal well to be drilled thereon;
- E. Authorizing Cimarex to recover its costs of drilling, equipping, and completing the well;
- F. Approving actual operating charges and costs of supervision, to the maximum extent allowable, while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- G. Setting a 200% charge for the risk assumed by Cimarex in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

ABADIE & SCHILL, PC

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Attorneys for Cimarex Energy Co.

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

APPLICATION OF CIMAREX ENERGY CO. FOR A HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case No. 23454

### **APPLICATION**

Cimarex Energy Co. ("Cimarex"), OGRID No. 215099, through its undersigned attorneys, hereby files this Application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, Section 70-2-17, seeking an order (1) establishing a standard 320.44-acre, more or less, spacing and proration unit comprised of Lot 3 (NE/4 NW/4 equivalent), the SE/4 NW/4, and the E/2 SW/4 of Section 4 and the E/2 W/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests from a stratigraphic equivalent of 9,373 feet (that being the top of 1st Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], a depth as defined on the log for the Hudson Federal #1 Well (API No. 30-025-32819), to a stratigraphic equivalent of 10,845 feet, as defined by same Well, that being the base of the Bone Spring formation, designated as an oil pool, underlying said unit. Section 4 is an irregular section with correction Lots.

In support of its Application, Cimarex states the following:

- 1. Cimarex is a working interest owner in the proposed horizontal spacing and proration unit ("HSU") and has a right to drill a well thereon.
- Cimarex proposes and dedicates to the HSU the Loosey Goosey 4-9 Fed Com
   302H Well, as the initial well, to be drilled to a sufficient depth to test the Bone Spring formation.

- 3. Cimarex proposes the **Loosey Goosey 4-9 Fed Com 302H Well,** an oil well, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 33, Township 19 South, Range 34 East, NMPM, to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 9, Township 20, Range 34 East, NMPM.
- 4. The proposed well is orthodox in its location, and the take points and completed interval comply with setback requirements under the statewide rules.
  - 5. Cimarex's review of the land records did not reveal any overlapping units.
- 6. Cimarex has sought in good faith but has been unable to obtain voluntary agreement from all interest owners to participate in the drilling of the well or the commitment of their interests to the well for their development within the proposed HSU.
- 7. The pooling of all interests in the Bone Spring formation within the proposed HSU will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.
- 8. In order to provide for its just and fair share of the oil and gas underlying the subject lands, Cimarex requests that all uncommitted interests in this HSU be pooled and that Cimarex be designated the operator of the proposed horizontal well and HSU.

WHEREFORE, Cimarex requests that this Application be set for hearing on April 6, 2023, before an Examiner of the Oil Conservation Division, and after notice and hearing as required by law, the Division enter an order:

A. Establishing of a standard 320.44-acre, more or less, spacing and proration unit comprised of Lot 3 (NE/4 NW/4 equivalent), the SE/4 NW/4, and the E/2 SW/4 of Section 4 and the E/2 W/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico;

- B. Pooling all uncommitted mineral interests in the Bone Spring formation underlying the proposed HSU;
  - C. Approving the **Loosey Goosey 4-9 Fed Com 302H Well** as the well for the HSU.
- D. Designating Cimarex as operator of this HSU and the horizontal well to be drilled thereon;
- E. Authorizing Cimarex to recover its costs of drilling, equipping, and completing the well;
- F. Approving actual operating charges and costs of supervision, to the maximum extent allowable, while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- G. Setting a 200% charge for the risk assumed by Cimarex in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

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**Attorneys for Cimarex Energy Co.** 

Application of Cimarex Energy Co. for a Horizontal Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) establishing a standard 320.44-acre, more or less, horizontal spacing and proration unit comprised of Lot 3 (NE/4 NW/4 equivalent), the SE/4 NW/4, and the E/2 SW/4 of Section 4 and the E/2 W/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests from a depth of 9,373 feet (top of first Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], to a depth of 10,845 feet, that being the base of said Bone Spring, designated as an oil pool, underlying the unit. Section 4 is an irregular section containing correction lots. The proposed well to be dedicated to the horizontal spacing unit is the Loosey Goosey 4-9 Fed Com 302H Well, an oil well, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 33, Township 19 South, Range 34 East, NMPM, to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 9, Township 20 South, Range 34 East, NMPM. The well will be orthodox, and the take points and completed interval will comply with the setback requirements under the statewide Rules; also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the well and unit; and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 40 miles northeast of Carlsbad, New Mexico.

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

APPLICATION OF CIMAREX ENERGY CO. FOR A HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

| Case No. | 23455 |
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### **APPLICATION**

Cimarex Energy Co. ("Cimarex"), OGRID No. 215099, through its undersigned attorneys, hereby files this Application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, Section 70-2-17, seeking an order (1) establishing a standard 320.66-acre, more or less, spacing and proration unit comprised of Lot 2 (NW/4 NE/4 equivalent), the SW/4 NE/4, and the W/2 SE/4 of Section 4 and the W/2 E/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests from a stratigraphic equivalent of 9,373 feet (that being the top of 1st Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], a depth as defined on the log for the Hudson Federal #1 Well (API No. 30-025-32819), to a stratigraphic equivalent of 10,845 feet, as defined by same Well, that being the base of the Bone Spring formation, designated as an oil pool, underlying said unit. Section 4 is an irregular section with correction Lots.

In support of its Application, Cimarex states the following:

- 1. Cimarex is a working interest owner in the proposed horizontal spacing and proration unit ("HSU") and has a right to drill a well thereon.
- Cimarex proposes and dedicates to the HSU the Loosey Goosey 4-9 Fed Com
   303H Well, as the initial well, to be drilled to a sufficient depth to test the Bone Spring formation.

- 3. Cimarex proposes the **Loosey Goosey 4-9 Fed Com 303H Well,** an oil well, to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 33, Township 19 South, Range 34 East, NMPM, to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 9, Township 20, Range 34 East, NMPM.
- 4. The proposed well is orthodox in its location, and the take points and completed interval comply with setback requirements under the statewide rules.
  - 5. Cimarex's review of the land records did not reveal any overlapping units.
- 6. Cimarex has sought in good faith but has been unable to obtain voluntary agreement from all interest owners to participate in the drilling of the well or the commitment of their interests to the well for their development within the proposed HSU.
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WHEREFORE, Cimarex requests that this Application be set for hearing on April 6, 2023, before an Examiner of the Oil Conservation Division, and after notice and hearing as required by law, the Division enter an order:

A. Establishing of a standard 320.66-acre, more or less, spacing and proration unit comprised of Lot 2 (NW/4 NE/4 equivalent), the SW/4 NE/4, and the W/2 SE/4 of Section 4 and the W/2 E/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico;

- B. Pooling all uncommitted mineral interests in the Bone Spring formation underlying the proposed HSU;
  - C. Approving the **Loosey Goosey 4-9 Fed Com 303H Well** as the well for the HSU.
- D. Designating Cimarex as operator of this HSU and the horizontal well to be drilled thereon;
- E. Authorizing Cimarex to recover its costs of drilling, equipping, and completing the well;
- F. Approving actual operating charges and costs of supervision, to the maximum extent allowable, while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
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Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

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**Attorneys for Cimarex Energy Co.** 

Application of Cimarex Energy Co. for a Horizontal Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) establishing a standard 320.66-acre, more or less, horizontal spacing and proration unit comprised of Lot 2 (NW/4 NE/4 equivalent), the SW/4 NE/4, and the W/2 SE/4 of Section 4 and the W/2 E/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests from a depth of 9,373 feet (top of first Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], to a depth of 10,845 feet, that being the base of said Bone Spring, designated as an oil pool, underlying the unit. Section 4 is an irregular section containing correction lots. The proposed well to be dedicated to the horizontal spacing unit is the Loosey Goosey 4-9 Fed Com 303H Well, an oil well, to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 33, Township 19 South, Range 34 East, NMPM, to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 9, Township 20 South, Range 34 East, NMPM. The well will be orthodox, and the take points and completed interval will comply with the setback requirements under the statewide Rules; also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the well and unit; and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 40 miles northeast of Carlsbad, New Mexico.

| ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS   |  |  |
|---|--|--|
| Case: 23452   | APPLICANT'S RESPONSE   |  |
| Date: July 20, 2023 (Scheduled hearing)   |  |  |
| Applicant   | Cimarex Energy Co.   |  |
| Designated Operator & OGRID (affiliation if applicable)   | 215099   |  |
| Applicant's Counsel:<br>Case Title:   | Darin C. Savage, Abadie & Schill, P.C.  APPLICATION OF CIMAREX ENERGY CO., FOR A HORIZONTA SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO                     |  |
| Entries of Appearance/Intervenors:  | Permian Resources Operating, LLC Read & Stevens, Inc. Northern Oil and Gas, Inc. Attorneys for Sandstone Properties, LLC   |  |
| Well Family   | Loosey Goosey  |  |
| Formation/Pool  |  |  |
| Formation Name(s) or Vertical Extent:   | Bone Spring  |  |
| Primary Product (Oil or Gas):   | Oil  |  |
| Pooling this vertical extent:   | Bone Spring  |  |
| Pool Name and Pool Code:  | Quail Ridge; Bone Spring Pool [Code 50460]   |  |
| Well Location Setback Rules:  | Statewide Rules  |  |
| Spacing Unit  |  |  |
| Type (Horizontal/Vertical)  | Horizontal   |  |
| Size (Acres)  | 320.89-acre, more or less  |  |
| Building Blocks:  | Quarter-Quarter Sections (40 Acre Blocks)  |  |
| Orientation:  | North to South   |  |
| Description: TRS/County   | Lot 1 (NE/4 NE/4 equivalent), the SE/4 NE/4, and the E/2 SE/4 of Section 4 and the E/2 E/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico |  |
| Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this   | Yes, Standard Spacing Unit   |  |
| application? Other Situations   |  |  |
| Depth Severance: Y/N. If yes, description   | No, N/A  |  |
| Proximity Tracts: If yes, description   | No   |  |
| Proximity Defining Well: if yes, description  | No   |  |
| Applicant's Ownership in Each Tract   | See Exhibit A-2.1, breakdown of ownership  |  |
|   |  |  |
| Well(s)  Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard) | Add wells as needed  |  |

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| List of Interest Owners (ie Exhibit A of JOA)             | Exhibit A-2.1                                     |
| Chronology of Contact with Non-Joined Working Interests   | Exhibit A-4                                       |
| Overhead Rates In Proposal Letter                         | Exhibit A-3                                       |
| Cost Estimate to Drill and Complete                       | Exhibit A-3                                       |
| Cost Estimate to Equip Well                               | Exhibit A-3                                       |
| Cost Estimate for Production Facilities                   | Exhibit A-3                                       |
| Geology   |   |
| Summary (including special considerations)                | Exhibit B   |
| Spacing Unit Schematic                                    | Exhibit B-5, B-6, B-8, B-11, B-12,B-16, B-17      |
| Gunbarrel/Lateral Trajectory Schematic                    | Exhibit B-3, B-4,                                 |
| Well Orientation (with rationale)                         | Exhibit A-1, B-5, B-6, B-8, B-11, B-12,B-16, B-17 |
| Target Formation  | Exhibit B-3, B-4, B-6, B-7, B-13, B-14, B-18      |
| HSU Cross Section   | Exhibit B-3, B-4, B-6, B-7, B-13, B-14, B-18      |
| Depth Severance Discussion                                | N/A   |
| Forms, Figures and Tables                                 |   |
| C-102   | Exhibit A-1                                       |
| Tracts  | Exhibit A-2.1                                     |
| Summary of Interests, Unit Recapitulation (Tracts)        | Exhibit A-2.1                                     |
| General Location Map (including basin)                    | Exhibit A-2.1                                     |
| Well Bore Location Map                                    | Exhibit A-1, B-2, B-3                             |
| Structure Contour Map - Subsea Depth                      | Exhibit B-5, B-6, B-11, B-16                      |
| Cross Section Location Map (including wells)              | Exhibit B-3, B-4, B-6, B-7, B-13, B-14, B-18      |
| Cross Section (including Landing Zone)                    | Exhibit B-3, B-4, B-6, B-7, B-13, B-14, B-18      |
| Additional Information                                    |   |
| Special Provisions/Stipulations                           |   |
| CERTIFICATION: I hereby certify that the information prov | ided in this checklist is complete and accurate.  |
| Printed Name (Attorney or Party Representative):          | Darin C. Savage                                   |
| Signed Name (Attorney or Party Representative):           | /s/Darín Savage                                   |
| Date:   | Date 7-13-2023                                    |

| COMPULSORY POOLING APPLICATIO  |  |  |
|--|--|--|
| ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS  |  |  |
| Case: 23453  | APPLICANT'S RESPONSE   |  |
| Date: July 20, 2023 (Scheduled hearing)  |  |  |
| Applicant  | Cimarex Energy Co.   |  |
| Designated Operator & OGRID (affiliation if applicable)  | 215099   |  |
| Applicant's Counsel:   | Darin C. Savage, Abadie & Schill, P.C.   |  |
| Case Title:  | APPLICATION OF CIMAREX ENERGY CO., FOR A HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO  |  |
| Entries of Appearance/Intervenors:   | Permian Resources Operating, LLC Read & Stevens, Inc. Northern Oil and Gas, Inc. Attorneys for Sandstone Properties, LLC   |  |
| Well Family  | Loosey Goosey  |  |
| Formation/Pool   |  |  |
| Formation Name(s) or Vertical Extent:  | Bone Spring  |  |
| Primary Product (Oil or Gas):  | Oil  |  |
| Pooling this vertical extent:  | Bone Spring  |  |
| Pool Name and Pool Code:   | Quail Ridge; Bone Spring Pool [Code 50460]   |  |
| Well Location Setback Rules:   | Statewide Rules  |  |
| Spacing Unit   |  |  |
| Type (Horizontal/Vertical)   | Horizontal   |  |
| Size (Acres)   | 320.21-acre, more or less  |  |
| Building Blocks:   | Quarter-Quarter Sections (40 Acre Blocks)  |  |
| Orientation:   | North to South   |  |
| Description: TRS/County  | Lot 4 (NW/4 NW/4 equivalent), the SW/4 NW/4, and the W/2 SW/4 of Section 4 and the W/2 W/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico |  |
| Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?                   | Yes, Standard Spacing Unit   |  |
| Other Situations   |  |  |
| Depth Severance: Y/N. If yes, description  | No, N/A  |  |
| Proximity Tracts: If yes, description  | No   |  |
| Proximity Defining Well: if yes, description   | No   |  |
| Applicant's Ownership in Each Tract  | See Exhibit A-2.2, breakdown of ownership  |  |
| Well(s)  |  |  |
| Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard) | Add wells as needed  |  |

Exhibit B-5, B-6, B-8, B-11, B-12, B-16, B-17

Exhibit B-3, B-4,

Gunbarrel/Lateral Trajectory Schematic

Spacing Unit Schematic

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| Well Orientation (with rationale)   | Exhibit A-1, B-5, B-6, B-8, B-11, B-12,B-16, B-17 |
| Target Formation  | Exhibit B-3, B-4, B-6, B-7, B-13, B-14, B-18      |
| HSU Cross Section   | Exhibit B-3, B-4, B-6, B-7, B-13, B-14, B-18      |
| Depth Severance Discussion  | N/A   |
| Forms, Figures and Tables   |   |
| C-102   | Exhibit A-1                                       |
| Tracts  | Exhibit A-2.2                                     |
| Summary of Interests, Unit Recapitulation (Tracts)  | Exhibit A-2.2                                     |
| General Location Map (including basin)  | Exhibit A-2.2                                     |
| Well Bore Location Map  | Exhibit A-1, B-2, B-3                             |
| Structure Contour Map - Subsea Depth  | Exhibit B-5, B-6, B-11, B-16                      |
| Cross Section Location Map (including wells)  | Exhibit B-3, B-4, B-6, B-7, B-13, B-14, B-18      |
| Cross Section (including Landing Zone)  | Exhibit B-3, B-4, B-6, B-7, B-13, B-14, B-18      |
| Additional Information  |   |
| Special Provisions/Stipulations   |   |
| CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate. |   |
| Printed Name (Attorney or Party Representative):  | Darin C. Savage                                   |
| Signed Name (Attorney or Party Representative):   | /s/ Darín Savage                                  |
| Date:   | Date 7-13-2023                                    |

| ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS  |  |  |
|--|--|--|
|  |  |  |
| Date: July 20, 2023 (Scheduled hearing)  |  |  |
| Applicant  | Cimarex Energy Co.   |  |
| Designated Operator & OGRID (affiliation if applicable)  | 215099   |  |
| Applicant's Counsel:   | Darin C. Savage, Abadie & Schill, P.C.   |  |
| Case Title:  | APPLICATION OF CIMAREX ENERGY CO., FOR A HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO  |  |
| Entries of Appearance/Intervenors:   | Permian Resources Operating, LLC Read & Stevens, Inc. Northern Oil and Gas, Inc. Attorneys for Sandstone Properties, LLC   |  |
| Well Family  | Loosey Goosey  |  |
| Formation/Pool   |  |  |
| Formation Name(s) or Vertical Extent:  | Bone Spring  |  |
| Primary Product (Oil or Gas):  | Oil  |  |
| Pooling this vertical extent:  | Bone Spring  |  |
| Pool Name and Pool Code:   | Quail Ridge; Bone Spring Pool [Code 50460]   |  |
| Well Location Setback Rules:   | Statewide Rules  |  |
| Spacing Unit   |  |  |
| Type (Horizontal/Vertical)   | Horizontal   |  |
| Size (Acres)   | 320.44-acre, more or less  |  |
| Building Blocks:   | Quarter-Quarter Sections (40 Acre Blocks)  |  |
| Orientation:   | North to South   |  |
| Description: TRS/County  | Lot 3 (NE/4 NW/4 equivalent), the SE/4 NW/4, and the E/2 SW/4 of Section 4 and the E/2 W/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico |  |
| Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?                   |  |  |
| Other Situations   |  |  |
| Depth Severance: Y/N. If yes, description  | No, N/A  |  |
| Proximity Tracts: If yes, description  | No   |  |
| Proximity Defining Well: if yes, description   | No   |  |
| Applicant's Ownership in Each Tract  | See Exhibit A-2.3, breakdown of ownership  |  |
| Well(s)  |  |  |
| Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard) | Add wells as needed  |  |

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| Well Orientation (with rationale)                        | Exhibit A-1, B-5, B-6, B-8, B-11, B-12,B-16, B-17 |
| Target Formation   | Exhibit B-3, B-4, B-6, B-7, B-13, B-14, B-18      |
| HSU Cross Section  | Exhibit B-3, B-4, B-6, B-7, B-13, B-14, B-18      |
| Depth Severance Discussion                               | N/A   |
| Forms, Figures and Tables                                |   |
| C-102  | Exhibit A-1                                       |
| Tracts   | Exhibit A-2.3                                     |
| Summary of Interests, Unit Recapitulation (Tracts)       | Exhibit A-2.3                                     |
| General Location Map (including basin)                   | Exhibit A-2.3                                     |
| Well Bore Location Map                                   | Exhibit A-1, B-2, B-3                             |
| Structure Contour Map - Subsea Depth                     | Exhibit B-5, B-6, B-11, B-16                      |
| Cross Section Location Map (including wells)             | Exhibit B-3, B-4, B-6, B-7, B-13, B-14, B-18      |
| Cross Section (including Landing Zone)                   | Exhibit B-3, B-4, B-6, B-7, B-13, B-14, B-18      |
| Additional Information                                   |   |
| Special Provisions/Stipulations                          |   |
| CERTIFICATION: I hereby certify that the information pro | vided in this checklist is complete and accurate. |
| Printed Name (Attorney or Party Representative):         | Darin C. Savage                                   |
| Signed Name (Attorney or Party Representative):          | /s/ Darín Savage                                  |
| Date:  | Date 7-13-2023                                    |

| COMPULSORY POOLING APPLICATION CHECKLIST  ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS              |  |
|--|--|
|  |  |
| Date: July 20, 2023 (Scheduled hearing)  |  |
| Applicant  | Cimarex Energy Co.   |
| Designated Operator & OGRID (affiliation if applicable)  | 215099   |
| Applicant's Counsel:   | Darin C. Savage, Abadie & Schill, P.C.   |
| Case Title:  | APPLICATION OF CIMAREX ENERGY CO., FOR A HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO  |
| Entries of Appearance/Intervenors:   | Permian Resources Operating, LLC Read & Stevens, Inc. Northern Oil and Gas, Inc. Attorneys for Sandstone Properties, LLC   |
| Well Family  | Loosey Goosey  |
| Formation/Pool   |  |
| Formation Name(s) or Vertical Extent:  | Bone Spring  |
| Primary Product (Oil or Gas):  | Oil  |
| Pooling this vertical extent:  | Bone Spring  |
| Pool Name and Pool Code:   | Quail Ridge; Bone Spring Pool [Code 50460]   |
| Well Location Setback Rules:   | Statewide Rules  |
| Spacing Unit   |  |
| Type (Horizontal/Vertical)   | Horizontal   |
| Size (Acres)   | 320.66-acre, more or less  |
| Building Blocks:   | Quarter-Quarter Sections (40 Acre Blocks)  |
| Orientation:   | North to South   |
| Description: TRS/County  | Lot 2 (NW/4 NE/4 equivalent), the SW/4 NE/4, and the W/2 SE/4 of Section 4 and the W/2 E/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico |
| Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application? | Yes, Standard Spacing Unit   |
| Other Situations   |  |
| Depth Severance: Y/N. If yes, description  | No, N/A  |
| Proximity Tracts: If yes, description  | No   |
| Proximity Defining Well: if yes, description   | No   |
| Applicant's Ownership in Each Tract  | See Exhibit A-2.4, breakdown of ownership  |
| Well(s)  |  |

Add wells as needed

(standard or non-standard)

Name & API (if assigned), surface and bottom hole location,

footages, completion target, orientation, completion status

Exhibit B-5, B-6, B-8, B-11, B-12, B-16, B-17

Exhibit B-3, B-4,

Gunbarrel/Lateral Trajectory Schematic

Spacing Unit Schematic

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|---|--|
| Well Orientation (with rationale)                       | Exhibit A-1, B-5, B-6, B-8, B-11, B-12,B-16, B-17  |
| Target Formation  | Exhibit B-3, B-4, B-6, B-7, B-13, B-14, B-18       |
| HSU Cross Section                                       | Exhibit B-3, B-4, B-6, B-7, B-13, B-14, B-18       |
| Depth Severance Discussion                              | N/A  |
| Forms, Figures and Tables                               |  |
| C-102   | Exhibit A-1  |
| Tracts  | Exhibit A-2.4                                      |
| Summary of Interests, Unit Recapitulation (Tracts)      | Exhibit A-2.4                                      |
| General Location Map (including basin)                  | Exhibit A-2.4                                      |
| Well Bore Location Map                                  | Exhibit A-1, B-2, B-3                              |
| Structure Contour Map - Subsea Depth                    | Exhibit B-5, B-6, B-11, B-16                       |
| Cross Section Location Map (including wells)            | Exhibit B-3, B-4, B-6, B-7, B-13, B-14, B-18       |
| Cross Section (including Landing Zone)                  | Exhibit B-3, B-4, B-6, B-7, B-13, B-14, B-18       |
| Additional Information                                  |  |
| Special Provisions/Stipulations                         |  |
| CERTIFICATION: I hereby certify that the information pr | ovided in this checklist is complete and accurate. |
| Printed Name (Attorney or Party Representative):        | Darin C. Savage                                    |
| Signed Name (Attorney or Party Representative):         | /s/ Darín Savage                                   |
| Date:   | Date 7-13-2023                                     |

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

APPLICATIONS OF CIMAREX ENERGY CO. FOR A HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case Nos. 23452, 23453, 23454 & 23455

### PREHEARING STATEMENT

Cimarex Energy Co., ("Cimarex"), OGRID No. 215099, through its undersigned attorneys, submits the following Prehearing Statement pursuant to the rules of the Oil Conservation Division ("Division") for the above referenced Cases which are consolidated with the Case Nos. 23448-23451, 23594 – 23601 and 23508 – 23523 for a contested hearing pursuant to that certain "Further Amended Pre-Hearing Order" issued on June 8, 2023. This Prehearing Statement describes Cimarex's Case Nos. 23452-23455, which propose to pool the Bone Spring formation underlying Sections 4 and 9, in Township 20 South, Range 34 East, NMPM, Lea County ("Subject Lands") and which compete directly against Case Nos. 23508 – 23511 filed by Read & Stevens, Inc., in association with Permian Resources Operating, LLC (collectively referred to herein as "Permian Resources") which also propose to pool the Bone Spring formation underlying the Subject Lands.

**APPEARANCES** 

APPLICANT **ATTORNEY** 

Cimarex Energy Co.

Darin C. Savage Andrew D. Schill William E. Zimsky Abadie & Schill. PC 214 McKenzie Street Santa Fe, New Mexico 87501

Telephone: 970.385.4401 Facsimile: 970.385.4901

darin@abadieschill.com andrew@abadieschill.com bill@abadieschill.com

#### **COMPETING PARTY**

Read & Stevens, Inc., in association with Permian Resources Operating, LLC

Michael H. Feldewert Adam G. Rankin Julia Broggi Paula M. Vance Holland & Hart LLP Post Office Box 2208 Santa Fe, NM 87504 505-988-4421

Facsimile: 505-983-6043 mfeldewert@hollandhart.com agrankin@hollandhart.com jbroggi@hollandhart.com pmvance@hollandhart.com

#### ADDITIONAL PARTIES

Sandstone Properties, LLC

Sealy Cavin, Jr.
Scott S. Morgan
Brandon D. Hajny
P.O. Box 1216
Albuquerque, NM 87103
505-243-5400
scavin@cilawnm.com
smorgan@cilawnm.com
bhajny@cilawnm.com

Northern Oil and Gas, Inc.

Blake C. Jones Steptoe & Johnson PLLC 1780 Hughes Landing Blvd., Ste 750 The Woodlands, TX 77380 281-203-5730 Facsimile: 281-203-5701 blake.jones@steptoe-johnson.com

### APPLICANT'S STATEMENT OF THE CASES

Cimarex provides this Prehearing Statement to provide a summary of Case Nos. 23452, 23453, 23454 and 23455. These four cases seek to develop the Bone Spring formation in the Subject Lands (i.e., Sections 4 and 9), and these cases are grouped and organized in a logical manner to present to the Division an intelligible overview of the cases that can be readily followed.

In Case No. 23452, Cimarex seeks an order pooling all uncommitted mineral interests in the Bone Spring formation, more specifically, from a stratigraphic equivalent of 9,373 feet (that being the top of 1st Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], a depth as defined on the log for the Hudson Federal #1 Well (API No. 30-025-32819), to a stratigraphic equivalent of 10,845 feet, as defined by same Well, that being the base of the Bone Spring formation, designated as an oil pool, underlying a standard 320.89-acre, more or less, spacing and proration unit comprised of Lot 1 (NE/4 NE/4 equivalent), the SE/4 NE/4, and the E/2 SE/4 of Section 4 and the E/2 E/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico. Cimarex proposes and dedicates to the unit the Loosey Goosey 4-9 Fed Com 204H Well and the Loosey Goosey 4-9 Fed Com 304H Well, as initial wells, to be drilled to a sufficient depth to test the Bone Spring formation. The proposed wells are orthodox in their locations, and the take points and completed intervals comply with setback requirements under statewide rules.

In Case No. 23453, Cimarex seeks an order pooling all uncommitted mineral interests in the Bone Spring formation, more specifically, from a stratigraphic equivalent of 9,373 feet (that being the top of 1<sup>st</sup> Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], a depth as defined on the log for the Hudson Federal #1 Well (API No. 30-025-32819), to a stratigraphic equivalent of 10,845 feet, as defined by same Well, that being the base of the Bone

Spring formation, designated as an oil pool, underlying a standard 320.21-acre, more or less, spacing and proration unit comprised of Lot 4 (NW/4 NW/4 equivalent), the SW/4 NW/4, and the W/2 SW/4 of Section 4 and the W/2 W/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico. Cimarex proposes and dedicates to the unit the **Loosey Goosey 4-9 Fed Com 301H Well,** as the initial well, to be drilled to a sufficient depth to test the Bone Spring formation. The proposed well is orthodox in its location, and the take points and completed interval comply with setback requirements under statewide rules.

In Case No. 23454, Cimarex seeks an order pooling all uncommitted mineral interests in the Bone Spring formation, more specifically, from a stratigraphic equivalent of 9,373 feet (that being the top of 1st Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], a depth as defined on the log for the Hudson Federal #1 Well (API No. 30-025-32819), to a stratigraphic equivalent of 10,845 feet, as defined by same Well, that being the base of the Bone Spring formation, designated as an oil pool, underlying a standard 320.44-acre, more or less, spacing and proration unit comprised of Lot 3 (NE/4 NW/4 equivalent), the SE/4 NW/4, and the E/2 SW/4 of Section 4 and the E/2 W/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico. Cimarex proposes and dedicates to the unit the **Loosey Goosey 4-9 Fed Com 302H Well,** as the initial well, to be drilled to a sufficient depth to test the Bone Spring formation. The proposed well is orthodox in its location, and the take points and completed interval comply with setback requirements under statewide rules.

In Case No. 23455, Cimarex seeks an order pooling all uncommitted mineral interests in the Bone Spring formation, more specifically, from a stratigraphic equivalent of 9,373 feet (that being the top of 1<sup>st</sup> Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], a depth as defined on the log for the Hudson Federal #1 Well (API No. 30-025-32819), to a

stratigraphic equivalent of 10,845 feet, as defined by same Well, that being the base of the Bone Spring formation, designated as an oil pool, underlying a standard 320.66-acre, more or less, spacing and proration unit comprised of Lot 2 (NW/4 NE/4 equivalent), the SW/4 NE/4, and the W/2 SE/4 of Section 4 and the W/2 E/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico. Cimarex proposes and dedicates to the unit the **Loosey Goosey 4-9 Fed Com 303H Well,** as the initial well, to be drilled to a sufficient depth to test the Bone Spring formation. The proposed well is orthodox in its location, and the take points and completed interval comply with setback requirements under statewide rules.

Cimarex's four cases described herein and its plans for development compete directly with Case Nos. 23508, 23509, 23510, and 23511 filed by Permian Resources for the Subject Lands. In Case No. 23508, Permian Resources seeks to pool all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, spacing and proration unit comprised of Lot 4 (NW/4 NW/4 equivalent), the SW/4 NW/4, and the W/2 SW/4 of Section 4 and the W/2 W/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, dedicating the Bane 4-9 Federal Com 111H, 121H, 122H, 171H, and 131H wells to said unit.

In Case No. 23509, Permian Resources seeks to pool all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, spacing and proration unit comprised of Lot 3 (NE/4 NW/4 equivalent), the SE/4 NW/4, and the E/2 SW/4 of Section 4 and the E/2 W/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, dedicating the Bane 4-9 Federal Com 112H, 123H, 124H, 172H, and 132H wells to said unit.

In Case No. 23510, Permian Resources seeks to pool all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, spacing and proration unit

comprised of Lot 2 (NW/4 NE/4 equivalent), the SW/4 NE/4, and the W/2 SE/4 of Section 4 and the W/2 E/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, dedicating the Bane 4-9 Federal Com 113H, 125H, 126H, 173H, and 133H wells to said unit.

In Case No. 23511, Permian Resources seeks to pool all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, spacing and proration unit comprised of Lot 1 (NE/4 NE/4 equivalent), the SE/4 NE/4, and the E/2 SE/4 of Section 4 and the E/2 E/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, dedicating the Bane 4-9 Federal Com 114H, 127H, 128H, 174H, and 134H wells to said unit.

# APPLICANT'S PROPOSED EVIDENCE AND WITNESS QUALIFICATIONS

WITNESS

**ESTIMATED TIME** 

**EXHIBITS** 

Landman: John Coffman Approx. 45 min Approx. 9
Qualifications: I graduated in 2018 from Texas Tech University with a bachelor's degree in Business Administration with an emphasis on Energy Commerce. I have worked at Cimarex for approximately 4 years, and I have been working in New Mexico for 4 years. My credentials as an expert witness in petroleum land matters have been accepted by the Division and made a matter of record.

Geologist: Staci Meuller Approx. 45 min Approx. 21

Qualifications: I have a Bachelor of Science Degree in Geophysical Engineering from Colorado School of Mines, and a Master of Science Degree in Geophysics from Colorado School of Mines. I have worked on New Mexico Oil and Gas matters since July 2018. My credentials as an expert witness in geology have been accepted by the Division and made a matter of record.

Reservoir Engineer: Eddie Behm Approx. 45 minutes Approx. 17 Qualifications: I attended the University of Tulsa and graduated with a bachelor's in petroleum engineering in 2011. I have worked for Occidental, California Resources prior to working for Cimarex and have been employed as a Production and Reservoir engineer for Cimarex for the last 6 years, working in the Delaware Basin with a primary focus on Lea County, New Mexico. I have previously testified before the Division as an expert reservoir engineer, and my credentials have been accepted of record.

Facilities Engineer: Calvin Boyle Available for questions (15 min) Approx. 1 Qualifications: I attended the University of Oklahoma and graduated with a bachelor's in petroleum engineering in 2016 followed by Oklahoma State University where I graduated with a Master of Business Administration in 2018. I worked for Halliburton prior to working for Cimarex Energy Co. ("Cimarex") and have been employed as a Field, Production, and Facilities engineer for Cimarex for the last 4 years, working in the Delaware Basin with a primary focus on Lea County, New Mexico. I am familiar with the subject applications filed in the above-referenced Cases and the engineering involved. I have not testified previously before the Division and am providing a one page resume.

# **LIST OF MATERIAL FACTS NOT IN DISPUTE**

Parties are in general agreement that the Bone Spring formation underlying the Subject Lands would be productive if developed and should be developed; however, there are factual differences regarding the best way to achieve optimum development and productivity or the Bone Spring.

# **LIST OF DISPUTED FACTS AND ISSUES**

The central issue in Cimarex's Case Nos. 23452 – 23455 and Permian Resources' competing Case Nos. 23508 – 23511 is which party should be the designated operator for the Bone Spring formation in the Subject Lands. In addition, there are specific disagreements between the parties regarding (1) the number of wells that should be used to develop the Bone Spring, (2) the depths and spacing of the wells, (3) the costs of developing the Bone Spring underlying the Subject Lands; and (4) a dispute about whether the Upper Wolfcamp should be drilled and developed (Cimarex asserts that the drilling of the Upper Wolfcamp would result in waste and harm to correlative rights; while Permian Resources proposes to drill the Upper Wolfcamp).

# PROCEDURAL MATTERS

This contested hearing includes Cimarex's Case Nos. 23452 – 23455 and Permian Resources' competing applications in Case Nos. 23508 – 23511, as described herein, but the hearing also includes numerous additional cases for the Bone Spring in Sections 5 and 8, Township

20 South, Range 34 East, NMPM, Lea County, New Mexico, and consideration of whether to drill the Wolfcamp formation. In all, the Division will need to review and consider 32 cases addressing both the Bone Spring and Wolfcamp in Sections 5 and 8 and Sections 4 and 9, all in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico. The Prehearing Statements submitted in these matters, three Prehearing Statements in all, are organized in an effort to provide a manageable approach to reviewing the cases by addressing (1) the 8 competing cases in the Bone Spring for Sections 5 and 8; (2) the 8 competing cases in the Bone Spring for Sections 4 and 9; and finally (3) the status of the competing cases filed for the Wolfcamp formation in both Sections 4 and 9 and Sections 5 and 8.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

Darin C. Savage

Andrew D. Schill William E. Zimsky 214 McKenzie Street Santa Fe, New Mexico 87501

Telephone: 970.385.4401
Facsimile: 970.385.4901
darin@abadieschill.com
andrew@abadieschill.com
bill@abadieschill.com

Attorneys for Cimarex Energy Co.

# **CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing was filed with the New Mexico Oil Conservation Division and was served on counsel of record via electronic mail on July 13, 2023:

Michael H. Feldewert — mfeldewert@hollandhart.com Adam G. Rankin — agrankin@hollandhart.com Julia Broggi — jbroggi@hollandhart.com Paula M. Vance — pmvance@hollandhart.com

Attorneys for Read & Stevens, Inc.; and Permian Resources Operating, LLC

Blake C. Jones – blake.jones@steptoe-johnson.com

Attorney for Northern Oil and Gas, Inc.

Sealy Cavin, Jr. – scavin@cilawnm.com Scott S. Morgan – smorgan@cilawnm.com Brandon D. Hajny – bhajny@cilawnm.com

Attorneys for Sandstone Properties, LLC

/s/ Darin C. Savage

Darin C. Savage

# TAB 2

Case Nos. 23452-23455

Exhibit A: Self-Affirmed Statement of John Coffman Landman

Exhibit A-1: C-102 Forms

Exhibit A-2.1: Ownership and Sectional Map Exhibit A-2.2: Ownership and Sectional Map Exhibit A-2.3: Ownership and Sectional Map Exhibit A-2.4: Ownership and Sectional Map

Exhibit A-3: Well Proposal Letters and AFEs

Exhibit A-4: Chronology of Contacts with Uncommitted Owners

Exhibit A-5: Support Letters from Interest Owners Exhibit A-6: Read and Stevens Original Well Proposal

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

APPLICATIONS OF CIMAREX ENERGY CO. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case Nos. 23452, 23453, 23454 & 23455

# **SELF-AFFIRMED STATEMENT OF JOHN COFFMAN**

I, being duly sworn on oath, state the following:

- 1. I am over the age of eighteen years and have the capacity to execute this Self-Affirmed Statement, which is based on my personal knowledge.
- 2. I am employed as a Landman with Coterra Energy, Inc., and its subsidiary Cimarex Energy Co. ("Cimarex"), the applicant in this case, and I am familiar with the subject application and the lands involved.
- 3. I graduated in 2018 from Texas Tech University with a bachelor's degree in Business Administration with an emphasis on Energy Commerce. I have worked at Cimarex for approximately 4 years, and I have been working in New Mexico for 5 years. My credentials as an expert witness in petroleum land matters have been accepted by the New Mexico Oil Conservation Division ("Division") and made a matter of record.
- 4. This Statement is submitted in connection with the filing by Cimarex of the above-referenced compulsory pooling applications pursuant to 19.15.4.12.A(1).
- 5. The above-referenced cases (Case Nos. 23452 23455) all seek to develop the Bone Spring formation underlying Sections 4 and 9, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico ("Subject Lands"); and therefore, we have grouped them together for



this presentation to the Division as a logical way to organize and present the cases being reviewed in this contested hearing.

- 6. Under <u>Case No. 23452</u>, Cimarex seeks an order pooling all uncommitted mineral interest in the Bone Spring formation, more specifically, the Quail Ridge; Bone Spring formation [Pool Code 50460], designated as an oil pool, from a stratigraphic equivalent of 9,373 feet (that being the top of the 1<sup>st</sup> Bone Spring), a depth as defined on the log for the Hudson Federal #1 Well (API No. 30-025-32819), to a stratigraphic equivalent of 10,845 feet, as defined by the same Well, that being the base of the Bone Spring formation, underlying a standard 320.89-acre, more or less, spacing and proration unit comprised of Lot 1 (NE/4 NE/4 equivalent), the SE/4 NE/4, and the E/2 SE/4 of Section 4 and the E/2 E/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico. Cimarex intends to dedicate to the unit two initial wells: the **Loosey Goosey 4-9 Fed Com 204H Well**, and the **Loosey Goosey 4-9 Fed Com 304H Well**.
- 7. Cimarex proposes the **Loosey Goosey 4-9 Fed Com 204H Well** (API pending) to be horizontally drilled from a surface location 194' FSL and 1428' FEL of Section 33, Township 19 South, Range 34 East to a bottom hole location 100' FSL and 330' FEL of Section 9, Township 20 South, Range 34 East; approximate TVD of 10,300'; approximate TMD of 20,518'; FTP in Section 4: 100' FNL, 330' FEL; LTP in Section 9: 100' FSL, 330' FEL.
- 8. Cimarex proposes the **Loosey Goosey 4-9 Fed Com 304H Well** (API pending) to be horizontally drilled from a surface location 194' FSL and 1408' FEL of Section 33 to a bottom hole location 100' FSL and 330' FEL of Section 9; approximate TVD of 10,800'; approximate TMD of 21,075'; FTP in Section 4: 100' FNL, 330' FEL; LTP in Section 9: 100' FSL, 330' FEL.
- 9. Under <u>Case No. 23453</u>, Cimarex seeks an order pooling all uncommitted mineral interest in the Bone Spring formation, more specifically, the Quail Ridge; Bone Spring formation

[Pool Code 50460], designated as an oil pool, from a stratigraphic equivalent of 9,373 feet (that being the top of the 1<sup>st</sup> Bone Spring), a depth as defined on the log for the Hudson Federal #1 Well (API No. 30-025-32819), to a stratigraphic equivalent of 10,845 feet, as defined by the same Well, that being the base of the Bone Spring formation, underlying a standard 320.21-acre, more or less, spacing and proration unit comprised of Lot 4 (NW/4 NW/4 equivalent), the SW/4 NW/4 and the W/2 SW/4 of Section 4 and the W/2 W/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico. Cimarex intends to dedicate to the unit the **Loosey Goosey 4-9 Fed Com 301H Well**.

- 10. Cimarex proposes the **Loosey Goosey 4-9 Fed Com 301H Well** (API pending) to be horizontally drilled from a surface location 1189' FSL and 1464' FWL of Section 33, Township 19 South, Range 34 East, NMPM, to a bottom hole location 100' FSL and 706' FWL of Section 9 Township 20 South, Range 34 East, NMPM; approximate TVD of 10,830'; approximate TMD of 21,091'; FTP in Section 4: 100' FNL, 706' FWL; LTP in Section 9: 100' FSL, 706' FWL.
- 11. Under <u>Case No. 23454</u>, Cimarex seeks an order pooling all uncommitted mineral interest in the Bone Spring formation, more specifically, the Quail Ridge; Bone Spring formation [Pool Code 50460], designated as an oil pool, from a stratigraphic equivalent of 9,373 feet (that being the top of the 1<sup>st</sup> Bone Spring), a depth as defined on the log for the Hudson Federal #1 Well (API No. 30-025-32819), to a stratigraphic equivalent of 10,845 feet, as defined by the same Well, that being the base of the Bone Spring formation, underlying a standard 320.44-acre, more or less, spacing and proration unit comprised of Lot 3 (NE/4 NW/4 equivalent), the SE/4 NW/4 and the E/2 SW/4 of Section 4 and the E/2 W/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico. Cimarex intends to dedicate to the unit the **Loosey Goosey 4-9 Fed Com 302H Well**.

- 12. Cimarex proposes the **Loosey Goosey 4-9 Fed Com 302H Well** (API pending) to be horizontally drilled from a surface location 1189' FSL and 1484' FWL of Section 33 Township 19 South, Range 34 East, NMPM, to a bottom hole location in the 100' FSL and 2120' FWL of Section 9, Township 20 South, Range 34 East; with an approximate TVD of 10,820'; approximate TMD of 21,100'; FTP in Section 4: 100' FNL, 2,120' FWL; LTP in Section 9: 100' FSL, 2,120' FWL.
- 13. Under <u>Case No. 23455</u>, Cimarex seeks an order pooling all uncommitted mineral interest in the Bone Spring formation, more specifically, the Quail Ridge; Bone Spring formation [Pool Code 50460], designated as an oil pool, from a stratigraphic equivalent of 9,373 feet (that being the top of the 1<sup>st</sup> Bone Spring), a depth as defined on the log for the Hudson Federal #1 Well (API No. 30-025-32819), to a stratigraphic equivalent of 10,845 feet, as defined by the same Well, that being the base of the Bone Spring formation, underlying a standard 320.66-acre, more or less, spacing and proration unit comprised of Lot 2 (NW/4 NE/4 equivalent), the SW/4 NE/4 and the W/2 SE/4 of Section 4 and the W/2 E/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico. Cimarex intends to dedicate to the unit the **Loosey Goosey 4-9 Fed Com 303H Well**.
- 14. Cimarex proposes the **Loosey Goosey 4-9 Fed Com 303H Well** (API pending) to be horizontally drilled from a surface location 194' FSL and 1448' FEL of Section 33, Township 19 South, Range 34 East, NMPM, to a bottom hole location 100' FSL and 1,744' FEL of Section 9; approximate TVD of 10,810'; approximate TMD of 20,966'; FTP in Section 4: 100' FNL, 1,744' FEL; LTP in Section 9: 100' FSL, 1,744' FEL.
  - 15. The proposed C-102 for each well is attached as **Exhibit A-1**.

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16. A general location plat and a plat outlining the units being pooled is attached hereto as **Exhibit A-2.1** through **Exhibit A-2.4**, which show the location of the proposed wells within the units. The location of each well is orthodox, and it meets the Division's offset requirements.

- 17. The parties being pooled, the nature of their interests, and their last known addresses are listed in **Exhibit A-2.1** through **Exhibit A-2.4** attached hereto. These Exhibits include information regarding working interest owners. In a Successor Operator Ballot sent to working interest owners in February of 2020 and subsequent letter dated August 31, 2020, Magnum Hunter Production Inc., a subsidiary of Cimarex, received the affirmative vote under the 1979 Estoril Operating Agreement that covers the S/2 of Sections 4 and 5 and all of Sections 8 and 9, Township 20 South, Range 34 East. At the time, a total of 14 working interest owners collectively owning 59.405672% of the interest in the contract area from the Top of the Bone Spring formation to the Base of the Bone Spring formation, and 54.758783% of the interest covering from the Base of the Bone Spring formation to the Base of the Morrow formation. Under the terms of said Operating Agreement, because two or more of the parties owning a majority interest have voted to elect Magnum Hunter Production Inc. as Operator, Magnum Hunter Production Inc. is the operator of said lands described above covered by the Operating Agreement.
- 18. There are no depth severances in the Bone Spring formation in this acreage. Cimarex's review of the lands shows no overlapping units.
- 19. Cimarex operates around 15,000 acres and operate ~50 wellbores in the immediate vicinity in Township 19 South, Ranges 33 and 34 East, in Lea County. I believe that Cimarex is a top-tier operator especially regarding the knowledge it takes to drill in this area. We have been able to come to agreements with multiple owners in the area to effectively and efficiently develop a large portion of this area.

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20. I provided the law firm of Abadie & Schill P.C. a list of names and addresses for the uncommitted interest owners shown on **Exhibit A-2.1** through **Exhibit A-2.4**. In compiling these addresses, I conducted a diligent search of the public records in **Lea** County, New Mexico, where the wells are located, and of phone directories and did computer searches to locate the contact information for parties entitled to notification. All working interest owners were locatable and noticed. Cimarex published notice in the Hobbs News-Sun, a newspaper of general circulation in Lea County, New Mexico, to account for any unlocatable parties and cover any contingencies regarding notice.

21. Cimarex has made a good faith effort to negotiate with the interest owners, but has been unable to obtain, voluntary agreement from all interest owners to participate in the drilling of the well or in the commitment of their interests to the well for its development within the proposed horizontal spacing unit. Exhibits A-4 provides a chronology and history of contacts with the owners. Prior to the acquisition by Permian Resources of Read and Stevens, Cimarex had made good faith efforts to communicate and get a plan of development in place for these four sections. No meetings with Read and Stevens had ever come to fruition, instead, we found out that they had spud wells in the middle of a 2 mile development in order to save their expiring permits. We were never notified or proposed by Read and Steven's in this action although we do own in the lands that were involved. I have personally worked for over 2 years and Cimarex has worked for over 4 years to get to a resolution so that this acreage can be developed. The majority of the working interest owners in these sections are excited for development and have been long awaiting a return on their investment. Cimarex has constantly been trying to obtain term assignments, vetting out trades with other working interest owners, and has made offers to purchase in this area. We believe in this area and have shown our earnestness in development for years. Cimarex was the first operator to do the groundwork and file applications for the Subject Lands, filing well before Read & Stevens.

- 22. The interest owners being pooled have been contacted regarding the proposed wells but have failed or refused to voluntarily commit their interest in the wells. However, Cimarex has been in ongoing discussions with some of the interest owners to voluntarily enter into a Joint Operating Agreement. If a mutually agreeable Joint Operating Agreement is reached between Cimarex and another interest owner or owners, Cimarex requests that the voluntary agreement become operative and supersede the Division's order for said parties, except to the extent the Division deems it necessary to maintain spacing criteria for the purpose of conservation, the prevention of waste, and protection of correlative rights.
- 23. For any unleased open acreage being pooled, Cimarex requests that the acreage be pooled pursuant to statutory one-eighth (1/8) royalty.
- 24. **Exhibit A-3** is a sample proposal letter and the AFEs for each proposed well. The estimated cost of the wells set forth in the AFEs is fair, reasonable, and comparable to the costs of other wells of similar depths and lengths drilled in this area of New Mexico.
- 25. Not including the Wolfcamp development proposed by Permian Resources, Cimarex's full development of the acreage is far, far less expensive, by more than \$130MM, for 2 mile wellbores to develop the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> Bone Spring formations (~Permian's cost of \$400MM vs. Cimarex's lower cost of \$266MM). Permian not only proposes to over-drill the Subject Lands, but it will incur unnecessary costs that will substantially burden smaller working interest owners. Working interest owners should get the best wells at the most economic prices, and we feel that our development provides the most efficient and cost-saving plan. See **Exhibit A-5** which provides

letters of support from working interest owners in the units who support Cimarex's development plan, based on excellent prior experiences working with Cimarex as an operator.

- 26. Cimarex requests overhead and administrative rates of \$8000/month for drilling each well and \$800/month for producing each well. These rates are fair and comparable to the rates charged by other operators for wells of this type in this area of southeastern New Mexico. Cimarex requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.
- 27. Cimarex requests the maximum cost, plus 200% risk charge be assessed against non-consenting working interest owners.
  - 28. Cimarex requests that it be designated operator of the units and wells.
- 29. The Exhibits to this Self-Affirmed Statement were prepared by me or compiled from Cimarex's company business records under my direct supervision.
- 30. The granting of this Application is in the best interests of conservation, the prevention of waste, and the protection of correlative rights, and will avoid the drilling of unnecessary wells. Due to Cimarex's operational footprint and expertise in the area, we are able to utilize our drilling efficiencies, relationships with working interest owners, and third party takeaway to cost-effectively develop this acreage. We understand the geology of this area and do not need to over-drill the Subject Lands in order to fully develop the acreage.
  - 31. The foregoing is correct and complete to the best of my knowledge and belief.

[Signature page follows]

Signature page of Self-Affirmed Statement of John Coffman:

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case Nos. 23452, 23453, 23454 and 23455, and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.

John Coffman

Date Signed

<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720

District II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

UL or lot no. Section Township Range Lot Idn

# State of New Mexico Energy, Minerals & Natural Resources Department **OIL CONSERVATION DIVISION** 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

AMENDED REPORT

County

# WELL LOCATION AND ACREAGE DEDICATION PLAT

| <sup>1</sup> API Number 30-025- | <sup>2</sup> Pool Code<br>50460 | Quail Ridge; Bone Špring        |                                   |
|---------------------------------|---------------------------------|---------------------------------|-----------------------------------|
| <sup>4</sup> Property Code      |                                 | operty Name<br>OSEY 4-9 FED COM | <sup>6</sup> Well Number<br>204H  |
| <sup>7</sup> OGRID №.<br>215099 |                                 | erator Name<br>EX ENERGY CO.    | <sup>9</sup> Elevation<br>3659.8' |

# <sup>10</sup> Surface Location

North/South line

т

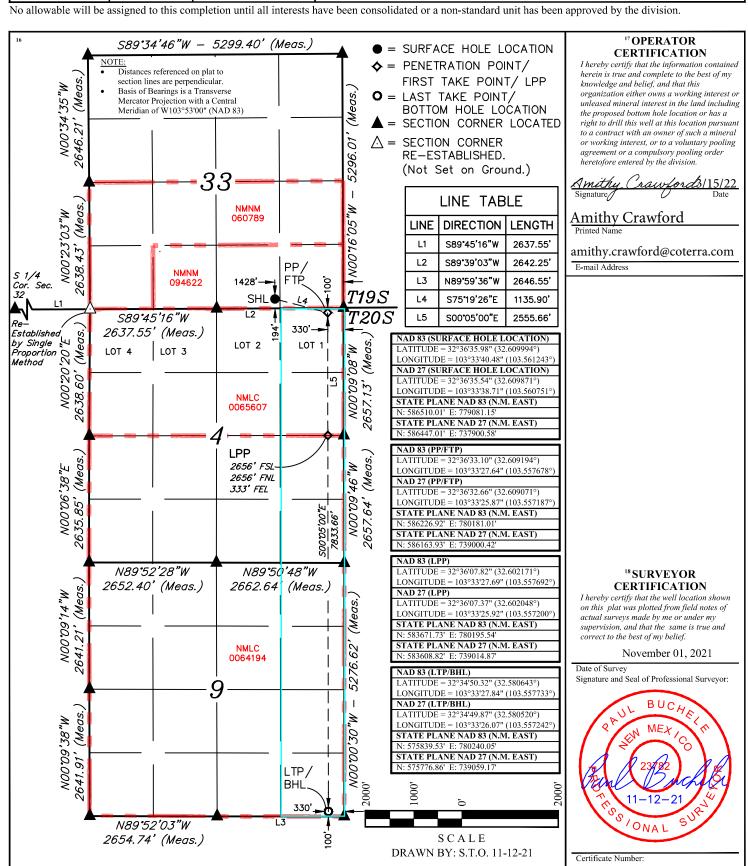
Feet from the

East/West line

Feet from the

| l | O | 33 | 19S | 34Ē |          | 194            | SOUTH            | 1428    | EAST | LEA |
|---|---|----|-----|-----|----------|----------------|------------------|---------|------|-----|
| _ |   |    |     | 11  | Bottom H | ole Location I | f Different From | Surface |      | ·   |

| UL or lot no.<br>P          | Section<br>9 | Township<br>20S | Range<br>34E | Lot Idn        | Feet from the 100 | North/South line<br>SOUTH | Feet from the 330 | East/West line<br>EAST | County<br>LEA |
|-----------------------------|--------------|-----------------|--------------|----------------|-------------------|---------------------------|-------------------|------------------------|---------------|
| 12 Dedicated Acre<br>320.89 | es 13        | Joint or Infill | 14 Conso     | olidation Code | 15 Order No.      |                           |                   |                        |               |





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<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720

District II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

UL or lot no.

Р

12 Dedicated Acre

320.89

UL or lot no. Section Township Range

Township

20S

Joint or Infil

# State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

AMENDED REPORT

County

# WELL LOCATION AND ACREAGE DEDICATION PLAT

| 30-025 Number              | r | <sup>2</sup> Pool Code<br>50460 | Quail Ridge; Bone Spring            |                                   |  |  |  |
|----------------------------|---|---------------------------------|-------------------------------------|-----------------------------------|--|--|--|
| <sup>4</sup> Property Code |   |                                 | roperty Name OOSEY 4-9 FED COM 304H |                                   |  |  |  |
| 215099 No.                 |   |                                 | erator Name<br>X ENERGY CO.         | <sup>9</sup> Elevation<br>3659.4' |  |  |  |

# <sup>10</sup> Surface Location

North/South line

| ı | О | 33 | 19S | 34Ĕ |          | 194            | SOUTH            | 1408    | EAST | LEA |
|---|---|----|-----|-----|----------|----------------|------------------|---------|------|-----|
| _ |   |    |     | 11  | Bottom H | ole Location I | f Different From | Surface |      |     |

Feet from the Lot Idn Feet from the SOUTH LEA 34E 100 330 **EAST** 14 Consolidation 15 Order No

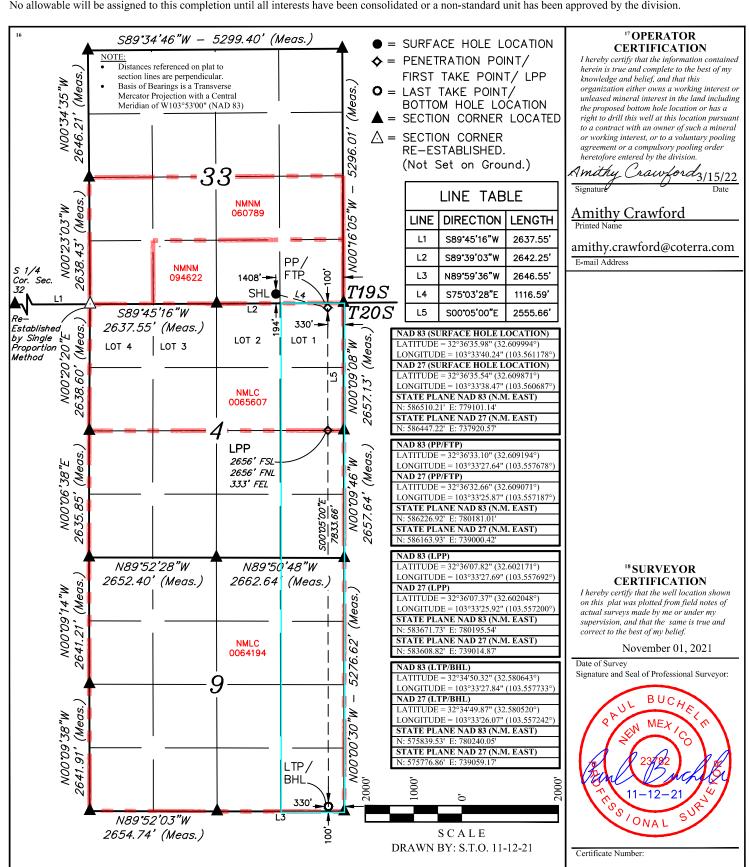
Feet from the

East/West line

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

Feet from the

Lot Idn



<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720

District II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

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UL or lot no. Section Township Range Lot Idn

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

AMENDED REPORT

# WELL LOCATION AND ACREAGE DEDICATION PLAT

| 30-025 API Number                | r | <sup>2</sup> Pool Code<br>50460 | Quail Ridge; Bone Spring        |                                   |
|----------------------------------|---|---------------------------------|---------------------------------|-----------------------------------|
| <sup>4</sup> Property Code       |   |                                 | operty Name<br>OSEY 4-9 FED COM | <sup>6</sup> Well Number<br>301H  |
| <sup>7</sup> OGRID No.<br>215099 |   |                                 | erator Name<br>EX ENERGY CO.    | <sup>9</sup> Elevation<br>3659.4' |

# <sup>10</sup> Surface Location

North/South line

Т

Feet from the

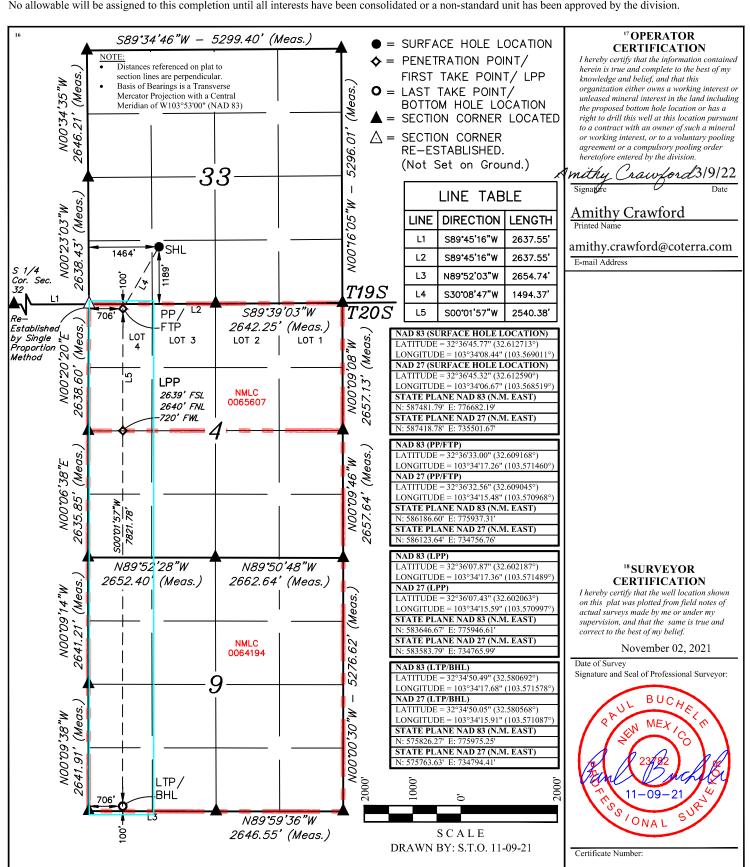
East/West line

| N | 33 | 19S | 34E |          | 1189           | SOUTH            | 1464    | WEST | LEA |
|---|----|-----|-----|----------|----------------|------------------|---------|------|-----|
|   |    |     | 11  | Bottom H | ole Location I | f Different From | Surface |      |     |

| UL or lot no.<br>M          | Section<br>9 | Township<br>20S | Range<br>34E | Lot Idn        | Feet from the 100 | North/South line<br>SOUTH | Feet from the<br>706 | East/West line<br>WEST | County<br>LEA |
|-----------------------------|--------------|-----------------|--------------|----------------|-------------------|---------------------------|----------------------|------------------------|---------------|
| 12 Dedicated Acre<br>320.21 | es 13        | Joint or Infill | 14 Conso     | olidation Code | 15 Order No.      |                           |                      |                        |               |

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

Feet from the



<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 811 S. First St., Artesia, NM 88210

Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

AMENDED REPORT

# WELL LOCATION AND ACREAGE DEDICATION PLAT

| 30-025 Number                    | r | <sup>2</sup> Pool Code<br>50460 | Quail Ridge; Bone Spring         |                                   |
|----------------------------------|---|---------------------------------|----------------------------------|-----------------------------------|
| 4 Property Code                  |   |                                 | operty Name<br>OOSEY 4-9 FED COM | <sup>6</sup> Well Number<br>302H  |
| <sup>7</sup> OGRID No.<br>215099 |   |                                 | perator Name<br>EX ENERGY CO.    | <sup>9</sup> Elevation<br>3659.8' |

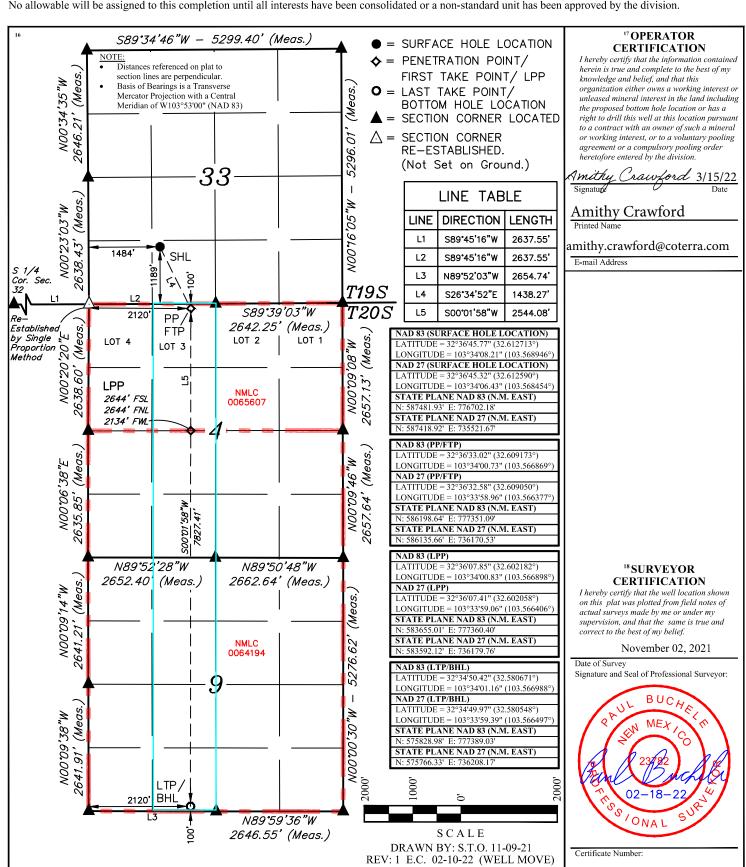
# <sup>10</sup> Surface Location

|   | N  | 33 | 19S | 34E | Lot Iuii | 1189 | SOUTH | 1484 | WEST | LEA |  |
|---|--|----|-----|-----|----------|------|-------|------|------|-----|--|
| • | Bottom Hole Location If Different From Surface |    |     |     |          |      |       |      |      |     |  |

## Bottom Hole Location If Different From Surface

| UL or lot no.<br>N          | Sect<br>9 | ion<br>)         | Township<br>20S | Range<br>34E | Lot Idn        | Feet from the<br>100 | North/South line<br>SOUTH | Feet from the 2120 | East/West line<br>WEST | County<br>LEA |
|-----------------------------|-----------|------------------|-----------------|--------------|----------------|----------------------|---------------------------|--------------------|------------------------|---------------|
| 12 Dedicated Acre<br>320.44 | es        | <sup>13</sup> Jo | oint or Infill  | 14 Conso     | olidation Code | 15 Order No.         |                           |                    |                        |               |

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



<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720

District II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

# State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

AMENDED REPORT

# WELL LOCATION AND ACREAGE DEDICATION PLAT

| 30-025 1API Number               | r | <sup>2</sup> Pool Code<br>50460 | Quail Ridge; Bone Spring        |                                   |
|----------------------------------|---|---------------------------------|---------------------------------|-----------------------------------|
| <sup>4</sup> Property Code       |   |                                 | operty Name<br>OSEY 4-9 FED COM | <sup>6</sup> Well Number<br>303H  |
| <sup>7</sup> OGRID No.<br>215099 |   |                                 | erator Name<br>EX ENERGY CO.    | <sup>9</sup> Elevation<br>3659.9' |

### Surface Location

| L | OL or lot no.                 | 33 | 19S | 34E | Lot lan | 194 | SOUTH | 1448 | EAST EAST | LEA |
|---|-------------------------------|----|-----|-----|---------|-----|-------|------|-----------|-----|
|   | Day Hall of Herica A.E. C. C. |    |     |     |         |     |       |      |           |     |

# "Bottom Hole Location If Different From Surface

| UL or lot no.<br>O                | Sec | tion<br>) | Township<br>20S | Range<br>34E | Lot Idn        | Feet from the<br>100 | North/South line<br>SOUTH | Feet from the<br>1744 | East/West line<br>EAST | County<br>LEA |
|-----------------------------------|-----|-----------|-----------------|--------------|----------------|----------------------|---------------------------|-----------------------|------------------------|---------------|
| <sup>12</sup> Dedicated Ac 320.66 | res | 13 Jo     | oint or Infill  | 14 Conso     | olidation Code | 15 Order No          |                           |                       |                        |               |

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

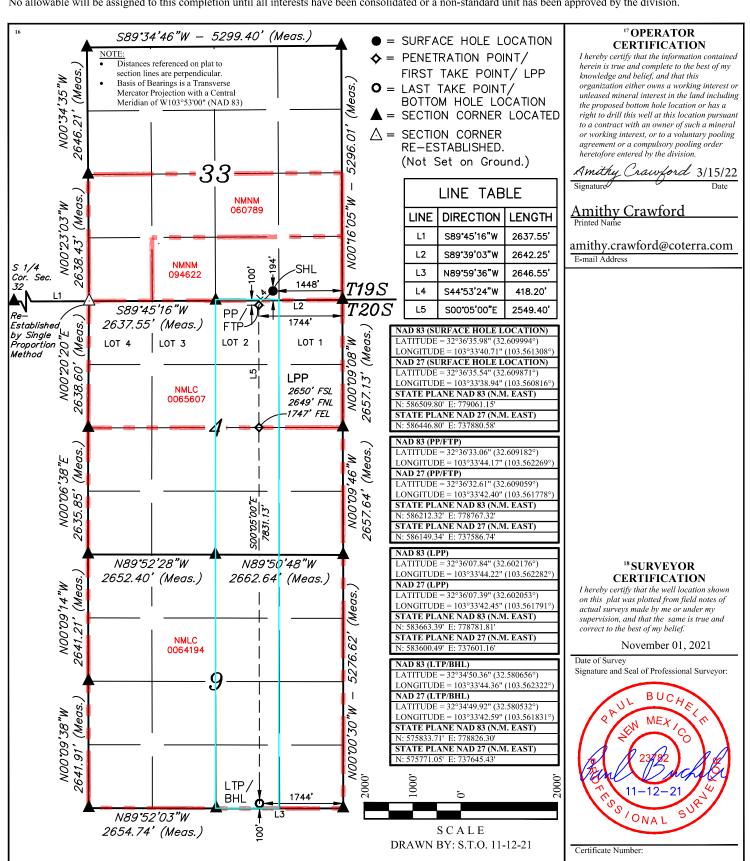
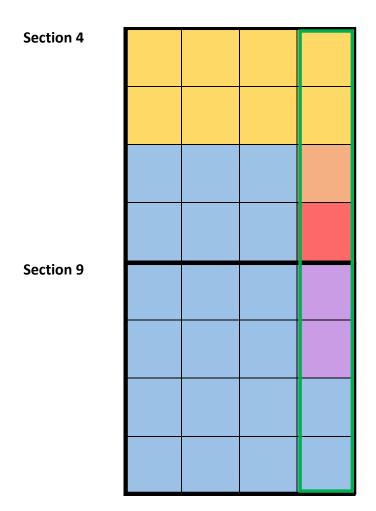


Exhibit "A-2"

E/2E/2 of Section 4 and the E/2E/2 of Section 9, Township 20 South, Range 34 East of Lea County, NM (PERMIAN/DELAWARE BASIN) – Bone Spring formation



Tract 1: USA NMLC-0064194 (40.00 acres)



Tract 2: USA NMLC-0064194 (40.00 acres)



Tract 3: USA NMLC-0064194 (80.00 acres)



Tract 4: USA NMLC-0064194 (80.00 acres)



Tract 5: USA NMLC-0065607 (80.89 acres)



# **Loosey Goosey 4-9 Fed Com 204H**

SHL: Sec. 33-19S-34E; 194' FSL and 1428' FEL BHL: Sec. 9-20S-34E; 100' FNL and 330' FEL

**Loosey Goosey 4-9 Fed Com 304H** 

SHL: Sec. 33-19S-34E; 194' FSL and 1408' FEL BHL: Sec. 9-20S-34E; 100' FNL and 330' FEL

# Exhibit "A-2" OWNERSHIP BREAKDOWN – Bone Spring formation

# E/2E/2 of Section 4 and the E/2E/2 of Section 9 of Section 9, Township 20 South, Range 34 East of Lea County, NM

# Loosey Goosey 4-9 Fed Com 204H and 304H

# TRACT 1 OWNERSHIP (NE/4SE/4 of Section 4-T20S-R34E, being 40.00 acres)

Lease: USA NMLC-0064194

| Owner                                  | Net Acres | Unit WI    | Status      |
|--|-----------|------------|-------------|
| Moore and Shelton Co., LTD             | 0.8308    | 0.02076924 | Committed   |
| P.O. Box 3070                          |           |            |             |
| Galveston, TX 77552                    |           |            |             |
|  |           |            |             |
| HOG Partnership, LP                    | 1.3427    | 0.03356644 | Uncommitted |
| 5950 Cedar Springs Rd., Ste. 242       |           |            |             |
| Dallas, TX 75235                       |           |            |             |
|  |           |            |             |
| Challenger Crude, Ltd.                 | 1.1673    | 0.02918246 | Committed   |
| 3525 Andrews Hwy.                      |           |            |             |
| Midland, TX 79703                      |           |            |             |
|  |           |            |             |
| Permian Resources LLC/Read and Stevens | 12.1016   | 0.30253929 | Uncommitted |
| 300 N. Marienfeld St., Ste. 1000       |           |            |             |

| Javelina Partners                       | 2.3719  | 0.05929631 | Committed   |
|---|---------|------------|-------------|
| 616 Texas St.                           |         |            |             |
| Fort Worth, TX 76102                    |         |            |             |
|   |         |            |             |
| Zorro Partners, Ltd.                    | 1.2904  | 0.03225960 | Committed   |
| 616 Texas St.                           |         |            |             |
| Fort Worth, TX 76102                    |         |            |             |
|   |         |            |             |
| Magnum Hunter Production Inc.           | 11.2378 | 0.28094405 | Committed   |
| 6001 Deauville Blvd., Ste. 300N         |         |            |             |
| Midland, TX 79706                       |         |            |             |
|   |         |            |             |
| Frost Bank, Trustee of the Josephine T. | 0.2346  | 0.00586541 | Committed   |
| Hudson Trust f/b/o J. Terrell Ard       |         |            |             |
| P.O. Box 1600                           |         |            |             |
| San Antonio, TX 78296                   |         |            |             |
|   |         |            |             |
| Ard Oil, LTD                            | 0.7038  | 0.01759615 | Uncommitted |
| 222 West Forth St., Ph5                 |         |            |             |
| Fort Worth, TX 76102                    |         |            |             |
|   |         |            |             |
| Chase Oil Corporation                   | 0.7203  | 0.01800821 | Uncommitted |
| 11344 Lovington Hwy.                    |         |            |             |
| Artesia, NM 88210                       |         |            |             |
|   |         |            |             |
| Cimarex Energy Co.                      | 4.2538  | 0.10634446 | Committed   |
| 6001 Deauville Blvd., Ste. 300N         |         |            |             |
|   |         |            |             |

| Midland, | TX | 797 | 06 |
|----------|----|-----|----|
|----------|----|-----|----|

| Avalon Energy Corporation              | 0.2273 | 0.00568182 | Uncommitted |
|--|--------|------------|-------------|
| 310 W. Wall St., Ste. 305              |        |            |             |
| Midland, TX 79701                      |        |            |             |
|  |        |            |             |
| Wilbanks Reserve Corporation           | 1.9446 | 0.04861609 | Uncommitted |
| 450 E. 17 <sup>th</sup> Ave., Ste. 220 |        |            |             |
| Denver, CO 80203                       |        |            |             |
|  |        |            |             |
| Marks Oil, Inc.                        | 0.2377 | 0.00594271 | Uncommitted |
| 1775 Sherman St., Ste. 2990            |        |            |             |
| Denver, CO 80203                       |        |            |             |
|  |        |            |             |
| William A. Hudson, II                  | 0.1259 | 0.00314685 | Committed   |
| 616 Texas St.                          |        |            |             |
| Fort Worth, TX 76102                   |        |            |             |
|  |        |            |             |
| Union Hill Oil and Gas Co. Inc.        | 1.2096 | 0.03024091 | Uncommitted |
| 7712 Glanshannon Cir.                  |        |            |             |
| Dallas, TX 75225                       |        |            |             |
|  |        |            |             |
| TRACT 1 TOTAL                          | 40.00  | .12465331  |             |

# TRACT 2 OWNERSHIP (SE/4 SE/4 of Section 4-T20S-R34E, being 40.00 acres)

Lease: USA NMLC-0064194

| Owner                      | Net Acres | Unit WI    | Status    |
|----------------------------|-----------|------------|-----------|
| Moore and Shelton Co., LTD | 0.8308    | 0.02076924 | Committed |

| P.O. | D   | $\sim$ | $\sim$ |
|------|-----|--------|--------|
| ווט  | ROV | ~1     | 1/11   |
| 1.0. | עטט | J      | ,, 0   |

Galveston, TX 77552

| HOG Partnership, LP<br>5950 Cedar Springs Rd., Ste. 242 | 1.3427  | 0.03356644 | Uncommitted |
|---|---------|------------|-------------|
| Dallas, TX 75235  |         |            |             |
|   |         |            |             |
| Challenger Crude, Ltd.                                  | 1.1673  | 0.02918246 | Committed   |
| 3525 Andrews Hwy.                                       |         |            |             |
| Midland, TX 79703                                       |         |            |             |
|   |         |            |             |
| Permian Resources LLC/Read and Stevens                  | 12.1016 | 0.30253929 | Uncommitted |
| 300 N. Marienfeld St., Ste. 1000                        |         |            |             |
| Midland, TX 79701                                       |         |            |             |
|   | 0.0740  |            |             |
| Javelina Partners                                       | 2.3719  | 0.05929631 | Committed   |
| 616 Texas St.   |         |            |             |
| Fort Worth, TX 76102                                    |         |            |             |
| Zorro Partners, Ltd.                                    | 1.2904  | 0.03225960 | Committed   |
| 616 Texas St.   |         |            |             |
| Fort Worth, TX 76102                                    |         |            |             |
|   |         |            |             |
| Magnum Hunter Production Inc.                           | 11.2378 | 0.28094405 | Committed   |
| 6001 Deauville Blvd., Ste. 300N                         |         |            |             |
| Midland, TX 79706                                       |         |            |             |
|   |         |            |             |
| Frost Bank, Trustee of the Josephine T.                 | 0.2346  | 0.00586541 | Committed   |
| Hudson Trust f/b/o J. Terrell Ard                       |         |            |             |

| Ρ. | O. | Box | 1 | 60 | 0 |
|----|----|-----|---|----|---|
|    |    |     |   |    |   |

San Antonio, TX 78296

| Ard Oil LTD                            | 0 7020 | 0.01750615 | Uncommitted |
|--|--------|------------|-------------|
| Ard Oil, LTD                           | 0.7038 | 0.01759615 | Uncommitted |
| 222 West Forth St., Ph5                |        |            |             |
| Fort Worth, TX 76102                   |        |            |             |
| Chase Oil Corporation                  | 0.7203 | 0.01800821 | Uncommitted |
| 11344 Lovington Hwy.                   |        |            |             |
| Artesia, NM 88210                      |        |            |             |
| ,                                      |        |            |             |
| Cimarex Energy Co.                     | 4.2538 | 0.10634446 | Committed   |
| 6001 Deauville Blvd., Ste. 300N        |        |            |             |
| Midland, TX 79706                      |        |            |             |
|  |        |            |             |
| Avalon Energy Corporation              | 0.2273 | 0.00568182 | Uncommitted |
| 310 W. Wall St., Ste. 305              |        |            |             |
| Midland, TX 79701                      |        |            |             |
|  |        |            |             |
| Wilbanks Reserve Corporation           | 1.9446 | 0.04861609 | Uncommitted |
| 450 E. 17 <sup>th</sup> Ave., Ste. 220 |        |            |             |
| Denver, CO 80203                       |        |            |             |
|  |        |            |             |
| Marks Oil, Inc.                        | 0.2377 | 0.00594271 | Uncommitted |
| 1775 Sherman St., Ste. 2990            |        |            |             |
| Denver, CO 80203                       |        |            |             |
|  |        |            |             |
| William A. Hudson, II                  | 0.1259 | 0.00314685 | Committed   |
| 616 Texas St.                          |        |            |             |

Fort Worth, TX 76102

| Union Hill Oil and Gas Co. Inc. | 1.2096 | 0.03024091 | Uncommitted |
|---------------------------------|--------|------------|-------------|
| 7712 Glanshannon Cir.           |        |            |             |
| Dallas, TX 75225                |        |            |             |
|                                 |        |            |             |
| TRACT 2 TOTAL                   | 40.00  | .12465331  |             |

# TRACT 3 OWNERSHIP (E/2NE/4 of Section 9-T20S-R34E, being 80.00 acres)

Lease: USA NMLC-0064194

| Owner                                  | Net Acres | Unit WI    | Status      |
|--|-----------|------------|-------------|
| Moore and Shelton Co., LTD             | 1.6615    | 0.02076924 | Committed   |
| P.O. Box 3070                          |           |            |             |
| Galveston, TX 77552                    |           |            |             |
|  |           |            |             |
| HOG Partnership, LP                    | 2.6853    | 0.03356644 | Uncommitted |
| 5950 Cedar Springs Rd., Ste. 242       |           |            |             |
| Dallas, TX 75235                       |           |            |             |
|  |           |            |             |
| Challenger Crude, Ltd.                 | 2.3346    | 0.02918246 | Committed   |
| 3525 Andrews Hwy.                      |           |            |             |
| Midland, TX 79703                      |           |            |             |
|  |           |            |             |
| Permian Resources LLC/Read and Stevens | 24.2031   | 0.27617294 | Uncommitted |
| 300 N. Marienfeld St., Ste. 1000       |           |            |             |
| Midland, TX 79701                      |           |            |             |
|  |           |            |             |
| Javelina Partners                      | 4.7437    | 0.05929631 | Committed   |
| 616 Texas St.                          |           |            |             |

| Zorro Partners, Ltd.                    | 2.5808  | 0.03225960 | Committed   |
|---|---------|------------|-------------|
| 616 Texas St.                           |         |            |             |
| Fort Worth, TX 76102                    |         |            |             |
|   |         |            |             |
| Magnum Hunter Production Inc.           | 22.4755 | 0.28094405 | Committed   |
| 6001 Deauville Blvd., Ste. 300N         |         |            |             |
| Midland, TX 79706                       |         |            |             |
|   |         |            |             |
| Frost Bank, Trustee of the Josephine T. | 0.4692  | 0.00586541 | Committed   |
| Hudson Trust f/b/o J. Terrell Ard       |         |            |             |
| P.O. Box 1600                           |         |            |             |
| San Antonio, TX 78296                   |         |            |             |
|   |         |            |             |
| Ard Oil, LTD                            | 1.4077  | 0.01759615 | Uncommitted |
| 222 West Forth St., Ph5                 |         |            |             |
| Fort Worth, TX 76102                    |         |            |             |
|   |         |            |             |
| Chase Oil Corporation                   | 1.4407  | 0.01800821 | Uncommitted |
| 11344 Lovington Hwy.                    |         |            |             |
| Artesia, NM 88210                       |         |            |             |
|   |         |            |             |
| Cimarex Energy Co.                      | 8.5076  | 0.10634446 | Committed   |
| 6001 Deauville Blvd., Ste. 300N         |         |            |             |
| Midland, TX 79706                       |         |            |             |
|   |         |            |             |
| Avalon Energy Corporation               | 0.4545  | 0.00568182 | Uncommitted |
| 310 W. Wall St., Ste. 305               |         |            |             |

# Midland, TX 79701

| Wilbanks Reserve Corporation           | 3.8893 | 0.04861609 | Uncommitted |
|--|--------|------------|-------------|
| 450 E. 17 <sup>th</sup> Ave., Ste. 220 |        |            |             |
| Denver, CO 80203                       |        |            |             |
|  |        |            |             |
| Marks Oil, Inc.                        | 0.4754 | 0.00594271 | Uncommitted |
| 1775 Sherman St., Ste. 2990            |        |            |             |
| Denver, CO 80203                       |        |            |             |
|  |        |            |             |
| William A. Hudson, II                  | 0.2517 | 0.00314685 | Committed   |
| 616 Texas St.                          |        |            |             |
| Fort Worth, TX 76102                   |        |            |             |
|  |        |            |             |
| Union Hill Oil and Gas Co. Inc.        | 2.4193 | 0.03024091 | Uncommitted |
| 7712 Glanshannon Cir.                  |        |            |             |
| Dallas, TX 75225                       |        |            |             |
|  |        |            |             |
| TRACT 3 TOTAL                          | 80.00  | .24930662  |             |

# TRACT 4 OWNERSHIP (E/2 SE/4 of Section 9-T20S-R34E, being 80.00 acres)

Lease: USA NMLC-0064194

| <br>Owner                        | Net Acres | Unit WI    | Status      |
|----------------------------------|-----------|------------|-------------|
| Moore and Shelton Co., LTD       | 1.6615    | 0.02076924 | Committed   |
| P.O. Box 3070                    |           |            |             |
| Galveston, TX 77552              |           |            |             |
|                                  |           |            |             |
| HOG Partnership, LP              | 3.6923    | 0.04615385 | Uncommitted |
| 5950 Cedar Springs Rd., Ste. 242 |           |            |             |

# Dallas, TX 75235

| Permian Resources LLC/Read and Stevens  | 30.9320 | 0.38665000 | Uncommitted |
|---|---------|------------|-------------|
| 300 N. Marienfeld St., Ste. 1000        |         |            |             |
| Midland, TX 79701                       |         |            |             |
|   |         |            |             |
| Javelina Partners                       | 3.9885  | 0.04985576 | Committed   |
| 616 Texas St.                           |         |            |             |
| Fort Worth, TX 76102                    |         |            |             |
|   |         |            |             |
| Zorro Partners, Ltd.                    | 2.5808  | 0.03225961 | Committed   |
| 616 Texas St.                           |         |            |             |
| Fort Worth, TX 76102                    |         |            |             |
|   |         |            |             |
| Magnum Hunter Production Inc.           | 15.3846 | 0.19230768 | Committed   |
| 6001 Deauville Blvd., Ste. 300N         |         |            |             |
| Midland, TX 79706                       |         |            |             |
|   |         |            |             |
| Frost Bank, Trustee of the Josephine T. | 0.4692  | 0.00586540 | Committed   |
| Hudson Trust f/b/o J. Terrell Ard       |         |            |             |
| P.O. Box 1600                           |         |            |             |
| San Antonio, TX 78296                   |         |            |             |
|   |         |            |             |
| Ard Oil, LTD                            | 1.4077  | 0.01759615 | Uncommitted |
| 222 West Forth St., Ph5                 |         |            |             |
| Fort Worth, TX 76102                    |         |            |             |
|   |         |            |             |
| Cimarex Energy Co.                      | 17.8154 | 0.22269231 | Committed   |
| 6001 Deauville Blvd., Ste. 300N         |         |            |             |

Midland, TX 79706

| Avalon Energy Corporation       | 0.4545 | 0.00568182 | Uncommitted |
|---------------------------------|--------|------------|-------------|
| 310 W. Wall St., Ste. 305       |        |            |             |
| Midland, TX 79701               |        |            |             |
|                                 |        |            |             |
| Union Hill Oil and Gas Co. Inc. | 2.0680 | 0.02585000 | Uncommitted |
| 7712 Glanshannon Cir.           |        |            |             |
| Dallas, TX 75225                |        |            |             |
|                                 |        |            |             |
| TRACT 4 TOTAL                   | 80.00  | .24930662  |             |

# TRACT 5 OWNERSHIP (Lot 1 and the SE/4SE/4 of Section 4-T20S-R34E, being 80.89 acres)

Lease: USA NMLC-0065607

| Owner                            | Net Acres | Unit WI    | Status      |
|----------------------------------|-----------|------------|-------------|
| Moore and Shelton Co., LTD       | 4.5501    | 0.05625000 | Committed   |
| P.O. Box 3070                    |           |            |             |
| Galveston, TX 77552              |           |            |             |
|                                  |           |            |             |
| HOG Partnership, LP              | 10.1113   | 0.12500000 | Uncommitted |
| 5950 Cedar Springs Rd., Ste. 242 |           |            |             |
| Dallas, TX 75235                 |           |            |             |
|                                  |           |            |             |
| Javelina Partners                | 23.4560   | 0.28997392 | Committed   |
| 616 Texas St.                    |           |            |             |
| Fort Worth, TX 76102             |           |            |             |
|                                  |           |            |             |
| Zorro Partners, Ltd.             | 15.1774   | 0.18763017 | Committed   |
| 616 Texas St.                    |           |            |             |

Fort Worth, TX 76102

Frost Bank, Trustee of the Josephine T. 2.7595 0.03411465 Committed

Hudson Trust f/b/o J. Terrell Ard

P.O. Box 1600

San Antonio, TX 78296

Ard Oil, LTD 8.2786 0.10234375 Uncommitted

222 West Forth St., Ph5

Fort Worth, TX 76102

Cimarex Energy Co. 16.5572 0.20468750 Committed

6001 Deauville Blvd., Ste. 300N

Midland, TX 79706

TRACT 5 TOTAL 80.00 .25208015

# **Complete List of Parties/Persons to be Pooled:**

# **Working Interest Owners**

Moore & Shelton Co., Ltd

HOG Partnership, LP

Challenger Crude, Ltd.

Permian Resources LLC

Permian Resources LLC

Javelina Partners

Zorro Partners, Ltd.

Magnum Hunter Production

Zorro Partners, Ltd.

Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard

Ard Oil, LTD

**Chase Oil Corporation** 

Cimarex Energy Co.

**Avalon Energy Corporation** 

Wilbanks Reserve Corporation

Marks Oil, Inc.

Javelina Partners

William A. Hudson, II

Union Hill Oil & Gas Co. Inc.

# **UNIT RECAPITULATION:**

E/2E/2 of Section 4 and the E/2E/2 of Section 9; all in T20S-R34E; 320.89 acres

Moore and Shelton Co., LTD 2.97132% WI

HOG Partnership, LP 5.97532% WI

Challenger Crude, Ltd. 1.45508% WI

Permian Resources LLC 24.72445% WI

Javelina Partners 11.50920% WI

Zorro Partners, Ltd. 7.14254% WI

Magnum Hunter Production Inc. 18.80260% WI

| Frost Bank, Trustee of the Josephine T.     | 1.29865% WI |
|---|-------------|
| Hudson Testamentary Trust FRO I Terrell Ard |             |

| nuuson i | estamentary | ITUST FBO J. | rerreii Aru |
|----------|-------------|--------------|-------------|
|          |             |              |             |

| Ard Oil, LTD | 3.89594% WI |
|--------------|-------------|
|              |             |

| Chase Oil Corporation 0.8 | 9791% WI |
|---------------------------|----------|
|---------------------------|----------|

| Cimaray Enargy Ca  | 16.01411% WI |
|--------------------|--------------|
| Cimarex Energy Co. | 10.U1411% WI |

Avalon Energy Corporation 0.28330% WI

Wilbanks Reserve Corporation 2.42406% WI

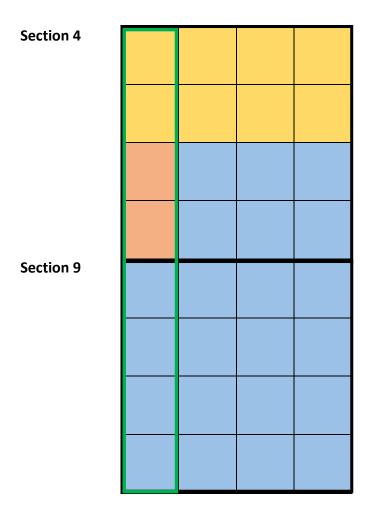
Marks Oil, Inc. 0.29631% WI

William A. Hudson, II 0.15691% WI

Union Hill Oil and Gas Co. Inc. 2.15231% WI

Exhibit "A-2"

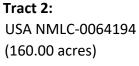
W/2W/2 of Section 4 and the W/2W/2 of Section 9, Township 20 South, Range 34 East of Lea County, NM (PERMIAN/DELAWARE BASIN) – Bone Spring formation



Tract 1: USA NMLC-0064194 (80.00 acres)



Tract 3: USA NMLC-0065607 (80.21 acres)







## **Loosey Goosey 4-9 Fed Com 301H**

SHL: Sec. 33-19S-34E; 1189' FSL and 1464' FWL BHL: Sec. 9-20S-34E; 100' FNL and 706' FWL

# Exhibit "A-2" OWNERSHIP BREAKDOWN – Bone Spring formation

# W/2W/2 of Section 4 and the W/2W/2 of Section 9, Township 20 South, Range 34 East of Lea County, NM

## Loosey Goosey 4-9 Fed Com 301H

#### TRACT 1 OWNERSHIP (W/2SW/4 of Section 4-T20S-R34E, being 80.00 acres)

| Owner                                  | Net Acres | Unit WI    | Status      |
|--|-----------|------------|-------------|
| Moore and Shelton Co., LTD             | 1.6615    | 0.02076924 | Committed   |
| P.O. Box 3070                          |           |            |             |
| Galveston, TX 77552                    |           |            |             |
|  |           |            |             |
| HOG Partnership, LP                    | 2.6853    | 0.03356644 | Uncommitted |
| 5950 Cedar Springs Rd., Ste. 242       |           |            |             |
| Dallas, TX 75235                       |           |            |             |
|  |           |            |             |
| Challenger Crude, Ltd.                 | 2.3346    | 0.02918246 | Committed   |
| 3525 Andrews Hwy.                      |           |            |             |
| Midland, TX 79703                      |           |            |             |
|  |           |            |             |
| Permian Resources LLC/Read and Stevens | 24.2031   | 0.30253929 | Uncommitted |
| 300 N. Marienfeld St., Ste. 1000       |           |            |             |
| Midland, TX 79701                      |           |            |             |
|  |           |            |             |
| Javelina Partners                      | 4.7437    | 0.05929631 | Committed   |
| 616 Texas St.                          |           |            |             |

| Zorro Partners, Ltd.                    | 2.5808  | 0.03222596 | Committed   |
|---|---------|------------|-------------|
| 616 Texas St.                           |         |            |             |
| Fort Worth, TX 76102                    |         |            |             |
|   |         |            |             |
| Magnum Hunter Production Inc.           | 22.4755 | 0.28094405 | Committed   |
| 6001 Deauville Blvd., Ste. 300N         |         |            |             |
| Midland, TX 79706                       |         |            |             |
|   |         |            |             |
| Frost Bank, Trustee of the Josephine T. | 0.4692  | 0.00586541 | Committed   |
| Hudson Trust f/b/o J. Terrell Ard       |         |            |             |
| P.O. Box 1600                           |         |            |             |
| San Antonio, TX 78296                   |         |            |             |
|   |         |            |             |
| Ard Oil, LTD                            | 1.4077  | 0.01759615 | Uncommitted |
| 222 West Forth St., Ph5                 |         |            |             |
| Fort Worth, TX 76102                    |         |            |             |
|   |         |            |             |
| Chase Oil Corporation                   | 1.4407  | 0.01800821 | Uncommitted |
| 11344 Lovington Hwy.                    |         |            |             |
| Artesia, NM 88210                       |         |            |             |
|   |         |            |             |
| Cimarex Energy Co.                      | 8.5076  | 0.10634446 | Committed   |
| 6001 Deauville Blvd., Ste. 300N         |         |            |             |
| Midland, TX 79706                       |         |            |             |
|   |         |            |             |
| Avalon Energy Corporation               | 0.4545  | 0.00568182 | Uncommitted |
| 310 W. Wall St., Ste. 305               |         |            |             |

## Midland, TX 79701

| Wilbanks Reserve Corporation           | 3.8893 | 0.04861609 | Uncommitted |
|--|--------|------------|-------------|
| 450 E. 17 <sup>th</sup> Ave., Ste. 220 |        |            |             |
| Denver, CO 80203                       |        |            |             |
|  |        |            |             |
| Marks Oil, Inc.                        | 0.4754 | 0.00594271 | Uncommitted |
| 1775 Sherman St., Ste. 2990            |        |            |             |
| Denver, CO 80203                       |        |            |             |
|  |        |            |             |
| William A. Hudson, II                  | 0.2517 | 0.00314685 | Committed   |
| 616 Texas St.                          |        |            |             |
| Fort Worth, TX 76102                   |        |            |             |
|  |        |            |             |
| Union Hill Oil and Gas Co. Inc.        | 2.4193 | 0.03024091 | Uncommitted |
| 7712 Glanshannon Cir.                  |        |            |             |
| Dallas, TX 75225                       |        |            |             |
|  |        |            |             |
| TRACT 1 TOTAL                          | 80.00  | .24983605  |             |

# TRACT 2 OWNERSHIP (W/2W/2 of Section 9-T20S-R34E, being 160.00 acres)

| <br>Owner                        | Net Acres | Unit WI    | Status      |
|----------------------------------|-----------|------------|-------------|
| Moore and Shelton Co., LTD       | 3.3231    | 0.02076924 | Committed   |
| P.O. Box 3070                    |           |            |             |
| Galveston, TX 77552              |           |            |             |
|                                  |           |            |             |
| HOG Partnership, LP              | 5.3706    | 0.03356644 | Uncommitted |
| 5950 Cedar Springs Rd., Ste. 242 |           |            |             |

| Dallas, TX | 75235 | , |
|------------|-------|---|
|------------|-------|---|

| Challenger Crude, Ltd.                  | 4.6692  | 0.02918246 | Committed   |
|---|---------|------------|-------------|
| 3525 Andrews Hwy.                       |         |            |             |
| Midland, TX 79703                       |         |            |             |
|   |         |            |             |
| Permian Resources LLC/Read and Stevens  | 48.4063 | 0.30253929 | Uncommitted |
| 300 N. Marienfeld St., Ste. 1000        |         |            |             |
| Midland, TX 79701                       |         |            |             |
|   |         |            |             |
| Javelina Partners                       | 9.4874  | 0.05929631 | Committed   |
| 616 Texas St.                           |         |            |             |
| Fort Worth, TX 76102                    |         |            |             |
|   |         |            |             |
| Zorro Partners, Ltd.                    | 5.1615  | 0.03225960 | Committed   |
| 616 Texas St.                           |         |            |             |
| Fort Worth, TX 76102                    |         |            |             |
|   |         |            |             |
| Magnum Hunter Production Inc.           | 44.9510 | 0.28094405 | Committed   |
| 6001 Deauville Blvd., Ste. 300N         |         |            |             |
| Midland, TX 79706                       |         |            |             |
|   |         |            |             |
| Frost Bank, Trustee of the Josephine T. | 0.9385  | 0.00586541 | Committed   |
| Hudson Trust f/b/o J. Terrell Ard       |         |            |             |
| P.O. Box 1600                           |         |            |             |
| San Antonio, TX 78296                   |         |            |             |
|   |         |            |             |
| Ard Oil, LTD                            | 2.8154  | 0.01759615 | Uncommitted |
| 222 West Forth St., Ph5                 |         |            |             |

| Chase Oil Corporation 11344 Lovington Hwy. | 2.8813  | 0.01800821 | Uncommitted   |
|--|---------|------------|---------------|
| Artesia, NM 88210                          |         |            |               |
| 7.11.00510, 1.11.1.00220                   |         |            |               |
| Cimarex Energy Co.                         | 17.0151 | 0.10634446 | Committed     |
| 6001 Deauville Blvd., Ste. 300N            |         |            |               |
| Midland, TX 79706                          |         |            |               |
|  |         |            |               |
| Avalon Energy Corporation                  | 0.9091  | 0.00568182 | Uncommitted   |
| 310 W. Wall St., Ste. 305                  |         |            |               |
| Midland, TX 79701                          |         |            |               |
| Wilbanks Reserve Corporation               | 7.7786  | 0.04861609 | Uncommitted   |
| 450 E. 17 <sup>th</sup> Ave., Ste. 220     |         |            |               |
| Denver, CO 80203                           |         |            |               |
|  |         |            |               |
| Marks Oil, Inc.                            | 0.9508  | 0.00594271 | Uncommitted   |
| 1775 Sherman St., Ste. 2990                |         |            |               |
| Denver, CO 80203                           |         |            |               |
|  |         |            |               |
| William A. Hudson, II                      | 0.5035  | 0.00314685 | Committed     |
| 616 Texas St.                              |         |            |               |
| Fort Worth, TX 76102                       |         |            |               |
| Haira Hill Oil and Con Co. La              | 4.0205  | 0.02024024 | Haraman Maria |
| Union Hill Oil and Gas Co. Inc.            | 4.8385  | 0.03024091 | Uncommitted   |
| 7712 Glanshannon Cir.                      |         |            |               |
| Dallas, TX 75225                           |         |            |               |

TRACT 2 TOTAL 160.00 .49967209

# TRACT 3 OWNERSHIP (Lot 4 and the SW/4NW/4 of Section 4-T20S-R34E, being 80.21 acres)

| Net Acres | Unit WI                                 | Status   |
|-----------|---|--|
| 4.5118    | 0.05625000                              | Committed  |
|           |   |  |
|           |   |  |
| 16 4190   | 0.20468750                              | Committed  |
| 10.4180   | 0.20408730                              | Committee  |
|           |   |  |
|           |   |  |
| 23.2588   | 0.28997392                              | Committed  |
|           |   |  |
|           |   |  |
|           |   |  |
| 15.0498   | 0.18763017                              | Committed  |
|           |   |  |
|           |   |  |
| 2.7363    | 0.03411465                              | Committed  |
|           |   |  |
|           |   |  |
|           |   |  |
|           |   |  |
| 10.0263   | 0.12500000                              | Uncommitted  |
| _         | 4.5118<br>16.4180<br>23.2588<br>15.0498 | 4.5118       0.05625000         16.4180       0.20468750         23.2588       0.28997392         15.0498       0.18763017 |

Dallas, TX 75235

Ard Oil, LTD 8.2090 0.10234375 Uncommitted

222 West Forth St., Ph5

Fort Worth, TX 76102

TRACT 3 TOTAL 80.21 .25049186

## **Complete List of Parties/Persons to be Pooled:**

## **Working Interest Owners**

Moore & Shelton Co., Ltd

HOG Partnership, LP

Challenger Crude, Ltd.

Permian Resources LLC

Permian Resources LLC

Javelina Partners

Zorro Partners, Ltd.

**Magnum Hunter Production** 

Zorro Partners, Ltd.

Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard

Ard Oil, LTD

**Chase Oil Corporation** 

Cimarex Energy Co.

**Avalon Energy Corporation** 

Wilbanks Reserve Corporation

Marks Oil, Inc.

Javelina Partners

William A. Hudson, II

Union Hill Oil & Gas Co. Inc.

#### **UNIT RECAPITULATION:**

## W/2W/2 of Section 4 and the W/2W/2 of Section 9; all in T20S-R34E; 320.21 acres

Moore and Shelton Co., LTD 2.96569 % WI

HOG Partnership, LP 5.64698% WI

Challenger Crude, Ltd. 2.18725% WI

Permian Resources LLC 22.67557% WI

Javelina Partners 11.70792% WI

Zorro Partners, Ltd. 7.11787% WI

Magnum Hunter Production Inc. 21.05699% WI

Frost Bank, Trustee of the Josephine T. 1.29416% WI

Hudson Testamentary Trust FBO J. Terrell Ard

Ard Oil, LTD 3.88247% WI

Chase Oil Corporation 1.34973% WI

Cimarex Energy Co. 13.09786% WI

Avalon Energy Corporation 0.42586% WI

Wilbanks Reserve Corporation 3.64382% WI

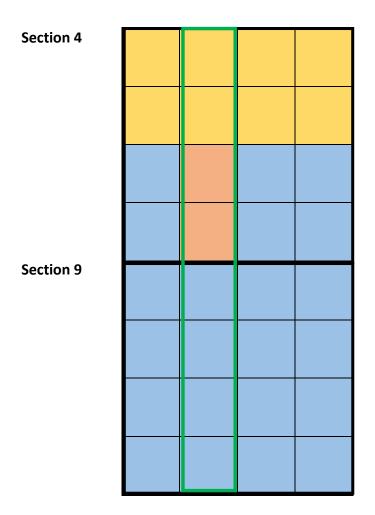
Marks Oil, Inc. 0.44541% WI

William A. Hudson, II 0.23586% WI

Union Hill Oil and Gas Co. Inc. 2.26658% WI

Exhibit "A-2"

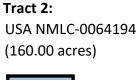
E/2W/2 of Section 4 and the E/2W/2 of Section 9, Township 20 South, Range 34 East of Lea County, NM (PERMIAN/DELAWARE BASIN) – Bone Spring formation



Tract 1: USA NMLC-0064194 (80.00 acres)



Tract 3: USA NMLC-0065607 (80.44 acres)







## **Loosey Goosey 4-9 Fed Com 302H**

SHL: Sec. 33-19S-34E; 1189' FSL and 1484' FWL BHL: Sec. 9-20S-34E; 2120' FWL and 100' FSL

# Exhibit "A-2" OWNERSHIP BREAKDOWN – Bone Spring formation

# E/2W/2 of Section 4 and the E/2W/2 of Section 9, Township 20 South, Range 34 East of Lea County, NM

## Loosey Goosey 4-9 Fed Com 302H

#### TRACT 1 OWNERSHIP (E/2SW/4 of Section 4-T20S-R34E, being 80.00 acres)

| Owner                                  | Net Acres | Unit WI    | Status      |
|--|-----------|------------|-------------|
| Moore and Shelton Co., LTD             | 1.6615    | 0.02076924 | Committed   |
| P.O. Box 3070                          |           |            |             |
| Galveston, TX 77552                    |           |            |             |
|  |           |            |             |
| HOG Partnership, LP                    | 2.6853    | 0.03356644 | Uncommitted |
| 5950 Cedar Springs Rd., Ste. 242       |           |            |             |
| Dallas, TX 75235                       |           |            |             |
|  |           |            |             |
| Challenger Crude, Ltd.                 | 2.3346    | 0.02918246 | Committed   |
| 3525 Andrews Hwy.                      |           |            |             |
| Midland, TX 79703                      |           |            |             |
|  |           |            |             |
| Permian Resources LLC/Read and Stevens | 24.2031   | 0.30253929 | Uncommitted |
| 300 N. Marienfeld St., Ste. 1000       |           |            |             |
| Midland, TX 79701                      |           |            |             |
|  |           |            |             |
| Javelina Partners                      | 4.7437    | 0.05929631 | Committed   |
| 616 Texas St.                          |           |            |             |

| Zorro Partners, Ltd.                    | 2.5808  | 0.03222596 | Committed   |
|---|---------|------------|-------------|
| 616 Texas St.                           |         |            |             |
| Fort Worth, TX 76102                    |         |            |             |
|   |         |            |             |
| Magnum Hunter Production Inc.           | 22.4755 | 0.28094405 | Committed   |
| 6001 Deauville Blvd., Ste. 300N         |         |            |             |
| Midland, TX 79706                       |         |            |             |
|   |         |            |             |
| Frost Bank, Trustee of the Josephine T. | 0.4692  | 0.00586541 | Committed   |
| Hudson Trust f/b/o J. Terrell Ard       |         |            |             |
| P.O. Box 1600                           |         |            |             |
| San Antonio, TX 78296                   |         |            |             |
|   |         |            |             |
| Ard Oil, LTD                            | 1.4077  | 0.01759615 | Uncommitted |
| 222 West Forth St., Ph5                 |         |            |             |
| Fort Worth, TX 76102                    |         |            |             |
|   |         |            |             |
| Chase Oil Corporation                   | 1.4407  | 0.01800821 | Uncommitted |
| 11344 Lovington Hwy.                    |         |            |             |
| Artesia, NM 88210                       |         |            |             |
|   |         |            |             |
| Cimarex Energy Co.                      | 8.5076  | 0.10634446 | Committed   |
| 6001 Deauville Blvd., Ste. 300N         |         |            |             |
| Midland, TX 79706                       |         |            |             |
|   |         |            |             |
| Avalon Energy Corporation               | 0.4545  | 0.00568182 | Uncommitted |
| 310 W. Wall St., Ste. 305               |         |            |             |

| Midland, 1 | ΓX 79701 | L |
|------------|----------|---|
|------------|----------|---|

| Wilbanks Reserve Corporation           | 3.8893 | 0.04861609 | Uncommitted |
|--|--------|------------|-------------|
| 450 E. 17 <sup>th</sup> Ave., Ste. 220 |        |            |             |
| Denver, CO 80203                       |        |            |             |
|  |        |            |             |
| Marks Oil, Inc.                        | 0.4754 | 0.00594271 | Uncommitted |
| 1775 Sherman St., Ste. 2990            |        |            |             |
| Denver, CO 80203                       |        |            |             |
|  |        |            |             |
| William A. Hudson, II                  | 0.2517 | 0.00314685 | Committed   |
| 616 Texas St.                          |        |            |             |
| Fort Worth, TX 76102                   |        |            |             |
|  |        |            |             |
| Union Hill Oil and Gas Co. Inc.        | 2.4193 | 0.03024091 | Uncommitted |
| 7712 Glanshannon Cir.                  |        |            |             |
| Dallas, TX 75225                       |        |            |             |
|  |        |            |             |
| TRACT 1 TOTAL                          | 80.00  | .24965672  |             |

# TRACT 2 OWNERSHIP (E/2W/2 of Section 9-T20S-R34E, being 160.00 acres)

| <br>Owner                        | Net Acres | Unit WI    | Status      |
|----------------------------------|-----------|------------|-------------|
| Moore and Shelton Co., LTD       | 3.3231    | 0.02076924 | Committed   |
| P.O. Box 3070                    |           |            |             |
| Galveston, TX 77552              |           |            |             |
|                                  |           |            |             |
| HOG Partnership, LP              | 5.3706    | 0.03356644 | Uncommitted |
| 5950 Cedar Springs Rd., Ste. 242 |           |            |             |

| Dal | las. | TX | 75 | 235 |
|-----|------|----|----|-----|
|     |      |    |    |     |

| Challenger Crude, Ltd.                  | 4.6692  | 0.02918246 | Committed   |
|---|---------|------------|-------------|
| 3525 Andrews Hwy.                       |         |            |             |
| Midland, TX 79703                       |         |            |             |
|   |         |            |             |
| Permian Resources LLC/Read and Stevens  | 48.4063 | 0.30253929 | Uncommitted |
| 300 N. Marienfeld St., Ste. 1000        |         |            |             |
| Midland, TX 79701                       |         |            |             |
|   |         |            |             |
| Javelina Partners                       | 9.4874  | 0.05929631 | Committed   |
| 616 Texas St.                           |         |            |             |
| Fort Worth, TX 76102                    |         |            |             |
|   |         |            |             |
| Zorro Partners, Ltd.                    | 5.1615  | 0.03225960 | Committed   |
| 616 Texas St.                           |         |            |             |
| Fort Worth, TX 76102                    |         |            |             |
|   |         |            |             |
| Magnum Hunter Production Inc.           | 44.9510 | 0.28094405 | Committed   |
| 6001 Deauville Blvd., Ste. 300N         |         |            |             |
| Midland, TX 79706                       |         |            |             |
|   |         |            |             |
| Frost Bank, Trustee of the Josephine T. | 0.9385  | 0.00586541 | Committed   |
| Hudson Trust f/b/o J. Terrell Ard       |         |            |             |
| P.O. Box 1600                           |         |            |             |
| San Antonio, TX 78296                   |         |            |             |
|   |         |            |             |
| Ard Oil, LTD                            | 2.8154  | 0.01759615 | Uncommitted |
| 222 West Forth St., Ph5                 |         |            |             |

| Fort Worth, TX 761 | LO | 2 |
|--------------------|----|---|
|--------------------|----|---|

| Chase Oil Corporation                  | 2.8813  | 0.01800821 | Uncommitted |
|--|---------|------------|-------------|
| 11344 Lovington Hwy.                   |         |            |             |
| Artesia, NM 88210                      |         |            |             |
|  |         |            |             |
| Cimarex Energy Co.                     | 17.0151 | 0.10634446 | Committed   |
| 6001 Deauville Blvd., Ste. 300N        |         |            |             |
| Midland, TX 79706                      |         |            |             |
|  |         |            |             |
| Avalon Energy Corporation              | 0.9091  | 0.00568182 | Uncommitted |
| 310 W. Wall St., Ste. 305              |         |            |             |
| Midland, TX 79701                      |         |            |             |
|  |         |            |             |
| Wilbanks Reserve Corporation           | 7.7786  | 0.04861609 | Uncommitted |
| 450 E. 17 <sup>th</sup> Ave., Ste. 220 |         |            |             |
| Denver, CO 80203                       |         |            |             |
|  |         |            |             |
| Marks Oil, Inc.                        | 0.9508  | 0.00594271 | Uncommitted |
| 1775 Sherman St., Ste. 2990            |         |            |             |
| Denver, CO 80203                       |         |            |             |
|  |         |            |             |
| William A. Hudson, II                  | 0.5035  | 0.00314685 | Committed   |
| 616 Texas St.                          |         |            |             |
| Fort Worth, TX 76102                   |         |            |             |
|  |         |            |             |
| Union Hill Oil and Gas Co. Inc.        | 4.8385  | 0.03024091 | Uncommitted |
| 7712 Glanshannon Cir.                  |         |            |             |
| Dallas, TX 75225                       |         |            |             |

TRACT 2 TOTAL 160.00 .49931344

# TRACT 3 OWNERSHIP (Lot 3 and the SE/4NW/4 of Section 4-T20S-R34E, being 80.44 acres)

| Owner                                   | Net Acres | Unit WI    | Status      |
|---|-----------|------------|-------------|
| Moore and Shelton Co., LTD              | 4.5248    | 0.05625000 | Committed   |
| P.O. Box 3070                           |           |            |             |
| Galveston, TX 77552                     |           |            |             |
|   |           |            |             |
| Cimarex Energy Co.                      | 16.4651   | 0.20468750 | Committed   |
| 6001 Deauville Blvd., Ste. 300N         |           |            |             |
| Midland, TX 79706                       |           |            |             |
|   |           |            |             |
| Javelina Partners                       | 23.3255   | 0.28997392 | Committed   |
| 616 Texas St.                           |           |            |             |
| Fort Worth, TX 76102                    |           |            |             |
|   |           |            |             |
| Zorro Partners, Ltd.                    | 15.0930   | 0.18763017 | Committed   |
| 616 Texas St.                           |           |            |             |
| Fort Worth, TX 76102                    |           |            |             |
|   |           |            |             |
| Frost Bank, Trustee of the Josephine T. | 2.7442    | 0.03411465 | Committed   |
| Hudson Trust f/b/o J. Terrell Ard       |           |            |             |
| P.O. Box 1600                           |           |            |             |
| San Antonio, TX 78296                   |           |            |             |
|   |           |            |             |
| HOG Partnership, LP                     | 10.0550   | 0.12500000 | Uncommitted |
| 5950 Cedar Springs Rd., Ste. 242        |           |            |             |

Dallas, TX 75235

Ard Oil, LTD 8.2325 0.10234375 Uncommitted

222 West Forth St., Ph5

Fort Worth, TX 76102

TRACT 3 TOTAL 80.44 .25102983

## **Complete List of Parties/Persons to be Pooled:**

## **Working Interest Owners**

Moore & Shelton Co., Ltd

HOG Partnership, LP

Challenger Crude, Ltd.

Permian Resources LLC

Permian Resources LLC

Javelina Partners

Zorro Partners, Ltd.

**Magnum Hunter Production** 

Zorro Partners, Ltd.

Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard

Ard Oil, LTD

**Chase Oil Corporation** 

Cimarex Energy Co.

**Avalon Energy Corporation** 

Wilbanks Reserve Corporation

Marks Oil, Inc.

Javelina Partners

William A. Hudson, II

Union Hill Oil & Gas Co. Inc.

#### **UNIT RECAPITULATION:**

## E/2W/2 of Section 4 and the E/2W/2 of Section 9; all in T20S-R34E; 320.44 acres

| Moore and Shelton Co., LTD | 2.96760% WI |
|----------------------------|-------------|
|----------------------------|-------------|

HOG Partnership, LP 5.65190% WI

Challenger Crude, Ltd. 2.18568% WI

Permian Resources LLC 22.65929% WI

Javelina Partners 11.72033% WI

Zorro Partners, Ltd. 7.12623% WI

Magnum Hunter Production Inc. 21.04187% WI

Frost Bank, Trustee of the Josephine T. 1.29568% WI

Hudson Testamentary Trust FBO J. Terrell Ard

Ard Oil, LTD 3.88703% WI

Chase Oil Corporation 1.34876% WI

Cimarex Energy Co. 13.103150% WI

Avalon Energy Corporation 0.42555% WI

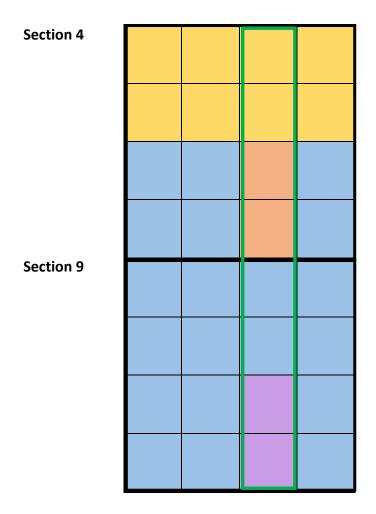
Wilbanks Reserve Corporation 3.6412% WI

William A. Hudson, II 0.23569% WI

Union Hill Oil and Gas Co. Inc. 2.26495% WI

Exhibit "A-2"

W/2E/2 of Section 4 and the W/2E/2 of Section 9, Township 20 South, Range 34 East of Lea County, NM (PERMIAN/DELAWARE BASIN) – Bone Spring formation



Tract 1: USA NMLC-0064194 (80.00 acres)



Tract 3: USA NMLC-0064194 (80.00 acres)



**Tract 2:**USA NMLC-0064194
(80.00 acres)



**Tract 4:**USA NMLC-0065607
(80.66 acres)



## **Loosey Goosey 4-9 Fed Com 303H**

SHL: Sec. 33-20S-34E; 194' FSL and 1488' FWL BHL: Sec. 9-20S-34E; 100' FSL and 1744' FEL

# Exhibit "A-2" OWNERSHIP BREAKDOWN – Bone Spring formation

# W/2E/2 of Section 4 and the W/2E/2 of Section 9, Township 20 South, Range 34 East of Lea County, NM

## Loosey Goosey 4-9 Fed Com 303H

## TRACT 1 OWNERSHIP (W/2SE/4 of Section 4-T20S-R34E, being 80.00 acres)

| Owner                                  | Net Acres | Unit WI    | Status      |
|--|-----------|------------|-------------|
| Moore and Shelton Co., LTD             | 1.6615    | 0.02076924 | Committed   |
| P.O. Box 3070                          |           |            |             |
| Galveston, TX 77552                    |           |            |             |
|  |           |            |             |
| HOG Partnership, LP                    | 2.6853    | 0.03356644 | Uncommitted |
| 5950 Cedar Springs Rd., Ste. 242       |           |            |             |
| Dallas, TX 75235                       |           |            |             |
|  |           |            |             |
| Challenger Crude, Ltd.                 | 2.3346    | 0.02918246 | Committed   |
| 3525 Andrews Hwy.                      |           |            |             |
| Midland, TX 79703                      |           |            |             |
|  |           |            |             |
| Permian Resources LLC/Read and Stevens | 24.2031   | 0.30253929 | Uncommitted |
| 300 N. Marienfeld St., Ste. 1000       |           |            |             |
| Midland, TX 79701                      |           |            |             |
|  |           |            |             |
| Javelina Partners                      | 4.7437    | 0.05929631 | Committed   |

| 61      | 6 | Texas  | ςŧ  |
|---------|---|--------|-----|
| $o_{T}$ | υ | 1 Exas | Jι. |

Fort Worth, TX 76102

| Zorro Partners, Ltd.                    | 2.5808  | 0.03222596 | Committed   |
|---|---------|------------|-------------|
| 616 Texas St.                           |         |            |             |
| Fort Worth, TX 76102                    |         |            |             |
|   |         |            |             |
| Magnum Hunter Production Inc.           | 22.4755 | 0.28094405 | Committed   |
| 6001 Deauville Blvd., Ste. 300N         |         |            |             |
| Midland, TX 79706                       |         |            |             |
|   |         |            |             |
| Frost Bank, Trustee of the Josephine T. | 0.4692  | 0.00586541 | Committed   |
| Hudson Trust f/b/o J. Terrell Ard       |         |            |             |
| P.O. Box 1600                           |         |            |             |
| San Antonio, TX 78296                   |         |            |             |
|   |         |            |             |
| Ard Oil, LTD                            | 1.4077  | 0.01759615 | Uncommitted |
| 222 West Forth St., Ph5                 |         |            |             |
| Fort Worth, TX 76102                    |         |            |             |
|   |         |            |             |
| Chase Oil Corporation                   | 1.4407  | 0.01800821 | Uncommitted |
| 11344 Lovington Hwy.                    |         |            |             |
| Artesia, NM 88210                       |         |            |             |
|   |         |            |             |
| Cimarex Energy Co.                      | 8.5076  | 0.10634446 | Committed   |
| 6001 Deauville Blvd., Ste. 300N         |         |            |             |
| Midland, TX 79706                       |         |            |             |
|   |         |            |             |
| Avalon Energy Corporation               | 0.4545  | 0.00568182 | Uncommitted |
|   |         |            |             |

310 W. Wall St., Ste. 305

Midland, TX 79701

| Wilbanks Reserve Corporation           | 3.8893 | 0.04861609 | Committed   |
|--|--------|------------|-------------|
| 450 E. 17 <sup>th</sup> Ave., Ste. 220 |        |            |             |
| Denver, CO 80203                       |        |            |             |
|  |        |            |             |
| Marks Oil, Inc.                        | 0.4754 | 0.00594271 | Uncommitted |
| 1775 Sherman St., Ste. 2990            |        |            |             |
| Denver, CO 80203                       |        |            |             |
|  |        |            |             |
| William A. Hudson, II                  | 0.2517 | 0.00314685 | Committed   |
| 616 Texas St.                          |        |            |             |
| Fort Worth, TX 76102                   |        |            |             |
|  |        |            |             |
| Union Hill Oil and Gas Co. Inc.        | 2.4193 | 0.03024091 | Uncommitted |
| 7712 Glanshannon Cir.                  |        |            |             |
| Dallas, TX 75225                       |        |            |             |
|  |        |            |             |
| TRACT 1 TOTAL                          | 80.00  | .24948544  |             |

# TRACT 2 OWNERSHIP (W/2NE/4 of Section 9-T20S-R34E, being 80.00 acres)

| <br>Owner                  | Net Acres | Unit WI    | Status      |
|----------------------------|-----------|------------|-------------|
| Moore and Shelton Co., LTD | 1.6615    | 0.02076924 | Committed   |
| P.O. Box 3070              |           |            |             |
| Galveston, TX 77552        |           |            |             |
|                            |           |            |             |
| HOG Partnership, LP        | 2.6853    | 0.03356644 | Uncommitted |

| 5950 | Cedar | <b>Springs</b> | Rd | Ste. | 242 |
|------|-------|----------------|----|------|-----|
|      |       |                |    |      |     |

Dallas, TX 75235

| Challenger Crude, Ltd.                  | 2.3346  | 0.02918246 | Committed   |
|---|---------|------------|-------------|
| 3525 Andrews Hwy.                       |         |            |             |
| Midland, TX 79703                       |         |            |             |
|   |         |            |             |
| Permian Resources LLC/Read and Stevens  | 24.2031 | 0.30253929 | Uncommitted |
| 300 N. Marienfeld St., Ste. 1000        |         |            |             |
| Midland, TX 79701                       |         |            |             |
|   |         |            |             |
| Javelina Partners                       | 4.7437  | 0.05929631 | Committed   |
| 616 Texas St.                           |         |            |             |
| Fort Worth, TX 76102                    |         |            |             |
|   |         |            |             |
| Zorro Partners, Ltd.                    | 2.5808  | 0.03225960 | Committed   |
| 616 Texas St.                           |         |            |             |
| Fort Worth, TX 76102                    |         |            |             |
|   |         |            |             |
| Magnum Hunter Production Inc.           | 22.4755 | 0.28094405 | Committed   |
| 6001 Deauville Blvd., Ste. 300N         |         |            |             |
| Midland, TX 79706                       |         |            |             |
|   |         |            |             |
| Frost Bank, Trustee of the Josephine T. | 0.4692  | 0.00586541 | Committed   |
| Hudson Trust f/b/o J. Terrell Ard       |         |            |             |
| P.O. Box 1600                           |         |            |             |
| San Antonio, TX 78296                   |         |            |             |
|   |         |            |             |
| Ard Oil, LTD                            | 1.4077  | 0.01759615 | Uncommitted |

| 222 | West | Forth | St., | Ph5 |
|-----|------|-------|------|-----|
|-----|------|-------|------|-----|

Fort Worth, TX 76102

| Fort Worth, TX 76102                   |        |            |             |
|--|--------|------------|-------------|
| Chase Oil Corporation                  | 1.4407 | 0.01800821 | Uncommitted |
| 11344 Lovington Hwy.                   |        |            |             |
| Artesia, NM 88210                      |        |            |             |
|  |        |            |             |
| Cimarex Energy Co.                     | 8.5076 | 0.10634446 | Committed   |
| 6001 Deauville Blvd., Ste. 300N        |        |            |             |
| Midland, TX 79706                      |        |            |             |
|  |        |            |             |
| Avalon Energy Corporation              | 0.4545 | 0.00568182 | Uncommitted |
| 310 W. Wall St., Ste. 305              |        |            |             |
| Midland, TX 79701                      |        |            |             |
|  |        |            |             |
| Wilbanks Reserve Corporation           | 3.8893 | 0.04861609 | Uncommitted |
| 450 E. 17 <sup>th</sup> Ave., Ste. 220 |        |            |             |
| Denver, CO 80203                       |        |            |             |
|  |        |            |             |
| Marks Oil, Inc.                        | 0.4754 | 0.00594271 | Uncommitted |
| 1775 Sherman St., Ste. 2990            |        |            |             |
| Denver, CO 80203                       |        |            |             |
|  |        |            |             |
| William A. Hudson, II                  | 0.2517 | 0.00314685 | Committed   |
| 616 Texas St.                          |        |            |             |
| Fort Worth, TX 76102                   |        |            |             |
|  |        |            |             |
| Union Hill Oil and Gas Co. Inc.        | 2.4193 | 0.03024091 | Uncommitted |
| 7712 Glanshannon Cir.                  |        |            |             |

Dallas, TX 75225

TRACT 2 TOTAL 80.00 .24948544

## TRACT 3 OWNERSHIP (W/2SE/4 of Section 9-T20S-R34E, being 80.00 acres)

| Owner                                  | Net Acres | Unit WI    | Status      |
|--|-----------|------------|-------------|
| Moore and Shelton Co., LTD             | 1.6615    | 0.02076924 | Committed   |
| P.O. Box 3070                          |           |            |             |
| Galveston, TX 77552                    |           |            |             |
|  |           |            |             |
| HOG Partnership, LP                    | 3.6923    | 0.04615385 | Uncommitted |
| 5950 Cedar Springs Rd., Ste. 242       |           |            |             |
| Dallas, TX 75235                       |           |            |             |
|  |           |            |             |
| Permian Resources LLC/Read and Stevens | 30.9320   | 0.38665000 | Uncommitted |
| 300 N. Marienfeld St., Ste. 1000       |           |            |             |
| Midland, TX 79701                      |           |            |             |
|  |           |            |             |
| Javelina Partners                      | 3.9885    | 0.04985576 | Committed   |
| 616 Texas St.                          |           |            |             |
| Fort Worth, TX 76102                   |           |            |             |
|  |           |            |             |
| Zorro Partners, Ltd.                   | 2.5808    | 0.03225961 | Committed   |
| 616 Texas St.                          |           |            |             |
| Fort Worth, TX 76102                   |           |            |             |
|  |           |            |             |
| Magnum Hunter Production Inc.          | 15.3846   | 0.19230768 | Committed   |
| 6001 Deauville Blvd., Ste. 300N        |           |            |             |

# Midland, TX 79706

| Frost Bank, Trustee of the Josephine T. | 0.4692  | 0.00586540 | Committed   |
|---|---------|------------|-------------|
| Hudson Trust f/b/o J. Terrell Ard       |         |            |             |
| P.O. Box 1600                           |         |            |             |
| San Antonio, TX 78296                   |         |            |             |
|   |         |            |             |
| Ard Oil, LTD                            | 1.4077  | 0.01759615 | Uncommitted |
| 222 West Forth St., Ph5                 |         |            |             |
| Fort Worth, TX 76102                    |         |            |             |
|   |         |            |             |
| Cimarex Energy Co.                      | 17.8154 | 0.22269231 | Committed   |
| 6001 Deauville Blvd., Ste. 300N         |         |            |             |
| Midland, TX 79706                       |         |            |             |
|   |         |            |             |
| Union Hill Oil and Gas Co. Inc.         | 2.0680  | 0.02585000 | Uncommitted |
| 7712 Glanshannon Cir.                   |         |            |             |
| Dallas, TX 75225                        |         |            |             |
|   |         |            |             |
| TRACT 3 TOTAL                           | 80.00   | .24948544  |             |

# TRACT 4 OWNERSHIP (Lot 2 and the SW/4NE/4 of Section 4-T20S-R34E, being 80.66 acres)

| <br>Owner                  | Net Acres | Unit WI    | Status      |
|----------------------------|-----------|------------|-------------|
| Moore and Shelton Co., LTD | 4.5371    | 0.05625000 | Committed   |
| P.O. Box 3070              |           |            |             |
| Galveston, TX 77552        |           |            |             |
|                            |           |            |             |
| HOG Partnership, LP        | 10.0825   | 0.12500000 | Uncommitted |

|  | 5950 | Cedar | <b>Springs</b> | Rd | Ste. | 242 |
|--|------|-------|----------------|----|------|-----|
|--|------|-------|----------------|----|------|-----|

Dallas, TX 75235

| Javelina Partners                       | 23.3893 | 0.28997392 | Committed   |
|---|---------|------------|-------------|
| 616 Texas St.                           |         |            |             |
| Fort Worth, TX 76102                    |         |            |             |
|   |         |            |             |
| Zorro Partners, Ltd.                    | 15.1342 | 0.18763017 | Committed   |
| 616 Texas St.                           |         |            |             |
| Fort Worth, TX 76102                    |         |            |             |
|   |         |            |             |
| Frost Bank, Trustee of the Josephine T. | 2.7517  | 0.03411465 | Committed   |
| Hudson Trust f/b/o J. Terrell Ard       |         |            |             |
| P.O. Box 1600                           |         |            |             |
| San Antonio, TX 78296                   |         |            |             |
|   |         |            |             |
| Ard Oil, LTD                            | 8.2550  | 0.10234375 | Uncommitted |
| 222 West Forth St., Ph5                 |         |            |             |
| Fort Worth, TX 76102                    |         |            |             |
|   |         |            |             |
| Cimarex Energy Co.                      | 16.5101 | 0.20468750 | Committed   |
| 6001 Deauville Blvd., Ste. 300N         |         |            |             |
| Midland, TX 79706                       |         |            |             |
|   |         |            |             |
| TRACT 4 TOTAL                           | 80.66   | .25154369  |             |

## **Complete List of Parties/Persons to be Pooled:**

## **Working Interest Owners**

Moore & Shelton Co., Ltd

HOG Partnership, LP

Challenger Crude, Ltd.

Permian Resources LLC

Permian Resources LLC

Javelina Partners

Zorro Partners, Ltd.

Magnum Hunter Production

Zorro Partners, Ltd.

Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard

Ard Oil, LTD

**Chase Oil Corporation** 

Cimarex Energy Co.

**Avalon Energy Corporation** 

Wilbanks Reserve Corporation

Marks Oil, Inc.

Javelina Partners

William A. Hudson, II

Union Hill Oil & Gas Co. Inc.

#### **UNIT RECAPITULATION:**

W/2E/2 of Section 4 and the W/2E/2 of Section 9; all in T20S-R34E; 320.66 acres

Moore and Shelton Co., LTD

2.96942% WI

HOG Partnership, LP

5.97064% WI

| Challenger Crude, Ltd.  | 1.45612% WI  |
|---|--------------|
| Permian Resources LLC   | 24.74219% WI |
| Javelina Partners   | 11.49665% WI |
| Zorro Partners, Ltd.  | 7.13421% WI  |
| Magnum Hunter Production Inc.   | 18.81609% WI |
| Frost Bank, Trustee of the Josephine T.  Hudson Testamentary Trust FBO J. Terrell Ard | 1.29713% WI  |
|   |              |
| Ard Oil, LTD  | 3.89139% WI  |

Chase Oil Corporation 0.89856% WI

Cimarex Energy Co. 16.01091% WI

Avalon Energy Corporation 0.28351% WI

Wilbanks Reserve Corporation 2.4258% WI

Marks Oil, Inc. 0.29652% WI

William A. Hudson, II 0.15702% WI

Union Hill Oil and Gas Co. Inc. 2.15385% WI

Cimarex Energy Co. Permian Business Unit 600 N. Marienfeld Street Suite 600 Midland, Texas 79701 MAIN 432.571.7800



August 25, 2022

Apache Corporation 200 Post Oak Blvd., Ste. 100 Houston, TX 77056

Re: Proposal to Drill

Loosey Goosey 4-9 Fed Com 101H-104H, 201H-204H & 301H-304H

Sections 4 & 9, Township 20 South, Range 34 East

Lea County, NM

Dear Working Interest Owner,

Cimarex Energy Co. hereby proposes to drill the Loosey Goosey 4-9 Fed Com 101H-104H, 201H-204H & 301H-304H Wells at a legal location in Section 4, Township 20 South, Range 34 East, NMPM, Lea Co., NM.

Loosey Goosey 4-9 Fed Com 101H - The intended surface hole location for the well is 1360' FSL and 1640' FWL of Section 33, Township 19 South, Range 34 East, and the intended bottom hole location is 100' FSL and 706' FWL of Section 9, Township 20 South, Range 34 East. The well is proposed to be drilled vertically to a depth of approximately 9,530' to the Bone Spring formation and laterally within the formation to the referenced bottom hole location.

Loosey Goosey 4-9 Fed Com 102H - The intended surface hole location for the well is 1360' FSL and 1600' FWL of Section 33, Township 19 South, Range 34 East, and the intended bottom hole location is 100' FSL and 2120' FWL of Section 9, Township 20 South, Range 34 East. The well is proposed to be drilled vertically to a depth of approximately 9,530' to the Bone Spring formation and laterally within the formation to the referenced bottom hole location.

Loosey Goosey 4-9 Fed Com 103H - The intended surface hole location for the well is 340' FSL and 1640' FEL of Section 33, Township 19 South, Range 34 East, and the intended bottom hole location is 100' FSL and 1744' FEL of Section 9, Township 20 South, Range 34 East. The well is proposed to be drilled vertically to a depth of approximately 9,530' to the Bone Spring formation and laterally within the formation to the referenced bottom hole location.

Loosey Goosey 4-9 Fed Com 104H - The intended surface hole location for the well is 340' FSL and 1600' FEL of Section 33, Township 19 South, Range 34 East, and the intended bottom hole location is 100' FSL and 330' FEL of Section 9, Township 20 South, Range 34 East. The well is proposed to be drilled vertically to a depth of approximately 9,530' to the Bone Spring formation and laterally within the formation to the referenced bottom hole location.



<u>Loosey Goosey 4-9 Fed Com 201H</u> - The intended surface hole location for the well is 1360' FSL and 1620' FWL of Section 33, Township 19 South, Range 34 East, and the intended bottom hole location is 100' FSL and 706' FWL of Section 9, Township 20 South, Range 34 East. The well is proposed to be drilled vertically to a depth of approximately 10,304' to the Bone Spring formation and laterally within the formation to the referenced bottom hole location.

<u>Loosey Goosey 4-9 Fed Com 202H</u> - The intended surface hole location for the well is 1360' FSL and 1580' FWL of Section 33, Township 19 South, Range 34 East, and the intended bottom hole location is 100' FSL and 2120' FWL of Section 9, Township 20 South, Range 34 East. The well is proposed to be drilled vertically to a depth of approximately 10,304' to the Bone Spring formation and laterally within the formation to the referenced bottom hole location.

<u>Loosey Goosey 4-9 Fed Com 203H</u> - The intended surface hole location for the well is 340' FSL and 1620' FEL of Section 33, Township 19 South, Range 34 East, and the intended bottom hole location is 100' FSL and 1744' FEL of Section 9, Township 20 South, Range 34 East. The well is proposed to be drilled vertically to a depth of approximately 10,300' to the Bone Spring formation and laterally within the formation to the referenced bottom hole location.

<u>Loosey Goosey 4-9 Fed Com 204H</u> - The intended surface hole location for the well is 280' FSL and 1520' FEL of Section 33, Township 19 South, Range 34 East, and the intended bottom hole location is 100' FSL and 330' FEL of Section 9, Township 20 South, Range 34 East. The well is proposed to be drilled vertically to a depth of approximately 10,300' to the Bone Spring formation and laterally within the formation to the referenced bottom hole location.

<u>Loosey Goosey 4-9 Fed Com 301H</u> - The intended surface hole location for the well is 1300' FSL and 1520' FWL of Section 33, Township 19 South, Range 34 East, and the intended bottom hole location is 100' FSL and 706' FWL of Section 9, Township 20 South, Range 34 East. The well is proposed to be drilled vertically to a depth of approximately 10,830' to the Bone Spring formation and laterally within the formation to the referenced bottom hole location.

<u>Loosey Goosey 4-9 Fed Com 302H</u> - The intended surface hole location for the well is 1300' FSL and 1500' FWL of Section 33, Township 19 South, Range 34 East, and the intended bottom hole location is 100' FSL and 2120' FWL of Section 9, Township 20 South, Range 34 East. The well is proposed to be drilled vertically to a depth of approximately 10,820' to the Bone Spring formation and laterally within the formation to the referenced bottom hole location.

<u>Loosey Goosey 4-9 Fed Com 303H</u> - The intended surface hole location for the well is 280' FSL and 1540' FEL of Section 33, Township 19 South, Range 34 East, and the intended bottom hole location is 100' FSL and 1744' FEL of Section 9, Township 20 South, Range 34 East. The well is proposed to be drilled vertically to a depth of approximately 10,810' to the Bone Spring formation and laterally within the formation to the referenced bottom hole location.

Loosey Goosey 4-9 Fed Com 304H - The intended surface hole location for the well is 280' FSL and 1500' FEL of Section 33, Township 19 South, Range 34 East, and the intended bottom hole location is 100' FSL and 330' FEL of Section 9, Township 20 South, Range 34 East. The well is proposed to be drilled vertically to a depth of approximately 10,800' to the Bone Spring formation and laterally within the formation to the referenced bottom hole location.

It should be understood that compliance with topography or cultural or environmental concerns, among others, might require modification of Cimarex's intended procedure. Cimarex will advise you of any such modifications.

Enclosed is (i) our detailed AFE reflecting estimated costs associated with this proposal, and; (ii) our proposed form of Operating Agreement to govern operations of the Loosey Goosey 4-9 Fed Com Wells. If you intend to participate, please approve and return one (1) original of the enclosed AFE, one (1) original of the signature page to the Operating Agreement, along with the contact information to receive your well data, to the undersigned within thirty (30) days of receipt of this proposal. If you elect to purchase your own well control insurance, you must provide a certificate of such insurance to Cimarex prior to commencement of drilling operations; otherwise, you will be covered by insurance procured by Cimarex and will be responsible for your share of the cost.

Cimarex will file for force pooling for the Loosey Goosey 4-9 Fed Com 101H-104H, 201H-204H & 301H-304H wells 30 days after the receipt of these proposals.

Please call the undersigned with any questions or comments.

Respectfully,

John Coffman 432.571.7883

John.Coffman@Coterra.com

7/6/2022

AFE # XXXXXXX O COTERRA Authorization For Expenditure - Loosey Goosey 4-9 Fed Com 204H Date Prepared Company Entity 8/17/2022 AFE Property Number Exploration Region Well Name Prospect Loosey Goosey 4-9 Fed Com 204H New Mexico Bone Spring XXXXXX-XXX.01 XXXXXXXX Permian Basin Estimated Spud Estimated Completion County, State Location Section 4-9 T20S-R34E Lea, NM Lea, NM X New Well Type Iti Measured Depth Til Vetical Depth Formation DEV 19800 10300 Supplement 2nd Sand Revision Purpose Drill and complete well Description The intended surface hold location for the well is 280 FSL and 1520 FEL of Section 33, T19S-R34E, and the intended bottom hole location is Drilling 100 FSL and 330 FEL of Section 9, T20S-R34E. The well is proposed to be drilled vertically to the 2nd Sand formation and laterally in a southerly direction within the formation to the referenced bottom hole location. Total vertical depth of the well is proposed to be approximately 10300 feet. Dry Hole After Casing Point Completed Well Cost Intangible \$2,475,500 Drilling Costs \$2 475 500 Completion Costs \$4,314,672 \$4,314,672 \$6,790,172 Total Intangible Cost \$2,475,500 \$4,314,672 Completed Well Cost After Casing Point Tangible Dry Hole \$1,125,000 \$1,518,000 Well Equipment \$393,000 \$262,523 \$262 523 Lease Equipment \$1,387,523 \$1,780,523 Total Tangible Cost \$393,000 Total Well Cost \$8,570,695 \$2,868,500 \$5,702,195 Comments On Well Costs 1. All tubulars, well or lease equipment is priced by COPAS and CEPS guidelines using the Historic Price Multiplier. Well Control Insurance Unless otherwise indicated below, you, as a non-operating working interest owner, agree to be covered by Operator's well control insurance procured by Operator so long as Operator conducts operations hereunder and to pay your prorated share of the premiums therefore. If you elect to purchase your own well control insurance, you must provide a certificate of such insurance acceptable to Operator, as to form and limits, at the time this AFE is returned, if available, but in no event later than commencement of drilling operations. You agree that failure to provide the certificate of insurance, as provided herein, will result in your being covered by insurance procured by Operator. I elect to purchase my own well control insurance policy. Marketing Election Cimarex sells its gas under arm's-length contracts with third party purchasers. Such contracts may include fees. In addition, penalties may be incurred for insufficient volumes delivered over time. Should you choose to market your share of gas with Cimarex, you will be subject to all of the terms of such contracts. Upon written request to Cimarex's Marketing Department, we will share with you the terms and conditions pursuant to which gas will be sold. Failure to make an election below shall be deemed an election to market your gas with Cimarex under the terms and conditions set forth above. I elect to take my gas in kind. I elect to market my gas with Cimarex pursuant to the terms and conditions of its contract. Comments on AFE The above costs are estimates only and anticipate trouble free operations without any foreseeable change in plans. The actual costs may exceed the estimated costs without affecting the authorization for expenditure herein granted. By approval of this AFE, the working interest owner agrees to pay its proportionate share of actual legal, curative, regulatory and well costs under term of the joint operating agreement, regulatory order or other applicable agreement covering this well. Nonoperator Approval Approved By (Print Name) Date Company Approved By (Signature)

NOTICE TO NONOPERATOR: Costs shown on this form are estimates only. By executing this AFE, the consenting party agrees to pay its proportionate

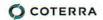
share of actual costs incurred. Overhead will be charged in accordance with the Joint Operating Agreement.



Authorization For Expenditure - Loosey Goosey 4-9 Fed Com 204H

AFE # XXXXXXX

| Description  | BCP - Dr             |           |           | Drilling  | 1                     | np/Stim   | _        | on Equip | Post Com     |         | Total     |
|--|----------------------|-----------|-----------|-----------|-----------------------|-----------|----------|----------|--------------|---------|-----------|
| Description  | Codes                | Amount    | Codes     | Amount    |                       | Amount    |          | Amount   |              | Amount  | Cos       |
| Roads & Location   | DIDC.100             | 20,000    |           |           | STIM.100              | 3,000     |          | 4,989    | PCOM.100     | 3,000   | 30,989    |
| Damages  | DIDC.105             | 16,500    |           |           |                       |           | CON.105  | 0        |              |         | 16,500    |
| Mud/Fluids Disposal  | DIDC.255             | 200,000   |           |           | STIM.255              | 51,000    |          |          | PCOM.255     | 0       | 251,000   |
| Day Rate   | DIDC.115             | 468,000   | DICC 120  | 96,000    |                       |           |          |          |              |         | 564,000   |
| Misc Preparation   | DIDC.120             | 30,000    |           |           |                       |           |          |          |              |         | 30,000    |
| Bits   | DIDC.125             | 97,000    | DICC 125  | 0         | STIM.125              | ò         |          |          | PCOM.125     | 0       | 97,000    |
|  |                      |           | DICC.130  | 0         |                       | 9         |          |          | PCOM.130     | 0       | 119,000   |
| Fuel   | DIDC.135             | 119,000   |           |           | 777                   |           |          |          |              | 0       |           |
| Water for Drilling Rig (Not Frac Water)  | DIDC.140             | 5,000     | DICC.135  | 0         | STIM.135              | 20,000    |          |          | PCOM.135     | U       | 25,000    |
| Mud & Additives  | DIDC.145             | 300,000   |           |           |                       |           |          |          |              |         | 300,000   |
| SWD PIPED TO 3RD PARTY SWD WELL  |                      |           |           |           |                       |           |          |          | PCOM.257     | 109,193 | 109,193   |
| Surface Rentals  | DIDC.150             | 97,000    | DICC 140  | 0         | STIM.140              | 137,000   | CON.140  | 3,118    | PCOM.140     | 60,000  | 297,118   |
| Downhole Rentals   | DIDC.155             | 131,000   |           |           | STIM.145              | 35,000    |          |          | PCOM.145     | 0       | 166,000   |
| Flowback Labor   |                      |           |           |           | STIM.141              | 0         |          |          | PCOM.141     | 30,000  | 30,000    |
| Automation Labor   |                      |           |           |           | -1/5//                |           | CON.150  | 26,689   | PCOM.150     | 5,000   | 31,689    |
| Mud Logging  | DIDC:170             | 5,000     |           |           |                       |           | 20111130 | 20,003   | 1.55         |         | 5,000     |
|  | DIDC.110             | 3,000     |           |           |                       |           | CON.165  | 15 240   |              |         | 15,340    |
| IPC & EXTERNAL PAINTING  |                      |           |           |           |                       |           | CON.165  | 15,340   |              |         |           |
| Cementing & Float Equipment  | DIDC.185             | 70,000    | DICC 155  | 140,000   |                       |           |          |          | 200          | - 2     | 210,000   |
| Tubular Inspections  | DIDC.190             | 38,000    | DICC.160  | 8,000     |                       | 4,000     |          |          | PCOM.160     | 0       | 50,000    |
| Casing Crews   | DIDC.195             | 15,000    | DICC.165  | 13,000    | STIM.165              | 0         |          |          |              |         | 28,000    |
| Mechanical Labor   | DIDC.200             | 20,000    | DICC.170  | 3,000     | STIM.170              | 0         | CON.170  | 84,182   | PCOM.170     | 5,000   | 112,182   |
| Trucking/Transportation  | DIDC.205             | 30,000    | DICC.175  | 8,000     | STIM.175              | 4,000     | CON.175  | 9,354    | PCOM.175     | 0       | 51,354    |
| Supervision  | DIDC 210             | 81,000    | DICC.180  | 13,000    |                       | 47,000    |          | 13,469   | PCOM.180     | 0       | 154,469   |
| Trailer House/Camp/Catering  | DIDC 280             | 36,000    | DICC 255  | 5,000     | and the second second | 31,000    |          | 7        |              | 3       | 72,000    |
| The transfer wilder of the Comment of the  |                      |           | DICC 190  |           | PANTAGOR I            |           |          | 14000    | PCOM.190     | 0       | 104,966   |
| Other Misc Expenses<br>Overhead  | DIDC 220<br>DIDC 225 | 5,000     | DICC 195  | 5,000     |                       | 85,000    | CON.190  | 14,966   | -CON.190     | U       | 10,000    |
|  |                      | 5,000     | DICC 195  | 5,000     |                       |           |          |          |              |         |           |
| MOB/DEMOB  | DIDC.240             | 115,000   |           |           |                       |           |          |          |              |         | 115,000   |
| Directional Drilling Services  | DIDC.245             | 307,000   |           |           |                       |           |          |          |              |         | 307,000   |
| Solids Control   | DIDC.260             | 46,000    |           |           |                       |           |          |          |              | 1.4     | 46,000    |
| Well Control Equip (Snubbing Services)   | DIDC.265             | 84,000    | DICC.240  | 0         | STIM.240              | 64,000    |          |          | PCOM.240     | 0       | 148,000   |
| Completion Rig   |                      |           |           |           | STIM.115              | 21,000    |          |          | PCOM.115     | 0       | 21,000    |
| Coil Tubing Services   |                      |           |           |           | STIM.260              | 0         |          |          | PCOM.260     | 0       | 0         |
| Completion Logging/Perforating/Wireline  |                      |           |           |           | STIM.200              | 257,000   |          |          | PCOM.200     | 0       | 257,000   |
| Composite Plugs  |                      |           |           |           | STIM.390              | 39,000    |          |          | PCOM.390     | 0       | 39,000    |
| All the second of the second o |                      |           |           |           |                       |           |          |          | PCOM.210     | 0       | 2,245,000 |
| Stimulation  |                      |           |           |           | STIM.210              | 2,245,000 |          |          | PCOM.210     | U       |           |
| Stimulation Water/Water Transfer/Water   |                      |           |           |           | STIM.395              | 191,000   |          |          |              |         | 191,000   |
| Cimarex Owned Frac/Rental Equipment  |                      |           |           |           | STIM.305              | 60,000    |          |          | PCOM.305     | 0       | 60,000    |
| Legal/Regulatory/Curative  | DIDC.300             | 10,000    |           |           |                       |           | CON.300  | 0        |              |         | 10,000    |
| Well Control Insurance   | DIDC.285             | 7,000     |           |           |                       |           |          |          |              |         | 7,000     |
| Major Construction Overhead  |                      |           |           |           |                       |           | CON.305  | 15,465   |              |         | 15,465    |
| FL/GL - ON PAD LABOR   |                      |           |           |           |                       |           | CON.495  | 85,305   |              |         | 85,305    |
| FL/GL - Supervision  |                      |           |           |           |                       |           | CON.505  | 9,354    |              |         | 9,354     |
| Survey   |                      |           |           |           |                       |           | CON.515  | 748      |              |         | 748       |
| Contingency  | DIDC.435             | 118,000   | DICC.220  | 15,000    | STIM.220              | 155,000   |          | 42,153   | PCOM.220     | 0       | 340,153   |
|  | DIDCASS              | 110,000   | DICCEZO   | 13,000    | 311W.220              | 165,000   |          |          | FCOIVI.220   | U       |           |
| Contingency  |                      |           |           |           |                       |           | CON.221  | 12,347   |              | -       | 12,347    |
| Total Intangible Cost  |                      | 2,475,500 |           | 306,000   |                       | 3,459,000 |          | 337,479  |              | 212,193 | 6,790,172 |
| Conductor Pipe   | DWEB.130             | 0         |           |           |                       |           |          |          |              |         | 0         |
| Water String   | DWEB.135             | 104,000   |           |           |                       |           |          |          |              | 1       | 104,000   |
| Surface Casing   | DWEB.140             | 251,000   |           |           |                       |           |          |          |              |         | 251,000   |
| Intermediate Casing 1  | DWEB.145             | 0         |           |           |                       |           |          |          |              |         | 0         |
| Production Casing or Liner   |                      |           | DWEA.100  | 792,000   |                       |           |          |          |              |         | 792,000   |
| Tubing   |                      |           |           |           | STIMT.105             | 139,000   |          |          | PCOMT.105    | 0       | 139,000   |
| Wellhead, Tree, Chokes   | DWEB.115             | 38,000    | DWEA.120  | 18,000    | STIMT.120             | 38,000    |          |          | PCOMT.120    | 10,000  | 104,000   |
| Liner Hanger, Isolation Packer   | DWEB.113             | 1000000   | DWEA.125  |           | - timil, 120          | 30,000    |          |          | . COMILIEU   | 10,000  | 104,000   |
|  | DANEG 100            | 0         | UVVEA.125 | 0         | CTILLE                |           |          |          | D.CO. 17 125 |         | 7         |
| Packer, Nipples  |                      |           |           |           | STIMT.400             | 28,000    |          |          | PCOMT.400    | 0       | 28,000    |
| SHORT ORDERS   |                      |           |           |           |                       |           | CONT.380 | 8,730    |              |         | 8,730     |
| WALKOVERS  |                      |           |           |           |                       |           | CONT.390 | 2,494    |              |         | 2,494     |
| Downhole Lift Equipment  |                      |           |           |           | STIMT,410             | 80,000    |          |          | PCOMT.410    | 0       | 80,000    |
| Surface Equipment  |                      |           |           |           |                       |           |          |          | PCOMT.420    | 15,000  | 15,000    |
| Well Automation Materials  |                      |           |           |           |                       |           |          |          | PCOMT.455    | 5,000   | 5,000     |
| N/C Lease Equipment  |                      |           |           |           |                       |           | CONT.400 | 103,263  |              |         | 103,263   |
| Battery Equipment  |                      |           |           |           |                       |           | CONT.410 | 58,740   |              |         | 58,740    |
| Secondary Containments   |                      |           |           |           |                       |           | CONT.415 |          |              |         | 4,989     |
|  |                      |           |           |           |                       |           |          | 4,989    |              |         |           |
| Meters and Metering Equipment  |                      |           |           |           |                       |           | CONT.445 | 12,471   |              |         | 12,471    |
| Facility Line Pipe   |                      |           |           |           |                       |           | CONT.450 | 10,476   |              |         | 10,476    |
| Lease Automation Materials   |                      |           |           |           |                       |           | CONT.455 | 33,049   |              |         | 33,049    |
| FL/GL - Materials  |                      |           |           |           |                       |           | CONT.550 | 10,227   |              |         | 10,227    |
| FL/GL - Line Pipe  |                      |           |           |           |                       |           | CONT.555 | 18,084   |              |         | 18,084    |
| Total Tangible Cost  |                      | 393,000   |           | 810,000   |                       | 285,000   |          | 262,523  |              | 30,000  | 1,780,523 |
| Total Estimated Cost   |                      | 2,868,500 | -         | 1,116,000 |                       | 3,744,000 |          | 600,002  |              | 242,193 | 8,570,695 |



Authorization For Expenditure - Loosey Goosey 4-9 Fed Com 204H

AFE # XXXXXXX

| Description  |          | BCF       | - Drilling |           | ACP - Drilling   |                      | Comp       | p/Stim  | -,        |
|--|----------|-----------|------------|-----------|--|----------------------|------------|---------|-----------|
| Description  | Codes    |           | Amount     | Codes     |  | Amount               | Codes      |         | Amou      |
| Roads & Location   | DIDC.100 |           | 20,000     |           |  | 1                    | STIM.100   | CON.100 | 3,00      |
| Damages  | DIDC.105 |           | 16,500     |           |  | 1                    |            |         |           |
| Mud/Fluids Disposal  | DIDC 255 |           | 200,000    |           |  |                      | STIM.255   |         | 51,00     |
| Day Rate   | DIDC.115 | DICC.120  | 468,000    | DICC 120  |  | 96,000               |            |         |           |
| Misc Preparation   | DIDC.120 |           | 30,000     |           |  | 1                    |            |         |           |
| Bits   |          | DICC.125  |            | DICC.125  | STIM 125   | 0                    | STIM.125   |         |           |
| Fuel   |          | DICC.130  | 119,000    |           | 311111.123   | 0                    | 21111111   |         | 1         |
|  |          |           |            | DICC.135  | CT144 13C  | 0                    | STIM.135   |         | 20,00     |
| Water for Drilling Rig (Not Frac   | DIDC.140 | DICC. 133 |            | DICC. 135 | 31IM 135   | · ·                  | 311W.133   |         | 20,00     |
| Mud & Additives  | DIDC.145 |           | 300,000    |           |  |                      |            |         |           |
| SWD PIPED TO 3RD PARTY SWD   |          |           |            |           | k.   |                      |            |         | 1777000   |
| Surface Rentals  | DIDC.150 | DICC 140  |            | DICC.140  | STIM.140   | 0                    | STIM.140   | CON.140 | 137,00    |
| Downhole Rentals   | DIDC.155 |           | 131,000    |           |  |                      | STIM.145   |         | 35,00     |
| Flowback Labor   |          |           |            |           |  |                      | STIM.141   |         | 1 3       |
| Automation Labor   |          |           |            |           |  |                      |            |         |           |
| Mud Logging  | DIDC.170 |           | 5,000      |           |  |                      |            |         |           |
| IPC & EXTERNAL PAINTING  |          |           | -          |           |  | 1                    |            |         |           |
| Cementing & Float Equipment  | DIDC 185 | DICC.155  | 70,000     | DICC 155  | 1  | 140,000              |            |         |           |
| Tubular Inspections  | DIDC.190 |           |            | DICC 160  | STIM 160   | 8,000                | STIM.160   |         | 4,000     |
|  |          |           |            |           |  | All the same and the | STIM.165   |         | 4,00      |
| Casing Crews   |          | DICC.165  | 1000000    | DICC.165  | STIM.165   | 13,000               |            | CON 170 |           |
| Mechanical Labor   | DIDC.200 |           | 2000000    | DICC.170  | The state of the s | 3,000                | STIM.170   | CON.170 | (00)      |
| Trucking/Transportation  |          | DICC.175  | 100        | DICC.175  | The state of the s | 8,000                | STIM.175   | CON.175 | 4,000     |
| Supervision  | DIDC.210 |           |            | DICC.180  |  | 13,000               | STIM.180   | CON.180 | 47,00     |
| Trailer House/Camp/Catering  | DIDC.280 | DICC.255  | 36,000     | DICC.255  | STIM.280   | 5,000                | STIM.280   |         | 31,000    |
| Other Misc Expenses  | DIDC 220 | DICC.190  | 5,000      | DICC.190  | STIM.190   | 0                    | STIM.190   | CON.190 | 85,000    |
| Overhead   | DIDC225  | DICC.195  | 5,000      | DICC.195  | 1  | 5,000                |            |         |           |
| MOB/DEMOB  | DIDC 240 |           | 115,000    | 47.0      |  |                      |            |         |           |
| Directional Drilling Services  | DIDC245  |           | 307,000    |           |  |                      |            |         |           |
| Color, vo. of the both and a second  |          |           | 20000      |           |  |                      |            |         | 1         |
| Solids Control   | DIDC.260 | 2.222.0   | 46,000     | 27.200    | 12,072.02  |                      | 2211010    |         |           |
| Well Control Equip (Snubbing   | DIDC.265 | DICC240   | 84,000     | DICC.240  | STIM.240   | 0                    | STIM.240   |         | 64,000    |
| Completion Rig   |          |           |            |           |  |                      | STIM.115   |         | 21,000    |
| Coil Tubing Services   |          |           |            |           |  |                      | STIM.260   |         |           |
| Completion   |          |           |            |           |  |                      | STIM.200   |         | 257,000   |
| Composite Plugs  |          |           |            |           |  |                      | STIM.390   |         | 39,000    |
| Stimulation  |          |           |            |           |  |                      | STIM.210   |         | 2,245,000 |
| Stimulation Water/Water  |          |           |            |           |  | 1 1                  | STIM.395   |         | 191,000   |
| Cimarex Owned Frac/Rental  |          |           |            |           |  |                      | STIM.305   |         | 60,000    |
| Legal/Regulatory/Curative  | DIDC.300 |           | 10,000     |           |  |                      | 311111203  |         | 55,05     |
|  |          |           | 1 0.00000  |           |  | 1 1                  |            |         |           |
| Well Control Insurance   | DIDC.285 |           | 7,000      |           |  |                      |            |         |           |
| Major Construction Overhead  |          |           |            |           |  | 1 1                  |            |         |           |
| FL/GL - ON PAD LABOR   |          |           |            |           |  |                      |            |         |           |
| FL/GL - Supervision  |          |           |            |           |  | 1 3                  |            |         |           |
| Survey   |          |           |            |           |  |                      |            |         |           |
| Contingency  | DIDC.435 | DICC 220  | 118,000    | DICC.220  | STIM.220   | 15,000               | STIM.220   | CON.220 | 165,000   |
| Contingency  |          |           | 17.300.755 |           |  | 04.00                |            | 100000  | 1,000     |
| Total Intangible Cos   |          |           | 2,475,500  |           |  | 306,000              |            | -       | 3,459,000 |
| Conductor Pipe   | DWEB.130 |           | 0          |           |  | 300,000              |            |         | 3,433,000 |
| Control of the Contro |          |           |            |           |  |                      |            |         |           |
| Water String   | DWEB.135 |           | 104,000    |           |  |                      |            |         |           |
| Surface Casing   | DWEB.140 |           | 251,000    |           |  |                      |            |         |           |
| Intermediate Casing 1  | DWEB.145 |           | 0          |           |  |                      |            |         |           |
| Production Casing or Liner   |          |           |            | DWEA.100  |  | 792,000              |            |         |           |
| Tubing   |          |           |            |           |  |                      | STIMT.105  |         | 139,000   |
| Wellhead, Tree, Chokes   | DWEB.115 | DWEA.120  | 38,000     | DWEA.120  | STIMT.120  | 18,000               | STIMT.120  |         | 38,000    |
| Liner Hanger, Isolation Packer   | DWEB.100 | DWEA 125  | 0          | DWEA.125  |  | 0                    |            |         |           |
| Packer, Nipples  |          |           | 11 8       | 270-27-2  |  |                      | STIMT.400  |         | 28,000    |
| SHORT ORDERS   |          |           |            |           |  |                      | 311111.400 |         | 20,000    |
| WALKOVERS  |          |           |            |           |  |                      |            |         |           |
|  |          |           |            |           |  |                      | Cruse      |         | 4444      |
| Downhole Lift Equipment  |          |           |            |           |  |                      | STIMT.410  |         | 80,000    |
| Surface Equipment  |          |           | 1          |           |  |                      |            |         |           |
| Well Automation Materials  |          |           |            |           |  |                      |            |         |           |
| N/C Lease Equipment  |          |           | 1          |           |  |                      |            |         |           |
| Battery Equipment  |          |           | 1          |           |  |                      |            |         |           |
| Secondary Containments   |          |           |            |           |  |                      |            |         |           |
| Meters and Metering Equipment  |          |           |            |           |  |                      |            |         |           |
| Facility Line Pipe   |          |           |            |           |  |                      |            |         |           |
|  |          |           |            |           |  |                      |            |         |           |
| Lease Automation Materials   |          |           |            |           |  |                      |            |         |           |
| FL/GL - Materials  |          |           | 1          |           |  |                      |            |         |           |
| FL/GL - Line Pipe  |          |           |            |           |  |                      |            |         |           |
| Total Tavaille Cost  |          |           | 393.000    |           |  | 810,000              |            |         | 285,000   |
| Total Tangible Cost  |          |           | 2,868,500  |           |  | 0.0,000              |            |         | 200,000   |

OCOTERRA Authorization For Expenditure - Loosey Goosey 4-9 Fed Com 204H

| Description  |             | Production Equip |      |             | Post Completion                           | -       | Total     |
|--|-------------|------------------|------|-------------|---|---------|-----------|
|  | Codes       | Amo              |      | Codes       | and the second second second second       | Amount  | Co        |
| Roads & Location   | CON.100     | 4,               | 989  | PCOM.100    | Repair any roads post D&C                 | 3,000   | 30,98     |
| Damages  | CON.105     |                  | 0    |             |   |         | 16,50     |
| Mud/Fluids Disposal  |             |                  |      | PCOM.255    |   | 0       | 251,00    |
| Day Rate   |             |                  |      |             |   |         | 564,00    |
| Misc Preparation   |             |                  |      |             |   |         | 30,00     |
| Bits   |             |                  |      | PCOM.125    |   | 0       | 97,00     |
| Fuel   |             |                  | - 1  | PCOM.130    |   | 0       | 119,00    |
|  |             |                  |      | PCOM. 135   |   | 0       | 25,00     |
| Water for Drilling Rig (Not Frac Water)  |             |                  |      | PCOM. 133   |   | ٠       | 300,00    |
| Mud & Additives  |             |                  |      | 00011367    | Water for 50 days (270V baseds)           | 109,193 | 109,19    |
| SWD PIPED TO 3RD PARTY SWD WELL  |             |                  |      | PCOM.257    | Water for 60 days (270K barrels)          |         |           |
| Surface Rentals  | CON.140     | 3,               | 118  | PCOM.140    | Iron. XEC Own 5K. No 10K. \$1,100 per day | 60,000  | 297,118   |
| Downhole Rentals   |             |                  |      | PCOM, 145   |   | 0       | 166,00    |
| Flowback Labor   |             |                  |      | PCOM.141    | 3 Flowback Hands (60 days). 25%           | 30,000  | 30,00     |
| Automation Labor   | CON.150     | 26,              | 689  | PCOM.150    |   | 5,000   | 31,68     |
| Mud Logging  |             |                  |      |             |   |         | 5,00      |
| IPC & EXTERNAL PAINTING  | CON.165     | 15,              | 340  |             |   |         | 15,34     |
| Cementing & Float Equipment  | 12000000    |                  |      |             |   |         | 210,000   |
| Tubular Inspections  |             |                  | - 1  | PCOM.160    |   | 0       | 50,000    |
| Casing Crews   |             |                  | - 1  |             |   |         | 28,000    |
| Mechanical Labor   | CON.170     | 84               | 182  | PCOM.170    | RU Flowback Iron & Automation             | 5,000   | 112,182   |
| Trucking/Transportation  | CON.175     | 25               | 354  | PCOM.175    |   | 0       | 51,354    |
| Supervision  | CON.173     | 72               | 22.7 | PCOM. 173   |   | 0       | 154,469   |
| Charles and the same of the sa | CON.180     | 13,              | 469  | PCOM. 180   |   | U       |           |
| Trailer House/Camp/Catering  | CONTRO      | 1 . 23           |      | 2001110     |   |         | 72,000    |
| Other Misc Expenses  | CON.190     | 14,              | 966  | PCOM.190    |   | 0       | 104,966   |
| Overhead   |             |                  |      |             |   |         | 10,000    |
| MOB/DEMOB  |             |                  |      |             |   |         | 115,000   |
| Directional Drilling Services  |             |                  |      |             |   |         | 307,000   |
| Solids Control   |             |                  |      |             |   |         | 46,000    |
| Well Control Equip (Snubbing Services)   |             |                  |      | PCOM.240    |   | 0       | 148,000   |
| Completion Rig   |             |                  |      | PCOM.115    |   | 0       | 21,000    |
| Coil Tubing Services   |             |                  |      | PCOM.260    |   | 0       | (         |
| Completion Logging/Perforating/Wireline  |             |                  | - 1  | PCOM.200    |   | 0       | 257,000   |
| Composite Plugs  |             |                  |      | PCOM.390    |   | 0       | 39,000    |
| Stimulation  |             |                  |      | PCOM.210    |   | 0       | 2,245,000 |
| Stimulation Water/Water Transfer/Water   |             |                  |      | PCOIVI.2.10 |   | · ·     | 191,000   |
|  |             |                  |      | 05011305    |   | 0       | 60,000    |
| Cimarex Owned Frac/Rental Equipment  | F011700     |                  |      | PCOM.305    |   | 0       |           |
| Legal/Regulatory/Curative  | CON.300     |                  | 0    |             |   |         | 10,000    |
| Well Control Insurance   | of 1. 10000 |                  |      |             |   |         | 7,000     |
| Major Construction Overhead  | CON,305     | 15,              |      |             |   |         | 15,465    |
| FL/GL - ON PAD LABOR   | CON.495     | 85,              | 305  |             |   |         | 85,305    |
| FL/GL - Supervision  | CON.505     | 9,               | 354  |             |   |         | 9,354     |
| Survey   | CON.515     |                  | 748  |             |   |         | 748       |
| Contingency  | CON.220     | 42,              | 153  | PCOM.220    | 10% Contingency                           | 0       | 340,153   |
| Contingency  | CON.221     | 12.              | 347  |             |   |         | 12,347    |
| Total Intangible Cost  |             | 337,             | -    |             |   | 212,193 | 6,790,172 |
| Conductor Pipe   |             | 220              | -    |             |   | - 4.00  | 0,120,110 |
| Water String   |             |                  |      |             |   |         | 104,000   |
| Surface Casing   |             |                  |      |             |   |         |           |
|  |             |                  |      |             |   |         | 251,000   |
| Intermediate Casing 1  |             |                  |      |             |   |         | 7000      |
| Production Casing or Liner   |             |                  | Ħ    |             |   |         | 792,000   |
| Tubing   |             |                  |      | PCOMT.105   | Company of Company of Company             | 0       | 139,000   |
| Wellhead, Tree, Chokes   |             |                  |      | PCOMT.120   | Replace worn chokes and valves during FB  | 10,000  | 104,000   |
| Liner Hanger, Isolation Packer   |             |                  |      |             |   |         |           |
| Packer, Nipples  |             |                  | ш    | PCOMT.400   |   | 0       | 28,000    |
| SHORT ORDERS   | CONT.380    | 8,               | 730  |             |   |         | 8,730     |
| WALKOVERS  | CONT.390    |                  | 194  |             |   |         | 2,494     |
| Downhole Lift Equipment  |             | 1 1 1 2          |      | PCOMT.410   |   | 0       | 80,000    |
| Surface Equipment  |             | - 1              |      |             | Replacing Chokes, Stuffing Boxes, and all | 15,000  | 15,000    |
| Well Automation Materials  |             |                  |      |             | PTs, and replacing meters                 | 5,000   | 5,000     |
| N/C Lease Equipment  | CONT.400    | 103              | 163  | . COM1.455  | and represent meters                      | 5,000   |           |
|  |             | 103,             |      |             |   |         | 103,263   |
| Battery Equipment  | CONT.410    | 58,              |      |             |   |         | 58,740    |
| Secondary Containments   | CONT.415    |                  | 989  |             |   |         | 4,989     |
| Meters and Metering Equipment  | CONT.445    | 12/              |      |             |   |         | 12,471    |
| Facility Line Pipe   | CONT.450    | 10,              | 176  |             |   |         | 10,476    |
| Lease Automation Materials   | CONT.455    | 33,              | 149  |             |   |         | 33,049    |
| FL/GL - Materials  | CONT.550    | 10,              | 227  |             |   |         | 10,227    |
| FL/GL - Line Pipe  | CONT.555    | 18,              |      |             |   |         | 18,084    |
| Total Tangible Cost  |             | 262              |      |             |   | 30,000  | 1,780,523 |
|  | 1           | 202              | 02   |             |   |         | 8,570,695 |

7/6/2022

AFE # XXXXXXX COTERRA Authorization For Expenditure - Loosey Goosey 4-9 Fed Com 301H Date Prepared Company Entity 8/17/2022 Property Number AFF Exploration Region Well Name Prospect XXXXXXX XXXXXX-XXX.01 Permian Basin Loosey Goosey 4-9 Fed Com 301H New Mexico Bone Spring Estimated Spud Estimated Completion County, State Location Lea, NM Section 4-9 T20S-R34E Lea, NM Itl Vetical Deoth X New Well Type Ttl Measured Depth 10830 Supplement 3rd Sand DEV 20330 Revision Purnose Drill and complete well Description The intended surface hold location for the well is 1300 FSL and 1520 FWL of Section 33, T19S-R34E, and the intended bottom hole location Drilling is 100 FSL and 706 FWL of Section 9, T20S-R34E. The well is proposed to be drilled vertically to the 3rd Sand formation and laterally in a southerly direction within the formation to the referenced bottom hole location. Total vertical depth of the well is proposed to be approximately 10830 feet. Completed Well Cost After Casing Point Intangible Dry Hole \$2,475,500 Drilling Costs \$2,475,500 \$4,624,922 Completion Costs \$4.624.922 \$7,100,422 Total Intangible Cost \$2,475,500 \$4,624,922 Completed Well Cost Tangible Dry Hole After Casing Point \$1,518,000 Well Equipment \$393,000 \$1,125,000 \$790,428 Lease Equipment \$790,428 Total Tangible Cost \$393,000 \$1,915,428 \$2,308,428 Total Well Cost \$2,868,500 \$6,540,350 \$9,408,850 Comments On Well Costs 1. All tubulars, well or lease equipment is priced by COPAS and CEPS guidelines using the Historic Price Multiplier. Well Control Insurance Unless otherwise indicated below, you, as a non-operating working interest owner, agree to be covered by Operator 's well control insurance procured by Operator so long as Operator conducts operations hereunder and to pay your prorated share of the premiums therefore. If you elect to purchase your own well control insurance, you must provide a certificate of such insurance acceptable to Operator, as to form and limits, at the time this AFE is returned, if available, but in no event later than commencement of drilling operations. You agree that failure to provide the certificate of insurance, as provided herein, will result in your being covered by insurance procured by Operator. I elect to purchase my own well control insurance policy. Marketing Election Cimarex sells its gas under arm's-length contracts with third party purchasers. Such contracts may include fees. In addition, penalties may be incurred for insufficient volumes delivered over time. Should you choose to market your share of gas with Cimarex, you will be subject to all of the terms of such contracts. Upon written request to Cimarex's Marketing Department, we will share with you the terms and conditions pursuant to which gas will be sold. Failure to make an election below shall be deemed an election to market your gas with Cimarex under the terms and conditions set forth above. I elect to take my gas in kind. I elect to market my gas with Cimarex pursuant to the terms and conditions of its contract. The above costs are estimates only and anticipate trouble free operations without any foreseeable change in plans. The actual costs may exceed the estimated costs without affecting the authorization for expenditure herein granted. By approval of this AFE, the working interest owner agrees to pay its proportionate share of actual legal, curative, regulatory and well costs under term of the joint operating agreement, regulatory order or other applicable agreement covering this well, Nonoperator Approval Approved By (Print Name) Approved By (Signature) Date

NOTICE TO NONOPERATOR. Costs shown on this form are estimates only. By executing this AFE, the consenting party agrees to pay its proportionate

share of actual costs incurred. Overhead will be charged in accordance with the Joint Operating Agreement



COTERRA Authorization For Expenditure - Loosey Goosey 4-9 Fed Com 301H

| Description                             | BCP - Dr   | -         |           | Drilling |                     | np/Stim   |          | ion Equip | Post Cor        |         | Total     |
|---|------------|-----------|-----------|----------|---------------------|-----------|----------|-----------|-----------------|---------|-----------|
|   | Codes      | Amount    | Codes     | Amount   |                     | Amount    |          | Amount    |                 | Amount  | 74,63     |
| Roads & Location                        | DIDC.100   | 20,000    |           |          | STIM.100            | 3,000     |          | 48,637    | PCOM.100        | 3,000   |           |
| Damages                                 | DIDC.105   | 16,500    |           |          |                     |           | CON.105  | 15807     |                 |         | 32,30     |
| Mud/Fluids Disposal                     | DIDC.255   | 200,000   |           |          | STIM.255            | 51,000    |          |           | PCOM.255        | 0       | 251,00    |
| Day Rate                                | DIDC.115   | 468,000   | DICC 120  | 96,000   |                     |           |          |           |                 |         | 564,00    |
| Misc Preparation                        | DIDC.120   | 30,000    |           |          |                     |           |          |           |                 |         | 30,00     |
| Bits                                    | DIDC.125   | 97,000    | DICC.125  | 0        | STIM.125            | 0         |          |           | PCOM.125        | 0       | 97,00     |
| Fuel                                    | DIDC.135   | 119,000   | DICC.130  | 0        |                     |           |          |           | PCOM.130        | 0       | 119,00    |
| Water for Drilling Rig (Not Frac Water) | DIDC.140   | 5,000     | DICC.135  | 0        | STIM.135            | 20,000    |          |           | PCOM.135        | 0       | 25,00     |
| Mud & Additives                         | DIDC.145   | 300,000   |           |          |                     |           |          |           |                 |         | 300,00    |
| SWD PIPED TO 3RD PARTY SWD WELL         |            |           |           |          |                     |           |          |           | PCOM.257        | 87,354  | 87,35     |
| Surface Rentals                         | DIDC.150   | 97,000    | DICC.140  | 0        | STIM.140            | 137,000   | CON.140  | 1,378     | PCOM.140        | 60,000  | 295,378   |
| Downhole Rentals                        | DIDC.155   | 131,000   | 10000000  |          | STIM.145            | 35,000    |          | 1,457     | PCOM.145        | 0       | 166,000   |
| Flowback Labor                          | DIDC.133   | 131,000   |           |          | STIM.141            | 03,000    |          |           | PCOM.141        | 30,000  | 30,000    |
|   |            |           |           |          | 311W.141            | U         | CON 150  | 25.550    | PCOM.141        | 5,000   | 41,550    |
| Automation Labor                        | 0/05 470   | F 000     |           |          |                     |           | CON.150  | 36,558    | PCOIVI.130      | 5,000   | 5,000     |
| Mud Logging                             | DIDC.170   | 5,000     |           |          |                     |           |          |           |                 |         |           |
| IPC & EXTERNAL PAINTING                 | Law arth   |           | Land Co.  | -5.6.69  |                     |           | CON.165  | 18,888    |                 |         | 18,888    |
| Cementing & Float Equipment             | DIDC.185   | 70,000    | DICC.155  | 140,000  |                     |           |          |           |                 |         | 210,000   |
| Tubular Inspections                     | DIDC.190   | 38,000    | DICC.160  | 8,000    | STIM.160            | 4,000     |          |           | PCOM.160        | 0       | 50,000    |
| Casing Crews                            | DIDC.195   | 15,000    | DICC.165  | 13,000   | STIM.165            | 0         |          |           |                 |         | 28,000    |
| Mechanical Labor                        | DIDC.200   | 20,000    | DICC 170  | 3,000    | STIM.170            | 0         | CON.170  | 139,588   | PCOM.170        | 5,000   | 167,588   |
| Trucking/Transportation                 | DIDC.205   | 30,000    | DICC 175  | 8,000    | STIM.175            | 4,000     | CON.175  | 17,833    | PCOM.175        | 0       | 59,833    |
| Supervision                             | DIDC 210   | 81,000    | DICC.180  | 13,000   |                     | 47,000    |          | 21,238    | PCOM.180        | 0       | 162,238   |
| Trailer House/Camp/Catering             | DIDC.280   | 36,000    | DICC.255  | 5,000    | STIM.280            | 31,000    |          | -         |                 |         | 72,000    |
| Other Misc Expenses                     | DIDC.220   | 5,000     | DICC.190  | 0,000    | STIM.190            | 85,000    |          | 24,318    | PCOM.190        | 0       | 114,318   |
| Overhead                                | DIDC.225   | 5,000     | DICC.195  | 5,000    | 3                   | 33,000    | 20.4.130 | 24,510    | . 20.11.130     |         | 10,000    |
| MOB/DEMOB                               | DIDC.240   | 115,000   | JICC. 193 | 3,000    |                     |           |          |           |                 |         | 115.000   |
|   | DIDC.245   |           |           |          |                     |           |          |           |                 |         | 307,000   |
| Directional Drilling Services           |            | 307,000   |           |          |                     |           |          |           |                 |         |           |
| Solids Control                          | DIDC.260   | 46,000    | DICCO     |          | CTILLE              | 200-230   |          |           | nccii           |         | 46,000    |
| Well Control Equip (Snubbing Services)  | DIDC.265   | 84,000    | DICC.240  | 0        | and the same of the | 64,000    |          |           | PCOM.240        | 0       | 148,000   |
| Completion Rig                          |            |           |           |          | STIM.115            | 21,000    |          |           | PCOM.115        | 0       | 21,000    |
| Coil Tubing Services                    |            |           |           |          | STIM.260            | 0         |          |           | PCOM.260        | 0       | (         |
| Completion Logging/Perforating/Wireline |            |           |           |          | STIM.200            | 257,000   |          |           | PCOM.200        | 0       | 257,000   |
| Composite Plugs                         |            |           |           |          | STIM.390            | 39,000    |          |           | PCOM.390        | 0       | 39,000    |
| Stimulation                             |            |           |           |          | STIM.210            | 2,245,000 |          |           | PCOM.210        | 0       | 2,245,000 |
| Stimulation Water/Water Transfer/Water  |            |           |           |          | STIM.395            | 191,000   |          |           |                 |         | 191,000   |
| Cimarex Owned Frac/Rental Equipment     |            |           |           |          | STIM.305            | 60,000    |          |           | PCOM.305        | 0       | 60,000    |
| Legal/Regulatory/Curative               | DIDC.300   | 10,000    |           |          |                     | 124555    | CON.300  | 0         |                 |         | 10,000    |
| Well Control Insurance                  | DIDC.285   | 7,000     |           |          |                     |           |          |           |                 |         | 7,000     |
| Major Construction Overhead             | DIDELEGS   | 1,000     |           |          |                     |           | CON.305  | 26,507    |                 |         | 26,507    |
| FL/GL - ON PAD LABOR                    |            |           |           |          |                     |           | CON.495  | 37,613    |                 |         | 37,613    |
| FL/GL - Labor                           |            |           |           |          |                     |           |          |           |                 |         |           |
|   |            |           |           |          |                     |           | CON.500  | 94,842    |                 |         | 94,842    |
| FL/GL - Supervision                     |            |           |           |          |                     |           | CON.505  | 14,429    |                 |         | 14,429    |
| Survey                                  |            |           |           |          |                     |           | CON.515  | 2,351     |                 |         | 2,351     |
| SWD/Other - Labor                       |            |           |           |          |                     |           | CON.600  | 0         |                 |         | 0         |
| SWD/Other - Supervision                 |            |           |           |          |                     |           | CON.605  | 0         |                 |         |           |
| Aid In Construct/3rd Party Connect      |            |           |           |          |                     |           | CON,701  | 40,531    |                 |         | 40,531    |
| Contingency                             | DIDC.435   | 118,000   | DICC.220  | 15,000   | STIM.220            | 165,000   | CON.220  | 105,542   | PCOM.220        | 0       | 403,542   |
| Contingency                             |            |           |           |          |                     |           | CON.221  | 23,508    |                 |         | 23,508    |
| Total Intangible Cost                   |            | 2,475,500 |           | 306,000  |                     | 3,459,000 |          | 669,568   |                 | 190,354 | 7,100,422 |
| Conductor Pipe                          | DWEB.130   | 0         |           |          |                     |           |          |           |                 |         |           |
| Water String                            | DWEB.135   | 104,000   |           |          |                     |           |          |           |                 |         | 104.000   |
| Surface Casing                          | DWEB.140   | 251,000   |           |          |                     |           |          |           |                 |         | 251,000   |
| Intermediate Casing 1                   | DWEB.145   | 0         |           |          |                     |           |          |           |                 |         | 231,000   |
|   | DWC0.143   | ō         | DUE 4 100 | 702.000  |                     |           |          |           |                 |         |           |
| Production Casing or Liner              |            |           | DWEA.100  | 792,000  | CTIL IT TO          |           |          |           | 2001            |         | 792,000   |
| Tubing                                  | Bullet 111 | 42.00     | 6110      | 20.22    | STIMT.105           | 139,000   |          | 1         | PCOMT.105       | 0       | 139,000   |
| Wellhead, Tree, Chokes                  | DWEB.115   | 38,000    | DWEA.120  |          | STIMT.120           | 38,000    |          |           | PCOMT.120       | 10,000  | 104,000   |
| Liner Hanger, Isolation Packer          | DWEB.100   | 0         | DWEA.125  | 0        | 1000                |           |          |           | and the same of |         | 0         |
| Packer, Nipples                         |            |           |           |          | STIMT.400           | 28,000    |          |           | PCOMT.400       | 0       | 28,000    |
| SHORT ORDERS                            |            |           |           |          |                     |           | CONT.380 | 10,538    |                 |         | 10,538    |
| PUMPS                                   |            |           |           |          |                     |           | CONT.385 | 30,804    |                 |         | 30,804    |
| WALKOVERS                               |            |           |           |          |                     |           | CONT.390 | 4,053     |                 |         | 4,053     |
| Downhole Lift Equipment                 |            |           |           |          | STIMT.410           | 80,000    |          |           | PCOMT.410       | 0       | 80,000    |
| Surface Equipment                       |            |           |           |          |                     |           |          |           | PCOMT.420       | 15,000  | 15,000    |
| Well Automation Materials               |            |           |           |          |                     |           |          |           | PCOMT.455       | 5,000   | 5,000     |
| N/C Lease Equipment                     |            |           |           |          |                     |           | CONT.400 | 184,334   |                 | 10.00   | 184,334   |
| Tanks, Tanks Steps, Stairs              |            |           |           |          |                     |           | CONT.405 | 51,879    |                 |         | 51,879    |
| Battery Equipment                       |            |           |           |          |                     |           | CONT.410 | 214,003   |                 |         | 214,003   |
| Secondary Containments                  |            |           |           |          |                     |           | CONT.415 | 19,292    |                 |         | 19,292    |
| Overhead Power Distribution             |            |           |           |          |                     |           |          |           |                 |         | 64,038    |
|   |            |           |           |          |                     |           | CONT.420 | 64,038    |                 |         |           |
| Facility Electrical                     |            |           |           |          |                     |           | CONT.425 | 32,100    |                 |         | 32,100    |
| Telecommunication Equipment             |            |           |           |          |                     |           | CONT.426 | 486       |                 |         | 486       |
| Meters and Metering Equipment           |            |           |           |          |                     |           | CONT.445 | 45,232    |                 |         | 45,232    |
| Facility Line Pipe                      |            |           |           |          |                     |           | CONT.450 | 31,208    |                 |         | 31,208    |
| Lease Automation Materials              |            |           |           |          |                     |           | CONT.455 | 32,424    |                 |         | 32,424    |
| FL/GL - Materials                       |            |           |           |          |                     |           | CONT.550 | 21,400    |                 |         | 21,400    |
| FL/GL - Line Pipe                       |            |           |           |          |                     |           | CONT.555 | 48,637    |                 |         | 48,637    |
| SWD/Other - Materials                   |            |           |           |          |                     |           | CONT.650 | 0         |                 |         | 0         |
| SWD/Other - Line Pipe                   |            |           |           |          |                     |           | CONT.655 | 0         |                 |         | 0         |
|   |            | 202 000   |           | 810,000  |                     | 205.000   |          | -         |                 | 120,000 |           |
| Total Tangible Cost                     |            | 393,000   |           |          |                     | 285,000   |          | 790,428   |                 | 30,000  | 2,308,428 |

OCOTERRA Authorization For Expenditure - Loosey Goosey 4-9 Fed Com 301H

| Description                        | Codes    | BCP  | - Drilling<br>Amount | Codes    | ACP - Drilling                          | Amount    | -           | /Stim  | Amou     |
|------------------------------------|----------|--|----------------------|----------|---|-----------|-------------|--|----------|
| Roads & Location                   | DIDC.100 |  | 20,000               |          |   | Antount   | STIM.100    | CON.100  | 3,0      |
| Damages                            | DIDC.105 |  | 16,500               |          |   |           | 2,000       | 38,3003  | -        |
| Mud/Fluids Disposal                | DIDC.255 |  | 200,000              |          |   |           | STIM.255    |  | 51,0     |
| Day Rate                           |          | DICC.120   |                      | DICC.120 |   | 96,000    |             |  |          |
| Misc Preparation                   | DIDC.120 |  | 30,000               | 5.000.00 |   | 2.000.0   |             |  |          |
| Bits                               | DIDC.125 | DICC.125   | 97,000               | DICC.125 | STIM.125                                | 0         | STIM 125    |  |          |
| Fuel                               |          | DICC.130   | 119,000              |          |   | 0         |             |  |          |
| Water for Drilling Rig (Not Frac   | DIDC.140 | The state of the s | 5,000                |          | STIM.135                                | 0         | STIM.135    |  | 20,00    |
| Mud & Additives                    | DIDC.145 |  | 300,000              |          |   |           |             |  |          |
| SWD PIPED TO 3RD PARTY SWD         |          |  |                      |          |   |           |             |  |          |
| Surface Rentals                    | DIDC.150 | DICC140  | 97,000               | DICC.140 | STIM.140                                | 0         | STIM.140    | CON.140  | 137,00   |
| Downhole Rentals                   | DIDC.155 | Colors and   | 131,000              |          |   |           | STIM.145    | Contract of the Contract of th | 35,00    |
| Flowback Labor                     |          |  | 1                    |          |   |           | STIM.141    |  |          |
| Automation Labor                   |          |  |                      |          |   |           | -515// 5/14 |  |          |
| Mud Logging                        | DIDC.170 |  | 5,000                |          |   |           |             |  |          |
| IPC & EXTERNAL PAINTING            |          |  | 34.71                |          |   |           |             |  |          |
| Cementing & Float Equipment        | DIDC.185 | DICC.155   | 70,000               | DICC.155 |   | 140,000   |             |  |          |
| Tubular Inspections                | DIDC.190 | DICC 160   | 38,000               | DICC.160 | STIM.160                                | 8,000     | STIM.160    |  | 4,00     |
| Casing Crews                       | DIDC.195 | DICC.165   | 15,000               | DICC.165 | STIM.165                                | 13,000    | STIM.165    |  |          |
| Mechanical Labor                   | DIDC 200 | DICC 170   |                      | DICC,170 | 1.00                                    | 3,000     | STIM. 170   | CON.170  |          |
| Trucking/Transportation            | DIDC.205 | DICC.175   |                      |          |   | 8,000     | STIM.175    | CON.175  | 4,00     |
| Supervision                        | DIDC.210 |  |                      | DICC.180 | STIM.180                                | 13,000    | STIM.180    | CON.180  | 47,00    |
| Trailer House/Camp/Catering        | DIDC.280 |  |                      | DICC.255 |   | 5,000     | STIM.280    |  | 31,00    |
| Other Misc Expenses                | DIDC 220 |  |                      |          | 9.00C 40.00C                            | 0         | STIM.190    | CON.190  | 85,00    |
| Overhead                           | DIDC 225 |  | 5,000                |          | 1 | 5,000     |             |  | 1        |
| MOB/DEMOB                          | DIDC.240 | Address of the second  | 115,000              |          |   | 3,550     |             |  |          |
| Directional Drilling Services      | DIDC 245 |  | 307,000              |          |   |           |             |  |          |
| Solids Control                     | DIDC.260 |  | 46,000               |          |   |           |             |  |          |
| Well Control Equip (Snubbing       | DIDC 265 | DICC.240   |                      | DICC.240 | STIM 240                                | 0         | STIM.240    |  | 64,00    |
| Completion Rig                     |          |  | 0.1,000              |          |   |           | STIM.115    |  | 21,00    |
| Coil Tubing Services               |          |  |                      |          |   |           | STIM.260    |  | 2.00     |
| Completion                         |          |  |                      |          |   | 1         | STIM.200    |  | 257,00   |
| Composite Plugs                    |          |  |                      |          |   | 1         | STIM.390    |  | 39,00    |
| Stimulation                        |          |  |                      |          |   |           | STIM.210    |  | 2,245,00 |
| Stimulation Water/Water            |          |  |                      |          |   |           | STIM.395    |  | 191,00   |
| Cimarex Owned Frac/Rental          |          |  |                      |          |   |           | STIM.305    |  | 60,00    |
| Legal/Regulatory/Curative          | DIDC 300 |  | 10,000               |          |   |           | 3111/1.303  |  | 50,00    |
| Well Control Insurance             | DIDC 285 |  | 7,000                |          |   |           |             |  |          |
| Major Construction Overhead        | DIDC.203 |  | 7,000                |          |   |           |             |  |          |
| FL/GL - ON PAD LABOR               |          |  |                      |          |   |           |             |  |          |
| FL/GL - Labor                      |          |  |                      |          |   |           |             |  |          |
|                                    |          |  |                      |          |   |           |             |  |          |
| FL/GL - Supervision                |          |  |                      |          |   |           |             |  |          |
| Survey                             |          |  |                      |          |   |           |             |  |          |
| SWD/Other - Labor                  |          |  |                      |          |   |           |             |  |          |
| SWD/Other - Supervision            |          |  |                      |          |   |           |             |  |          |
| Aid In Construct/3rd Party Connect | DIDC 135 | DICCOM   | *******              | DICC 220 | 5741.000                                |           | CTU 1 220   | 0011330  | 400.00   |
| Contingency                        | DIDC.435 | DICC.220   | 118,000              | DICC.220 | STIM.220                                | 15,000    | STIM.220    | CON.220  | 165,00   |
| Contingency                        |          |  | -                    |          |   | -         |             |  |          |
| Total Intangible Cos               |          |  | 2,475,500            |          |   | 306,000   | _           |  | 3,459,00 |
| Conductor Pipe                     | DWEB.130 |  | 0                    |          |   |           |             |  |          |
| Water String                       | DWEB.135 |  | 104,000              |          |   |           |             |  |          |
| Surface Casing                     | DWEB.140 |  | 251,000              |          |   |           |             |  |          |
| Intermediate Casing 1              | DWEB.145 |  | 0                    |          |   | V 6.555   |             |  |          |
| Production Casing or Liner         |          |  |                      | DWEA.100 |   | 792,000   | 2200000     |  | 100      |
| Tubing                             | 2052000  | 200000   | 40.00                |          |   | 16.00     | STIMT.105   |  | 139,00   |
| Wellhead, Tree, Chokes             |          | DWEA.120   |                      |          | STIMT.120                               | 18,000    | STIMT.120   |  | 38,00    |
| Liner Hanger, Isolation Packer     | DWEB.100 | DWEA125  | 0                    | DWEA.125 |   | 0         | GEN WAR     |  | 17000    |
| Packer, Nipples                    |          |  |                      |          |   |           | STIMT.400   |  | 28,00    |
| SHORT ORDERS                       |          |  |                      |          |   |           |             |  |          |
| PUMPS                              |          |  |                      |          |   |           |             |  |          |
| WALKOVERS                          |          |  |                      |          |   |           |             |  |          |
| Downhole Lift Equipment            |          |  |                      |          |   |           | STIMT.410   |  | 80,00    |
| Surface Equipment                  |          |  |                      |          |   |           |             |  |          |
| Well Automation Materials          |          |  |                      |          |   |           |             |  |          |
| N/C Lease Equipment                |          |  |                      |          |   |           |             |  |          |
| Tanks, Tanks Steps, Stairs         |          |  |                      |          |   |           |             |  |          |
| Battery Equipment                  |          |  |                      |          |   |           |             |  |          |
| Secondary Containments             |          |  |                      |          |   |           |             |  |          |
| Overhead Power Distribution        |          |  |                      |          |   |           |             |  |          |
| Facility Electrical                |          |  |                      |          |   |           |             |  |          |
| Telecommunication Equipment        |          |  |                      |          |   |           |             |  |          |
| Meters and Metering Equipment      |          |  |                      |          |   |           |             |  |          |
| Facility Line Pipe                 |          |  |                      |          |   |           |             |  |          |
| Lease Automation Materials         |          |  |                      |          |   |           |             |  |          |
| FL/GL - Materials                  |          |  |                      |          |   |           |             |  |          |
| FL/GL - Materials                  |          |  |                      |          |   |           |             |  |          |
| SWD/Other - Materials              |          |  |                      |          |   |           |             |  |          |
| SWD/Other - Line Pipe              |          |  | -                    |          |   |           |             |  |          |
| Total Tangible Cost                |          |  | 393,000              |          |   | 810,000   |             |  | 285,00   |
|                                    |          |  | 2,868,500            |          | -                                       | 1,116,000 |             |  | 3,744,00 |



Authorization For Expenditure - Loosey Goosey 4-9 Fed Com 301H

| Description  |           | Production Equip |       | -                    | Post Completion  | A               | Total     |
|--|-----------|------------------|-------|----------------------|--|-----------------|-----------|
|  | Codes     |                  | ount  | Codes                |  | Amount<br>3,000 | 74.63     |
| Roads & Location                                   | CON.100   |                  | ,637  | PCOM.100             | Repair any roads post D&C  | 3,000           | 32,30     |
| Damages  | CON.105   | ,;               | 5807  | DCOLLDER             |  | 0               | 251,00    |
| Mud/Fluids Disposal                                |           |                  |       | PCOM,255             |  | U               | 564,00    |
| Day Rate   |           |                  |       |                      |  |                 | 30,00     |
| Misc Preparation                                   |           |                  |       | PCOM 125             |  | 0               | 97,00     |
| Bits   |           |                  |       |                      |  | 0               | 119,00    |
| Fuel   |           |                  |       | PCOM,130             |  | 0               | 25,00     |
| Water for Drilling Rig (Not Frac Water)            |           |                  |       | PCOM.135             |  | U               | 300,00    |
| Mud & Additives<br>SWD PIPED TO 3RD PARTY SWD WELL |           |                  |       | 00011357             | Water for 60 days (270K barrels)   | 87,354          | 87,35     |
|  | 5011110   |                  | 270   | PCOM 257             | Iron. XEC Own 5K. No 10K. \$1,100 per day  | 60,000          | 295,37    |
| Surface Rentals                                    | CON.140   |                  | ,378  | PCOM.140<br>PCOM.145 | Iron. XEC OWN SK. No Tok. \$1,100 per day  | 0,000           | 166,00    |
| Downhole Rentals<br>Flowback Labor                 |           |                  |       |                      | 2 51 1 1 1 1 1 1 2500  | 30,000          | 30,00     |
|  | CON.150   | 26               |       | PCOM.141             | 3 Flowback Hands (60 days). 25%  | 0.40554         | 41,55     |
| Automation Labor                                   | CON.150   | 36               | ,558  | PCOM.150             |  | 5,000           | 5,00      |
| Mud Logging<br>IPC & EXTERNAL PAINTING             | CON.165   | 40               | 000   |                      |  |                 | 18.88     |
|  | CON.165   | 18               | ,888, |                      |  |                 | 210,00    |
| Cementing & Float Equipment                        |           |                  |       | 05011160             |  |                 | 50,00     |
| Tubular Inspections                                |           |                  |       | PCOM.160             |  | 0               |           |
| Casing Crews                                       |           | 444              |       | ******               |  |                 | 28,00     |
| Mechanical Labor                                   | CON.170   |                  | ,588  | PCOM.170             | RU Flowback Iron & Automation  | 5,000           | 167,58    |
| Trucking/Transportation                            | CON.175   |                  | ,833  | PCOM.175             |  | 0               | 59,83     |
| Supervision  | CON.180   | 21               | ,238  | PCOM.180             |  | 0               | 162,23    |
| Trailer House/Camp/Catering                        | CONITO    |                  |       | BCOL: 15             |  |                 | 72,00     |
| Other Misc Expenses                                | CON.190   | 24               | 318   | PCOM.190             |  | 0               | 114,31    |
| Overhead<br>MOR/OFMOR                              |           |                  |       |                      |  |                 | 10,00     |
| MOB/DEMOB  |           |                  |       |                      |  |                 | 115,00    |
| Directional Drilling Services                      |           |                  |       |                      |  |                 | 307,00    |
| Solids Control                                     |           |                  |       | 22201201             |  |                 | 46,00     |
| Well Control Equip (Snubbing Services)             |           |                  |       | PCOM.240             |  | 0               | 148,00    |
| Completion Rig                                     |           |                  | - 1   | PCOM.115             |  | 0               | 21,00     |
| Coil Tubing Services                               |           |                  |       | PCOM.260             |  | 0               |           |
| Completion Logging/Perforating/Wireline            |           |                  |       | PCOM.200             |  | 0               | 257,00    |
| Composite Plugs                                    |           |                  |       | PCOM.390             |  | 0               | 39,00     |
| Stimulation  |           |                  |       | PCOM.210             |  | 0               | 2,245,00  |
| Stimulation Water/Water Transfer/Water             |           |                  |       |                      |  | 1               | 191,00    |
| Cimarex Owned Frac/Rental Equipment                |           |                  |       | PCOM.305             |  | 0               | 60,00     |
| Legal/Regulatory/Curative                          | CON.300   |                  | 0     |                      |  |                 | 10,00     |
| Well Control Insurance                             |           |                  |       |                      |  |                 | 7,00      |
| Major Construction Overhead                        | CON.305   | 26               | 507   |                      |  |                 | 26,50     |
| FL/GL - ON PAD LABOR                               | CON.495   | 37               | 613   |                      |  |                 | 37,61     |
| FL/GL - Labor                                      | CON.500   | 94               | 842   |                      |  |                 | 94,84     |
| FL/GL - Supervision                                | CON.505   | 14               | 429   |                      |  |                 | 14,42     |
| Survey   | CON.515   | 2                | 351   |                      |  |                 | 2,35      |
| SWD/Other - Labor                                  | CON.600   |                  | 0     |                      |  |                 |           |
| SWD/Other - Supervision                            | CON.605   |                  | 0     |                      |  |                 |           |
| Aid In Construct/3rd Party Connect                 | CON.701   | 40.              | 531   |                      |  |                 | 40,53     |
| Contingency  | CON.220   | 105.             | 542   |                      |  |                 | 403,54    |
| Contingency  | CON.221   | 23.              | 508   |                      |  |                 | 23,50     |
| Total Intangible Cost                              |           | 669              | 568   |                      |  | 190,354         | 7,100,42  |
| Conductor Pipe                                     |           |                  |       |                      |  |                 |           |
| Water String                                       |           |                  |       |                      |  |                 | 104,00    |
| Surface Casing                                     |           |                  |       |                      |  |                 | 251,00    |
| Intermediate Casing 1                              |           |                  |       |                      |  |                 |           |
| Production Casing or Liner                         | - 1       |                  |       |                      |  |                 | 792,00    |
| Tubing   |           |                  |       | PCOMT.105            |  | 0               | 139,00    |
| Wellhead, Tree, Chokes                             | 1         |                  |       | PCOMT.120            | Replace worn chokes and valves during FB   | 10,000          | 104,00    |
| Liner Hanger, Isolation Packer                     |           |                  |       |                      | and the second s |                 |           |
| Packer, Nipples                                    |           |                  |       | PCOMT.400            |  | 0               | 28,000    |
| SHORT ORDERS                                       | CONT.380  | 10.              | 538   |                      |  |                 | 10,53     |
| PUMPS  | CONT.385  | 1 22             | 804   |                      |  |                 | 30,80     |
| WALKOVERS  | CONT.390  |                  | 053   |                      |  |                 | 4,05      |
| Downhole Lift Equipment                            |           | 3                |       | PCOMT.410            |  | 0               | 80,000    |
| Surface Equipment                                  |           |                  |       | PCOMT.420            | Replacing Chokes, Stuffing Boxes, and all  | 15,000          | 15,000    |
| Well Automation Materials                          |           |                  |       |                      |  | 5,000           | 5,000     |
| N/C Lease Equipment                                | CONT.400  | 184.             | 334   |                      | The second second second   | 3,943           | 184,334   |
| Tanks, Tanks Steps, Stairs                         | CONT.405  |                  | 879   |                      |  |                 | 51,879    |
| Battery Equipment                                  | CONT.410  | 214.             | 70704 |                      |  |                 | 214,00    |
| Secondary Containments                             | CONT.415  |                  | 292   |                      |  |                 | 19,29     |
| Overhead Power Distribution                        | CONT.420  |                  | 038   |                      |  |                 | 64,038    |
| Facility Electrical                                | CONT.425  |                  | 100   |                      |  |                 | 32,100    |
| Telecommunication Equipment                        | CONT.426  |                  | 486   |                      |  |                 | 486       |
| Meters and Metering Equipment                      | CONT.445  |                  | 232   |                      |  |                 | 45,23     |
| Facility Line Pipe                                 | CONT.450  |                  | 208   |                      |  |                 | 31,208    |
| Lease Automation Materials                         | CONT.455  |                  | 424   |                      |  |                 | 32,424    |
| FL/GL - Materials                                  | CONT.550  |                  | 400   |                      |  |                 | 21,400    |
| FL/GL - Line Pipe                                  | CONT.555  |                  | 637   |                      |  |                 | 48,637    |
| SWD/Other - Materials                              | CONT.650  | 48,              | 0     |                      |  |                 | 48,63     |
| SWD/Other - Materials<br>SWD/Other - Line Pipe     | CONT.655  |                  | 0     |                      |  |                 |           |
|  | 20141.033 | 790,             |       |                      |  | 30,000          | 2,308,428 |
| Total Tangible Cost                                |           |                  |       |                      |  |                 |           |

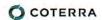
7/6/2022

| Company Entity   |  |   |   | Date Prepared<br>8/17/2022  |
|--|--|---|---|---|
| Exploration Region   | Well Name  | Prospect  | Property Nur  | nber AFE  |
| Permian Basin  | Loosey Goosey 4-9 Fed Com 302H   | New Mexico Bone Spring  | xxxxxx-xxx.0  |   |
| County, State  | Location   |   | Estimated Spud  | Estimated Completion  |
| Lea, NM  | Section 4-9 T20S-R34E Lea, NM  |   |   |   |
| X New<br>Supplement<br>Revision  | Formation<br>3rd Sand  | Well Type<br>DEV  | Til Measured Deoth<br>20320   | Ttl Vetical Depth<br>10820  |
| Purpose Drill<br>Description   | and complete well  |   |   |   |
| is<br>so   | ne intended surface hold location for the well<br>100 FSL and 2120 FWL of Section 9, T20S-R3-<br>outherly direction within the formation to the opproximately 10820 feet.  | E. The well is proposed to be drilled   | vertically to the 3rd Sand for  | nation and laterally in a   |
| Drilling Cost  | is .   | \$2,475,500   | This cooling to the   | \$2,475,500   |
| Completion   |  |   | \$4,624,922   | \$4,624,92  |
| Total Intangible Cos   | t .  | \$2,475,500   | \$4,624,922   | \$7,100,422   |
| Tangible   |  | Dry Hole  | After Casing Point  | Completed Well Cos  |
| Well Equipm<br>Lease Equip   |  | \$393,000   | \$1,125,000<br>\$790,428  | \$1,518,000<br>\$790,423  |
|  | ment   | \$200 mag   |   |   |
| Total Tangible Cost  |  | \$393,000   | \$1,915,428   | \$2,300,420   |
| Total Well Cost  Comments On Well (  | Costs<br>or lease equipment is priced by COPAS and C   | \$2,868,500   | \$6,540,350   | 100000000000000000000000000000000000000   |
| Total Well Cost  Comments On Well Co.  1. All tubulars, well  Well Control Insurance Unless otherwise inc Operator so long as well control insurance available, but in no  | or lease equipment is priced by COPAS and C  | \$2,868,500  EPS guidelines using the Historic Principle of the pay your prorated share of the prance acceptable to Operator, as to perations. You agree that failure to present the principle of  | \$6,540,350  ce Multiplier.  ed by Operator 's well control oremiums therefore. If you ele form and limits, at the time th  | \$9,408,850<br>insurance procured by<br>ect to purchase your own<br>is AFE is returned, if  |
| Total Well Cost  Comments On Well (  1. All tubulars, well  Well Control Insurance Unless otherwise inc Operator so long as well control insurance available, but in no will result in your be   | or lease equipment is priced by COPAS and Cope<br>ce<br>dicated below, you, as a non-operating working<br>coperator conducts operations hereunder and<br>ce, you must provide a certificate of such insu<br>event later than commencement of drilling op   | \$2,868,500  EPS guidelines using the Historic Principle of the Histori | \$6,540,350  ce Multiplier.  ed by Operator 's well control oremiums therefore. If you ele form and limits, at the time th  | ect to purchase your own<br>is AFE is returned, if  |
| Total Well Cost  Comments On Well (  1. All tubulars, well  Well Control Insurance Unless otherwise inc Operator so long as well control insurance available, but in no will result in your be  I elect to  Marketing Election Cimarex sells its gas insufficient volumes contracts. Upon write  | or lease equipment is priced by COPAS and Cope<br>dicated below, you, as a non-operating working<br>Goperator conducts operations hereunder and<br>ce, you must provide a certificate of such insu<br>event later than commencement of drilling open<br>eing covered by insurance procured by Opera  | \$2,868,500  EPS guidelines using the Historic Prince of the Historic Prince acceptable to Operator, as to perations. You agree that failure to proceed to the Historic Prince acceptable to Operator, as to perations. You agree that failure to proceed the Historic Prince Prince acceptable to Operator, as to perations.  Purchasers. Such contracts may interact your share of gas with Cimare pent, we will share with you the terms   | \$6,540,350  ce Multiplier.  ed by Operator 's well control oremiums therefore. If you ele form and limits, at the time the provide the certificate of insurance of the certificate of the certifi | \$9,408,850 insurance procured by ect to purchase your own is AFE is returned, if ance, as provided herein, es may be incurred for the terms of such hich gas will be sold. |
| Total Well Cost  Comments On Well Co.  1. All tubulars, well  Well Control Insurance Unless otherwise inc Operator so long as well control insurance available, but in no a will result in your be  I elect to  Marketing Election Cimarex sells its gas insufficient volumes contracts. Upon writ Failure to make an o  | or lease equipment is priced by COPAS and Core dicated below, you, as a non-operating workir is Operator conducts operations hereunder and ce, you must provide a certificate of such insu event later than commencement of drilling operating covered by insurance procured by Operating purchase my own well control insurance to under arm's-length contracts with third party delivered over time. Should you choose to not ten request to Cimarex's Marketing Department  | \$2,868,500  EPS guidelines using the Historic Principle of the pay your prorated share of the prance acceptable to Operator, as to rerations. You agree that failure to pror.  e policy.  purchasers. Such contracts may incomprete your share of gas with Cimare and the terms market your gas with Cimarex under the policy.   | \$6,540,350  ce Multiplier.  ed by Operator 's well control oremiums therefore. If you ele form and limits, at the time the provide the certificate of insurable to the certificate of insurabl | \$9,408,850 insurance procured by ect to purchase your own is AFE is returned, if ance, as provided herein, es may be incurred for the terms of such hich gas will be sold. |
| Total Well Cost  Comments On Well Co.  1. All tubulars, well  Well Control Insurant Unless otherwise int Operator so long as well control insurant available, but in no will result in your be  I elect to  Marketing Election Cimarex sells its gas insufficient volumes contracts. Upon writ Failure to make an election  I elect to to I elect to to Comments on AFE The above costs are estimated costs with | or lease equipment is priced by COPAS and Coperator conducts operations hereunder and ce, you must provide a certificate of such insuevent later than commencement of drilling operating covered by insurance procured by Operator conducts operations hereunder and ce, you must provide a certificate of such insuevent later than commencement of drilling operating covered by insurance procured by Operator purchase my own well control insurance and certificate over time. Should you choose to not ten request to Cimarex's Marketing Departmenter request to Cimarex's Marketing Departmenter request to Cimarex's Marketing Departmenter of the provided of the commencement of the certificate of the certificate only and anticipate trouble free operator of actual legal, curative, regulatory and well of actual legal.   | \$2,868,500  EPS guidelines using the Historic Principal interest owner, agree to be covered to pay your prorated share of the prance acceptable to Operator, as to perations. You agree that failure to proceed to provide the process of the process  | \$6,540,350  ce Multiplier.  ed by Operator 's well control oremiums therefore. If you eleform and limits, at the time the provide the certificate of insurance, which is an addition, penaltic and conditions pursuant to we the terms and conditions set the contract.  ts contract.  ange in plans. The actual cost is AFE, the working interest over the certificate of the contract.   | \$9,408,850 insurance procured by ect to purchase your own is AFE is returned, if ance, as provided herein, the terms of such hich gas will be sold. I forth above.         |
| Total Well Cost  Comments On Well Co.  1. All tubulars, well  Well Control Insurant Unless otherwise in Operator so long as well control insurant available, but in no will result in your be  I elect to  Marketing Election Cimarex sells its gas insufficient volumes contracts. Upon writ Failure to make an election  Comments on AFE The above costs are estimated costs with proportionate share          | or lease equipment is priced by COPAS and Cope de dicated below, you, as a non-operating working to Operator conducts operations hereunder and ce, you must provide a certificate of such insue event later than commencement of drilling operating covered by insurance procured by Operating Coperating Cope | \$2,868,500  EPS guidelines using the Historic Principal interest owner, agree to be covered to pay your prorated share of the prance acceptable to Operator, as to perations. You agree that failure to proceed to provide the process of the process  | \$6,540,350  ce Multiplier.  ed by Operator 's well control oremiums therefore. If you eleform and limits, at the time the provide the certificate of insurance, which is an addition, penaltic and conditions pursuant to we the terms and conditions set the contract.  ts contract.  ange in plans. The actual cost is AFE, the working interest over the certificate of the contract.   | \$9,408,850 insurance procured by ect to purchase your own is AFE is returned, if ance, as provided herein, the terms of such hich gas will be sold. I forth above.         |



**COTERRA** Authorization For Expenditure - Loosey Goosey 4-9 Fed Com 302H

| Description  | BCP - Dr  |           |                | Drilling |   | np/Stim    |  | ion Equip  | Post Con   |         | Total   |
|--|-----------|-----------|----------------|----------|---|------------|--|--|------------|---------|---|
| Description  | Codes     | Amount    | Codes          | Amount   |   | Amount     |  | Amount   |            | Amount  | Cos   |
| Roads & Location   | DIDC.100  | 20,000    |                |          | STIM.100                                | 3,000      |  | 48,637   | PCOM.100   | 3,000   | 74,637  |
| Damages  | DIDC.105  | 16,500    |                |          |   |            | CON.105  | 15807  |            |         | 32,30   |
| Mud/Fluids Disposal  | DIDC.255  | 200,000   |                |          | STIM.255                                | 51,000     | )  |  | PCOM.255   | 0       | 251,000   |
| Day Rate   | DIDC.115  | 468,000   | DICC.120       | 96,000   |   |            |  |  |            |         | 564,000   |
| Misc Preparation   | DIDC.120  | 30,000    |                |          | 1                                       |            |  |  |            |         | 30,00   |
| Bits   | DIDC.125  | 97,000    | DICC 125       | 0        | STIM.125                                | 0          | 1  |  | PCOM.125   | 0       | 97,00   |
| Fuel   | DIDC.135  | 119,000   | DICC.130       | 0        |   |            |  |  | PCOM.130   | 0       | 119,00  |
| Water for Drilling Rig (Not Frac Water)  | DIDC.140  | 5,000     | DICC.135       | 0        | STIM.135                                | 20,000     | )  |  | PCOM.135   | 0       | 25,00   |
| Mud & Additives  | DIDC.145  | 300,000   |                |          |   |            | 1  |  |            |         | 300,00  |
| SWD PIPED TO 3RD PARTY SWD WELL  |           |           |                |          |   |            |  |  | PCOM.257   | 87,354  | 87,35   |
| Surface Rentals  | DIDC.150  | 97,000    | DICC 140       | 0        | STIM.140                                | 137,000    | CON.140  | 1,378  | PCOM.140   | 60,000  | 295,37  |
| Downhole Rentals   | DIDC.155  | 131,000   |                |          | STIM.145                                | 35,000     |  |  | PCOM.145   | 0       | 166,00  |
| Flowback Labor   |           |           |                |          | STIM.141                                | 0          |  |  | PCOM.141   | 30,000  | 30,00   |
| Automation Labor   |           |           |                |          |   |            | CON.150  | 36,558   | PCOM.150   | 5,000   | 41,55   |
| Mud Logging  | DIDC.170  | 5,000     |                |          |   |            |  | 10.00  |            |         | 5,000   |
| IPC & EXTERNAL PAINTING  |           |           |                |          |   |            | CON.165  | 18,888   |            |         | 18,88   |
| Cementing & Float Equipment  | DIDC.185  | 70,000    | DICC.155       | 140,000  |   |            | 1.3  |  |            |         | 210,00  |
| Tubular Inspections  | DIDC.190  | 38,000    | DICC.160       | 8,000    | STIM.160                                | 4,000      | 1  |  | PCOM.160   | 0       | 50,00   |
| Casing Crews   | DIDC.195  | 15,000    | DICC 165       | 13,000   | STIM.165                                | 0          |  |  |            | 7       | 28,000  |
| Mechanical Labor   | DIDC.200  | 20,000    | DICC.170       | 3,000    | STIM.170                                | 0          | CON.170  | 139,588  | PCOM,170   | 5,000   | 167,58  |
| Trucking/Transportation  | DIDC.205  | 30,000    | DICC.175       | 8,000    | STIM.175                                | 4,000      | CON.175  | 17,833   | PCOM.175   | 0       | 59,83   |
| Supervision  | DIDC.210  | 81,000    | DICC.180       | 13,000   | STIM.180                                | 47,000     |  | 21,238   | PCOM.180   | 0       | 162,23  |
| Trailer House/Camp/Catering  | DIDC.280  | 36,000    | DICC.255       | 5,000    |   | 31,000     |  |  |            |         | 72,000  |
| Other Misc Expenses  | DIDC 220  | 5,000     | DICC.190       | 0        | STIM.190                                | 85,000     |  | 24,318   | PCOM.190   | 0       | 114,31  |
| Overhead   | DIDC.225  | 5,000     | DICC.195       | 5,000    |   | 33,000     | 1  | 2.,510   |            | 12      | 10,00   |
| MOB/DEMOB  | DIDC.240  | 115,000   |                | 3,530    |   |            |  |  |            |         | 115,00  |
| Directional Drilling Services  | DIDC.245  | 307,000   |                |          |   |            |  |  |            |         | 307,000   |
| Solids Control   | DIDC.243  | 46,000    |                |          |   |            |  |  |            |         | 46,000  |
| Well Control Equip (Snubbing Services)   | DIDC.265  | 84,000    | DICC.240       | 0        | STIM.240                                | 64,000     |  |  | PCOM.240   | 0       | 148,000   |
| Completion Rig   | DIDC.203  | 0-4,000   | DICC.240       | U        | STIM.115                                |            |  | 1  | PCOM.115   | 0       | 21,000  |
|  |           |           |                |          | 100000000000000000000000000000000000000 | 21,000     |  |  |            |         |   |
| Coil Tubing Services   |           |           |                |          | STIM.260                                | 0          | 1  |  | PCOM.260   | 0       |   |
| Completion Logging/Perforating/Wireline  |           |           |                |          | STIM.200                                | 257,000    | 1  |  | PCOM.200   | 0       | 257,000   |
| Composite Plugs  |           |           |                |          | STIM.390                                | 39,000     |  | 1  | PCOM.390   | 0       | 39,000  |
| Stimulation  |           |           |                |          | STIM.210                                | 2,245,000  |  |  | PCOM,210   | 0       | 2,245,000   |
| Stimulation Water/Water Transfer/Water   |           |           |                |          | STIM.395                                | 191,000    | ,  |  |            |         | 191,000   |
| Cimarex Owned Frac/Rental Equipment  |           |           |                |          | STIM.305                                | 60,000     | Name and Address of the Owner, where the Owner, which the Owner, where the Owner, which the Owner, which the Owner, where the Owner, which the |  | PCOM.305   | 0       | 60,000  |
| Legal/Regulatory/Curative  | DIDC.300  | 10,000    |                |          |   |            | CON.300  | 0  |            |         | 10,000  |
| Well Control Insurance   | DIDC.285  | 7,000     |                |          |   |            |  |  |            |         | 7,000   |
| Major Construction Overhead  |           |           |                |          |   |            | CON.305  | 26,507   |            |         | 26,507  |
| FL/GL - ON PAD LABOR   |           |           |                |          |   |            | CON.495  | 37,613   |            |         | 37,613  |
| FL/GL - Labor  |           |           |                |          |   |            | CON.500  | 94,842   |            |         | 94,842  |
| FL/GL - Supervision  |           |           |                |          |   |            | CON.505  | 14,429   |            |         | 14,429  |
| Survey   |           |           |                |          |   |            | CON.515  | 2,351  |            |         | 2,351   |
| SWD/Other - Labor  |           |           |                |          |   |            | CON.600  | 0  |            |         | (   |
| SWD/Other - Supervision  |           |           |                |          |   |            | CON.605  | 0  |            |         | (   |
| Aid In Construct/3rd Party Connect   |           |           |                |          |   |            | CON.701  | 40,531   |            |         | 40.531  |
| Contingency  | DIDC.435  | 118,000   | DICC.220       | 15,000   | STIM.220                                | 165,000    | CON.220  | 105,542  | PCOM.220   | 0       | 403,542   |
| Contingency  |           |           |                | 144      |   | variable   | CON.221  | 23,508   |            |         | 23,508  |
| Total Intangible Cost  |           | 2,475,500 |                | 306,000  |   | 3,459,000  |  | 669,568  |            | 190,354 | 7,100,422   |
| Conductor Pipe   | DWEB.130  | 0         |                |          |   | 01.1001000 |  | 007,000  |            | 100.00  | (   |
| Water String   | DWEB.135  | 104,000   |                |          |   |            |  |  |            |         | 104,000   |
| Surface Casing   | DWEB.140  | 251,000   |                |          |   |            |  |  |            | 1 1     | 251,000   |
| Intermediate Casing 1  | DWEB.145  | 0         |                |          |   |            |  |  |            |         | 231,000   |
| Production Casing or Liner   | 51105.143 | U         | DWEA.100       | 792,000  |   |            |  |  |            | 140     | 792,000   |
| Tubing   |           |           | D**LA.100      | 1.32,000 | STIMT.105                               | 120.000    |  |  | PCOMT.105  | - 0     | 139.000   |
| Wellhead, Tree, Chokes   | DWEB.115  | 38,000    | DWEA.120       | 10.000   | 200000000000000000000000000000000000000 | 139,000    |  |  |            | 10,000  |   |
|  | DWEB.115  |           | # STATE (1919) | 02(00)   | STIMT.120                               | 38,000     |  |  | PCOMT.120  | 10,000  | 104,000   |
| Liner Hanger, Isolation Packer   | DVVEB.100 | 0         | DWEA.125       | 0        | CTILLY                                  | 56.55      |  |  | DCOLIT 100 |         | 28.000  |
| Packer, Nipples  |           |           |                |          | STIMT.400                               | 28,000     |  | 144.42   | PCOMT.400  | 0       | 28,000  |
| SHORT ORDERS   |           |           |                |          |   |            | CONT.380   | 10,538   |            |         | 10,538  |
| PUMPS<br>WALKOVERS   |           |           |                |          |   |            | CONT.385   | 30,804   |            |         | 30,804  |
| MAIN ALMAEDE   |           |           |                |          |   | Line       | CONT.390   | 4,053  | 2622224    |         | 4,053   |
|  |           |           |                |          | STIMT.410                               | 80,000     |  |  | PCOMT.410  | 0       | 80,000  |
| Downhole Lift Equipment  |           |           |                |          |   |            |  |  | PCOMT.420  | 15,000  | 15,000  |
| Downhole Lift Equipment<br>Surface Equipment   |           |           |                |          |   |            |  |  | PCOMT.455  | 5,000   | 5,000   |
| Downhole Lift Equipment<br>Surface Equipment<br>Well Automation Materials  |           |           |                |          |   |            |  | 101331   |            |         | 184,334   |
| Downhole Lift Equipment<br>Surface Equipment<br>Well Automation Materials<br>N/C Lease Equipment   |           |           |                |          |   |            | CONT.400   | 184,334  |            | 1       |   |
| Downhole Lift Equipment<br>Surface Equipment<br>Well Automation Materials<br>N/C Lease Equipment<br>Tanks, Tanks Steps, Stairs   |           |           |                |          |   |            | CONT.405   | 51,879   |            |         | 51,879  |
| Downhole Lift Equipment<br>Surface Equipment<br>Well Automation Materials<br>N/C Lease Equipment<br>Tanks, Tanks Steps, Stairs<br>Battery Equipment  |           |           |                |          |   |            |  | 1000000  |            |         | 51,879  |
| Downhole Lift Equipment<br>Surface Equipment<br>Well Automation Materials<br>N/C Lease Equipment<br>Tanks, Tanks Steps, Stairs<br>Battery Equipment<br>Secondary Containments  |           |           |                |          |   |            | CONT.405   | 51,879   |            |         | 51,879<br>214,003   |
| Downhole Lift Equipment<br>Surface Equipment<br>Well Automation Materials<br>N/C Lease Equipment<br>Tanks, Tanks Steps, Stairs<br>Battery Equipment  |           |           |                |          |   |            | CONT.405<br>CONT.410   | 51,879<br>214,003  |            |         | 51,879<br>214,003<br>19,292   |
| Downhole Lift Equipment<br>Surface Equipment<br>Well Automation Materials<br>N/C Lease Equipment<br>Tanks, Tanks Steps, Stairs<br>Battery Equipment<br>Secondary Containments  |           |           |                |          |   |            | CONT.410<br>CONT.415   | 51,879<br>214,003<br>19,292  |            |         | 51,879<br>214,003<br>19,292<br>64,038   |
| Downhole Lift Equipment Surface Equipment Well Automation Materials N/C Lease Equipment Tanks, Tanks Steps, Stairs Battery Equipment Secondary Containments Overhead Power Distribution  |           |           |                |          |   |            | CONT.405<br>CONT.410<br>CONT.415<br>CONT.420   | 51,879<br>214,003<br>19,292<br>64,038  |            |         | 51,879<br>214,003<br>19,292<br>64,038<br>32,100   |
| Downhole Lift Equipment Surface Equipment Well Automation Materials N/C Lease Equipment Tanks, Tanks Steps, Stairs Battery Equipment Secondary Containments Overhead Power Distribution Facility Electrical  |           |           |                |          |   |            | CONT.405<br>CONT.410<br>CONT.415<br>CONT.420<br>CONT.425<br>CONT.426   | 51,879<br>214,003<br>19,292<br>64,038<br>32,100<br>486   |            |         | 51,879<br>214,003<br>19,292<br>64,038<br>32,100<br>486  |
| Downhole Lift Equipment Surface Equipment Well Autornation Materials N/C Lease Equipment Tanks, Tanks Steps, Stairs Battery Equipment Secondary Containments Overhead Power Distribution Facility Electrical Telecommunication Equipment   |           |           |                |          |   |            | CONT.410<br>CONT.410<br>CONT.415<br>CONT.420<br>CONT.425<br>CONT.426<br>CONT.445   | 51,879<br>214,003<br>19,292<br>64,038<br>32,100<br>486<br>45,232   |            |         | 51,875<br>214,003<br>19,292<br>64,038<br>32,100<br>486<br>45,232  |
| Downhole Lift Equipment Surface Equipment Well Automation Materials N/C Lease Equipment Tanks, Tanks Steps, Stairs Battery Equipment Secondary Containments Overhead Power Distribution Facility Electrical Telecommunication Equipment Meters and Metering Equipment Meters and Metering Equipment  |           |           |                |          |   |            | CONT.405<br>CONT.410<br>CONT.415<br>CONT.420<br>CONT.425<br>CONT.426<br>CONT.445<br>CONT.450   | 51,879<br>214,003<br>19,292<br>64,038<br>32,100<br>486<br>45,232<br>31,208                               |            |         | 51,875<br>214,003<br>19,292<br>64,038<br>32,100<br>486<br>45,232<br>31,208                                |
| Downhole Lift Equipment Surface Equipment Well Automation Materials N/C Lease Equipment Tanks, Tanks Steps, Stairs Battery Equipment Secondary Containments Overhead Power Distribution Facility Electrical Telecommunication Equipment Meters and Metering Equipment Facility Line Pipe Lease Automation Materials  |           |           |                |          |   |            | CONT.405<br>CONT.410<br>CONT.415<br>CONT.420<br>CONT.425<br>CONT.426<br>CONT.445<br>CONT.450<br>CONT.455   | 51,879<br>214,003<br>19,292<br>64,038<br>32,100<br>486<br>45,232<br>31,208<br>32,424                     |            |         | 51,879<br>214,003<br>19,292<br>64,038<br>32,100<br>486<br>45,232<br>31,208                                |
| Downhole Lift Equipment Surface Equipment Well Autornation Materials NYC Lease Equipment Tanks, Tanks Steps, Stairs Battery Equipment Secondary Containments Overhead Power Distribution Facility Electrical Telecommunication Equipment Meters and Metering Equipment Facility Line Pipe Lease Automation Materials FL/GL - Materials   |           |           |                |          |   |            | CONT.405<br>CONT.410<br>CONT.415<br>CONT.420<br>CONT.425<br>CONT.426<br>CONT.445<br>CONT.450<br>CONT.455<br>CONT.455   | 51,879<br>214,003<br>19,292<br>64,038<br>32,100<br>486<br>45,232<br>31,208<br>32,424<br>21,400           |            |         | 51,879<br>214,003<br>19,292<br>64,038<br>32,100<br>486<br>45,232<br>31,208<br>32,424<br>21,400            |
| Downhole Lift Equipment Surface Equipment Well Automation Materials N/C Lease Equipment Tanks, Tanks Steps, Stairs Battery Equipment Secondary Containments Overhead Power Distribution Facility Electrical Telecommunication Equipment Meters and Metering Equipment Facility Line Pipe Lease Automation Materials FL/GL - Materials FL/GL - Line Pipe                        |           |           |                |          |   |            | CONT.405<br>CONT.410<br>CONT.415<br>CONT.420<br>CONT.425<br>CONT.426<br>CONT.450<br>CONT.450<br>CONT.455<br>CONT.550<br>CONT.555   | 51,879<br>214,003<br>19,292<br>64,038<br>32,100<br>486<br>45,232<br>31,208<br>32,424<br>21,400<br>48,637 |            |         | 51,879<br>214,003<br>19,292<br>64,038<br>32,100<br>48,6<br>45,232<br>31,208<br>32,424<br>21,400<br>48,637 |
| Downhole Lift Equipment Surface Equipment Well Automation Materials N/C Lease Equipment Tanks, Tanks Steps, Stairs Battery Equipment Secondary Containments Overhead Power Distribution Feacility Electrical Telecommunication Equipment Meters and Metering Equipment Facility Line Pipe Lease Automation Materials FL/GL - Materials FL/GL - Line Pipe SWD/Other - Materials |           |           |                |          |   |            | CONT.405<br>CONT.410<br>CONT.415<br>CONT.420<br>CONT.426<br>CONT.426<br>CONT.445<br>CONT.450<br>CONT.550<br>CONT.555<br>CONT.550   | 51,879<br>214,003<br>19,292<br>64,038<br>32,100<br>486<br>45,232<br>31,208<br>32,424<br>21,400<br>48,637 |            |         | 51,875<br>214,003<br>19,292<br>64,038<br>32,100<br>48,6<br>45,232<br>31,208<br>32,424<br>21,400<br>48,637 |
| Downhole Lift Equipment Surface Equipment Well Automation Materials N/C Lease Equipment Tanks, Tanks Steps, Stairs Battery Equipment Secondary Containments Overhead Power Distribution Facility Electrical Telecommunication Equipment Meters and Metering Equipment Facility Line Pipe Lease Automation Materials FL/GL - Materials FL/GL - Line Pipe                        |           | 393,000   |                | 810,000  |   | 285,000    | CONT.405<br>CONT.410<br>CONT.415<br>CONT.420<br>CONT.425<br>CONT.425<br>CONT.445<br>CONT.455<br>CONT.455<br>CONT.550<br>CONT.555<br>CONT.650<br>CONT.655   | 51,879<br>214,003<br>19,292<br>64,038<br>32,100<br>486<br>45,232<br>31,208<br>32,424<br>21,400<br>48,637 |            | 30,000  | 51,879<br>214,003<br>19,292<br>64,038<br>32,100<br>486<br>45,232<br>31,208<br>32,424<br>21,400            |



Authorization For Expenditure - Loosey Goosey 4-9 Fed Com 302H

| Description                        | . =      | BCP  | - Drilling  |          | ACP - Drilling | 1 2       |            | /Stim    |          |
|------------------------------------|----------|--|-------------|----------|----------------|-----------|------------|----------|----------|
|                                    | Codes    |  | Amount      |          | 100            | Amount    |            | CONTRA   | Amou     |
| Roads & Location                   | DIDC.100 |  | 20,000      |          |                |           | STIM.100   | CON.100  | 3,0      |
| Damages                            | DIDC.105 |  | 16,500      |          |                |           | CT11 2 255 |          | 510      |
| Mud/Fluids Disposal                | DIDC.255 | DICC 120   | 200,000     |          |                | 00.000    | STIM.255   |          | 51,0     |
| Day Rate                           |          | DICC.120   |             | DICC.120 |                | 96,000    |            |          |          |
| Misc Preparation                   | DIDC.120 |  | 30,000      |          | 40.77.40       |           | eru / 425  |          |          |
| Bits                               |          | DICC.125   | 1 2 2 2 2 2 | DICC.125 | STIM.125       | 0         | STIM.125   |          |          |
| Fuel                               |          | DICC.130   |             | DICC.130 | 44.00.140      | 0         |            |          | 20.00    |
| Water for Drilling Rig (Not Frac   | DIDC.140 | DICC.135   |             | DICC.135 | STIM.135       | 0         | STIM.135   |          | 20,00    |
| Mud & Additives                    | DIDC.145 |  | 300,000     |          | 177.00         |           |            | 1        |          |
| SWD PIPED TO 3RD PARTY SWD         |          | Line Street  |             |          | 220 0 7 1 2    |           |            |          | 137,00   |
| Surface Rentals                    |          | DICC.140   |             | DICC.140 | STIM.140       | -0        | STIM.140   | CON.140  | -0,000   |
| Downhole Rentals                   | DIDC.155 |  | 131,000     |          |                |           | STIM.145   |          | 35,00    |
| Flowback Labor                     |          |  |             |          |                |           | STIM.141   |          |          |
| Automation Labor                   | 0.2000   |  | 2244        |          |                |           |            |          |          |
| Mud Logging                        | DIDC.170 |  | 5,000       |          |                |           |            |          |          |
| IPC & EXTERNAL PAINTING            | 25100    | Succession in the succession of the succession o |             | 9.5. 6.  |                | North Add |            |          |          |
| Cementing & Float Equipment        |          | DICC.155   |             | DICC.155 |                | 140,000   |            |          | 57.      |
| Tubular Inspections                |          | DICC.160   | 100,000     |          | STIM.160       | 8,000     | STIM.160   |          | 4,00     |
| Casing Crews                       | DIDC.195 |  | 1.00        | DICC.165 | Part Color Co. | 13,000    | STIM.165   | 1.00.100 |          |
| Mechanical Labor                   |          | DICC.170   |             |          | STIM.170       | 3,000     | STIM.170   | CON.170  |          |
| Trucking/Transportation            | DIDC.205 | A. T. T. T. T. S.  |             | DICC.175 | STIM.175       | 8,000     | STIM.175   | CON.175  | 4,00     |
| Supervision                        | DIDC.210 | Indiacated to  |             | DICC.180 | STIM.180       | 13,000    | STIM.180   | CON.180  | 47,00    |
| Trailer House/Camp/Catering        | DIDC.280 |  |             | DICC.255 | PS-10-1-1-1-1  | 5,000     | STIM.280   | No.      | 31,00    |
| Other Misc Expenses                |          | DICC.190   |             | DICC.190 | STIM.190       | 0         | STIM.190   | CON.190  | 85,00    |
| Overhead                           | DIDC.225 | DICC.195   |             | DICC.195 |                | 5,000     |            |          |          |
| MOB/DEMOB                          | DIDC.240 |  | 115,000     |          |                |           |            |          |          |
| Directional Drilling Services      | DIDC 245 |  | 307,000     |          |                |           |            | 1        |          |
| Solids Control                     | DIDC.260 |  | 46,000      |          |                |           |            | 1        |          |
| Well Control Equip (Snubbing       | DIDC.265 | DICC.240   | 84,000      | DICC.240 | STIM.240       | 0         | STIM.240   |          | 64,00    |
| Completion Rig                     |          |  |             |          |                |           | STIM.115   |          | 21,00    |
| Coil Tubing Services               |          |  |             |          |                |           | STIM.260   |          |          |
| Completion                         |          |  |             |          |                |           | STIM.200   |          | 257,00   |
| Composite Plugs                    |          |  |             |          |                | 1         | STIM.390   |          | 39,00    |
| Stimulation                        |          |  |             |          |                |           | STIM.210   |          | 2,245,00 |
| Stimulation Water/Water            |          |  |             |          |                | 1 1       | STIM.395   |          | 191,00   |
| Cimarex Owned Frac/Rental          |          |  |             |          |                |           | STIM.305   |          | 60,00    |
| Legal/Regulatory/Curative          | DIDC.300 |  | 10,000      |          |                |           |            |          |          |
| Well Control Insurance             | DIDC.285 |  | 7,000       |          |                |           |            |          |          |
| Major Construction Overhead        |          |  |             |          |                |           |            |          |          |
| FL/GL - ON PAD LABOR               |          |  |             |          |                |           |            |          |          |
| FL/GL - Labor                      |          |  |             |          |                |           |            |          |          |
| FL/GL - Supervision                |          |  |             |          |                |           |            |          |          |
| Survey                             |          |  |             |          |                |           |            |          |          |
| SWD/Other - Labor                  |          |  |             |          |                |           |            |          |          |
| SWD/Other - Supervision            |          |  |             |          |                |           |            |          |          |
| Aid In Construct/3rd Party Connect |          |  |             |          |                |           |            |          |          |
| Contingency                        | DIDC.435 | DICC220  | 118,000     | DICC.220 | STIM.220       | 15,000    | STIM.220   | CON.220  | 165,00   |
| Contingency                        |          |  |             |          |                |           |            |          |          |
| Total Intangible Cos               |          |  | 2,475,500   |          |                | 306,000   |            |          | 3,459,00 |
| Conductor Pipe                     | DWEB.130 |  | 0           |          |                |           |            |          |          |
| Water String                       | DWEB.135 |  | 104,000     |          |                |           |            |          |          |
| Surface Casing                     | DWEB.140 |  | 251,000     |          |                |           |            |          |          |
| Intermediate Casing 1              | DWEB.145 |  | 0           |          |                |           |            |          |          |
| Production Casing or Liner         |          |  |             | DWEA.100 |                | 792,000   |            |          |          |
| Tubing                             |          |  |             |          |                |           | STIMT.105  |          | 139,00   |
| Wellhead, Tree, Chokes             | DWEB.115 | DWEA.120   | 38,000      | DWEA.120 | STIMT.120      | 18,000    | STIMT.120  |          | 38,00    |
| Liner Hanger, Isolation Packer     |          | DWEA 125   |             | DWEA.125 |                | 0         |            |          |          |
| Packer, Nipples                    |          |  |             |          |                |           | STIMT.400  |          | 28,00    |
| SHORT ORDERS                       |          |  |             |          |                |           |            |          |          |
| PUMPS                              |          |  |             |          |                |           |            |          |          |
| WALKOVERS                          |          |  |             |          |                |           |            |          |          |
| Downhole Lift Equipment            |          |  |             |          |                |           | STIMT.410  |          | 80,00    |
| Surface Equipment                  |          |  |             |          |                |           |            |          | 22,00    |
| Well Automation Materials          |          |  |             |          |                |           |            |          |          |
| N/C Lease Equipment                |          |  |             |          |                |           |            |          |          |
| Tanks, Tanks Steps, Stairs         |          |  |             |          |                |           |            |          |          |
| Battery Equipment                  |          |  |             |          |                |           |            |          |          |
| Secondary Containments             |          |  |             |          |                |           |            |          |          |
| Overhead Power Distribution        |          |  |             |          |                |           |            |          |          |
| Facility Electrical                |          |  |             |          |                |           |            |          |          |
| Telecommunication Equipment        |          |  |             |          |                |           |            |          |          |
| Meters and Metering Equipment      |          |  |             |          |                |           |            |          |          |
| Facility Line Pipe                 |          |  |             |          |                |           |            |          |          |
| Lease Automation Materials         |          |  |             |          |                |           |            |          |          |
| FL/GL - Materials                  |          |  |             |          |                |           |            |          |          |
|                                    |          |  |             |          |                |           |            |          |          |
|                                    |          |  |             |          |                |           |            |          |          |
| FL/GL - Materials                  |          |  |             |          |                |           |            |          |          |
| SWD/Other - Materials              |          |  |             |          |                |           |            |          |          |
|                                    |          |  | 393,000     |          |                | 810,000   |            |          | 285,00   |



Authorization For Expenditure - Loosey Goosey 4-9 Fed Com 302H

| Description                             | east I   | Production Equip |         | r-4          | Post Completion                            | Amount  | Total<br>Co |
|---|----------|------------------|---------|--------------|--|---------|-------------|
|   | Codes    |                  | mount   | Codes        | Repair any roads post D&C                  | 3,000   | 74,63       |
| Roads & Location                        | CON.100  |                  | 48,637  | PCOM.100     | Repair any roads post Dac                  | 5,000   | 32,30       |
| Damages                                 | CON.105  |                  | 15807   | PCOM.255     |  | 0       | 251,00      |
| Mud/Fluids Disposal                     |          |                  |         | PCOM.255     |  | U       | 564,00      |
| Day Rate                                |          |                  |         |              |  | 190     | 30,00       |
| Misc Preparation<br>Bits                |          |                  |         | PCOM.125     |  | 0       | 97,00       |
| Fuel                                    |          |                  |         | PCOM.123     |  | 0       | 119,00      |
| Water for Drilling Rig (Not Frac Water) |          | 1                |         | PCOM.135     |  | 0       | 25,00       |
| Mud & Additives                         |          |                  |         | PCOM 133     |  | ٩       | 300,00      |
| SWD PIPED TO 3RD PARTY SWD WELL         |          |                  |         | PCOM.257     | Water for 60 days (270K barrels)           | 87,354  | 87,35       |
| Surface Rentals                         | CON.140  |                  | 1,378   | PCOM.140     | Iron. XEC Own 5K. No 10K. \$1,100 per day  | 60,000  | 295,37      |
| Downhole Rentals                        | CO14.140 |                  | 1,370   | PCOM.145     | Holi. Acc Owl Sk. 140 lok. \$1,100 pc. day | 0       | 166,000     |
| Flowback Labor                          |          |                  |         | PCOM.141     | 3 Flowback Hands (60 days). 25%            | 30,000  | 30,000      |
| Automation Labor                        | CON.150  |                  | 36,558  | PCOM.150     | 5 Honback Harles (60 days), 2576           | 5,000   | 41,55       |
| Mud Logging                             | 2014.130 |                  | 0,230   | FCOIVI. 130  |  | 5,000   | 5,000       |
| IPC & EXTERNAL PAINTING                 | CON.165  |                  | 18,888  |              |  |         | 18.88       |
| Cementing & Float Equipment             | 2011103  |                  | 10,000  |              |  |         | 210,000     |
| Tubular Inspections                     |          |                  |         | PCOM.160     |  | 0       | 50,000      |
| Casing Crews                            |          |                  |         | r COIVI. 100 |  |         | 28,000      |
| Mechanical Labor                        | CON.170  | 1                | 39,588  | PCOM.170     | RU Flowback Iron & Automation              | 5,000   | 167,58      |
| Trucking/Transportation                 | CON.175  |                  | 17,833  | PCOM.175     | NO HOWDER HOW A AUTOMISSION                | 0       | 59,83       |
| Supervision                             | CON.180  |                  | 21,238  | PCOM.180     |  | 0       | 162,23      |
| Trailer House/Camp/Catering             | 20111100 |                  | - 1,230 | . 20.11.100  |  |         | 72,000      |
| Other Misc Expenses                     | CON.190  |                  | 24,318  | PCOM.190     |  | 0       | 114,318     |
| Overhead                                | 2011.30  |                  | -4,510  | . CO.W. 150  |  | -       | 10,000      |
| MOB/DEMOB                               |          |                  |         |              |  |         | 115,000     |
| Directional Drilling Services           |          |                  |         |              |  |         | 307,000     |
| Solids Control                          |          |                  |         |              |  |         | 46,000      |
| Well Control Equip (Snubbing Services)  |          | 1                |         | PCOM.240     |  | 0       | 148,000     |
| Completion Rig                          |          |                  |         | PCOM.115     |  | 0       | 21,000      |
| Coil Tubing Services                    |          |                  |         | PCOM.260     |  | 0       | (           |
| Completion Logging/Perforating/Wireline |          |                  |         | PCOM.200     |  | 0       | 257,000     |
| Composite Plugs                         |          |                  |         | PCOM.390     |  | 0       | 39,000      |
| Stimulation                             |          |                  |         | PCOM.210     |  | 0       | 2,245,000   |
| Stimulation Water/Water Transfer/Water  |          |                  |         | , comero     |  |         | 191,000     |
| Cimarex Owned Frac/Rental Equipment     |          |                  |         | PCOM.305     |  | 0       | 60,000      |
| Legal/Regulatory/Curative               | CON.300  |                  | 0       | 1 COM.505    |  |         | 10,000      |
| Well Control Insurance                  |          |                  |         |              |  |         | 7,000       |
| Major Construction Overhead             | CON.305  | 1.10             | 26,507  |              |  |         | 26,507      |
| FL/GL - ON PAD LABOR                    | CON.495  |                  | 37,613  |              |  |         | 37,613      |
| FL/GL - Labor                           | CON.500  |                  | 94,842  |              |  |         | 94,842      |
| FL/GL - Supervision                     | CON.505  |                  | 14,429  |              |  |         | 14,429      |
| Survey                                  | CON.515  |                  | 2351    |              |  |         | 2,35        |
| SWD/Other - Labor                       | CON.600  |                  | 0       |              |  |         | (           |
| SWD/Other - Supervision                 | CON.605  |                  | 0       |              |  |         | (           |
| Aid In Construct/3rd Party Connect      | CON.701  |                  | 40.531  |              |  |         | 40,531      |
| Contingency                             | CON.220  |                  | 05,542  |              |  |         | 403,542     |
| Contingency                             | CON 221  |                  | 23,508  |              |  |         | 23,508      |
| Total Intangible Cost                   |          |                  | 69,568  |              |  | 190,354 | 7,100,422   |
| Conductor Pipe                          |          |                  |         |              |  |         | (           |
| Water String                            |          |                  |         |              |  |         | 104,000     |
| Surface Casing                          |          |                  | - 1     |              |  |         | 251,000     |
| Intermediate Casing 1                   |          |                  |         |              |  |         | (           |
| Production Casing or Liner              |          |                  |         |              |  |         | 792,000     |
| Tubing                                  |          |                  |         | PCOMT.105    |  | 0       | 139,000     |
| Wellhead, Tree, Chokes                  |          |                  |         | PCOMT.120    | Replace worn chokes and valves during FB   | 10,000  | 104,000     |
| Liner Hanger, Isolation Packer          |          |                  |         |              |  |         | (           |
| Packer, Nipples                         |          |                  |         | PCOMT.400    |  | 0       | 28,000      |
| SHORT ORDERS                            | CONT.380 |                  | 10,538  |              |  |         | 10,538      |
| PUMPS                                   | CONT.385 |                  | 30,804  |              |  |         | 30,804      |
| WALKOVERS                               | CONT.390 |                  | 4,053   |              |  |         | 4,053       |
| Downhole Lift Equipment                 | 100      |                  |         | PCOMT.410    |  | 0       | 80,000      |
| Surface Equipment                       |          |                  |         | PCOMT.420    | Replacing Chokes, Stuffing Boxes, and all  | 15,000  | 15,000      |
| Well Automation Materials               | 10000    |                  |         |              | PTs, and replacing meters                  | 5,000   | 5,000       |
| N/C Lease Equipment                     | CONT.400 | 18               | 84,334  |              |  | 10000   | 184,334     |
| Tanks, Tanks Steps, Stairs              | CONT.405 |                  | 51,879  |              |  |         | 51,879      |
| Battery Equipment                       | CONT.410 |                  | 14,003  |              |  |         | 214,003     |
| Secondary Containments                  | CONT.415 |                  | 19,292  |              |  |         | 19,292      |
| Overhead Power Distribution             | CONT.420 |                  | 54,038  |              |  |         | 64,038      |
| Facility Electrical                     | CONT.425 |                  | 32,100  |              |  |         | 32,100      |
| Telecommunication Equipment             | CONT.426 |                  | 486     |              |  |         | 486         |
| Meters and Metering Equipment           | CONT.445 |                  | 45,232  |              |  |         | 45,232      |
| Facility Line Pipe                      | CONT.450 |                  | 31,208  |              |  |         | 31,208      |
| Lease Automation Materials              | CONT.455 |                  | 32,424  |              |  |         | 32,424      |
| FL/GL - Materials                       | CONT.550 |                  | 21,400  |              |  |         | 21,400      |
| FL/GL - Line Pipe                       | CONT.555 |                  | 48,637  |              |  |         | 48,637      |
| SWD/Other - Materials                   | CONT.650 |                  | 0       |              |  |         | (           |
| SWD/Other - Line Pipe                   | CONT.655 |                  | 0       |              |  |         |             |
| Total Tangible Cost                     |          | 7                | 90,428  |              |  | 30,000  | 2,308,428   |
|   |          |                  |         |              |  |         |             |

### COTERRA AFE # XXXXXXX Authorization For Expenditure - Loosey Goosey 4-9 Fed Com 303H Date Prepared Company Entity 8/17/2022 Prospect Property Number Well Name Exploration Region XXXXXXXX Permian Basin Loosey Goosey 4-9 Fed Com 303H New Mexico Bone Spring XXXXXX-XXX.01 Estimated Soud Estimated Completion County, State Location Lea, NM Section 4-9 T20S-R34E Lea, NM Well Type Ttl Vetical Deoth. Ttl Measured Depth Supplement 20310 10810 DEV Revision Drill and complete well Purpose Description Drilling The intended surface hold location for the well is 280 FSL and 1540 FEL of Section 33, T19S-R34E, and the intended bottom hole location is 100 FSL and 1744 FEL of Section 9, T20S-R34E. The well is proposed to be drilled vertically to the 3rd Sand formation and laterally in a southerly direction within the formation to the referenced bottom hole location. Total vertical depth of the well is proposed to be approximately 10810 feet. Intangible Dry Hole After Casing Point Completed Well Cost \$2,475,500 Drilling Costs \$2,475,500 Completion Casts \$4,595,289 \$4,595,289 \$7,070,789 \$4,595,289 Total Intangible Cost \$2,475,500 Completed Well Cost Tangible Dry Hole After Casing Point Well Equipment \$393,000 \$1,125,000 \$1,518,000 \$840.065 Lease Equipment \$840.065 Total Tangible Cost \$2,358,065 \$393,000 \$1,965,065 Total Well Cost \$6,560,354 \$9,428,854 \$2,868,500 Comments On Well Costs 1. All tubulars, well or lease equipment is priced by COPAS and CEPS guidelines using the Historic Price Multiplier. Well Control Insurance Unless otherwise indicated below, you, as a non-operating working interest owner, agree to be covered by Operator's well control insurance procured by Operator so long as Operator conducts operations hereunder and to pay your prorated share of the premiums therefore. If you elect to purchase your own well control insurance, you must provide a certificate of such insurance acceptable to Operator, as to form and limits, at the time this AFE is returned, if available, but in no event later than commencement of drilling operations. You agree that failure to provide the certificate of insurance, as provided herein, will result in your being covered by insurance procured by Operator. I elect to purchase my own well control insurance policy. Cimarex sells its gas under arm's-length contracts with third party purchasers. Such contracts may include fees. In addition, penalties may be incurred for insufficient volumes delivered over time. Should you choose to market your share of gas with Cimarex, you will be subject to all of the terms of such contracts. Upon written request to Cimarex's Marketing Department, we will share with you the terms and conditions pursuant to which gas will be sold. Failure to make an election below shall be deemed an election to market your gas with Cimarex under the terms and conditions set forth above. I elect to take my gas in kind. I elect to market my gas with Cimarex pursuant to the terms and conditions of its contract. The above costs are estimates only and anticipate trouble free operations without any foreseeable change in plans. The actual costs may exceed the estimated costs without affecting the authorization for expenditure herein granted. By approval of this AFE, the working interest owner agrees to pay its proportionate share of actual legal, curative, regulatory and well costs under term of the joint operating agreement, regulatory order or other applicable agreement covering this well.

NOTICE TO NONOPERATOR: Costs shown on this form are estimates only. By executing this AFE, the consenting party agrees to pay its proportionate

Approved By (Signature)

Date

7/6/2022

Approved By (Print Name)

share of actual costs incurred. Overhead will be charged in accordance with the Joint Operating Agreement.

Nonoperator Approval

Company

**COTERRA** Authorization For Expenditure - Loosey Goosey 4-9 Fed Com 303H

| Description  | BCP - Dr    | 1         | ACP -    |          |            | np/Stim   | 1         | ion Equip | Post Com   |         | Total     |
|--|-------------|-----------|----------|----------|------------|-----------|-----------|-----------|------------|---------|-----------|
|  | Codes       | Amount    | Codes    | Amount   |            | Amount    |           | Amount    | Codes      | Amount  | Co        |
| Roads & Location   | DIDC.100    | 20,000    |          |          | STIM.100   | 3,000     |           | 44,205    | PCOM.100   | 3,000   | 70,20     |
| Damages  | DIDC.105    | 16,500    |          |          |            |           | CON.105   | 3215      |            |         | 19,71     |
| Mud/Fluids Disposal  | DIDC.255    | 200,000   |          |          | STIM.255   | 51,000    |           |           | PCOM.255   | 0       | 251,00    |
| Day Rate   | DIDC.115    | 468,000   | DICC 120 | 96,000   |            |           |           |           |            |         | 564,00    |
| Misc Preparation   | DIDC.120    | 30,000    |          |          |            |           |           |           |            |         | 30,00     |
| Bits   | DIDC.125    | 97,000    | DICC.125 | 0        | STIM.125   | 0         |           |           | PCOM.125   | 0       | 97,00     |
| Fuel   | DIDC.135    | 119,000   | DICC.130 | 0        |            |           |           |           | PCOM.130   | 0       | 119,00    |
| Water for Drilling Rig (Not Frac Water)  | DIDC.140    | 5,000     | DICC.135 | 0        | STIM.135   | 20,000    |           |           | PCOM.135   | 0       | 25,00     |
| Mud & Additives  | DIDC.145    | 300,000   |          |          | 1          |           |           |           |            |         | 300,00    |
| SWD PIPED TO 3RD PARTY SWD WELL  |             |           |          |          |            |           |           |           | PCOM.257   | 87,354  | 87,35     |
| Surface Rentals  | DIDC.150    | 97,000    | DICC 140 | 0        | STIM.140   | 137,000   | CON.140   | 6,912     | PCOM.140   | 60,000  | 300,91    |
| Downhole Rentals   | DIDC.155    | 131,000   | 5144     |          | STIM.145   | 35,000    |           | 0,2.12    | PCOM.145   | 0       | 166,000   |
| Flowback Labor   | DIDC.133    | 131,000   |          |          | STIM.141   | 0,000     |           |           | PCOM.141   | 30,000  | 30,000    |
| Automation Labor   |             |           |          |          | Silling 41 |           | CON.150   | 45,010    | PCOM.150   | 5,000   | 50,010    |
|  | 0105 170    | 5.000     |          |          |            |           | CON.150   | 45,010    | PCOM. 130  | 5,000   | 5,000     |
| Mud Logging  | DIDC.170    | 5,000     |          |          |            |           | course    |           |            |         | 5,144     |
| IPC & EXTERNAL PAINTING  |             |           |          | 4 10 000 |            |           | CON.165   | 5,144     |            |         |           |
| Cementing & Float Equipment  | DIDC.185    | 70,000    | DICC.155 | 140,000  |            | 100       |           |           |            |         | 210,000   |
| Tubular Inspections  | DIDC.190    | 38,000    | DICC.160 | 8,000    |            | 4,000     |           |           | PCOM.160   | 0       | 50,000    |
| Casing Crews   | DIDC.195    | 15,000    | DICC 165 | 13,000   |            | 0         |           |           |            |         | 28,000    |
| Mechanical Labor   | DIDC.200    | 20,000    | DICC 170 | 3,000    | STIM.170   | 0         | CON.170   | 185,663   | PCOM.170   | 5,000   | 213,663   |
| Trucking/Transportation  | DIDC.205    | 30,000    | DICC.175 | 8,000    | STIM.175   | 4,000     | CON.175   | 16,075    | PCOM.175   | 0       | 58,075    |
| Supervision  | DIDC.210    | 81,000    | DICC.180 | 13,000   | STIM.180   | 47,000    | CON.180   | 11,574    | PCOM.180   | 0       | 152,574   |
| Trailer House/Camp/Catering  | DIDC.280    | 36,000    | DICC.255 | 5,000    | STIM.280   | 31,000    |           |           |            |         | 72,000    |
| Other Misc Expenses  | DIDC.220    | 5,000     | DICC.190 | 0        | STIM.190   | 85,000    |           | 19,290    | PCOM.190   | 0       | 109,290   |
| Overhead   | DIDC.225    | 5,000     | DICC.195 | 5,000    |            | 27/17/2   |           | 11000     |            | 3       | 10,000    |
| MOB/DEMOB  | DIDC 240    | 115,000   |          | 1        |            |           |           |           |            |         | 115,000   |
| Directional Drilling Services  | DIDC.245    | 307,000   |          |          |            |           |           |           |            |         | 307,000   |
| Solids Control   | DIDC.260    | 46,000    |          |          |            |           |           |           |            |         | 46,000    |
| Well Control Equip (Snubbing Services)   | DIDC.265    | 84,000    | DICC.240 | 0        | STIM.240   | 64,000    |           |           | PCOM.240   | 0       | 148,000   |
| Completion Rig   | DIDCIEUS    | 04,000    | 5166.40  |          | STIM.115   | 21,000    |           |           | PCOM.115   | 0       | 21,000    |
| Coil Tubing Services   |             |           |          |          | STIM.260   | 21,000    |           |           | PCOM.260   | 0       | 21,000    |
|  |             |           |          |          |            |           |           |           |            | 0       |           |
| Completion Logging/Perforating/Wireline  |             |           |          |          | STIM.200   | 257,000   |           |           | PCOM.200   | 0.2     | 257,000   |
| Composite Plugs  |             |           |          |          | STIM.390   | 39,000    |           |           | PCOM.390   | 0       | 39,000    |
| Stimulation  |             |           |          |          | STIM.210   | 2,245,000 |           |           | PCOM.210   | 0       | 2,245,000 |
| Stimulation Water/Water Transfer/Water   |             |           |          |          | STIM.395   | 191,000   |           |           |            |         | 191,000   |
| Cimarex Owned Frac/Rental Equipment  |             |           |          |          | STIM.305   | 60,000    |           | 1         | PCOM.305   | 0       | 60,000    |
| Legal/Regulatory/Curative  | DIDC.300    | 10,000    |          |          |            |           | CON.300   | 0         |            |         | 10,000    |
| Well Control Insurance   | DIDC.285    | 7,000     |          |          |            |           |           |           |            |         | 7,000     |
| Major Construction Overhead  |             |           |          |          |            |           | CON.305   | 0         |            |         |           |
| FL/GL - ON PAD LABOR   |             |           |          |          |            |           | CON,495   | 33,114    |            |         | 33,114    |
| FL/GL - Labor  |             |           |          |          |            |           | CON.500   | 113,970   |            |         | 113,970   |
| FL/GL - Supervision  |             |           |          |          |            |           | CON.505   | 12,056    |            |         | 12,056    |
| Survey   |             |           |          |          |            |           | CON,515   | 6,590     |            |         | 6,590     |
| SWD/Other - Labor  |             |           |          |          |            |           | CON,600   | 0         |            |         |           |
| SWD/Other - Supervision  |             |           |          |          |            |           | CON.605   | 0         |            |         | C         |
| Aid In Construct/3rd Party Connect   |             |           |          |          |            |           | CON.701   | 0         |            |         |           |
| Contingency  | DIDC.435    | 118,000   | DICC.220 | 15,000   | STIM.220   | 165 000   | Section 1 | 106,737   | PCOM.220   | 0       | 404,737   |
| 4  | DIDC.433    | 110,000   | DICC.220 | 15,000   | 311W.220   | 165,000   |           | 1000000   | PLOM.220   | 0       |           |
| Contingency  |             | 2 175 500 |          | 200.000  |            | 2.722.722 | CON.221   | 30,381    |            |         | 30,381    |
| Total Intangible Cost  | B. (188 458 | 2,475,500 |          | 306,000  |            | 3,459,000 |           | 639,935   |            | 190,354 | 7,070,789 |
| Conductor Pipe   | DWEB.130    | 0         |          |          |            |           |           |           |            |         | C         |
| Water String   | DWEB.135    | 104,000   |          |          |            |           |           |           |            |         | 104,000   |
| Surface Casing   | DWEB.140    | 251,000   |          |          |            |           |           |           |            |         | 251,000   |
| Intermediate Casing 1  | DWEB.145    | 0         |          |          |            |           |           |           |            |         | 0         |
| Production Casing or Liner   |             |           | DWEA.100 | 792,000  |            |           |           |           |            |         | 792,000   |
| Tubing   |             |           |          |          | STIMT.105  | 139,000   |           |           | PCOMT.105  | 0       | 139,000   |
| Wellhead, Tree, Chokes   | DWEB.115    | 38,000    | DWEA.120 | 18,000   | STIMT.120  | 38,000    |           |           | PCOMT.120  | 10,000  | 104,000   |
| Liner Hanger, Isolation Packer   | DWEB.100    | 0         | DWEA.125 | 0        |            |           |           |           |            |         | 0         |
| Packer, Nipples  |             | - 8       |          | 1        | STIMT.400  | 28,000    |           |           | PCOMT.400  | 0       | 28,000    |
| SHORT ORDERS   |             |           |          |          | O MINISTER | 231233    | CONT.380  | 11,253    | Service 32 | -       | 11,253    |
| PUMPS  |             |           |          |          |            |           | CONT.385  | 26,362    |            |         | 26,362    |
| WALKOVERS  |             |           |          |          |            |           | CONT.390  | 6,430     |            |         | 6,430     |
| Downhole Lift Equipment  |             |           |          |          | STIMT.410  | 80,000    |           | 3,450     | PCOMT.410  | 0       | 80,000    |
| Surface Equipment  |             |           |          |          |            | 00,000    |           |           | PCOMT.410  | 15,000  | 15,000    |
| Well Automation Materials  |             |           |          |          |            |           |           |           | PCOMT.455  | 5,000   | 5,000     |
| N/C Lease Equipment  |             |           |          |          |            |           | CONT.400  | 279.861   | 1 COM1.433 | 3,000   | 279,861   |
| Tanks, Tanks Steps, Stairs   |             |           |          |          |            |           |           | 70.0000   |            |         | 279,861   |
| A STATE OF THE PARTY OF THE PAR |             |           |          |          |            |           | CONT.405  | 0         |            |         |           |
| Battery Equipment  |             |           |          |          |            |           | CONT.410  | 229,386   |            |         | 229,386   |
| Secondary Containments   |             |           |          |          |            |           | CONT.415  | 12,859    |            |         | 12,859    |
| Overhead Power Distribution  |             |           |          |          |            |           | CONT.420  | 10,288    |            |         | 10,288    |
| Facility Electrical  |             |           |          |          |            |           | CONT.425  | 48,224    |            |         | 48,224    |
| Telecommunication Equipment  |             |           |          |          |            |           | CONT.426  | 0         |            |         | 0         |
| Meters and Metering Equipment  |             |           |          |          |            |           | CONT.445  | 42,758    |            |         | 42,758    |
| Facility Line Pipe   |             |           |          |          |            |           | CONT.450  | 28,935    |            |         | 28,935    |
| Lease Automation Materials   |             |           |          |          |            |           | CONT.455  | 36,972    |            |         | 36,972    |
| FL/GL - Materials  |             |           |          |          |            |           | CONT.550  | 26,684    |            |         | 26,684    |
| FL/GL - Line Pipe  |             |           |          |          |            |           | CONT.555  | 80,052    |            |         | 80,052    |
| SWD/Other - Materials  |             |           |          |          |            |           | CONT.650  | 00,032    |            |         | 0         |
| SWD/Other - Line Pipe  |             |           |          |          |            |           | CONT.655  | 0         |            |         |           |
| SVD/Oner - Line ripe   |             |           |          |          |            |           |           | 0         |            |         |           |
| Total Tangible Cost  |             | 393,000   |          | 810,000  |            | 285,000   |           | 840,065   |            | 30,000  | 2,358,065 |



OCOTERRA Authorization For Expenditure - Loosey Goosey 4-9 Fed Com 303H

| Description  |                      | BCP      | - Drilling                              |          | ACP - Drilling   | 1         |                   | /Stim    | Amour     |
|--|----------------------|----------|---|----------|--|-----------|-------------------|----------|-----------|
|  | Codes<br>DIDC.100    |          | Amount<br>20,000                        |          |  | Amount    | Codes<br>STIM.100 | CON.100  | 3,00      |
| Roads & Location<br>Damages                                | DIDC.105             |          | 16,500                                  |          |  |           | 311111.100        | CONTRACT | 3,000     |
| Mud/Fluids Disposal  | DIDC.255             |          | 200,000                                 |          |  |           | STIM.255          | ļ.       | 51,00     |
| Day Rate   |                      | DICC.120 |   | DICC.120 |  | 96,000    |                   |          |           |
| Misc Preparation   | DIDC.120             |          | 30,000                                  |          |  |           |                   |          |           |
| Bits   | DIDC.125             | DICC.125 |   | DICC.125 | STIM.125   | 0         | STIM.125          |          | -         |
| Fuel   |                      | DICC.130 | 0.0000000000000000000000000000000000000 | DICC.130 | the state of the s | 0         |                   |          | 1         |
| Water for Drilling Rig (Not Frac                           |                      | DICC 135 | 5,000                                   |          | STIM.135   | .0        | STIM.135          |          | 20,000    |
| Mud & Additives  | DIDC.145             |          | 300,000                                 |          |  |           |                   | 1        |           |
| SWD PIPED TO 3RD PARTY SWD                                 | DIDC 150             | DICC140  | 07.000                                  | DICC 140 | CT114 1 40   | 0         | STIM.140          | CON.140  | 137,000   |
| Surface Rentals  Downhole Rentals                          | DIDC.150             | DICC.140 | 97,000                                  |          | STIM.140   | 0         | STIM.145          | CONTRO   | 35,000    |
| Flowback Labor   | DIDC.155             |          | 131,000                                 |          |  |           | STIM.141          |          | 33,000    |
| Automation Labor   |                      |          |   |          |  |           | 211111.141        |          |           |
| Mud Logging  | DIDC.170             |          | 5,000                                   |          |  |           |                   |          |           |
| IPC & EXTERNAL PAINTING                                    | 2.0.00               |          | - 10,50                                 |          |  |           |                   |          |           |
| Cementing & Float Equipment                                | DIDC.185             | DICC.155 | 70,000                                  | DICC.155 |  | 140,000   |                   |          |           |
| Tubular Inspections  | DIDC.190             | DICC.160 | 38,000                                  | DICC.160 | STIM.160   | 8,000     | STIM. 160         |          | 4,000     |
| Casing Crews   | DIDC.195             | DICC.165 | 15,000                                  | DICC.165 | STIM.165   | 13,000    | STIM.165          |          | (         |
| Mechanical Labor   |                      | DICC.170 | 20,000                                  | DICC.170 | STIM.170   | 3,000     | STIM.170          | CON 170  | (         |
| Trucking/Transportation                                    |                      | DICC.175 |   | DICC.175 |  | 8,000     | STIM.175          | CON 175  | 4,000     |
| Supervision  |                      | DICC.180 |   | DICC.180 |  | 13,000    | STIM. 180         | CON.180  | 47,000    |
| Trailer House/Camp/Catering                                |                      | DICC.255 |   | DICC.255 |  | 5,000     | STIM.280          |          | 31,000    |
| Other Misc Expenses  |                      | DICC.190 |   | DICC 190 | STIM.190   | 0         | STIM.190          | CON 190  | 85,000    |
| Overhead   |                      | DICC.195 |   | DICC.195 | 1  | 5,000     |                   | 1        |           |
| MOB/DEMOB  | DIDC 240             |          | 115,000                                 |          |  |           |                   |          |           |
| Directional Drilling Services                              | DIDC.245<br>DIDC.260 |          | 307,000                                 |          |  |           |                   |          |           |
| Solids Control Well Control Equip (Snubbing                |                      | DICC.240 | 46,000                                  | DICC.240 | ETIM 240   | 0         | STIM.240          |          | 64,000    |
| Completion Rig   | DIDC203              | DICC.240 | 04,000                                  | DICC.240 | 311W.240   | Ü         | STIM.115          |          | 21,000    |
| Coil Tubing Services                                       |                      |          |   |          |  |           | STIM.260          |          | 21,000    |
| Completion   |                      |          |   |          |  |           | STIM 200          |          | 257,000   |
| Composite Plugs  |                      |          |   |          |  |           | STIM.390          |          | 39,000    |
| Stimulation  |                      |          |   |          |  |           | STIM.210          |          | 2,245,000 |
| Stimulation Water/Water                                    |                      |          |   |          |  |           | STIM.395          |          | 191,000   |
| Cimarex Owned Frac/Rental                                  |                      |          |   |          |  |           | STIM.305          |          | 60,000    |
| Legal/Regulatory/Curative                                  | DIDC.300             |          | 10,000                                  |          |  |           |                   |          | -         |
| Well Control Insurance                                     | DIDC.285             |          | 7,000                                   |          |  |           |                   |          |           |
| Major Construction Overhead                                |                      |          | 1                                       |          |  |           |                   |          |           |
| FL/GL - ON PAD LABOR                                       |                      |          |   |          |  |           |                   |          |           |
| FL/GL - Labor  |                      |          |   |          |  |           |                   |          |           |
| FL/GL - Supervision  |                      |          |   |          |  |           |                   |          |           |
| Survey   |                      |          |   |          |  |           |                   |          |           |
| SWD/Other - Labor  |                      |          |   |          |  |           |                   |          |           |
| SWD/Other - Supervision Aid In Construct/3rd Party Connect |                      |          |   |          |  |           |                   |          |           |
| Contingency  | DIDC.435             | DICC 320 | 110 000                                 | DICC.220 | STIM 220   | 15,000    | STIM.220          | CON 220  | 165,000   |
| Contingency  | DIDCASS              | DICCEED  | 110,000                                 | DICC.220 | 311141.220   | 15,000    | 31111.220         | CON.220  | 163,000   |
| Total Intangible Cos                                       |                      |          | 2,475,500                               |          |  | 306,000   |                   |          | 3,459,000 |
| Conductor Pipe   | DWEB.130             |          | 0                                       |          |  |           |                   |          | 3,300     |
| Water String   | DWEB.135             |          | 104,000                                 |          |  |           |                   |          |           |
| Surface Casing   | DWEB.140             |          | 251,000                                 |          |  |           |                   |          |           |
| Intermediate Casing 1                                      | DWEB.145             |          | 0                                       |          |  |           |                   |          |           |
| Production Casing or Liner                                 |                      |          |   | DWEA.100 |  | 792,000   |                   |          |           |
| Tubing   |                      |          |   |          |  |           | STIMT.105         |          | 139,000   |
| Wellhead, Tree, Chokes                                     |                      | DWEA.120 |   |          | STIMT.120  | 18,000    | STIMT.120         |          | 38,000    |
| Liner Hanger, Isolation Packer                             | DWEB.100             | DWEA.125 | 0                                       | DWEA.125 |  | 0         |                   |          |           |
| Packer, Nipples  |                      |          |   |          |  |           | STIMT.400         |          | 28,000    |
| SHORT ORDERS   |                      |          |   |          |  |           |                   |          |           |
| PUMPS<br>WALKOVERS   |                      |          |   |          |  |           |                   |          |           |
|  |                      |          |   |          |  |           | CT11 1T 110       |          | 20.000    |
| Downhole Lift Equipment<br>Surface Equipment               |                      |          |   |          |  |           | STIMT.410         |          | 80,000    |
| Well Automation Materials                                  |                      |          |   |          |  |           |                   |          |           |
| N/C Lease Equipment  |                      |          |   |          |  |           |                   |          |           |
| Tanks, Tanks Steps, Stairs                                 |                      |          |   |          |  |           |                   |          |           |
| Battery Equipment  |                      |          |   |          |  |           |                   |          |           |
| Secondary Containments                                     |                      |          |   |          |  |           |                   |          |           |
| Overhead Power Distribution                                |                      |          |   |          |  |           |                   |          |           |
| Facility Electrical  |                      |          |   |          |  |           |                   |          |           |
| Telecommunication Equipment                                |                      |          |   |          |  |           |                   |          |           |
| Meters and Metering Equipment                              |                      |          |   |          |  |           |                   |          |           |
| Facility Line Pipe   |                      |          |   |          |  |           |                   |          |           |
| Lease Automation Materials                                 |                      |          |   |          |  |           |                   |          |           |
| FL/GL - Materials  |                      |          |   |          |  |           |                   |          |           |
| FL/GL - Materials  |                      |          |   |          |  |           |                   |          |           |
| SWD/Other - Materials                                      |                      |          |   |          |  |           |                   |          |           |
| SWD/Other - Line Pipe                                      |                      |          |   |          |  |           |                   |          |           |
| Total Tangible Cost  |                      |          | 393,000                                 |          |  | 810,000   |                   |          | 285,000   |
| Total Estimated Cost                                       |                      |          | ,868,500                                |          |  | 1,116,000 |                   |          | 3,744,000 |



COTERRA Authorization For Expenditure - Loosey Goosey 4-9 Fed Com 303H

| Description                             | Lance of the            | Production Equip |           |             | Post Completion                             | -   | Total     |
|---|-------------------------|------------------|-----------|-------------|---|---|-----------|
| Description                             | Codes                   |                  | Amount    |             |   | Amount                                      | Co        |
| Roads & Location                        | CON.100                 |                  | 44,205    | PCOM.100    | Repair any roads post D&C                   | 3,000                                       | 70,20     |
| Damages                                 | CON.105                 |                  | 3215      |             |   |   | 19,71     |
| Mud/Fluids Disposal                     |                         |                  |           | PCOM.255    |   | 0   | 251,00    |
| Day Rate                                |                         |                  |           |             |   |   | 564,00    |
| Misc Preparation                        |                         |                  |           |             |   |   | 30,00     |
| Bits                                    |                         |                  |           | PCOM.125    |   | 0   | 97,00     |
| Fuel                                    |                         |                  |           | PCOM.130    | 1   | 0   | 119,00    |
| Water for Drilling Rig (Not Frac Water) |                         |                  | 1         | PCOM.135    |   | 0   | 25,00     |
| Mud & Additives                         |                         |                  |           | 1,000,000   |   |   | 300,00    |
| SWD PIPED TO 3RD PARTY SWD WELL         |                         |                  |           | PCOM.257    | Water for 60 days (270K barrels)            | 87,354                                      | 87,35     |
| Surface Rentals                         | CON.140                 |                  | 6,912     |             | Iron. XEC Own 5K. No 10K. \$1,100 per day   | 60,000                                      | 300,91    |
| Downhole Rentals                        | CON.140                 |                  | 0,912     |             | Irdii. AEC OWII SK. NO TOK. \$1,100 per day | 0   | 166,00    |
|   |                         |                  |           | PCOM.145    | 2 51 1 1 1 1 1 1 1 1 2 2 2 1 1 2 2 2 2      | R 10 20 20 20 20 20 20 20 20 20 20 20 20 20 |           |
| Flowback Labor                          |                         |                  | 10.47     | PCOM.141    | 3 Flowback Hands (60 days). 25%             | 30,000                                      | 30,00     |
| Automation Labor                        | CON.150                 |                  | 45,010    | PCOM.150    |   | 5,000                                       | 50,01     |
| Mud Logging                             | Contract                |                  | 1 500     |             |   |   | 5,00      |
| IPC & EXTERNAL PAINTING                 | CON.165                 |                  | 5,144     |             |   |   | 5,14      |
| Cementing & Float Equipment             |                         |                  |           |             |   |   | 210,00    |
| Tubular Inspections                     |                         |                  |           | PCOM.160    |   | 0   | 50,000    |
| Casing Crews                            | The same of the same of |                  |           |             |   |   | 28,000    |
| Mechanical Labor                        | CON.170                 |                  | 185,663   | PCOM.170    | RU Flowback Iron & Automation               | 5,000                                       | 213,663   |
| Trucking/Transportation                 | CON.175                 |                  | 16,075    | PCOM.175    |   | 0   | 58,075    |
| Supervision                             | CON.180                 |                  | 11,574    | PCOM.180    |   | 0   | 152,574   |
| Trailer House/Camp/Catering             | 7-1-1-7                 |                  | 1.097.4   |             |   |   | 72,000    |
| Other Misc Expenses                     | CON.190                 |                  | 19,290    | PCOM.190    |   | 0   | 109,290   |
| Overhead                                | 2012/190                |                  | 19,290    | L COIMT 130 |   | U   | 10,000    |
| MOB/DEMOB                               |                         |                  |           |             |   |   |           |
|   |                         |                  |           |             |   |   | 115,000   |
| Directional Drilling Services           |                         |                  |           |             |   |   | 307,000   |
| Solids Control                          |                         |                  |           |             |   |   | 46,000    |
| Well Control Equip (Snubbing Services)  |                         |                  |           | PCOM.240    |   | 0   | 148,000   |
| Completion Rig                          |                         |                  |           | PCOM.115    |   | 0   | 21,000    |
| Coil Tubing Services                    |                         |                  |           | PCOM.260    |   | 0   |           |
| Completion Logging/Perforating/Wireline |                         |                  |           | PCOM.200    |   | 0   | 257,000   |
| Composite Plugs                         |                         |                  |           | PCOM.390    |   | 0   | 39,000    |
| Stimulation                             |                         |                  | 1         | PCOM.210    |   | 0   | 2,245,000 |
| Stimulation Water/Water Transfer/Water  |                         |                  | 1         |             |   |   | 191,000   |
| Cimarex Owned Frac/Rental Equipment     |                         |                  |           | PCOM.305    |   | 0   | 60,000    |
| Legal/Regulatory/Curative               | CON.300                 |                  | 0         | 1 0000      |   |   | 10,000    |
| Well Control Insurance                  | 2014.500                |                  | 0         |             |   |   | 7,000     |
| Major Construction Overhead             | CON.305                 |                  |           |             |   |   | 7,000     |
| FL/GL - ON PAD LABOR                    | CON.495                 |                  | 0         |             |   |   |           |
|   |                         |                  | 33,114    |             |   |   | 33,114    |
| FL/GL - Labor                           | CON.500                 |                  | 113,970   |             |   |   | 113,970   |
| FL/GL - Supervision                     | CON.505                 |                  | 12,056    |             |   |   | 12,056    |
| Survey                                  | CON.515                 |                  | 6590      |             |   |   | 6,590     |
| SWD/Other - Labor                       | CON.600                 |                  | 0         |             |   |   | 0         |
| SWD/Other - Supervision                 | CON.605                 |                  | 0         |             |   |   | 0         |
| Aid In Construct/3rd Party Connect      | CON.701                 |                  | 0         |             |   |   | C         |
| Contingency                             | CON.220                 |                  | 106,737   |             |   |   | 404,737   |
| Contingency                             | CON.221                 |                  | 30,381    |             |   |   | 30,381    |
| Total Intangible Cost                   |                         |                  | 639,935   |             | 3   | 190,354                                     | 7,070,789 |
| Conductor Pipe                          |                         |                  |           |             |   |   | 0         |
| Water String                            |                         |                  |           |             |   |   | 104,000   |
| Surface Casing                          |                         |                  |           |             |   |   | 251,000   |
| Intermediate Casing 1                   |                         |                  |           |             |   |   |           |
|   |                         |                  |           |             |   |   | 707.000   |
| Production Casing or Liner              |                         |                  |           | San Control |   |   | 792,000   |
| Tubing                                  |                         |                  |           | PCOMT.105   | Autoria da la companya del                  | 0   | 139,000   |
| Wellhead, Tree, Chokes                  |                         |                  |           | PCOMT.120   | Replace worn chokes and valves during FB    | 10,000                                      | 104,000   |
| Liner Hanger, Isolation Packer          |                         |                  |           |             |   |   | 0         |
| Packer, Nipples                         |                         |                  |           | PCOMT.400   |   | 0   | 28,000    |
| SHORT ORDERS                            | CONT.380                |                  | 11,253    |             |   |   | 11,253    |
| PUMPS                                   | CONT.385                |                  | 26,362    |             |   |   | 26,362    |
| WALKOVERS                               | CONT.390                |                  | 6,430     |             |   |   | 6,430     |
| Downhole Lift Equipment                 | 42 2 44 4               |                  | 1         | PCOMT.410   |   | 0   | 80,000    |
| Surface Equipment                       |                         |                  |           | PCOMT.420   | Replacing Chokes, Stuffing Boxes, and all   | 15,000                                      | 15,000    |
| Well Automation Materials               |                         |                  |           | PCOMT.455   | PTs, and replacing meters                   | 5,000                                       | 5,000     |
| N/C Lease Equipment                     | CONT.400                |                  | 279,861   |             | and takenessing manager                     | 5,000                                       | 279,861   |
| Tanks, Tanks Steps, Stairs              | CONT.405                |                  | 2/3,001   |             |   |   | 279,001   |
| Battery Equipment                       | CONT.410                |                  | Lucia Col |             |   |   |           |
|   |                         |                  | 229,386   |             |   |   | 229,386   |
| Secondary Containments                  | CONT.415                |                  | 12,859    |             |   |   | 12,859    |
| Overhead Power Distribution             | CONT.420                |                  | 10,288    |             |   |   | 10,288    |
| Facility Electrical                     | CONT.425                |                  | 48,224    |             |   |   | 48,224    |
| Telecommunication Equipment             | CONT.426                |                  | 0         |             |   |   | 0         |
| Meters and Metering Equipment           | CONT.445                |                  | 42,758    |             |   |   | 42,758    |
| Facility Line Pipe                      | CONT.450                |                  | 28,935    |             |   |   | 28,935    |
| Lease Automation Materials              | CONT.455                |                  | 36,972    |             |   |   | 36,972    |
| FL/GL - Materials                       | CONT.550                |                  | 26,684    |             |   |   | 26,684    |
| FL/GL - Line Pipe                       | CONT.555                |                  | 80,052    |             |   |   | 80,052    |
| SWD/Other - Materials                   | CONT.650                |                  | 0         |             |   |   | 00,032    |
| SWD/Other - Line Pipe                   | CONT.655                |                  | 0         |             |   |   | 0         |
|   | -5111055                |                  | -         |             |   | 30,000                                      | 2,358,065 |
| Total Tangible Cost                     |                         |                  | 840,065   |             |   |   |           |

O COTERRA

Authorization For Expenditure - Loosey Goosey 4-9 Fed Com 304H

AFE # XXXXXXX

| Company Entity                      |  |  |                               | Date Prepared<br>8/17/2022 |
|-------------------------------------|--|--|-------------------------------|----------------------------|
| Exploration Region<br>Permian Basin | Well Name<br>Loosey Goosey 4-9 Fed Com 304H  | Prospect<br>New Mexico Bone Spring       | Property Nur<br>XXXXXX-XXX.0  |                            |
| County, State<br>Lea, NM            | Location<br>Section 4-9 T20S-R34E Lea, NM  |  | Estimated Spud                | Estimated Completion       |
| X New<br>Supplement<br>Revision     | Formation<br>3rd Sand  | Well Type<br>DEV                         | Ttl Measured Depth<br>20300   | Itl Vetical Depth<br>10800 |
| Purpose <b>Dril</b><br>Description  | I and complete well  |  |                               |                            |
| 1                                   | The intended surface hold location for the well<br>100 FSL and 330 FEL of Section 9, T20S-R34E. To<br>outherly direction within the formation to the | he well is proposed to be drilled vertic | cally to the 3rd Sand formati | on and laterally in a      |

| Intangible            | Dry Hole    | After Casing Point | Completed Well Cost |
|-----------------------|-------------|--------------------|---------------------|
| Drilling Costs        | \$2,475,500 |                    | \$2,475,500         |
| Completion Costs      |             | \$4,595,289        | \$4,595,289         |
| Total Intangible Cost | \$2,475,500 | \$4,595,289        | \$7,070,789         |
| Tangible              | Dry Hole    | After Casing Point | Completed Well Cost |
| Well Equipment        | \$393,000   | \$1,125,000        | \$1,518,000         |
| Lease Equipment       |             | \$840,065          | \$840,065           |
| Total Tangible Cost   | \$393,000   | \$1,965,065        | \$2,358,065         |
| Total Well Cost       | \$2,868,500 | \$6,560,354        | \$9,428,854         |

### Comments On Well Costs

### Well Control Insurance

Unless otherwise indicated below, you, as a non-operating working interest owner, agree to be covered by Operator's well control insurance procured by Operator so long as Operator conducts operations hereunder and to pay your prorated share of the premiums therefore. If you elect to purchase your own well control insurance, you must provide a certificate of such insurance acceptable to Operator, as to form and limits, at the time this AFE is returned, if available, but in no event later than commencement of drilling operations. You agree that failure to provide the certificate of insurance, as provided herein, will result in your being covered by insurance procured by Operator.

|          | CONTRACTOR OF THE | According to the River | and the second | ALL VIEW CONTRACTOR |         |
|----------|-------------------|------------------------|----------------|---------------------|---------|
| elect to | purchase my       | / own well             | control        | insurance           | policy. |

approximately 10800 feet.

### Marketing Election

Cimarex sells its gas under arm's-length contracts with third party purchasers. Such contracts may include fees. In addition, penalties may be incurred for insufficient volumes delivered over time. Should you choose to market your share of gas with Cimarex, you will be subject to all of the terms of such contracts. Upon written request to Cimarex's Marketing Department, we will share with you the terms and conditions pursuant to which gas will be sold. Failure to make an election below shall be deemed an election to market your gas with Cimarex under the terms and conditions set forth above.

| l elect to take my gas in kind.  |
|--|
| I elect to market my gas with Cimarex pursuant to the terms and conditions of its contract |

### Comments on AFE

The above costs are estimates only and anticipate trouble free operations without any foreseeable change in plans. The actual costs may exceed the estimated costs without affecting the authorization for expenditure herein granted. By approval of this AFE, the working interest owner agrees to pay its proportionate share of actual legal, curative, regulatory and well costs under term of the joint operating agreement, regulatory order or other applicable agreement covering this well.

| perator Approval |                          |                         |      |
|------------------|--------------------------|-------------------------|------|
| Company          | Approved By (Print Name) | Approved By (Signature) | Date |

NOTICE TO NONOPERATOR: Costs shown on this form are estimates only. By executing this AFE, the consenting party agrees to pay its proportionate share of actual costs incurred. Overhead will be charged in accordance with the Joint Operating Agreement.

7/6/2022

<sup>1.</sup> All tubulars, well or lease equipment is priced by COPAS and CEPS guidelines using the Historic Price Multiplier.

COTERRA Authorization For Expenditure - Loosey Goosey 4-9 Fed Com 304H

| Description   | BCP - Dri            |                   | ACP -                                   | -         | 1                 | np/Stim   | 1                    | on Equip         | Post Com   |                 | Total Cos       |
|---|----------------------|-------------------|---|-----------|-------------------|-----------|----------------------|------------------|------------|-----------------|-----------------|
|   | Codes                | Amount            | Codes                                   | Amount    | Codes<br>STIM.100 | Amount    |                      | Amount<br>44,205 | PCOM,100   | Amount<br>3,000 | 70,20           |
| Roads & Location                                    | DIDC.100             | 20,000            |   |           | S11M.100          | 3,000     | CON.100              | 3215             | PCOM. 100  | 3,000           | 19,715          |
| Damages<br>Mud/Fluids Disposal                      | DIDC.105<br>DIDC.255 | 16,500<br>200,000 |   |           | STIM.255          | 51,000    |                      | 3213             | PCOM.255   | 0               | 251,000         |
| Day Rate  | DIDC.233             | 468,000           | DICC 120                                | 96,000    |                   | 31,000    |                      |                  | , comize   |                 | 564,000         |
| Misc Preparation                                    | DIDC.120             | 30,000            | DICE IEU                                | 50,000    |                   |           |                      |                  |            |                 | 30,000          |
| Bits  | DIDC.125             | 97,000            | DICC 125                                | 0         | STIM.125          | 0         |                      |                  | PCOM.125   | 0               | 97,000          |
| Fuel  | DIDC.135             | 119,000           | DICC.130                                | 0         |                   |           |                      |                  | PCOM.130   | 0               | 119,000         |
| Water for Drilling Rig (Not Frac Water)             | DIDC.140             | 5,000             | DICC 135                                | 0         | STIM.135          | 20,000    |                      |                  | PCOM.135   | 0               | 25,000          |
| Mud & Additives                                     | DIDC.145             | 300,000           |   |           |                   |           |                      |                  |            |                 | 300,000         |
| SWD PIPED TO 3RD PARTY SWD WELL                     |                      |                   |   |           |                   |           |                      |                  | PCOM.257   | 87,354          | 87,354          |
| Surface Rentals                                     | DIDC.150             | 97,000            | DICC.140                                | 0         | STIM.140          | 137,000   | CON.140              | 6,912            |            | 60,000          | 300,912         |
| Downhole Rentals                                    | DIDC.155             | 131,000           |   |           | STIM.145          | 35,000    |                      |                  | PCOM.145   | 0               | 166,000         |
| Flowback Labor                                      |                      |                   |   |           | STIM.141          | 0         |                      |                  | PCOM.141   | 30,000          | 30,000          |
| Automation Labor                                    | 0.00002              | 17.0              |   |           |                   |           | CON.150              | 45,010           | PCOM 150   | 5,000           | 50,010          |
| Mud Logging   | DIDC.170             | 5,000             |   |           |                   |           | CON.165              | 5,144            |            |                 | 5,000<br>5,144  |
| IPC & EXTERNAL PAINTING Cementing & Float Equipment | DIDC.185             | 70,000            | DICC.155                                | 140,000   |                   |           | CON.163              | 5,144            |            |                 | 210,000         |
| Tubular Inspections                                 | DIDC.190             | 38,000            | DICC.160                                | 8,000     |                   | 4,000     |                      |                  | PCOM,160   | 0               | 50,000          |
| Casing Crews  | DIDC.195             | 15,000            | DICC.165                                | 13,000    |                   | 4,000     |                      |                  | r com. 100 |                 | 28,000          |
| Mechanical Labor                                    | DIDC.200             | 20,000            | DICC.170                                | 3,000     |                   | 0         | CON.170              | 185,663          | PCOM.170   | 5,000           | 213,663         |
| Trucking/Transportation                             | DIDC.205             | 30,000            | DICC 175                                | 8,000     |                   | 4,000     |                      | 16,075           | PCOM.175   | 0               | 58,075          |
| Supervision   | DIDC.210             | 81,000            | DICC.180                                | 13,000    |                   | 47,000    |                      | 11,574           | PCOM.180   | 0               | 152,574         |
| Trailer House/Camp/Catering                         | DIDC.280             | 36,000            | DICC.255                                |           | STIM.280          | 31,000    |                      | 1,100.5          |            |                 | 72,000          |
| Other Misc Expenses                                 | DIDC.220             | 5,000             | DICC 190                                | 0         |                   | 85,000    |                      | 19,290           | PCOM.190   | 0               | 109,290         |
| Overhead  | DIDC.225             | 5,000             | DICC.195                                | 5,000     |                   | 0.000     |                      |                  |            | 1               | 10,000          |
| MOB/DEMOB   | DIDC.240             | 115,000           |   | 9 11      |                   |           |                      |                  |            |                 | 115,000         |
| Directional Drilling Services                       | DIDC.245             | 307,000           |   |           |                   |           |                      |                  |            |                 | 307,000         |
| Solids Control                                      | DIDC.260             | 46,000            |   |           |                   |           |                      |                  |            |                 | 46,000          |
| Well Control Equip (Snubbing Services)              | DIDC.265             | 84,000            | DICC.240                                | 0         | STIM.240          | 64,000    |                      |                  | PCOM.240   | 0               | 148,000         |
| Completion Rig                                      |                      |                   |   |           | STIM.115          | 21,000    |                      |                  | PCOM.115   | 0               | 21,000          |
| Coil Tubing Services                                |                      |                   |   |           | STIM.260          | 0         |                      |                  | PCOM.260   | 0               | 0               |
| Completion Logging/Perforating/Wireline             |                      |                   |   |           | STIM.200          | 257,000   |                      |                  | PCOM.200   | 0               | 257,000         |
| Composite Plugs                                     |                      |                   |   |           | STIM.390          | 39,000    |                      |                  | PCOM.390   | 0               | 39,000          |
| Stimulation   |                      |                   |   |           | STIM.210          | 2,245,000 |                      |                  | PCOM.210   | 0               | 2,245,000       |
| Stimulation Water/Water Transfer/Water              |                      |                   |   |           | STIM.395          | 191,000   |                      |                  |            |                 | 191,000         |
| Cimarex Owned Frac/Rental Equipment                 | Secretary .          | 10.000            |   |           | STIM.305          | 60,000    |                      |                  | PCOM.305   | 0               | 60,000          |
| Legal/Regulatory/Curative                           | DIDC.300             | 10,000            |   |           |                   |           | CON.300              | 0                |            |                 | 10,000          |
| Well Control Insurance                              | DIDC.285             | 7,000             |   |           |                   |           |                      |                  |            |                 | 7,000           |
| Major Construction Overhead                         |                      |                   |   |           |                   |           | CON.305              | 0                |            |                 | 0               |
| FL/GL - ON PAD LABOR                                |                      |                   |   |           |                   |           | CON.495              | 33,114           |            |                 | 33,114          |
| FL/GL - Labor<br>FL/GL - Supervision                |                      |                   |   |           |                   |           | CON.500              | 113,970          |            |                 | 113,970         |
| Survey  |                      |                   |   |           |                   |           | CON.505              | 12,056           |            |                 | 12,056<br>6,590 |
| SWD/Other - Labor                                   |                      |                   |   |           |                   |           | CON.600              | 6,590            |            |                 | 0,590           |
| SWD/Other - Supervision                             |                      |                   |   |           |                   |           | CON.605              | 0                |            |                 | 0               |
| Aid In Construct/3rd Party Connect                  |                      |                   |   |           |                   |           | CON.701              | 0                |            |                 | 0               |
| Contingency   | DIDC.435             | 118,000           | DICC.220                                | 15,000    | STIM.220          | 165,000   |                      | 106,737          | PCOM.220   | 0               | 404,737         |
| Contingency   | and the same         | 113/245           | 100000000000000000000000000000000000000 | (446)55   | -11/110040        | 103,000   | CON.221              | 30,381           | 7,231/665  | -               | 30,381          |
| Total Intangible Cost                               |                      | 2,475,500         |   | 306,000   |                   | 3.459.000 |                      | 639,935          |            | 190,354         | 7,070,789       |
| Conductor Pipe                                      | DWEB.130             | 0                 |   |           |                   |           |                      |                  |            |                 | 0               |
| Water String  | DWEB.135             | 104,000           |   |           |                   |           |                      |                  |            |                 | 104,000         |
| Surface Casing                                      | DWEB.140             | 251,000           |   |           |                   |           |                      |                  |            |                 | 251,000         |
| Intermediate Casing 1                               | DWEB.145             | 0                 |   |           |                   |           |                      |                  |            |                 | 0               |
| Production Casing or Liner                          |                      |                   | DWEA.100                                | 792,000   |                   |           |                      |                  |            |                 | 792,000         |
| Tubing  | . A. 10. C. T. F.    |                   |   |           | STIMT.105         | 139,000   |                      |                  | PCOMT.105  | 0               | 139,000         |
| Wellhead, Tree, Chokes                              | DWEB.115             | 38,000            | DWEA.120                                |           | STIMT.120         | 38,000    |                      |                  | PCOMT.120  | 10,000          | 104,000         |
| Liner Hanger, Isolation Packer                      | DWEB.100             | 0                 | DWEA.125                                | 0         | 700 0000          |           |                      |                  |            |                 | 0               |
| Packer, Nipples                                     |                      |                   |   |           | STIMT.400         | 28,000    |                      |                  | PCOMT.400  | 0               | 28,000          |
| SHORT ORDERS  |                      |                   |   |           |                   |           | CONT.380             | 11,253           |            |                 | 11,253          |
| PUMPS   |                      |                   |   |           |                   |           | CONT.385             | 26,362           |            |                 | 26,362          |
| WALKOVERS   |                      |                   |   |           | CTILLE            | 722.18    | CONT.390             | 6,430            | nco:       |                 | 6,430           |
| Downhole Lift Equipment                             |                      |                   |   |           | STIMT.410         | 80,000    |                      |                  | PCOMT.410  | 0               | 80,000          |
| Surface Equipment Well Automation Materials         |                      |                   |   |           |                   |           |                      |                  | PCOMT.420  | 15,000          | 15,000          |
| Well Automation Materials<br>N/C Lease Equipment    |                      |                   |   |           |                   |           | CONT 400             | 270.00           | PCOMT.455  | 5,000           | 5,000           |
| Tanks, Tanks Steps, Stairs                          |                      |                   |   |           |                   |           | CONT.400<br>CONT.405 | 279,861          |            |                 | 279,861         |
| Battery Equipment                                   |                      |                   |   |           |                   |           | CONT.410             | 229,386          |            |                 | 229,386         |
| Secondary Containments                              |                      |                   |   |           |                   |           | CONT.415             | 12,859           |            |                 | 12,859          |
| Overhead Power Distribution                         |                      |                   |   |           |                   |           | CONT.415             | 10,288           |            |                 | 10,288          |
| Facility Electrical                                 |                      |                   |   |           |                   |           | CONT.425             | 48,224           |            |                 | 48,224          |
| Telecommunication Equipment                         |                      |                   |   |           |                   |           | CONT.426             | 0                |            |                 | 0               |
| Meters and Metering Equipment                       |                      |                   |   |           |                   |           | CONT.445             | 42,758           |            |                 | 42,758          |
| Facility Line Pipe                                  |                      |                   |   |           |                   |           | CONT.450             | 28,935           |            |                 | 28,935          |
| Lease Automation Materials                          |                      |                   |   |           |                   |           | CONT.455             | 36,972           |            |                 | 36,972          |
| FL/GL - Materials                                   |                      |                   |   |           |                   |           | CONT.550             | 26,684           |            |                 | 26,684          |
| FL/GL - Line Pipe                                   |                      |                   |   |           |                   |           | CONT.555             | 80,052           |            |                 | 80,052          |
| SWD/Other - Materials                               |                      |                   | 1                                       |           |                   |           | CONT.650             | 0                |            |                 | 0               |
| SWD/Other - Line Pipe                               |                      |                   |   |           |                   |           | CONT.655             | 0                |            |                 | 0               |
| Total Tangible Cost                                 |                      | 393,000           |   | 810,000   |                   | 285,000   |                      | 840,065          |            | 30,000          | 2,358,065       |
| Total Estimated Cost                                |                      | 2,868,500         |   | 1,116,000 |                   | 3,744,000 |                      | 1,480,000        |            | 220,354         | 9,428,854       |



**COTERRA** Authorization For Expenditure - Loosey Goosey 4-9 Fed Com 304H

| Decision    | Description  | -        | ВСР  | - Drilling |             | ACP - Drilling   |   |            | o/Stim   |           |
|--|--|----------|--|------------|-------------|--|---|------------|----------|-----------|
| Discription      | Description  | Codes    |  | Amount     | Codes       |  | Amount                                  |            | Let. 140 | Amour     |
| Dec.      | Roads & Location   | DIDC.100 |  | 20,000     |             |  |   | STIM.100   | CON.100  | 3,00      |
| Day   Sace     Dec.   19   D   | Damages  | DIDC.105 |  | 16,500     |             |  |   |            |          |           |
| Dec.   19  | Mud/Fluids Disposal  |          |  |            |             |  | 100                                     | STIM.255   |          | 51,00     |
| Bits   | Day Rate   |          | DICC.120   |            | DICC,120    |  | 96,000                                  |            | 1        |           |
| DOC.15  DOC.   | Control of the contro |          |  |            |             |  |   |            |          |           |
| DICLASS   DICLASS   SIMULAS   SIMU   |  |          | 11,100,000   |            |             | STIM.125   |   | STIM.125   |          |           |
| DOC-145   DOC-145   DOC-145   DOC-140   P7200   DCC-140   STM.140   0   STM.140   CON-140   STM.141   ST   |  |          | No. of the second  |            |             |  | .0                                      |            |          |           |
| SWIND PREID TO JOBD PARTY SWOS  Discharies Remains  Discharies Discharies  Discharies Remains  Discharies Discharies  Discharies  Discharies Discharies  Discharies Discharies  Discharies Discharies  Discharies Discharies  Discharies Discharies  Discharies  Discharies Discha | Water for Drilling Rig (Not Frac   |          | DICC.135   |            | DICC 135    | STIM.135   | - 0                                     | STIM.135   |          | 20,000    |
| Surface Remails DDC.150 DDC.15 | Mud & Additives  | DIDC.145 |  | 300,000    |             |  |   |            | 1        |           |
| Doughout Remails   Probabet Labor   Automation La   | SWD PIPED TO 3RD PARTY SWD   |          |  |            |             | Page 17  |   |            | l        |           |
| Tournell stude   | Surface Rentals  |          | DICC.140   |            | DICC.140    | STIM.140   | 0                                       | STIM.140   | CON.140  | 137,000   |
| Automation Labor   Most Leging   Dic Lett Stappened   Dic Lett Stappen   | Downhole Rentals   | DIDC.155 |  | 131,000    |             |  |   |            |          | 35,000    |
| Max   Central Explanation   DICL-19   DIC-19   DICL-19   DICL-19   DICL-19   DICL-19   DICL-19   DICL-19   | Flowback Labor   |          |  |            |             |  |   | STIM.141   |          | 0         |
| Pick 6 bitTMAN PANTING   Cemerating A Plant Suppression  | Automation Labor   |          |  |            |             |  |   |            |          |           |
| Cementing Affast Equipment   DICLES   DICLES   PA000   DICLES   SIM   14,000   SIM   15   Casing Crews   DICLES   DICLES   SIM   15   DICLES   SIM   16   DICLES   DICLES   DICLES   SIM   16   DICLES   DICLES   DICLES   DICLES   SIM   16   DICLES   DICL   | Mud Logging  | DIDC.170 |  | 5,000      |             |  |   |            |          |           |
| Tabulate Impercents  | IPC & EXTERNAL PAINTING  |          |  |            |             |  |   |            | 1        |           |
| Caling Crews   | Cementing & Float Equipment  | DIDC.185 | DICC.155   | 70,000     | DICC.155    |  | 140,000                                 |            |          |           |
| Mechanical Labor   DicC.200   DicC.170   2,000   DicC.170   3,000   SIM.170   CON.170   Con.17   | Tubular Inspections  | DIDC.190 | DICC.160   | 38,000     | DICC.160    | STIM.160   | 8,000                                   | STIM.160   |          | 4,000     |
| Tracking/framporatedom DIDC.255 DICC.175   | Casing Crews   | DIDC.195 | DICC.165   | 15,000     | DICC.165    | STIM.165   | 13,000                                  | STIM.165   | 1        |           |
| Supervision  | Mechanical Labor   | DIDC.200 | DICC.170   | 20,000     | DICC.170    | STIM.170   | 3,000                                   | STIM.170   | CON.170  | 0         |
| Trailer Foloraci Campric Nationary   ODC-280   ODC-255   38-000   ODC-255   SIM-280   ODC-250    | Trucking/Transportation  | DIDC.205 | DICC.175   | 30,000     | DICC.175    | STIM.175   | 8,000                                   | STIM.175   | CON.175  | 4,000     |
| Trailer Foloraci Campric Nationary   ODC-280   ODC-255   38-000   ODC-255   SIM-280   ODC-250    | The state of the s | DIDC.210 | DICC.180   |            |             | Section 1997 Control of the section 1997 Control of 1997 Control of 1997 Control of 1997 Control of 1997 Control o | 10,000,00                               |            | CON.180  | 47,000    |
| Other Mark Expenses  | Property and the Control of the Cont |          |  |            |             |  | 100000000000000000000000000000000000000 |            |          | 31,000    |
| Overhead   | Control of the contro |          |  |            |             | The state of the s | 97.00                                   |            | CON.190  | 85,000    |
| Mobi/Debton Debton De   |  |          |  |            |             | 10000  |   |            | 1        |           |
| Directional Dilling Services   DIDC 245   A6,000   Competion for Competitor for Competion for Competitor for Competitor for Competitor for Competitor for    |  |          | The State of the S |            | - Service C |  | -                                       |            |          |           |
| Solids Control   Control (spain)   Control (sp   |  |          |  |            |             |  |   |            |          |           |
| Well Central Equip Ennabling   | All the state of t |          |  |            |             |  |   |            |          |           |
| Completion Rig   |  |          | DICC 240   |            | DICC 240    | STIM 240   | 0                                       | STIM 240   |          | 64,000    |
| Coll Tubing Servees Competition Composition Plugs Stimulation Stim | provide the second seco | Diparas  | DIACE IS   | 04,000     | DICCETO     | 511111.E-10  |   |            |          | 21,000    |
| Compelein   Composite Plugs   Simulation     |  |          |  |            |             |  |   |            |          | 21,000    |
| Composite Plugs   Stimulation Water/Water   Stimulation Water Stimulation   Stimulation Water Stimulation   Stimulation Water Stimulation    | A COLOR SECTION AND A COLO |          |  |            |             |  |   |            |          |           |
| Stimulation  | Annual Control of Control of the Con |          |  |            |             |  |   |            |          | 39,000    |
| Stimulation Water/Water   Climeter Owner Experiental Legal/Regulatory/Curative   DIDC.300   10,000   7,000   |  |          |  |            |             |  | 1                                       |            |          | 1         |
| Climare Commed Face/Rental   |  |          |  |            |             |  |   |            |          |           |
| Legal/Regulatory/Curative   DIDC.300   DIDC.285   National   DIDC.285   DID   |  |          |  |            |             |  |   |            |          | 191,000   |
| Moigh Construction Overhead  |  | 00170    |  |            |             |  |   | STIM.305   |          | 60,000    |
| Major Construction Overhead   FL/GL - Data   FL/GL - Supervision   FL/GL - Supervision   Survey   SWD/Other - Labor   SWD/Other - Supervision   SWD/Other - SWD/Other    |  |          |  |            |             |  |   |            |          |           |
| FL/GL - Labor   FL/GL - Supervision   Survey   SWD/Other - Supervision   SWD/Other - Materials   SWD/Other - Supervision   SWD/Other - Supervision   SWD/Other - Supervision   SWD/Other - Materials   SWD/Other - Materials   SWD/Other - Materials   SWD/Other - Supervision   SWD/Other - Supervi   |  | DIDC.285 |  | 7,000      |             |  |   |            |          |           |
| FL/GL - Labor   FL/GL - Supervision   Survey   SWD/Other - Labor   SWD/Other - Labor   SWD/Other - Supervision   Survey   SWD/Other - Supervision   Ald in Construct/3rd Party Connect   Contingency   DIDC 435   DICC 220   118,000   DICC 220   STIM 220   15,000   STIM 220   CON 220   165,000   Contingency   DIDC 435   DICC 230     | The state of the s |          |  |            |             |  |   |            |          |           |
| FL/GL - Supervision   Survey   Survey   SWD/Other - Labor   SWD/Other - Supervision   Author   |  |          |  |            |             |  |   |            |          |           |
| Survey   SWD/Other - Labor   SWD/Other - Labor   SWD/Other - Supervision   Ald In Construct/3rd Party Connect   Confingency   DIDC 435   DICC 220   118,000   DICC 220   STIM 220   15,000   STIM 220   CON 220   165,000   Confingency   DIDC 435   DICC 220   118,000   DICC 220   STIM 220   STIM 220   STIM 220   CON 220   165,000   Conductor Pipe   DWEB 130   DWEB 135   DWEB 135   DWEB 135   DWEB 135   DWEB 135   DWEB 130   DWEB 140   DWE   |  |          |  |            |             |  |   |            |          |           |
| SWD/Other - Labor   SWD/Other - Supervision   SWD/Other - Materials   SWD/Other - Mate   |  |          |  |            |             |  |   |            |          |           |
| SMD/Other - Supervision   Aid in Construct/3rd Party Connect Contingency   |  |          |  |            |             |  |   |            |          |           |
| Aid in Construct/3rd Party Connect Contingency  Total Intangible Cos  Total Intangible Cos  Water String  WeB 135  WeB 135  UWEB 135  UWEB 145  Production Casing on Uiner Tubing  WeB 145  Uiner Hanger, Isolation Packer  Packer, Nipples SHONT ORDERS PUMBS  WALKOVERS  Downhole Lift Equipment Surface Equipment Surface Equipment Surface Equipment Surface Sequipment Tanks, Tanks Steps, Stairs Battery Equipment Secondary Containments Overhead Power Distribution Facility Line Pipe Lease Automation Materials FL/GL - Materials SWD/Other - Materials  | SWD/Other - Labor  |          |  |            |             |  |   |            |          |           |
| Contingency  | SWD/Other - Supervision  |          |  |            |             |  |   |            |          |           |
| Contingency  | Aid In Construct/3rd Party Connect   |          |  |            |             |  |   |            | 1.000    |           |
| Total Intangible Cos   | Contingency  | DIDC.435 | DICC220  | 118,000    | DICC.220    | STIM.220   | 15,000                                  | STIM.220   | CON.220  | 165,000   |
| Conductor Pipe   | Contingency  |          |  |            |             |  |   |            |          |           |
| Water String         DWEB.135         104,000           Surface Casing         DWEB.140         251,000           Production Casing or Liner         DWEB.145         0           Tubing         DWEB.145         0           Wellhead, Tree, Chokes         DWEB.1515         DWEA.120         38,000           Liner Hanger, Isolation Packer         DWEB.100         DWEA.125         0         0           Packer, Nipples         STIMT.400         284         STIMT.400         284           SHORT ORDERS         PUMPS         WALKOVERS         Downhole Lift Equipment         STIMT.410         80,0           Surface Equipment         Well Automation Materials         NVC Lease Equipment         STIMT.410         80,0           Secondary Containments         Overhead Power Distribution         Facility Iner Pipe         Facilit  | Total Intangible Cos   |          |  | 2,475,500  |             |  | 306,000                                 |            |          | 3,459,000 |
| Surface Casing   DWEB.140   DWEB.145   DWEB.145   DWEB.150   DWE   | Conductor Pipe   | DWEB.130 |  | 0          |             |  |   |            |          |           |
| Intermediate Casing 1 DWEB.145 Production Casing or Liner Tubing DWEA.100 DWEA.100 T92,000 STIMT.105 139,000 DWEA.106 STIMT.105 139,000 DWEA.107 DW | Water String   | DWEB.135 |  | 104,000    |             |  |   |            |          |           |
| Production Casing or Liner Tubing Wellhead, Tree, Chokes Umer, Isolation Packer Packer, Nipples SHORT ORDERS PUMPS WALKOVERS Downhole Lift Equipment Well Automation Materials N/C Lease Equipment Secondary Containments Overhead Power Distribution Facility Line Pipe Lease Automation Materials FL/GL - Materials SWD/Chfer - Materials SWD/Other - Line Pipe  | Surface Casing   | DWEB.140 |  | 251,000    |             |  |   |            |          |           |
| Tubing Wellhead, Tree, Chokes UMEB.115 DWEA.120 38,000 DWEA.125 STIMT.100 STIMT.100 STIMT.100 STIMT.410 STIMT.410 SUITATE STIMT.410 SUITATE | Intermediate Casing 1  | DWEB.145 |  | 0          |             |  |   |            |          |           |
| Tubing Wellhead, Tree, Chokes UMEB.115 DWEA.120 38,000 DWEA.125 STIMT.100 STIMT.100 STIMT.100 STIMT.410 STIMT.410 SUITATE STIMT.410 SUITATE | Production Casing or Liner   |          |  |            | DWEA.100    |  | 792,000                                 |            |          |           |
| Wellhead, Tree, Chokes         DWEB.115         DWEB.120         38,000         DWEB.120         TIMT.120         18,000         STIMT.120         38,000         STIMT.120         38,000         STIMT.120         38,000         STIMT.120         38,000         STIMT.400         28,000         28,000         STIMT.400         28,000         28,000         STIMT.400         28,000         STIMT.400         28,000         STIMT.410         80,000         STIMT.410         80,000 <t< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td>103,002</td><td>STIMT.105</td><td></td><td>139,000</td></t<>   |  |          |  |            |             |  | 103,002                                 | STIMT.105  |          | 139,000   |
| Liner Hanger, Isolation Packer Packer, Nipples SHORT ORDERS PUMPS WALKOVERS Downhole Lift Equipment Surface Equipment Well Automation Materials N/C Lease Equipment Tanks, Tanks Steps, Stairs Battery Equipment Overhead Power Distribution Facility Electrical Telecommunication Equipment Heters and Metering Equipment Facility Line Pipe Lease Automation Materials SWD/Other - Materials SWD/Other - Materials SWD/Other - Line Pipe   |  | DWEB.115 | DWEA.120   | 38,000     | DWEA.120    | STIMT.120  | 18,000                                  |            | 1        | 38,000    |
| Packer, Nipples SHORT ORDERS PUMPS WALKOVERS Downhole Lift Equipment Surface Equipment Well Automation Materials N/C Lease Equipment Tanks, Tanks Steps, Stairs Battery Equipment Secondary Containments Overhead Power Distribution Facility Electrical Telecommunication Equipment Meters and Metering Equipment Facility Line Pipe Lease Automation Materials FL/GL - Materials SWD/Other - Materials SWD/Other - Materials SWD/Other - Line Pipe   |  |          |  |            |             |  | 107-10-100-                             |            |          | 1         |
| SHORT ORDERS PUMPS WALKOVERS Downhole Lift Equipment Surface Equipment Well Automation Materials N/C Lease Equipment Tanks, Tanks Steps, Stairs Battery Equipment Secondary Containments Overhead Power Distribution Facility Electrical Telecommunication Equipment Meters and Metering Equipment Facility Line Pipe Lease Automation Materials FL/GL - Materials SWD/Other - Materials SWD/Other - Materials SWD/Other - Line Pipe   |  |          |  |            |             |  |   | STIMT.400  |          | 28,000    |
| WALKOVERS Downhole Lift Equipment Surface Equipment Well Automation Materials N/C Lease Equipment Tanks, Tanks Steps, Stairs Battery Equipment Secondary Containments Overhead Power Distribution Facility Electrical Telecommunication Equipment Meters and Metering Equipment Facility Line Pipe Lease Automation Materials FL/GL - Materials SWD/Other - Materials SWD/Other - Line Pipe  | SHORT ORDERS   |          |  |            |             |  |   |            |          | 1 2 7 6   |
| WALKOVERS Downhole Lift Equipment Surface Equipment Well Automation Materials N/C Lease Equipment Tanks, Tanks Steps, Stairs Battery Equipment Secondary Containments Overhead Power Distribution Facility Electrical Telecommunication Equipment Meters and Metering Equipment Facility Line Pipe Lease Automation Materials FL/GL - Materials SWD/Other - Materials SWD/Other - Line Pipe  | PUMPS  |          |  |            |             |  |   |            |          |           |
| Downhole Lift Equipment Surface Equipment Well Automation Materials N/C Lease Equipment Tanks, Tanks Steps, Stairs Battery Equipment Secondary Containments Overhead Power Distribution Facility Electrical Telecommunication Equipment Meters and Metering Equipment Facility Line Pipe Lease Automation Materials FL/GL - Materials FL/GL - Materials SWD/Other - Line Pipe  |  |          |  |            |             |  |   |            |          |           |
| Surface Equipment Well Automation Materials N/C Lease Equipment Tanks, Tanks Steps, Stairs Battery Equipment Secondary Containments Overhead Power Distribution Facility Electrical Telecommunication Equipment Meters and Metering Equipment Facility Line Pipe Lease Automation Materials FL/GL - Materials SWD/Other - Materials SWD/Other - Line Pipe  |  |          |  |            |             |  |   | STIMT 410  |          | 80,000    |
| Well Automation Materials  N/C Lease Equipment  Tanks, Tanks Steps, Stairs  Battery Equipment  Secondary Containments  Overhead Power Distribution Facility Electrical  Telecommunication Equipment  Meters and Metering Equipment  Facility Line Pipe  Lease Automation Materials  FL/GL - Materials  SWD/Other - Materials  SWD/Other - Line Pipe  |  |          |  |            |             |  |   | 2107110110 |          | 55,500    |
| N/C Lease Equipment Tanks, Tanks Steps, Stairs Battery Equipment Secondary Containments Overhead Power Distribution Facility Electrical Telecommunication Equipment Meters and Metering Equipment Facility Line Pipe Lease Automation Materials FL/GL - Materials SWD/Other - Materials SWD/Other - Line Pipe  | The second secon |          |  |            |             |  |   |            |          |           |
| Tanks, Tanks Steps, Stairs Battery Equipment Secondary Containments Overhead Power Distribution Facility Electrical Telecommunication Equipment Meters and Metering Equipment Facility Line Pipe Lease Automation Materials FL/GL - Materials SWD/Other - Materials SWD/Other - Line Pipe  |  |          |  |            |             |  |   |            |          |           |
| Battery Equipment Secondary Containments Overhead Power Distribution Facility Electrical Telecommunication Equipment Meters and Metering Equipment Facility Line Pipe Lease Automation Materials FL/GL - Materials FL/GL - Materials SWD/Other - Materials SWD/Other - Line Pipe   |  |          |  |            |             |  |   |            |          |           |
| Secondary Containments Overhead Power Distribution Facility Electrical Telecommunication Equipment Meters and Metering Equipment Facility Line Pipe Lease Automation Materials FL/GL - Materials FL/GL - Materials SWD/Other - Materials SWD/Other - Line Pipe   |  |          |  |            |             |  |   |            |          |           |
| Overhead Power Distribution Facility Electrical  Telecommunication Equipment Meters and Metering Equipment Facility Line Pipe Lease Automation Materials FL/GL - Materials FL/GL - Materials SWD/Other - Materials SWD/Other - Line Pipe   | Printed and Company of the same in the same of the sam |          |  |            |             |  |   |            |          |           |
| Facility Electrical Telecommunication Equipment Meters and Metering Equipment Facility Line Pipe Lease Automatrion Materials FL/GL - Materials FL/GL - Materials SWD/Other - Materials SWD/Other - Line Pipe   |  |          |  |            |             |  |   |            |          |           |
| Telecommunication Equipment  Meters and Metering Equipment Facility Line Pipe Lease Automation Materials FL/GL - Materials FL/GL - Materials SWD/Other - Materials SWD/Other - Line Pipe   |  |          |  |            |             |  |   |            |          |           |
| Meters and Metering Equipment Facility Line Pipe Lease Automation Materials FL/GL - Materials FL/GL - Materials SWD/Other - Materials SWD/Other - Line Pipe  |  |          |  |            |             |  |   |            |          |           |
| Facility Line Pipe Lease Automation Materials FL/GL - Materials FL/GL - Materials SWD/Other - Materials SWD/Other - Line Pipe  |  |          |  |            |             |  |   |            |          |           |
| Lease Automation Materials FL/GL - Materials FL/GL - Materials SWD/Other - Materials SWD/Other - Line Pipe   | Deliver the second of the seco |          |  |            |             |  |   |            |          |           |
| FL/GL - Materials FL/GL - Materials SWD/Other - Materials SWD/Other - Line Pipe  |  |          |  |            |             |  |   |            |          |           |
| FL/GL - Materials<br>SWD/Other - Materials<br>SWD/Other - Line Pipe  |  |          |  |            |             |  |   |            |          |           |
| SWD/Other - Materials<br>SWD/Other - Line Pipe   |  |          |  |            |             |  |   |            |          |           |
| SWD/Other - Line Pipe  |  |          |  |            |             |  | 1                                       |            |          |           |
|  |  |          |  |            |             |  |   |            |          |           |
| Total Tangible Cost 393,000 810,000 2850   |  |          |  |            |             |  |   |            |          |           |
| Total Estimated Cost 2,868,500 1.116,000 3,744,0   | Total Tangible Cost  |          |  | 393,000    |             |  | 810,000                                 |            |          | 285,000   |



**COTERRA** Authorization For Expenditure - Loosey Goosey 4-9 Fed Com 304H

| Description  | and the same   | Production Equip  | - SELL.                                      | Post Completion  |         | Total     |
|--|--|-------------------|--|--|---------|-----------|
|  | Codes  | Amount            | Codes  |  | Amount  | Co        |
| Roads & Location   | CON.100  | 44,205            | PCOM,100                                     | Repair any roads post D&C  | 3,000   | 70,20     |
| Damages  | CON.105  | 3215              |  |  |         | 19,71     |
| Mud/Fluids Disposal  |  |                   | PCOM.255                                     |  | 0       | 251,00    |
| Day Rate   |  |                   |  |  |         | 564,00    |
| Misc Preparation   |  |                   |  |  |         | 30,00     |
| Bits   |  |                   | PCOM.125                                     |  | 0       | 97,00     |
| Fuel   |  |                   | PCOM.130                                     |  | 0       | 119,00    |
|  |  |                   | PCOM. 135                                    |  | 0       | 25,00     |
| Water for Drilling Rig (Not Frac Water)  |  |                   | PCOM. 135                                    |  | , o     | 300,00    |
| Mud & Additives  |  |                   |  | And the second second  | 07351   |           |
| SWD PIPED TO 3RD PARTY SWD WELL  |  |                   | PCOM.257                                     | Water for 60 days (270K barrels)   | 87,354  | 87,35     |
| Surface Rentals  | CON.140  | 6,912             |  | Iron. XEC Own 5K. No 10K. \$1,100 per day  | 60,000  | 300,91    |
| Downhole Rentals   |  |                   | PCOM.145                                     |  | 0       | 166,000   |
| Flowback Labor   |  |                   | PCOM.141                                     | 3 Flowback Hands (60 days). 25%  | 30,000  | 30,000    |
| Automation Labor   | CON.150  | 45,010            | PCOM.150                                     |  | 5,000   | 50,010    |
| Mud Logging  |  |                   |  |  |         | 5,00      |
| IPC & EXTERNAL PAINTING  | CON.165  | 5,144             |  |  |         | 5,14      |
| Cementing & Float Equipment  |  |                   |  |  |         | 210,00    |
| Tubular Inspections  |  |                   | PCOM.160                                     |  | 0       | 50,000    |
| Casing Crews   |  |                   | 1 20112100                                   |  |         | 28,000    |
| Mechanical Labor   | CON.170  | 105.653           | PCOM.170                                     | RU Flowback Iron & Automation  | 5,000   | 213,663   |
|  |  | 185,663           |  | RO Flowback from & Automation  |         |           |
| Trucking/Transportation  | CON.175  | 16,075            | PCOM.175                                     |  | 0       | 58,075    |
| Supervision  | CON.180  | 11,574            | PCOM.180                                     |  | 0       | 152,574   |
| Trailer House/Camp/Catering  | 177.7333   |                   |  |  | 1       | 72,000    |
| Other Misc Expenses  | CON.190  | 19,290            | PCOM. 190                                    |  | 0       | 109,290   |
| Overhead   |  |                   |  |  |         | 10,000    |
| MOB/DEMOB  |  |                   |  |  |         | 115,000   |
| Directional Drilling Services  |  |                   |  |  |         | 307,000   |
| Solids Control   |  |                   |  |  |         | 46,000    |
| Well Control Equip (Snubbing Services)   |  |                   | PCOM.240                                     |  | 0       | 148,000   |
| Completion Rig   |  |                   | PCOM.115                                     |  | 0       | 21,000    |
| 1 1  |  |                   | PCOM.113                                     |  | 0       | 21,000    |
| Coil Tubing Services   |  |                   | W. W. C. |  |         | 257000    |
| Completion Logging/Perforating/Wireline  |  |                   | PCOM.200                                     |  | 0       | 257,000   |
| Composite Plugs  |  |                   | PCOM.390                                     |  | 0       | 39,000    |
| Stimulation  |  |                   | PCOM.210                                     |  | 0       | 2,245,000 |
| Stimulation Water/Water Transfer/Water   |  |                   |  |  |         | 191,000   |
| Cimarex Owned Frac/Rental Equipment  |  |                   | PCOM.305                                     |  | 0       | 60,000    |
| Legal/Regulatory/Curative  | CON.300  | 0                 |  |  |         | 10,000    |
| Well Control Insurance   |  |                   |  |  |         | 7,000     |
| Major Construction Overhead  | CON.305  | 0                 |  |  |         | (         |
| FL/GL - ON PAD LABOR   | CON.495  | 33,114            |  |  |         | 33,114    |
| FL/GL - Labor  | CON.500  | 113,970           |  |  |         | 113,970   |
|  | CON.505  | 10000             |  |  |         | 12,056    |
| FL/GL - Supervision  |  | 12,056            |  |  |         |           |
| Survey   | CON.515  | 6590              |  |  |         | 6,590     |
| SWD/Other - Labor  | CON.600  | 0                 |  |  |         | C         |
| SWD/Other - Supervision  | CON.605  | 0                 |  |  |         | 0         |
| Aid In Construct/3rd Party Connect   | CON.701  | 0                 |  |  |         | 0         |
| Contingency  | CON.220  | 106,737           |  |  |         | 404,737   |
| Contingency  | CON.221  | 30,381            |  |  |         | 30,381    |
| Total Intangible Cost  |  | 639.935           |  |  | 190,354 | 7,070,789 |
| Conductor Pipe   |  |                   |  |  |         | (         |
| Water String   |  |                   |  |  |         | 104.000   |
| Surface Casing   |  |                   |  |  |         | 251,000   |
| and the second s |  |                   |  |  |         |           |
| Intermediate Casing 1  |  |                   |  |  |         | 707.000   |
| Production Casing or Liner   |  |                   |  |  |         | 792,000   |
| Tubing   |  |                   | PCOMT.105                                    | Annual Control of the | 0       | 139,000   |
| Wellhead, Tree, Chokes   |  |                   | PCOMT.120                                    | Replace worn chokes and valves during FB   | 10,000  | 104,000   |
| Liner Hanger, Isolation Packer   |  |                   |  |  |         | C         |
| Packer, Nipples  |  |                   | PCOMT.400                                    |  | 0       | 28,000    |
| SHORT ORDERS   | CONT.380   | 11,253            |  |  |         | 11,253    |
| PUMPS  | CONT.385   | 26,362            |  |  |         | 26,362    |
| WALKOVERS  | CONT.390   | 6,430             |  |  |         | 6,430     |
| Downhole Lift Equipment  | 35747,588  | 0,430             | PCOMT.410                                    |  | 0       | 80,000    |
| Surface Equipment  |  |                   | PCOMT.420                                    | Replacing Chokes, Stuffing Boxes, and all  | 15,000  | 15,000    |
| eran Carlos and and benefit and a contract.  |  |                   |  |  | 5,000   | 5,000     |
| Well Automation Materials<br>N/C Lease Equipment   | CONT.400   | 4000              | PCOMT.455                                    | PTs, and replacing meters  | 3,000   |           |
|  |  | 279,861           |  |  |         | 279,861   |
| Tanks, Tanks Steps, Stairs   | CONT.405   | 0                 |  |  |         | 0         |
| Battery Equipment  | CONT.410   | 229,386           |  |  |         | 229,386   |
| Secondary Containments   | CONT.415   | 12,859            |  |  |         | 12,859    |
| Overhead Power Distribution  | CONT.420   | 10,288            |  |  |         | 10,288    |
| Facility Electrical  | CONT.425   | 48,224            |  |  |         | 48,224    |
| Telecommunication Equipment  | CONT.426   | 0                 |  |  |         | 0         |
| Meters and Metering Equipment  | CONT.445   | 42,758            |  |  |         | 42,758    |
| Facility Line Pipe   | CONT.450   | 28,935            |  |  |         | 28,935    |
| Lease Automation Materials   | CONT.455   | 36,972            |  |  |         | 36,972    |
| Comment of the Commen | The state of the s |                   |  |  |         | 26,684    |
| FL/GL - Materials  | CONT.550   | 26,684            |  |  |         |           |
| ELICI Lina Dinc  | CONT.555   | 80,052            |  |  |         | 80,052    |
| FL/GL - Line Pipe  | 119900000000   |                   |  |  |         |           |
| SWD/Other - Materials  | CONT.650   | 0                 |  |  |         |           |
|  | 119900000000   | 0<br>0<br>840,065 |  |  | 30,000  | 2,358,065 |

# A.A.P.L. FORM 610 - 1989

# MODEL FORM OPERATING AGREEMENT

|                        | OPERATING AGREED         | MENT                 |             |
|------------------------|--------------------------|----------------------|-------------|
|                        | DATED                    |                      |             |
|                        | August 15                | 2022 ,               |             |
| OPERATOR Cimarex Ener  | ·gy Co.                  |                      |             |
|                        |                          |                      |             |
| CONTRACT AREA All Sect | tion 4 and Section 9, To | wnship 20 South, Rai | nge 34 East |
|                        |                          |                      |             |
|                        |                          |                      |             |
|                        |                          |                      |             |
|                        |                          |                      |             |
| COUNTY OR PARISH OF L  | ea                       | , STATE OF           | New Mexico  |
| LOOSI                  | EY GOOSEY 4-9 FED        | COM WELLS            |             |

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A.A.P.L. NO. 610 - 1989

COPAS 2005 Accounting Procedure Recommended by COPAS, Inc.

- · human resources
- · management
- supervision not directly charged under Section II.2 (Labor)
- legal services not directly chargeable under Section II.9 (Legal Expense)
- taxation, other than those costs identified as directly chargeable under Section II.10 (Taxes and Permits)
- preparation and monitoring of permits and certifications; preparing regulatory reports; appearances before or meetings with governmental agencies or other authorities having jurisdiction over the Joint Property, other than On-site inspections; reviewing, interpreting, or submitting comments on or lobbying with respect to Laws or proposed Laws.

Overhead charges shall include the salaries or wages plus applicable payroll burdens, benefits, and Personal Expenses of personnel performing overhead functions, as well as office and other related expenses of overhead functions.

### OVERHEAD—DRILLING AND PRODUCING OPERATIONS

| As compensatio     | n for costs  | incurred   | but not   | chargeable | under | Section | II (Direct | Charges) | and n | ot cove | red by | other | provisions | of thi |
|--------------------|--------------|------------|-----------|------------|-------|---------|------------|----------|-------|---------|--------|-------|------------|--------|
| Section III, the C | Operator sha | all charge | on either | r:         |       |         |            |          |       |         |        |       |            |        |

| ıon II | I, the Operator shall charge on either:   |
|--------|---|
|        | (Alternative 1) Fixed Rate Basis, Section III.1.B. (Alternative 2) Percentage Basis, Section III.1.C.   |
| TEC    | CHNICAL SERVICES  |
| (i)    | Except as otherwise provided in Section II.13 ( <i>Ecological Environmental, and Safety</i> ) and Section III.2 ( <i>Overhead – Major Construction and Catastrophe</i> ), or by approval of the Parties pursuant to Section I.6.A ( <i>General Matters</i> ), the salaries, wages, related payroll burdens and benefits, and Personal Expenses for <b>On-site</b> Technical Services, including third party Technical Services: |

(ii) Except as otherwise provided in Section II.13 (Ecological, Environmental, and Safety) and Section III.2 (Overhead - Major Construction and Catastrophe), or by approval of the Parties pursuant to Section I.6.A (General Matters), the salaries, wages, related payroll burdens and benefits, and Personal Expenses for Off-site Technical Services, including third party Technical Services:

|   | (Alternative 1 – All Overhead) shall be covered by the <u>overhead</u> rates. |
|---|---|
| ☑ | (Alternative 2 – All Direct) shall be charged direct to the Joint Account.    |

☐ (Alternative 2 – Overhead) shall be covered by the <u>overhead</u> rates.

(Alternative 3 – Drilling Direct) shall be charged direct to the Joint Account, only to the extent such Technical Services are directly attributable to drilling, redrilling, deepening, or sidetracking operations, through completion, temporary abandonment, or abandonment if a dry hole. Off-site Technical Services for all other operations, including workover, recompletion, abandonment of producing wells, and the construction or expansion of fixed assets not covered by Section III.2 (Overhead - Major Construction and Catastrophe) shall be covered by the overhead rates.

Notwithstanding anything to the contrary in this Section III, Technical Services provided by Operator's Affiliates are subject to limitations set forth in Section II.7 (Affiliates). Charges for Technical personnel performing non-technical work shall not be governed by this Section III.1.A, but instead governed by other provisions of this Accounting Procedure relating to the type of work being performed.

## B. OVERHEAD—FIXED RATE BASIS

| (1) The Operator shall charge the Joint Account at the following rates per well per mor | nth: |
|---|------|
|---|------|

| Drilling Well Rate per month \$8,0 | 000.00 | (prorated for less than a full month) |
|------------------------------------|--------|---------------------------------------|
| Producing Well Rate per month \$   | 800.00 | _                                     |

- (2) Application of Overhead—Drilling Well Rate shall be as follows:
  - (a) Charges for onshore drilling wells shall begin on the spud date and terminate on the date the drilling and/or completion equipment used on the well is released, whichever occurs later. Charges for offshore and inland waters drilling wells shall begin on the date the drilling or completion equipment arrives on location and terminate on the date the drilling or completion equipment moves off location, or is released, whichever occurs first. No charge shall be made during suspension of drilling and/or completion operations for fifteen (15) or more consecutive calendar days.

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## **Chronology of Contacts with Non-Joined Working Interest Owners**

Sent all Working Interest Owners Well Proposals with a copy of the proposed Operating Agreement. Followed up with emails and phone calls.

### **Read and Stevens-**

10/2021 – Reached out to Harrison Read, Vice President of Land and Business Development for Read and Stevens to have an in-person meeting over the development of the area.

1/24/22 – Reached out to Harrison with no response.

2/18/22-3/31/22 – Received response from Harrison with a few dates, none of which were viable and attempted to reschedule. Meeting never took place.

8/25/22- Elections were sent to Read and Stevens for both developments.

<u>Permian Resources</u>- We were notified Permian Resources had acquired Read and Stevens Inc. and were open to talks.

March 1-7, 2023 – Met with Travis Macha and Skyler Fast from Permian Resources to exchange information on potential trade tracts.

March 15, 2023 – Sent email about separate contested hearing to "trade out of each others way". PR was still evaluating the trade.

April 27, 2023- Sent a follow up Email to Travis Macha, Skyler Fast, Mark Hajdik on trade tracts.

April 28, 2023- Emails exchanged to have a follow up in-person meeting of the minds.

May 18, 2023- Meeting with Bob Heller, Travis Macha and Patrick Godwin from Permian Resources and Dylan Park from Coterra to discuss other potential trade tracts.

May 25, 2023- Call with Travis Macha to discuss next steps on potential trade.

June 1 2023- Emails/discussions with Travis Macha on a potential 3 company trade.

June 6, 2023- Follow up to 3 company trade.

June 20, 2023- Followed up on 3 company trade, decision made to move forward with hearing

## **HOG Partnership**

9/7/22 – Email Discussion about proposals received

9/8/22 – Email discussion about proposals received

### **Challenger Crude (Henry Resources)**

9/27/22 – Discussed election timing and general development plan after receipt of proposals with Kymberly Holman



- 3/23/23 Discussed ownership figures for both developments
- 4/3/23 Confirmed that we received executed Operating Agreements from Challenger and elections back
- 6/16/23- Discussed supplemental Wolfcamp notice that was sent
- 7/10/23 Phone call with Kymberly to update her on hearing moving forward.

### Randall Hudson, Edward Hudson, Javelina Partners, Zorro Partners, William Hudson II (Hudson Group)

- 2/9/22 Email discussion to communicate plans to develop both developments in which the Hudson group owns
- 6/2/22 Updated the Hudson Group of our AFE's and full development of the leasehold
- 8/25/22 Let the groups know that proposals were heading their way
- 10/26/22 Confirmed each entities interest via email to confirm with what ownership they were showing
- 2/7/23 Discussed with Randall and Edward about potential trades that may come of the Permian Resources acquisition and next steps for pooling
- 3/7/23 Provided Randall and Edward with timing of development in order for them to secure a term assignment from Lindy's Living Trust
- 3/22/23 Sent OA's for their files and confirmed they were executed
- 6/26/23 Met with Randall and Edward with Lea Team to discuss fine details of plans and landing zones etc.

## Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard

- 2/10/23- Spoke to Brad Ince about a potential Term Assignment and terms for the trust
- 2/14/23- Sent an email to Brad Ince at Frost bank to confirm best time to negotiate and hash out terms of the contract
- 4/17/23 Sent an email with the Term assignment form for redline and review
- 5/18/23 Email exchange to discuss best time for a call
- 5/20/23 Call with Brad to confirm details of the Term assignment
- 6/9/23 Sent changes to form along with Net acre figures to calculate bonus payment
- 6/27/23 Forwarded Staci's information for geologic questions concerning the development

7/10-12/23- Provided Debbie Dorsett with AFE's and other information to get the Term assignment routed.

### Ard Oil LTD.

- 10/19/22-Received email from Reid Marley to discuss Loosey Goosey and Mighty Pheasant proposals and discussed with development plan and path Coterra would be making forward
- 2/27/23- Phone call with Reid to discuss term assignment offer and provided Operating agreements via email
- 7/10/23 Discussed development timing with Reid
- 7/11/23 Reid emailed that he would like to not be considered committed

## **Chase Oil Corporation**

- 9/12/22 Received email from Morgan Buckles confirming receipt of the proposals.
- 9/12/22 Phone call with Morgan Buckles to discuss proposals and plan of development
- 6/7/23 Received email from Morgan Buckles stating that they would like to sign AFE's and move forward with the operator the OCD decides post hearing.

## Wilbanks Reserve Corporation/Marks Oil

- 9/1/22 Phone call with Hannah Frederick confirming receipt of the proposals and request to confirm interest in the contract area
- 9/6/22- Received email from Hannah Frederick following up on working interest figures and sent ownership at the time
- 9/27/22 Email correspondence to set up a phone call to discuss moving forward with title run
- 11/3/22 Discussion of timing for force pooling filing and next steps
- 1/30/23 Discussed Permian Resources development and proposals in the area
- 2/22/23 Reached out to determine if Wilbanks Reserve had signed OA's. Hannah mentioned she would bring this up to upper management and get a decision since there was traction on development
- 7/10/23 Confirmed DOTO figures with Hannah
- 7/11/23 Wilbanks Reserve would like to wait until the Commission has made a decision on operator

### **Union Hill Oil and Gas**

- 3/1/23- Spoke with Robert Buchholz about proposals he received
- 3/1/23 Sent Robert the corresponding Operating agreements for both developments and provided ownership

### Highland Texas Energy Company and Richardson Oil Company

10/11/22- Received elections back from Gary Richardson for the development

3/9/23 – Followed up with Gary to confirm they would like to participate under the OA

3/21/23 – Discussed force pooling matters via email

P.O. Box 3070 Galveston, Texas 77552

July 10, 2023

New Mexico Oil Conservation Division 1220 South St. Francis Drive Santa Fe, NM 87505

Re: Application of Cimarex Energy Co. for Horizontal Spacing Unit and Compulsory Pooling in Case Nos. 23448 23449 23450 23451 23452 23453 23454 23455 23594 23595 23596 23597 23598 23599 23600 23601

To Whom it May Concern:

Moore & Shelton Co. LLP of Galveston, Texas is a working interest owner in Eddy and Lea Counties and has interests in all of sections 4, 5, 8 & 9 of T20S-R34E, Lea County. Moore & Shelton owns interests in over 40 wells in Eddy and Lea Counties.

We have been extremely pleased with Cimarex representing our interests and believe Cimarex has the most and best experience to efficiently develop these properties.

Moore & Shelton Co. LLP therefore supports Cimarex' application and requests that the Division rule in their favor.

Sincerely,
Paul C. More

Paul Moore

Moore & Shelton Co. LLP

General Partner

## JAVELINA PARTNERS & ZORRO PARTNERS LTD

616 TEXAS STREET FORT WORTH, TX 76102 (817) 336-7109

July 7, 2023

New Mexico Oil Conservation Division 1220 South St. Francis Drive Santa Fe, NM 87505

Re: Applications of Cimarex Energy Co. for Horizontal Spacing Unit and
Compulsory Pooling
Case Nos.
23448 23449 23450 23451 23452 23453 23454 23455 23594 23595 23596 23597
23598 23599 23600 23601

Ladies and Gentlemen,

Javelina Partners and Zorro Partners LTD are working interest owners in the referenced Applications and Case Nos, which collectively cover all of sections 4, 5, 8 & 9 of T20S – R34E, Lea County ('the Acreage').

There are competing Applications for the Bone Spring and Wolfcamp formations in the referenced Applications and Case Nos.

Javelina Partners and Zorro Partners LTD own interests in approximately 105,000 gross leasehold acres in Eddy & Lea Counties. Over the last 3.5 years, Javelina Partners and Zorro Partners LTD have participated in the drilling of over 130 horizontal Bone Spring and Wolfcamp wells, with seven different operators, in Eddy & Lea Counties.

Cimarex Energy Co. is the Operator of a JOA which covers 75% of the Acreage, and includes the Bone Spring and Wolfcamp formations.

## **JAVELINA PARTNERS & ZORRO PARTNERS LTD**

616 TEXAS STREET FORT WORTH, TX 76102 (817) 336-7109

It is our opinion that Cimarex Energy Co. has accurately analyzed the nature of the geology between the 3<sup>rd</sup> Bone Spring and Upper Wolfcamp and offers a superior plan that develops the total reservoir tank, which includes both the 3<sup>rd</sup> Bone Spring Sand and the Upper Wolfcamp Sands without having to drill additional costly and unnecessary wells, thus, representing the best use of both drilling capital and surface acres in comparison with competing applications.

Javelina Partners and Zorro Partners LTD therefore support Cimarex Energy Co.'s Applications covering the referenced Horizontal Spacing Units and Case Nos in both the Bone Spring and Wolfcamp formations, and respectfully request that the Division rule accordingly.

Sincerely,

Edward Randall Hudson IV

Javelina Partners

Land Manager

William A. Hudson II
Zorro Partners LTD
Managing Partner

Re: Applications of Cimarex Energy Co. for Horizontal Spacing Unit and Compulsory Pooling

Case Nos.

23448 23449 23450 23451 23452 23453 23454 23455 23594 23595 23596 23597 23598 23599 23600 23601

## ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

|                                 | 0.45.000                |                   |   |                              | 1                      |
|---------------------------------|-------------------------|-------------------|---|------------------------------|------------------------|
| DATE:                           | 2.17.2023               |                   |   | AFE NO.: _                   | 1                      |
| WELL NAME:                      | Bane 4-9 Federal Com 1  | 11H               |   | FIELD:                       | Teas; Bone Spring      |
| LOCATION:                       | Section 4, T20S-R34E    |                   |   | MD/TVD:                      | 19,915' / 9,630'       |
| COUNTY/STATE:                   | Lea County, New Mexic   | <u> </u>          |   | LATERAL LENGTH:              | 10,000'                |
| •                               | Lea County, New Mexic   |                   |   | _                            |                        |
| Permian WI:                     |                         |                   |   | DRILLING DAYS:               | 19.6                   |
| GEOLOGIC TARGET:                | FBSG                    |                   |   | COMPLETION DAYS:             | 18.6                   |
|                                 | Drill a horizontal FBSG | well and complete | with 44 stages. AFE includ              | des drilling, completions, f | lowback and Initial AL |
| REMARKS:                        | install cost            | •                 |   | •                            |                        |
|                                 |                         |                   |   |                              |                        |
|                                 |                         | DRULING           | COMPLETION                              | PRODUCTION                   | TOTAL                  |
|                                 |                         | DRILLING          | COSTS                                   | COSTS                        | COSTS                  |
| INTANGIBLE                      | COSTS                   | COSTS             | COSIS                                   |                              |                        |
| 1 Land / Legal / Regulatory     | \$                      | 52,768            |   | 37,500                       | \$ 90,268              |
| 2 Location, Surveys & Dama      | ges                     | 257,363           | 16,141                                  | 2,500                        | 276,003                |
| 4 Freight / Transportation      |                         | 42,549            | 39,110                                  | 25,000                       | 106,660                |
| 5 Rental - Surface Equipmen     |                         | 111,070           | 192,448                                 | 105,000                      | 408,518                |
| 6 Rental - Downhole Equipm      | nent                    | 183,520           | 53,429                                  |                              | 236,949                |
| 7 Rental - Living Quarters      |                         | 42,956            | 48,671                                  |                              | 91,627                 |
| 10 Directional Drilling, Surv   | eys                     | 383,743           | -                                       | •                            | 383,743                |
| 11 Drilling                     |                         | 673,443           |   |                              | 673,443                |
| 12 Drill Bits                   |                         | 89,495            | -                                       | •                            | 89,495                 |
| 13 Fuel & Power                 |                         | 168,789           | 647,751                                 | -                            | 816,540                |
| 14 Cementing & Float Equip      |                         | 217,354           | <del></del>                             |                              | 217,354                |
| 15 Completion Unit, Swab, O     | TU                      |                   |   | 15,000                       | 15,000                 |
| 16 Perforating, Wireline, Slice |                         |                   | 351,218                                 |                              | 351,218                |
| 17 High Pressure Pump Truc      |                         |                   | 110,130                                 |                              | 110,130                |
| 18 Completion Unit, Swab, C     |                         |                   | 130,865                                 | <del></del>                  | 130,865                |
| 20 Mud Circulation System       |                         | 93,991            | •                                       |                              | 93,991                 |
| 21 Mud Logging                  |                         | 15,660            | <del></del>                             |                              | 15,660                 |
| 22 Logging / Formation Eval     | uation                  | 6,495             | 7,450                                   |                              | 13,944                 |
| 23 Mud & Chemicals              |                         | 323,254           | 391,463                                 | 10,000                       | 724,717                |
| 24 Water                        |                         | 38,825            | 591,078                                 | 225,000                      | 854,903                |
|                                 |                         | 38,823            | 727,236                                 |                              | 727,236                |
| 25 Stimulation                  | Dien                    | <u>-</u>          | 108,640                                 | 150,000                      | 258,640                |
| 26 Stimulation Flowback & 1     |                         | 172,514           | 54,630                                  | 150,000                      | 227,144                |
| 28 Mud/Wastewater Dispos        |                         | 108,273           | 119,194                                 | 21,667                       | 249,134                |
| 30 Rig Supervision / Engine     |                         |                   | 119,194                                 | 21,007                       |                        |
| 32 Drig & Completion Overl      | iedQ                    | 9,312             | - /A And                                | 101 (4)                      | 9,312                  |
| 35 Labor                        |                         | 137,006           | 62,080                                  | 101,667                      | 300,753                |
| 54 Proppant                     |                         | -                 | 1,121,387                               | -                            | 1,121,387              |
| 95 Insurance                    |                         | 13,096            |   |                              | 13,096                 |
| 97 Contingency                  |                         |                   | 21,817                                  | 3,833                        | 25,650                 |
| 99 Plugging & Abandonmer        | it                      |                   | <u> </u>                                |                              |                        |
|                                 | TOTAL INTANGIBLES >     | 3,141,476         | 4,794,736                               | <del>69</del> 7,167          | 8,633,379              |
|                                 |                         |                   | CO. 484 5771.011                        | DD COLLOTTOL!                |                        |
|                                 |                         | DRILLING          | COMPLETION                              | PRODUCTION                   | TOTAL                  |
| TANGIBLE                        | COSTS                   | COSTS             | COSTS                                   | COSTS                        | COSTS                  |
| 60 Surface Casing               |                         | 109,201           | <u>-</u>                                | -                            | \$ 109,201             |
| 61 Intermediate Casing          |                         | 307,574           | -                                       | -                            | 307,574                |
| 62 Drilling Liner               |                         | -                 |   |                              |                        |
| 63 Production Casing            |                         | 613,783           | -                                       | <del></del>                  | 613,783                |
| 64 Production Liner             |                         |                   |   | -                            |                        |
| 65 Tubing                       |                         |                   |   | 140,000                      | 140,000                |
| 66 Wellhead                     |                         | 57,908            |   | 40,000                       | 97,908                 |
| 67 Packers, Liner Hangers       |                         | 13,161            |   | 20,000                       | 33,161                 |
| 68 Tanks                        |                         |                   |   | 45,833                       | 45,833                 |
| 69 Production Vessels           |                         |                   |   | 126,667                      | 126,667                |
| 70 Flow Lines                   |                         |                   |   | 66,667                       | 66,667                 |
|                                 |                         | <del></del>       | <del></del>                             | •                            |                        |
| 71 Rod string                   |                         |                   |   |                              | 90,000                 |
| 72 Artificial Lift Equipment    |                         |                   | <u>-</u>                                | 90,000                       |                        |
| 73 Compressor                   |                         |                   |   | 5,833                        | 5,833                  |
| 74 Installation Costs           |                         |                   |   |                              |                        |
| 75 Surface Pumps                |                         |                   | <u> </u>                                | 61,667                       | 61,667                 |
| 76 Downhole Pumps               |                         |                   |   |                              |                        |
| 77 Measurement & Meter In       |                         | -                 | -                                       | 116,667                      | 116,667                |
| 78 Gas Conditioning / Dehy      |                         | •                 | -                                       | •                            |                        |
| 79 Interconnecting Facility F   | iping                   | •                 |   | 20,000                       | 20,000                 |
| 80 Gathering / Bulk Lines       |                         |                   |   |                              | •                      |
| 81 Valves, Dumps, Controlle     | ers                     |                   |   | 108,333                      | 108,333                |
| 82 Tank / Facility Containme    | ent                     |                   |   | 43,333                       | 43,333                 |
| 83 Flare Stack                  |                         |                   |   | 16,667                       | 16,667                 |
| 84 Electrical/Grounding         |                         |                   |   | 50,000                       | 50,000                 |
| 85 Communications / SCAD        | A                       |                   | •                                       | 36,667                       | 36,667                 |
| 86 Instrumentation / Safety     |                         | -                 | -                                       | 853                          | 853                    |
|                                 | TOTAL TANGIBLES:        | 1,101,627         | 0                                       | 989,187                      | 2,090,814              |
|                                 | TOTAL COSTS:            |                   | 4,794,736                               | 1,686,354                    | 10,724,193             |
|                                 | TOTAL COSTS             | 4,243,103         | 4,774,730                               | 1,000,034                    | 10,724,193             |
|                                 |                         |                   |   |                              |                        |
| EPARED BY Permian Res           | ources Operating, LLC:  |                   |   |                              |                        |
|                                 | ,                       |                   |   |                              |                        |
| Drilling Enginee                | r: PS                   |                   |   |                              |                        |
| Completions Enginee             |                         |                   |   |                              |                        |
|                                 |                         |                   |   |                              |                        |
| Production Enginee              | r. DC                   |                   |   |                              |                        |
|                                 |                         |                   |   |                              |                        |
| mian Resources Operatin         | g, LLC APPROVAL:        |                   |   |                              |                        |
| -                               | -                       |                   |   |                              |                        |
| Co-CE                           | O                       | (                 | Co-CEO                                  | VP - Ope                     | rations                |
|                                 | WH                      |                   | jw                                      | •                            | CRM                    |
| VP - Land & Leg                 |                         | VP - Geo          | • |                              |                        |
| VI - Lanu & Leg                 |                         | A 1. + C60        | SO                                      |                              |                        |
|                                 | BG                      |                   | so                                      |                              |                        |
|                                 |                         |                   |   |                              |                        |
|                                 |                         |                   |   |                              |                        |
|                                 |                         |                   | · · · · · · · · · · · · · · · · · · ·   | <del></del>                  |                        |
| ON OPERATING PARTN              | FR APPROVAL.            |                   |   |                              |                        |
|                                 |                         |                   |   |                              |                        |
| Company Name                    | e:                      |                   | Working Interest (%):                   |                              | Гах ID:                |
|                                 |                         |                   |   |                              |                        |
| Signed by                       | y:                      |                   | Date:                                   |                              |                        |
|                                 |                         |                   |   | ·                            |                        |
| Titl                            | e·                      |                   | Annroval                                | □ Yes                        | ☐ No (mark one)        |

# Permian Resources Operating, LLC

300 N. Marienfeld St., Ste. 1000 Midland, TX 79701
Phone (432) 695-4222 • Fax (432) 695-4063
ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

|  |   | 0. 600.07.1.07.10                           | THORIZATION TOR EXTER                             | AFE NO.:  | 1   |
|--|---|---|---|---|---|
| DATE:  | 2.17.2023   | 4017  |   | -   | Teas; Bone Spring                                       |
| WELL NAME:   | Bane 4-9 Federal Com 1                                | 12H   |   | FIELD:  |   |
| LOCATION:  | Section 4, T20S-R34E                                  |   |   | MD/TVD:_  | 19,895' / 9,610'  |
| COUNTY/STATE:  | Lea County, New Mexic                                 |   |   | LATERAL LENGTH:                                     | 10,000'   |
| Permian WI:  |   |   |   | DRILLING DAYS:                                      | 19.6  |
| GEOLOGIC TARGET:   | FBSG  |   |   | COMPLETION DAYS:                                    | 18.6  |
| DENA DVC.  | Drill a horizontal FBSG install cost                  | well and complete                           | with 44 stages. AFE includ                        | les drilling, completions, i                        | flowback and Initial AL                                 |
| REMARKS:   | instan cost   |   |   |   |   |
|  |   | DRILLING                                    | COMPLETION  | PRODUCTION  | TOTAL   |
| INTANGIBLE   |   | COSTS                                       | COSTS   | COSTS   | COSTS   |
| 1 Land/Legal/Regulatory  |   | 52,768                                      | -   | 37,500  | 5 90,268  |
| 2 Location, Surveys & Damag  | ges   | 257,363<br>42,549                           | 16,141<br>39,110                                  | 2,500<br>25,000                                     | 276,003<br>106,660                                      |
| 4 Freight / Transportation<br>5 Rental - Surface Equipmen          |   | 111,070                                     | 192,448   | 105,000   | 408,518   |
| 6 Rental - Downhole Equipm   |   | 183,520                                     | 53,429  |   | 236,949   |
| 7 Rental - Living Quarters   |   | 42,956                                      | 48,671  | •   | 91,627  |
| 10 Directional Drilling, Surv                                      | eys   | 383,743                                     |   | -   | 383,743   |
| 11 Drilling<br>12 Drill Bits                                       |   | 673,443<br>89,495                           |   | <del></del>   | 673,443<br>89,495                                       |
| 13 Fuel & Power  |   | 168,789                                     | 647,751   |   | 816,540   |
| 14 Cementing & Float Equip   |   | 217,354                                     |   | -   | 217,354   |
| 15 Completion Unit, Swab, C  | TU  |   |   | 15,000  | 15,000  |
| 16 Perforating, Wireline, Slic                                     |   | •   | 351,218   |   | 351,218   |
| 17 High Pressure Pump Truc   |   |   | 110,130   |   | 110,130<br>130,865                                      |
| 18 Completion Unit, Swab, C<br>20 Mud Circulation System           | .10   | 93,991                                      | 130,865   | <del></del>   | 93,991  |
| 21 Mud Logging   |   | 15,660                                      | <del></del>                                       | <del></del>   | 15,660  |
| 22 Logging / Formation Evalu                                       | aation  | 6,495                                       | 7,450   | -   | 13,944  |
| 23 Mud & Chemicals   |   | 323,254                                     | 391,463   | 10,000  | 724,717   |
| 24 Water   |   | 38,825                                      | 591,078   | 225,000   | 854,903   |
| 25 Stimulation<br>26 Stimulation Flowback & I                      | Dien  |   | 727,236<br>108,640                                | 150,000   | 727,236<br>258,640                                      |
| 28 Mud/Wastewater Dispos   |   | 172,514                                     | 54,630  | 130,000   | 227,144   |
| 30 Rig Supervision / Enginee                                       |   | 108,273                                     | 119,194   | 21,667  | 249,134   |
| 32 Drig & Completion Overb   |   | 9,312                                       | •   |   | 9,312   |
| 35 Labor   |   | 137,006                                     | 62,080  | 101,667   | 300,753   |
| 54 Proppant  |   | - 12 00/                                    | 1,121,387   |   | 1,121,387   |
| 95 Insurance   |   | 13,096                                      | 21,817  | 3,833   | 13,096<br>25,650  |
| 97 Contingency<br>99 Plugging & Abandonmen                         | ı   | <del></del>                                 | - 21,817  | - 3,633   | - 23,030  |
| , , , , , , , , , , , , , , , , , , ,                              | TOTAL INTANGIBLES:                                    | > 3,141,476                                 | 4,794,736   | 697,167   | 8,633,379   |
|  | 101112111111111111111111111111111111111               |   |   |   |   |
| TANCING  | ooro  | DRILLING<br>COSTS                           | COMPLETION<br>COSTS                               | PRODUCTION<br>COSTS                                 | TOTAL<br>COSTS  |
| TANGIBLE C   | .0515   | \$ 109,201                                  |   |   | \$ 109,201  |
| 61 Intermediate Casing   | ,   | 307,574                                     |   |   | 307,574   |
| 62 Drilling Liner  |   | -   |   | •   | •   |
| 63 Production Casing   |   | 613,783                                     |   | -   | 613,783   |
| 64 Production Liner  |   |   |   | -   |   |
| 65 Tubing  |   | 57,908                                      | <u>-</u>  | 140,000   | 140,000<br>97,908                                       |
| 66 Wellhead<br>67 Packers, Liner Hangers                           |   | 13,161                                      | <del></del>                                       | 20,000  | 33,161  |
| 68 Tanks   |   |   |   | 45,833  | 45,833  |
| 69 Production Vessels  |   | -   |   | 126,667   | 126,667   |
| 70 Flow Lines  |   |   |   | 66,667  | 66,667  |
| 71 Rod string  |   |   |   | 90,000  | 90,000  |
| 72 Artificial Lift Equipment<br>73 Compressor                      |   |   | <del></del>                                       | 5,833   | 5,833   |
| 74 Installation Costs  |   | -   |   | -   | -   |
| 75 Surface Pumps   |   |   |   | 61,667  | 61,667  |
| 76 Downhole Pumps  |   |   | -   | ·   | -   |
| 77 Measurement & Meter Ins   |   | -   | <u> </u>  | 116,667   | 116,667   |
| 78 Gas Conditioning / Dehyo<br>79 Interconnecting Facility P       |   | <del></del>                                 |   | 20,000  | 20,000  |
| 80 Gathering / Bulk Lines  | .h9   | <del></del>                                 |   |   | - 20,000  |
| 81 Valves, Dumps, Controlle  | rs  | -   |   | 108,333   | 108,333   |
| 82 Tank / Facility Containme                                       | ent   | •   |   | 43,333  | 43,333  |
| 83 Flare Stack   |   | -   | •   | 16,667  | 16,667  |
| 84 Electrical/Grounding<br>85 Communications/SCAD                  | A   | <del></del>                                 | <del></del>                                       | 50,000<br>36,667                                    | 50,000<br>36,667  |
| 86 Instrumentation / Safety  | -   | -   |   | 853   | 853   |
|  | TOTAL TANGIBLES                                       | > 1,101,627                                 | 0   | 989,187   | 2,090,814   |
|  | TOTAL COSTS:  | > 4,243,103                                 | 4,794,736   | 1,686,354   | 10,724,193  |
|  |   | <del></del>                                 |   |   |   |
| REPARED BY Permian Res   | ources Operating, LLC:                                |   |   |   |   |
| Drilling Engineer  | : PS  |   |   |   |   |
| Completions Engineer   |   |   |   |   |   |
| Production Engineer  |   |   |   |   |   |
| <b>g</b>   |   |   |   |   |   |
| ermian Resources Operating   | g, LLC APPROVAL:                                      |   |   |   |   |
|  |   |   |   |   |   |
| Co-CEC   |   | (   | Co-CEO  | VP - Ope  |   |
|  | WH  |   | JW  |   | CRM   |
| VP - Land & Lega   | BG BG   | VP - Geos                                   |   |   |   |
|  | ₿G  |   | SO  |   |   |
|  |   |   |   |   |   |
|  |   |   |   |   |   |
| ON OPERATING PARTNE  | ER APPROVAL:  |   |   |   |   |
|  |   |   | 14/17 7   | <del></del>   | F ID:   |
| Company Name   | ::  |   | vvorking Interest (%):                            | ·   | Tax ID:   |
| Signed by  | :   |   | Date:   |   |   |
| J.6cu by   |   |   | - ante.   |   |   |
| Title  | <u> </u>  |   | Approval:   | Yes   | No (mark one)   |
| rusts on this AFE are estimates only and may not be ru             | mirrand as crilings on any specific item or the total | al cost of the project. Tubing installation | on approved under the AFE may be delayed up to    | s year after the well has been completed. In execut | ing this AFF, the Perticipant agrees to may its         |
| and to the second actual cours in course in the second transfer of | curative resultance bears and self-self-              | and the terms of the and bable into         | onerating agreement populatory codes or other agr | rement covering this well. Particinants shall be on | wered by and hilled proportionately for Operator's well |

| ESTIMATE OF COSTS AND | <b>AUTHORIZATION FOR</b> | EXPENDITURE |
|-----------------------|--------------------------|-------------|
|                       |                          |             |

|   |   | JE COSTS AND AUTHO      | DRIZATION FOR EXPENI     |                             |                       |
|---|---|-------------------------|--------------------------|-----------------------------|-----------------------|
| DATE:   | 2.17.2023                                 |                         |                          | AFE NO.:                    | 1                     |
| WELL NAME:  | Bane 4-9 Federal Com 11                   | 3H                      |                          | FIELD:                      | Teas; Bone Spring     |
| LOCATION:   | Section 4, T20S-R34E                      |                         |                          | MD/TVD:                     | 19,895' / 9,610'      |
| COUNTY/STATE:   | Lea County, New Mexico                    | <del></del>             |                          | LATERAL LENGTH:             | 10,000'               |
| Permian WI:   | Don County, 11011                         | <u> </u>                |                          | DRILLING DAYS:              | 19.6                  |
| GEOLOGIC TARGET:  | FBSG                                      |                         |                          | COMPLETION DAYS:            | 18.6                  |
| GEOLOGIC TAKGET:  |   | unil and sometate solut | A4 stages AEC i11-       | _                           |                       |
| REMARKS:  | Drill a horizontal FBSG v<br>install cost | well and complete with  | 1 79 Stages. Are include | s drilling, completions, fl | OWDACK AND INITIAL AL |
|   |   |                         |                          |                             |                       |
|   |   | DRILLING                | COMPLETION               | PRODUCTION                  | TOTAL                 |
| INTANGIBLE  | COSTS                                     | COSTS                   | COSTS                    | COSTS                       | COSTS                 |
| 1 Land/Legal/Regulatory                                 | Ś   | 52,768                  | •                        | 37,500                      | s 90,268              |
| 2 Location, Surveys & Dama                              | iges                                      | 257,363                 | 16,141                   | 2,500                       | 276,003               |
| 4 Freight / Transportation                              |   | 42,549                  | 39,110                   | 25,000                      | 106,660               |
| 5 Rental - Surface Equipmer                             |   | 111,070                 | 192,448                  | 105,000                     | 408,518               |
| 6 Rental - Downhole Equips                              | ment                                      | 183,520                 | 53,429                   | -                           | 236,949               |
| 7 Rental - Living Quarters                              |   | 42,956                  | 48,671                   |                             | 91,627<br>383,743     |
| 10 Directional Drilling, Surv                           | veys                                      | 383,743<br>673,443      | <del></del>              | <del></del>                 | 673,443               |
| 11 Drilling<br>12 Drill Bits                            |   | 89,495                  | <del></del>              | <del></del>                 | 89,495                |
| 13 Fuel & Power   |   | 168,789                 | 647,751                  | <del></del>                 | 816,540               |
| 14 Cementing & Float Equip                              | )   | 217,354                 | -                        | -                           | 217,354               |
| 15 Completion Unit, Swab,                               |   |                         |                          | 15,000                      | 15,000                |
| 16 Perforating, Wireline, Sli                           |   |                         | 351,218                  | -                           | 351,218               |
| 17 High Pressure Pump True                              |   | <del></del>             | 110,130                  |                             | 110,130               |
| 18 Completion Unit, Swab,                               |   | <del></del>             | 130,865                  | -                           | 130,865               |
| 20 Mud Circulation System                               |   | 93,991                  |                          | -                           | 93,991                |
| 21 Mud Logging  |   | 15,660                  | -                        | -                           | 15,660                |
| 22 Logging / Formation Eval                             | luation                                   | 6,495                   | 7,450                    |                             | 13,944                |
| 23 Mud & Chemicals                                      |   | 323,254                 | 391,463                  | 10,000                      | 724,717               |
| 24 Water  |   | 38,825                  | 591,078                  | 225,000                     | 854,903               |
| 25 Stimulation  |   |                         | 727,236                  |                             | 727,236               |
| 26 Stimulation Flowback &                               |   |                         | 108,640                  | 150,000                     | 258,640               |
| 28 Mud / Wastewater Dispos                              |   | 172,514                 | 54,630                   |                             | 227,144               |
| 30 Rig Supervision / Engine                             |   | 108,273                 | 119,194                  | 21,667                      | 249,134               |
| 32 Drlg & Completion Over                               | head                                      | 9,312                   | •                        |                             | 9,312                 |
| 35 Labor  |   | 137,006                 | 62,080                   | 101,667                     | 300,753               |
| 54 Proppant   |   | 12.004                  | 1,121,387                | -                           | 1,121,387             |
| 95 Insurance  |   | 13,096                  | 21.017                   | 2 022                       | 13,096                |
| 97 Contingency  | -1  | <u> </u>                | 21,817                   | 3,833                       | 25,650                |
| 99 Plugging & Abandonmer                                |   | <del></del>             | <del></del>              |                             |                       |
|   | TOTAL INTANGIBLES >                       | 3,141,476               | 4,794,736                | <del>69</del> 7,167         | 8,633,379             |
|   |   | DRILLING                | COMPLETION               | PRODUCTION                  | TOTAL                 |
| TANGIBLE (  | COSTS                                     | COSTS                   | COSTS                    | COSTS                       | COSTS                 |
| 60 Surface Casing                                       | \$  |                         | •                        |                             | \$ 109,201            |
| 61 Intermediate Casing                                  | _   | 307,574                 | -                        | •                           | 307,574               |
| 62 Drilling Liner                                       |   | <del></del>             |                          | -                           | -                     |
| 63 Production Casing                                    |   | 613,783                 | •                        | •                           | 613,783               |
| 64 Production Liner                                     |   |                         | •                        |                             | <del></del>           |
| 65 Tubing   |   |                         | -                        | 140,000                     | 140,000               |
| 66 Wellhead   |   | 57,908                  |                          | 40,000                      | 97,908                |
| 67 Packers, Liner Hangers                               |   | 13,161                  | •                        | 20,000                      | 33,161                |
| 68 Tanks  |   |                         | <u> </u>                 | 45,833                      | 45,833                |
| 69 Production Vessels                                   |   |                         |                          | 126,667                     | 126,667               |
| 70 Flow Lines   |   |                         |                          | 66,667                      | 66,667                |
| 71 Rod string   |   |                         | <u> </u>                 | -                           | -                     |
| 72 Artificial Lift Equipment                            |   | <u> </u>                |                          | 90,000                      | 90,000                |
| 73 Compressor   |   |                         | -                        | 5,833                       | 5,833                 |
| 74 Installation Costs                                   |   | <u>-</u>                | <u> </u>                 | 11.77                       | 41467                 |
| 75 Surface Pumps<br>76 Downhole Pumps                   |   |                         | <del></del>              | 61,667                      | 61,667                |
| -   | antallation                               |                         |                          |                             |                       |
| 77 Measurement & Meter In<br>78 Gas Conditioning / Dehy |   |                         |                          | 116,667                     | 116,667               |
| 79 Interconnecting Facility I                           |   | <u> </u>                | -                        | 20,000                      | 20,000                |
| 80 Gathering / Bulk Lines                               | · ·r····                                  | <del></del>             | <del></del>              | 20,000                      | 20,000                |
| 81 Valves, Dumps, Controll                              | ers                                       | <del></del>             | <del></del>              | 108,333                     | 108,333               |
| 82 Tank / Facility Containm                             |   | <del></del>             | -                        | 43,333                      | 43,333                |
| 83 Flare Stack  |   |                         |                          | 16,667                      | 16,667                |
| 84 Electrical/Grounding                                 |   | -                       | -                        | 50,000                      | 50,000                |
| 85 Communications / SCAD                                | )A  |                         | •                        | 36,667                      | 36,667                |
| 86 Instrumentation / Safety                             |   | -                       | -                        | 853                         | 853                   |
|   | TOTAL TANGIBLES >                         | 1,101,627               | 0                        | 989,187                     | 2,090,814             |
|   | TOTAL COSTS >                             |                         | 4,794,736                | 1,686,354                   | 10,724,193            |
| EBARED BY Bomion Boo                                    |   |                         |                          |                             |                       |
| REPARED BY Permian Res                                  | ources Operating, LLC:                    |                         |                          |                             |                       |
| Drilling Enginee  | er: PS                                    |                         |                          |                             |                       |
| Completions Enginee                                     | er: ML                                    |                         |                          |                             |                       |
| Production Enginee                                      |   |                         |                          |                             |                       |
| •   | ****                                      |                         |                          |                             |                       |
| rmian Resources Operatin                                | ig, LLC APPROVAL:                         |                         |                          |                             |                       |
|   | 0   | ~ ~                     | TO                       | 115. 0                      | aliana                |
| Co-CE   |   | Co-C                    |                          | VP - Opera                  |                       |
|   | WH  |                         | jw                       |                             | CRM                   |
| VP - Land & Leg   | al  | VP - Geoscier           |                          |                             |                       |
|   | BG  |                         | so                       |                             |                       |
|   |   |                         |                          |                             |                       |
|   |   |                         |                          |                             |                       |
|   |   |                         |                          |                             |                       |
| ON OPERATING PARTN                                      | ER APPROVAL:                              |                         |                          |                             |                       |
| Company Nam   | е:  |                         | Working Interest (%):    | T                           | ax ID:                |
|   | ·   |                         |                          | <del></del>                 | · <del></del>         |
| Signed b  | y:  |                         | Date:                    |                             |                       |
|   |   |                         |                          |                             |                       |
| Titl  | le:                                       |                         | Approval: _[             | Yes                         | No (mark one)         |
| unts on this AFF are estimates only and may not be o    |   |                         |                          |                             |                       |

# ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

| DATE:   | 2.17.2023  |   |                             | AFE NO.:                    | 1                      |
|---|--|---|-----------------------------|-----------------------------|------------------------|
| WELL NAME:  | Bane 4-9 Federal Com 1                               | 14H                                       |                             | FIELD:                      | Teas; Bone Spring      |
| LOCATION:   | Section 4, T20S-R34E                                 |   |                             | MD/TVD:                     | 19,875' / 9,590'       |
| COUNTY/STATE:   | Lea County, New Mexic                                |   |                             | LATERAL LENGTH:             | 10,000'                |
| Permian WI:   |  |   |                             | DRILLING DAYS:              | 19.6                   |
| GEOLOGIC TARGET:  | FBSG   |   |                             | COMPLETION DAYS:            | 18.6                   |
|   |  | well and complete v                       | vith 44 stages. AFE include | es drilling, completions, f | lowback and Initial AL |
| REMARKS:  | install cost   |   | v                           |                             |                        |
|   | <u> </u>   |   |                             |                             |                        |
|   |  | DRILLING                                  | COMPLETION                  | PRODUCTION                  | TOTAL                  |
| INTANGIBLE  |  | COSTS                                     | COSTS                       | COSTS                       | COSTS                  |
| 1 Land/Legal/Regulatory                                   |  | \$ 52,768                                 | 16 141                      | 37,500<br>2,500             | \$ 90,268<br>276,003   |
| 2 Location, Surveys & Dama<br>4 Freight / Transportation  | ges  | 257,363<br>42,549                         | 16,141<br>39,110            | 25,000                      | 106,660                |
| 5 Rental - Surface Equipmen                               | ıt   | 111,070                                   | 192,448                     | 105,000                     | 408,518                |
| 6 Rental - Downhole Equipa                                |  | 183,520                                   | 53,429                      | -                           | 236,949                |
| 7 Rental - Living Quarters                                |  | 42,956                                    | 48,671                      | -                           | 91,627                 |
| 10 Directional Drilling, Surv                             | eys  | 383,743                                   |                             |                             | 383,743<br>673,443     |
| 11 Drilling<br>12 Drill Bits                              |  | 673,443<br>89,495                         | <del></del>                 |                             | 89,495                 |
| 13 Fuel & Power   |  | 168,789                                   | 647,751                     | <del></del>                 | 816,540                |
| 14 Cementing & Float Equip                                |  | 217,354                                   |                             | -                           | 217,354                |
| 15 Completion Unit, Swab, G                               | CTU  |   |                             | 15,000                      | 15,000                 |
| 16 Perforating, Wireline, Slice                           |  |   | 351,218                     | -                           | 351,218                |
| 17 High Pressure Pump True<br>18 Completion Unit, Swab, ( |  | <u> </u>                                  | 110,130                     |                             | 110,130<br>130,865     |
| 20 Mud Circulation System                                 | -10  | 93,991                                    | - 130,003                   | <del></del>                 | 93,991                 |
| 21 Mud Logging  |  | 15,660                                    | •                           | -                           | 15,660                 |
| 22 Logging / Formation Eval                               | uation   | 6,495                                     | 7,450                       | -                           | 13,944                 |
| 23 Mud & Chemicals  |  | 323,254                                   | 391,463                     | 10,000                      | 724,717                |
| 24 Water  |  | 38,825                                    | 591,078<br>727,236          | 225,000                     | 854,903<br>727,236     |
| 25 Stimulation 26 Stimulation Flowback & l                | Disp   | <del></del>                               | 108,640                     | 150,000                     | 258,640                |
| 28 Mud/Wastewater Dispos                                  | •  | 172,514                                   | 54,630                      | -                           | 227,144                |
| 30 Rig Supervision / Engine                               | ering  | 108,273                                   | 119,194                     | 21,667                      | 249,134                |
| 32 Drlg & Completion Overl                                | head   | 9,312                                     | (0.000                      | 101 (/2                     | 9,312                  |
| 35 Labor<br>54 Proppant                                   |  | 137,006                                   | 62,080<br>1,121,387         | 101,667                     | 300,753<br>1,121,387   |
| 95 Insurance  |  | 13,096                                    | 1,121,307                   | <del></del>                 | 13,096                 |
| 97 Contingency  |  |   | 21,817                      | 3,833                       | 25,650                 |
| 99 Plugging & Abandonmer                                  | nt   |   | -                           | -                           | <u> </u>               |
|   | TOTAL INTANGIBLES                                    | > 3,141,476                               | 4,794,736                   | 697,167                     | 8,633,379              |
| •   |  | DRILLING                                  | COMPLETION                  | PRODUCTION                  | TOTAL                  |
| TANGIBLE (  | COSTS  | COSTS                                     | COSTS                       | COSTS                       | COSTS                  |
| 60 Surface Casing   |  | \$ 109,201                                | <u>-</u>                    |                             | \$ 109,201             |
| 61 Intermediate Casing                                    |  | 307,574                                   |                             |                             | 307,574                |
| 62 Drilling Liner   |  | 413 703                                   | <del></del>                 | <del></del>                 | 613,783                |
| 63 Production Casing<br>64 Production Liner               |  | 613,783                                   | <del></del>                 |                             | 613,783                |
| 65 Tubing   |  | <del></del>                               | <del></del>                 | 140,000                     | 140,000                |
| 66 Wellhead   |  | 57,908                                    | •                           | 40,000                      | 97,908                 |
| 67 Packers, Liner Hangers                                 |  | 13,161                                    |                             | 20,000                      | 33,161                 |
| 68 Tanks  |  |   | •                           | 45,833                      | 45,833                 |
| 69 Production Vessels 70 Flow Lines                       |  | <del></del>                               | <u> </u>                    | 126,667                     | 126,667                |
| 71 Rod string   |  |   | <del></del>                 | - 00,007                    |                        |
| 72 Artificial Lift Equipment                              |  | -   |                             | 90,000                      | 90,000                 |
| 73 Compressor   |  |   | -                           | 5,833                       | 5,833                  |
| 74 Installation Costs                                     |  | •   | <u> </u>                    |                             | (1//7                  |
| 75 Surface Pumps<br>76 Downhole Pumps                     |  | <del></del>                               | <del></del>                 | 61,667                      | 61,667                 |
| 77 Measurement & Meter In                                 | stallation   |   | <del></del>                 | 116,667                     | 116,667                |
| 78 Gas Conditioning / Dehy                                | dration  |   | <del></del>                 |                             | •                      |
| 79 Interconnecting Facility I                             | Piping   |   |                             | 20,000                      | 20,000                 |
| 80 Gathering / Bulk Lines<br>81 Valves, Dumps, Controlle  |  | <del></del>                               | <del></del>                 | 108,333                     | 108,333                |
| 82 Tank / Facility Containme                              |  | <del></del>                               | <del></del>                 | 43,333                      | 43,333                 |
| 83 Flare Stack  |  |   | •                           | 16,667                      | 16,667                 |
| 84 Electrical / Grounding                                 |  |   | •                           | 50,000                      | 50,000                 |
| 85 Communications / SCAD                                  | A  |   | <u> </u>                    | 36,667                      | 36,667                 |
| 86 Instrumentation/Safety                                 | TOTAL TANGIBLES                                      | > 1,101,627                               |                             | 853<br>989,187              | 2,090,814              |
|   | TOTAL COSTS  |   | 4,794,736                   | 1,686,354                   | 10,724,193             |
|   | TOTAL COSTS  | 7,243,103                                 |                             | 1,000,034                   | 10,724,173             |
| REPARED BY Permian Res                                    | ources Operating, LLC:                               |   |                             |                             |                        |
| Drilling Enginee  | r: PS  |   |                             |                             |                        |
| Completions Enginee                                       |  |   |                             |                             |                        |
| Production Enginee  |  |   |                             |                             |                        |
|   |  |   |                             |                             |                        |
| ermian Resources Operatin                                 | g, LLC APPROVAL:                                     |   |                             |                             |                        |
| •   | <u> </u>   |   | ·                           |                             |                        |
| Co-CE   |  | C   | Co-CEO                      | VP - Ope                    |                        |
|   | WH   |   | jw                          |                             | CRM                    |
| VP - Land & Leg   |  | VP - Geos                                 |                             |                             |                        |
|   | 8G   |   | 90                          |                             |                        |
|   |  |   |                             |                             |                        |
|   |  |   |                             |                             |                        |
| ON OPERATING PARTN  | ER APPROVAI.   |   |                             |                             |                        |
|   |  | _   |                             | •                           |                        |
| Company Name  | e:   |   | Working Interest (%):       | 1                           | Tax ID:                |
| Ctany 4 to  | 17   |   | Date                        | _                           |                        |
| Signed by   | y  |   | Date: _                     |                             | <del></del>            |
| Titl  | e:   |   | Approval:                   | ☐ Yes                       | ☐ No (mark one)        |
| costs on this AFE are estimates only and may not be o     | contract as critings on any specific item or the tot | al cost of the project. Tubing imaallatio | •                           | <del></del>                 |                        |

| <b>ESTIMATE OF</b> | COSTS AND | AUTHORIZATION | FOR EXPENDITURE |
|--------------------|-----------|---------------|-----------------|
|--------------------|-----------|---------------|-----------------|

|                               | ESTIMATE                | OF COSTS AND AUTI            | IORIZATION FOR EXPEN                            | DITUKE                    |                        |
|-------------------------------|-------------------------|------------------------------|---|---------------------------|------------------------|
| DATE:                         | 2.17.2023               |                              |   | AFE NO.:                  | 1                      |
| WELL NAME:                    | Bane 4-9 Federal Com 1  | 21 H                         |   | FIELD:                    | Teas; Bone Spring      |
|                               | Section 4, T20S-R34E    |                              |   | MD/TVD:                   | 20,605' / 10,320'      |
| LOCATION:                     |                         |                              |   |                           |                        |
| COUNTY/STATE:                 | Lea County, New Mexic   | :0                           |   | LATERAL LENGTH:           | 10,000'                |
| Permian WI:                   |                         |                              |   | DRILLING DAYS:            | 19.6                   |
| GEOLOGIC TARGET:              | SBSG                    |                              |   | COMPLETION DAYS:          | 18.6                   |
|                               |                         | wall and complete w          | ith 44 stages. AFE include                      | s drilling completions fl | owhack and Initial AI. |
| DEL A DEC                     |                         | wen and complete w           | an 44 Surges. The E menuae                      | s arming completions, in  |                        |
| REMARKS:                      | install cost            |                              |   |                           |                        |
|                               |                         |                              |   |                           |                        |
|                               |                         | DRILLING                     | COMPLETION                                      | PRODUCTION                | TOTAL                  |
| INTANGIBLE                    | COSTS                   | COSTS                        | COSTS   | COSTS                     | COSTS                  |
| 1 Land/Legal/Regulatory       |                         |                              | <u> </u>  | 37,500                    | \$ 91,851              |
| 2 Location, Surveys & Dama    | nges                    | 265,083                      | 16,625  | 2,500                     | 284,208                |
| 4 Freight / Transportation    |                         | 43,826                       | 40,284  | 25,000                    | 109,110                |
| 5 Rental - Surface Equipmen   |                         | 114,402                      | 198,221   | 105,000                   | 417,624                |
| 6 Rental - Downhole Equips    | ment                    | 189,026                      | 55,031  | <u> </u>                  | 244,057                |
| 7 Rental - Living Quarters    |                         | 44,244                       | 50,131  | -                         | 94,375                 |
| 10 Directional Drilling, Surv | veys                    | 395,255                      | <u> </u>  | <u>-</u>                  | 395,255                |
| 11 Drilling                   |                         | 693,647                      |   | <u>-</u>                  | 693,647                |
| 12 Drill Bits                 |                         | 92,179                       | -   |                           | 92,179                 |
| 13 Fuel & Power               |                         | 173,853                      | 667,183   |                           | 841,036                |
| 14 Cementing & Float Equip    |                         | 223,875                      |   |                           | 223,875                |
| 15 Completion Unit, Swab,     |                         |                              |   | 15,000                    | 15,000                 |
| 16 Perforating, Wireline, Sli |                         | <u> </u>                     | 361,754   |                           | 361,754                |
| 17 High Pressure Pump Tru     |                         |                              | 113,434   |                           | 113,434                |
| 18 Completion Unit, Swab,     | CTU                     |                              | 134,791   | -                         | 134,791                |
| 20 Mud Circulation System     |                         | 96,811                       | <u> </u>  | <u> </u>                  | 96,811                 |
| 21 Mud Logging                |                         | 16,130                       | <u>-</u>  |                           | 16,130                 |
| 22 Logging/Formation Eval     | luation                 | 6,690                        | 7,673   |                           | 14,363                 |
| 23 Mud & Chemicals            |                         | 332,951                      | 403,207   | 10,000                    | 746,158                |
| 24 Water                      |                         | 39,990                       | 608,810   | 250,000                   | 898,800                |
| 25 Stimulation                |                         |                              | 749,053   |                           | 749,053                |
| 26 Stimulation Flowback &     |                         |                              | 111,899   | 150,000                   | 261,899                |
| 28 Mud/Wastewater Dispo       | sal                     | 177,689                      | 56,269  | <u> </u>                  | 233,959                |
| 30 Rig Supervision / Engine   |                         | 111,522                      | 122,769   | 21,667                    | 255,958                |
| 32 Drlg & Completion Over     | head                    | 9,591                        |   | <u> </u>                  | 9,591                  |
| 35 Labor                      |                         | 141,116                      | 63,942  | 101,667                   | 306,725                |
| 54 Proppant                   |                         | -                            | 1,155,029                                       | <u> </u>                  | 1,155,029              |
| 95 Insurance                  |                         | 13,489                       | <u> </u>  |                           | 13,489                 |
| 97 Contingency                |                         |                              | 22,472  | 3,833                     | 26,305                 |
| 99 Plugging & Abandonmer      | nt                      | <u> </u>                     |   | •                         | <u> </u>               |
|                               | TOTAL INTANGIBLES       | 3,235,720                    | 4,938,578                                       | 722,167                   | 8,896,465              |
|                               | •                       |                              |   |                           |                        |
|                               |                         | DRILLING                     | COMPLETION                                      | PRODUCTION                | TOTAL                  |
| TANGIBLE                      | COSTS                   | COSTS                        | COSTS   | COSTS                     | COSTS                  |
| 60 Surface Casing             | 9                       | 112,477                      | <u>-</u>  |                           | s 112,477              |
| 61 Intermediate Casing        |                         | 316,801                      | <u> </u>  |                           | 316,801                |
| 62 Drilling Liner             |                         |                              | <u>-</u>  | <u>-</u>                  |                        |
| 63 Production Casing          |                         | 632,196                      | <u> </u>  | <u> </u>                  | 632,196                |
| 64 Production Liner           |                         |                              |   | <u> </u>                  | <u> </u>               |
| 65 Tubing                     |                         |                              | <u> </u>  | 140,000                   | 140,000                |
| 66 Wellhead                   |                         | 59,645                       |   | 40,000                    | 99,645                 |
| 67 Packers, Liner Hangers     |                         | 13,556                       | <u> </u>  | 20,000                    | 33,556                 |
| 68 Tanks                      |                         |                              |   |                           | -                      |
| 69 Production Vessels         |                         | -                            | •   | 45,833                    | 45,833                 |
| 70 Flow Lines                 |                         | -                            | <del></del>                                     | 126,667                   | 126,667                |
| 71 Rod string                 |                         |                              | -   | 66,667                    | 66,667                 |
| 72 Artificial Lift Equipment  |                         | -                            | <u> </u>  | 90,000                    | 90,000                 |
| 73 Compressor                 |                         |                              | -   | 5,833                     | 5,833                  |
| 74 Installation Costs         |                         | •                            |   |                           | •                      |
| 75 Surface Pumps              |                         | -                            |   | 61,667                    | 61,667                 |
| 76 Downhole Pumps             |                         |                              | •   |                           | <del>-</del>           |
| 77 Measurement & Meter In     | estallation             | •                            |   | 116,667                   | 116,667                |
| 78 Gas Conditioning/Dehy      | dration                 | -                            |   | -                         | -                      |
| 79 Interconnecting Facility I | Piping                  | -                            | -   | 20,000                    | 20,000                 |
| 80 Gathering/Bulk Lines       |                         |                              | -   |                           | -                      |
| 81 Valves, Dumps, Controll    |                         |                              |   | 108,333                   | 108,333                |
| 82 Tank / Facility Containm   | ent                     |                              | <u> </u>  | 43,333                    | 43,333                 |
| 83 Flare Stack                |                         |                              |   | 16,667                    | 16,667                 |
| 84 Electrical/Grounding       |                         | <u> </u>                     |   | 50,000                    | 50,000                 |
| 85 Communications / SCAD      | PA .                    | •                            | •   | 36,667                    | 36,667                 |
| 86 Instrumentation / Safety   |                         |                              | •   | 833                       | 833                    |
|                               | TOTAL TANGIBLES:        | 1,134,676                    | 0   | 989,167                   | 2,123,843              |
|                               | TOTAL COSTS :           | > 4,370,396                  | 4,938,578                                       | 1,711,334                 | 11,020,308             |
|                               |                         |                              |   | <del></del>               |                        |
|                               |                         |                              |   |                           |                        |
| REPARED BY Permian Res        | sources Operating, LLC: |                              |   |                           |                        |
| B                             |                         |                              |   |                           |                        |
| Drilling Enginee              |                         |                              |   |                           |                        |
| Completions Engineer          | er: ML                  |                              |   |                           |                        |
| Production Enginee            | er: DC                  |                              |   |                           |                        |
|                               |                         |                              | <del></del>                                     |                           |                        |
| ermian Resources Operatin     | ig, LLC APPROVAL:       |                              |   |                           |                        |
| •                             |                         |                              |   |                           |                        |
| Co-CE                         | 0                       | Co                           | -CEO  | VP - Opera                | ations                 |
|                               | WH                      |                              | jw  | ·                         | CRM                    |
| VP - Land & Leg               |                         | VP - Geosci                  | •   |                           | -                      |
| VI - Land & Leg               |                         | 71 - Geosc                   | SO  |                           |                        |
|                               | PG                      |                              | 30  |                           |                        |
|                               |                         |                              |   |                           |                        |
|                               |                         |                              |   |                           |                        |
|                               |                         |                              |   |                           |                        |
| ON OPERATING PARTN            | ER APPROVAL:            |                              | ·   |                           |                        |
| Company Nam                   |                         |                              | Working Interest (9)                            | T                         | ax ID:                 |
| Company Mam                   | e:                      |                              |   | 1                         |                        |
| Signed b                      | v:                      |                              | Date:   |                           |                        |
| o.p.icu o                     | · <del></del>           | <del></del>                  |   | ·                         |                        |
| Titl                          | le:                     |                              | Approval: [                                     | Yes                       | ☐ No (mark one)        |
|                               |                         | t a fab of a Table to Batter | reproved under the AFE may be deleved up to a v |                           |                        |

Permian Resources Operating, LLC
300 N. Marienfeld St., Ste. 1000 Midland, TX 79701
Phone (432) 695-4222 • Fax (432) 695-4063
IMATE OF COSTS AND AUTHORIZATION FOR EXPENDIT

|   | ESTIMATE  | OF COSTS AND AUTHO                              | DRIZATION FOR EXPEND                           | TIORE  |   |
|---|---|---|--|--|---|
| DATE:   | 2.17.2023   |   |  | AFE NO.:   | 1   |
| WELL NAME:  | Bane 4-9 Federal Com 1                                | 22H   |  | FIELD:   | Teas; Bone Spring                               |
| LOCATION:   | Section 4, T20S-R34E                                  |   |  | MD/TVD:  | 20,290' / 10,005'                               |
|   |   | <del></del>                                     |  | LATERAL LENGTH:                                  | 10,000'   |
| COUNTY/STATE:   | Lea County, New Mexic                                 | :0  |  | _  |   |
| Permian WI:   |   |   |  | DRILLING DAYS:                                   | 19.6  |
| GEOLOGIC TARGET:  | SBSG  | _   |  | COMPLETION DAYS:                                 | 18.6  |
|   | Drill a horizontal SBSG                               | well and complete with                          | 44 stages. AFE includes                        | drilling, completions, f                         | lowback and Initial AL                          |
| REMARKS:  | install cost  |   | 0  |  |   |
| REMARKS.  | nisum cost  |   |  |  |   |
|   |   | DDUING  | COMPLETION                                     | PRODUCTION                                       | TOTAL   |
|   |   | DRILLING  | COMPLETION                                     | COSTS  | COSTS   |
| INTANGIBLE  |   | COSTS   | CO313  |  |   |
| 1 Land/Legal/Regulatory   |   | 54,351  | 17.735   | 37,500<br>2,500                                  | \$ 91,851<br>284,208                            |
| 2 Location, Surveys & Dama  | ges   | 265,083   | 16,625   | 25,000   |   |
| 4 Freight/Transportation  |   | 43,826  | 40,284<br>198,221                              |  | 109,110   |
| 5 Rental - Surface Equipmen   |   | 114,402   | ,  | 105,000  | 417,624<br>244,057                              |
| 6 Rental - Downhole Equipm  | nent  | 189,026   | 55,031   |  | 94,375  |
| 7 Rental - Living Quarters  |   | 44,244  | 50,131   |  |   |
| 10 Directional Drilling, Surv   | eys   | 395,255   | <del></del>                                    |  | 395,255   |
| 11 Drilling   |   | 693,647   | -  |  | 693,647   |
| 12 Drill Bits   |   | 92,179  | - (41.103                                      |  | 92,179  |
| 13 Fuel & Power   |   | 173,853   | 667,183  | -  | 841,036   |
| 14 Cementing & Float Equip  |   | 223,875   | •  | 15.000   | 223,875   |
| 15 Completion Unit, Swab, C   |   |   | 2/1754   | 15,000   | 15,000  |
| 16 Perforating, Wireline, Slice   |   |   | 361,754<br>113,434                             | <u> </u>   | 361,754   |
| 17 High Pressure Pump True  |   | <u> </u>  |  | <u> </u>   | 113,434   |
| 18 Completion Unit, Swab, (   | TU  |   | 134,791  |  | 134,791   |
| 20 Mud Circulation System   |   | 96,811  | <u>:</u>                                       |  | 96,811  |
| 21 Mud Logging  |   | 16,130  |  |  | 16,130  |
| 22 Logging / Formation Eval   | uation  | 6,690   | 7,673  | 20.000   | 14,363  |
| 23 Mud & Chemicals  |   | 332,951   | 403,207  | 10,000<br>250,000                                | 746,158<br>898,800                              |
| 24 Water  |   | 39,990  | 608,810<br>749,053                             | 250,000  | 749,053   |
| 25 Stimulation  | Dien  |   |  | 150,000  | 261,899   |
| 26 Stimulation Flowback & I   |   |   | 111,899  | 150,000  |   |
| 28 Mud/Wastewater Dispos  |   | 177,689   | 56,269   | - A1 //E   | 233,959   |
| 30 Rig Supervision / Engine   |   | 111,522   | 122,769  | 21,667   | 255,958   |
| 32 Drlg & Completion Overl  | nead  | 9,591   | - /A 7.4                                       |  | 9,591   |
| 35 Labor  |   | 141,116   | 63,942   | 101,667  | 306,725   |
| 54 Proppant   |   | 40.100  | 1,155,029                                      |  | 1,155,029                                       |
| 95 Insurance  |   | 13,489  |  | - 2.022  | 13,489  |
| 97 Contingency  | _   |   | 22,472   | 3,833  | 26,305  |
| 99 Plugging & Abandonmer  | ıt  |   |  | <u> </u>   | <u> </u>  |
|   | TOTAL INTANGIBLES:                                    | > 3,235,720                                     | 4,938,578                                      | 722,167  | 8,896,465                                       |
|   |   | DRILLING  | COMPLETION                                     | PRODUCTION                                       | TOTAL   |
|   |   | COSTS   | COSTS  | COSTS  | COSTS   |
| TANGIBLE C  |   |   |  |  | \$ 112,477                                      |
| 60 Surface Casing   |   |   | <u>-</u>                                       |  | 316,801   |
| 61 Intermediate Casing  |   | 316,801   |  | <del></del>                                      | 310,001   |
| 62 Drilling Liner   |   | (22.104   | <u>-</u>                                       |  | 632,196   |
| 63 Production Casing  |   | 632,196   |  |  | 632,196   |
| 64 Production Liner   |   |   | <u>·</u>                                       | 140,000  | - 110,000                                       |
| 65 Tubing   |   |   | <u> </u>                                       | 140,000  | 140,000   |
| 66 Wellhead   |   | 59,645  |  | 40,000   | 99,645  |
| 67 Packers, Liner Hangers   |   | 13,556  |  | 20,000   | 33,556  |
| 68 Tanks  |   |   | -  | -  | <del>-</del>                                    |
| 69 Production Vessels   |   |   |  | 45,833   | 45,833  |
| 70 Flow Lines   |   |   | <del></del>                                    | 126,667  | 126,667   |
| 71 Rod string   |   |   |  | 66,667   | 66,667  |
| 72 Artificial Lift Equipment  |   |   | <u>-</u>                                       | 90,000   | 90,000  |
| 73 Compressor   |   |   | <u>-</u>                                       | 5,833  | 5,833   |
| 74 Installation Costs   |   | •   | •  |  | <del></del>                                     |
| 75 Surface Pumps  |   |   | <del></del>                                    | 61,667   | 61,667  |
| 76 Downhole Pumps   |   | -   | <u> </u>                                       |  |   |
| 77 Measurement & Meter In   |   | ·   |  | 116,667  | 116,667   |
| 78 Gas Conditioning / Dehy  |   |   |  |  |   |
| 79 Interconnecting Facility F   | rping   |   |  | 20,000   | 20,000  |
| 80 Gathering / Bulk Lines   |   | <u> </u>  | <u> </u>                                       | 100 000  | 100 000   |
| 81 Valves, Dumps, Controlle   |   | <u> </u>  | <u> </u>                                       | 108,333  | 108,333   |
| 82 Tank / Facility Containme  | ent   |   | <u> </u>                                       | 43,333   | 43,333  |
| 83 Flare Stack  |   | <u> </u>  |  | 16,667   | 16,667  |
| 84 Electrical/Grounding   |   |   |  | 50,000   | 50,000  |
| 85 Communications / SCAD  | n.  | <del></del>                                     | -  | 36,667   | 36,667  |
| 86 Instrumentation / Safety   | TOTAL TANGETT   | -   |  | 833  | 833   |
|   | TOTAL TANGIBLES                                       |   | 0  | 989,167  | 2,123,843                                       |
|   | TOTAL COSTS:  | > 4,370,396                                     | 4,938,578                                      | 1,711,334  | 11,020,308                                      |
|   |   |   |  |  |   |
| REPARED BY Permian Res  | ourses Operating 11C:                                 |   |  |  |   |
| Di Létanan Kéa  | ources Operating, LLC:                                |   |  |  |   |
| Drilling Enginee  | r: PS   |   |  |  |   |
| Completions Enginee   |   |   |  |  |   |
| •   |   |   |  |  |   |
| Production Enginee  | r: DC   |   |  |  |   |
|   |   |   |  | ·  |   |
| ermian Resources Operatin   | g, LLC APPROVAL:                                      |   |  |  |   |
|   |   |   |  |  |   |
| Co-CE   | 0   | Co-C  | EO   | VP - Ope   | rations   |
|   | WH  |   | JW   |  | CRM   |
| VP - Land & Lee   | al  | VP - Geoscier                                   | nces   |  |   |
| VP - Land & Leg.  | BG  |   | <u></u>  |  |   |
|   | <del></del>   |   | <del></del>                                    |  |   |
|   |   |   |  |  |   |
|   |   |   |  |  |   |
| ON OPERATING PARTY  | ED ADDDOVAL.  |   |  |  |   |
| ON OPERATING PARTN  | ER AFFRUVAL:  |   |  |  |   |
| Company Name  | e:  |   | Working Interest (%):                          | 1  | Γax ID:   |
| Ferry   |   | <del></del>                                     | <i>a · · · · · · · · · · · · · · · · · · ·</i> |  |   |
| Signed by   | y:  |   | Date:  |  |   |
|   |   |   |  |  | <del></del>                                     |
| Title   | e:  |   | Approval:                                      | Yes  | ☐ No (mark one)                                 |
|   |   |   |  |  | <del></del>                                     |
| costs on this AFE are estimates only and may not be constructed that of artical costs incurred including lies | mourned as critings on any specific item or the total | s cost of the project. Tubing installation appr | rows unan the AFE may be delayed up to a ye    | or error the west has been completed. In executi | ung uses AZE, the Participant agrees to pay its |

| ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITU | NDITU | EXPEN | ATION FOR | <b>AUTHORIZ</b> | AND | OF COSTS | ESTIMATE |
|---|-------|-------|-----------|-----------------|-----|----------|----------|
|---|-------|-------|-----------|-----------------|-----|----------|----------|

|   | ESTIMATE                | OF COSTS AND AUTHO                                | DRIZATION FOR EXPENI   | OTTURE  |   |
|---|-------------------------|---|------------------------|---|---|
| DATE:   | 2.17.2023               |   |                        | AFE NO.:  | 1   |
| WELL NAME:  | Bane 4-9 Federal Com 1  | 23H   |                        | FIELD:  | Teas; Bone Spring                                   |
|   |                         | 2,711   |                        | MD/TVD:   | 20,610' / 10,325'                                   |
| LOCATION:   | Section 4, T20S-R34E    |   |                        |   |   |
| COUNTY/STATE:   | Lea County, New Mexic   | 20  |                        | LATERAL LENGTH:                                     | 10,000'   |
| Permian WI:   |                         |   |                        | DRILLING DAYS:                                      | 19.6  |
| GEOLOGIC TARGET:  | SBSG                    |   |                        | COMPLETION DAYS:                                    | 18.6  |
| GEOLOGIC TARGET:  |                         |   | 44 . 470 . 1 .         | _   |   |
|   |                         | well and complete with                            | 44 stages. ArE include | s drilling, completions, flo                        | owback and initial AL                               |
| REMARKS:  | install cost            |   |                        |   |   |
|   |                         |   |                        |   |   |
|   |                         | DRILLING  | COMPLETION             | PRODUCTION  | TOTAL   |
| INTANGIBLE  | COSTS                   | COSTS   | COSTS                  | COSTS   | COSTS   |
| 1 Land/Legal/Regulatory                                     |                         | 5 54,351  |                        | 37,500  | S 91,851  |
| 2 Location, Surveys & Dama                                  |                         | 265,083   | 16,625                 | 2,500   | 284,208   |
| 4 Freight / Transportation                                  | , Aco                   | 43,826  | 40,284                 | 25,000  | 109,110   |
| 5 Rental - Surface Equipmen                                 |                         | 114,402   | 198,221                | 105,000   | 417,624   |
| 6 Rental - Downhole Equips                                  |                         | 189,026   | 55,031                 | - 105,000   | 244,057   |
|   | шеш                     | 44,244  | 50,131                 |   | 94,375  |
| 7 Rental - Living Quarters<br>10 Directional Drilling, Surv |                         | 395,255   | 30,131                 | <del></del>   | 395,255   |
|   | /eys                    | 693,647   | <del></del>            |   | 693,647   |
| 11 Drilling<br>12 Drill Bits                                |                         | 92,179  | <del></del>            | <del></del>   | 92,179  |
|   |                         | 173,853   | 667,183                | <del></del>   | 841,036   |
| 13 Fuel & Power   | _                       | 223,875   |                        | <del></del>   | 223,875   |
| 14 Cementing & Float Equip                                  |                         |   |                        | 15,000  | 15,000  |
| 15 Completion Unit, Swab,                                   |                         | -   | 361,754                | 15,000  | 361,754   |
| 16 Perforating, Wireline, Sli                               |                         | <del></del>                                       |                        |   | 113,434   |
| 17 High Pressure Pump Tru                                   |                         | <u> </u>  | 113,434                | ·   | 134,791   |
| 18 Completion Unit, Swab,                                   | CIU                     | - 0/ 011  | 134,791                | -   |   |
| 20 Mud Circulation System                                   |                         | 96,811  |                        |   | 96,811  |
| 21 Mud Logging  |                         | 16,130  | 7 (92                  | <u> </u>  | 16,130  |
| 22 Logging / Formation Eval                                 | uation                  | 6,690   | 7,673                  |   | 14,363  |
| 23 Mud & Chemicals  |                         | 332,951   | 403,207                | 10,000  | 746,158   |
| 24 Water  |                         | 39,990  | 608,810                | 250,000   | 898,800   |
| 25 Stimulation  |                         | •   | 749,053                |   | 749,053   |
| 26 Stimulation Flowback &                                   |                         |   | 111,899                | 150,000   | 261,899   |
| 28 Mud/Wastewater Dispo                                     |                         | 177,689   | 56,269                 |   | 233,959   |
| 30 Rig Supervision / Engine                                 |                         | 111,522   | 122,769                | 21,667  | 255,958   |
| 32 Drig & Completion Over                                   | head                    | 9,591   | -                      | -   | 9,591   |
| 35 Labor  |                         | 141,116   | 63,942                 | 101,667   | 306,725   |
| 54 Proppant   |                         | -   | 1,155,029              | -   | 1,155,029   |
| 95 Insurance  |                         | 13,489  | •                      | •   | 13,489  |
| 97 Contingency  |                         | •   | 22,472                 | 3,833   | 26,305  |
| 99 Plugging & Abandonme                                     | nt                      |   |                        |   |   |
|   | TOTAL INTANGIBLES:      | > 3,235,720                                       | 4,938,578              | 722,167   | 8,896,465   |
|   |                         |   |                        |   |   |
|   |                         | DRILLING  | COMPLETION             | PRODUCTION  | TOTAL   |
| TANGIBLE (  | COSTS                   | COSTS   | COSTS                  | COSTS   | COSTS   |
| 60 Surface Casing   |                         | \$ 112,477  | <del>-</del>           | -   | \$ 112,477  |
| 61 Intermediate Casing                                      |                         | 316,801   |                        | <del></del>   | 316,801   |
| 62 Drilling Liner   |                         | -   | -                      | -   | -   |
| 63 Production Casing  |                         | 632,196   | -                      |   | 632,196   |
| 64 Production Liner   |                         |   |                        | •   |   |
| 65 Tubing   |                         | <del></del>                                       | <del>-</del>           | 140,000   | 140,000   |
| 66 Wellhead   |                         | 59,645  |                        | 40,000  | 99,645  |
| 67 Packers, Liner Hangers                                   |                         | 13,556  |                        | 20,000  | 33,556  |
| 68 Tanks  |                         |   | <del></del>            |   |   |
| 69 Production Vessels                                       |                         | <del></del>                                       |                        | 45,833  | 45,833  |
| 70 Flow Lines   |                         |   |                        | 126,667   | 126,667   |
| 71 Rod string   |                         |   |                        | 66,667  | 66,667  |
| 72 Artificial Lift Equipment                                |                         |   |                        | 90,000  | 90,000  |
| 73 Compressor   |                         | <del></del>                                       | <del></del>            | 5,833   | 5,833   |
| 74 Installation Costs                                       |                         | <u>_</u>  |                        |   |   |
|   |                         | <del></del>                                       | <del></del>            | 61,667  | 61,667  |
| 75 Surface Pumps  |                         |   |                        | 61,007  |   |
| 76 Downhole Pumps   |                         |   |                        | 116.667   | 114.447   |
| 77 Measurement & Meter In                                   |                         | <del></del>                                       |                        | 110,007   | 116,667   |
| 78 Gas Conditioning / Dehy                                  |                         | <del></del>                                       |                        | 20,000  |   |
| 79 Interconnecting Facility I                               | riping                  |   |                        | 20,000  | 20,000  |
| 80 Gathering / Bulk Lines                                   |                         |   |                        | 100.222   | 100 222   |
| 81 Valves, Dumps, Controll                                  |                         | <del></del>                                       |                        | 108,333   | 108,333   |
| 82 Tank / Facility Containm                                 | ent                     | <u> </u>  |                        | 43,333  | 43,333  |
| 83 Flare Stack  |                         | <del></del>                                       |                        | 16,667  | 16,667  |
| 84 Electrical/Grounding                                     |                         | <u> </u>  |                        | 50,000  | 50,000  |
| 85 Communications / SCAD                                    | /A                      | <del></del>                                       |                        | 36,667  | 36,667  |
| 86 Instrumentation / Safety                                 |                         |   |                        | 833   | 833   |
|   | TOTAL TANGIBLES         | > 1,134,676                                       | 0                      | 989,167   | 2,123,843   |
|   | TOTAL COSTS             | > 4,370,396                                       | 4,938,578              | 1,711,334   | 11,020,308  |
|   |                         |   | -                      | -   |   |
|   |                         |   |                        |   |   |
| REPARED BY Permian Res                                      | sources Operating, LLC: |   |                        |   |   |
|   |                         |   |                        |   |   |
| Drilling Enginee  | er: PS                  |   |                        |   |   |
| Completions Enginee   | er: ML                  |   |                        |   |   |
| Production Enginee  | er: DC                  |   |                        |   |   |
|   | <del></del>             |   |                        |   |   |
|   |                         |   |                        |   |   |
| ermian Resources Operatir                                   | ig, LLC APPROVAL:       |   |                        |   |   |
|   |                         |   |                        |   |   |
| Co-CE   | o                       | Co-C  |                        | VP - Opera  |   |
|   | WH                      |   | JW                     |   | CRM   |
| VP - Land & Leg   | BG BG                   | VP - Geoscier                                     | ices                   |   |   |
|   | BG                      |   | SO                     |   |   |
|   |                         |   |                        |   |   |
|   |                         |   |                        |   |   |
|   |                         |   |                        |   |   |
|   |                         |   |                        |   |   |
| ON OPERATING PARTN  | ER APPROVAL:            |   |                        |   |   |
|   |                         |   | 147-1-1                |   | ID.   |
| Company Nam   | e:                      |   | Working Interest (%):  | T   | ax ID:  |
| o   |                         |   | <b>.</b> .             |   |   |
| Signed b  | y:                      |   | Date:                  |   |   |
|   |                         |   |                        | ¬ v   | <b>—</b> V- ()                                      |
| Titl  | e:                      |   | Approval:[             | Yes   | No (mark one)                                       |
|   |                         | I Table to the second of Table to the Ballon come |                        | per after the well has been completed. In execution | arthur ARE star Destriction and account to make the |

Permian Resources Operating, LLC
300 N. Marienfeld St., Ste. 1000 Midland, TX 79701
Phone (432) 695-4222 • Fax (432) 695-4063
IMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

|  |   | OF COSTS AND ACTIO                              | JRIZATION FOR EXPEN                         |  | <del></del>                                      |
|--|---|---|---|--|--|
| DATE:  | 2.17.2023   |   |   | AFE NO.: _                                       | 1  |
| WELL NAME:   | Bane 4-9 Federal Com 1                              | 24H   |   | FIELD:_  | Teas; Bone Spring                                |
| LOCATION:  | Section 4, T20S-R34E                                |   |   | MD/TVD:  | 20,290' / 10,005'                                |
| COUNTY/STATE:  | Lea County, New Mexic                               | 0   |   | LATERAL LENGTH:                                  | 10,000'  |
| Permian WI:  |   |   |   | DRILLING DAYS:                                   | 19.6   |
| GEOLOGIC TARGET:   | SBSG  |   |   | COMPLETION DAYS:                                 | 18.6   |
| 0.0000000000000000000000000000000000000  | Drill a horizontal SRSC                             | well and complete wit                           | h 44 stages. AFE include                    | s drilling, completions, f                       | lowback and Initial AL                           |
| DEMARKS.   | install cost  | Well and complete will                          | ii 11 Suiges. 111 E meruue                  | s unimity completions) .                         |  |
| REMARKS:   | IIStali Cost  |   |   |  |  |
|  |   | DRILLING  | COMPLETION                                  | PRODUCTION                                       | TOTAL  |
| WELL STOLDS  | COCTO   | COSTS   | COSTS                                       | COSTS  | COSTS  |
| INTANGIBLE   |   |   |   | 37,500   | \$ 91,851  |
| 1 Land/Legal/Regulatory  |   | \$ 54,351<br>265,083                            | 16,625                                      | 2,500  | 284,208  |
| 2 Location, Surveys & Damas<br>4 Freight / Transportation  | zes   | 43,826  | 40,284                                      | 25,000   | 109,110  |
| 5 Rental - Surface Equipmen  | •   | 114,402   | 198,221                                     | 105,000  | 417,624  |
| 6 Rental - Downhole Equipmen   |   | 189,026   | 55,031                                      | - 105/000  | 244,057  |
| 7 Rental - Living Quarters   | icii,   | 44,244  | 50,131                                      |  | 94,375   |
| 10 Directional Drilling, Surve   | evs   | 395,255   | -   |  | 395,255  |
| 11 Drilling  | -,,-  | 693,647   | <del></del>                                 |  | 693,647  |
| 12 Drill Bits  |   | 92,179  | -   |  | 92,179   |
| 13 Fuel & Power  |   | 173,853   | 667,183                                     | -  | 841,036  |
| 14 Cementing & Float Equip   |   | 223,875   | -   |  | 223,875  |
| 15 Completion Unit, Swab, C  | TU  | •   | -   | 15,000   | 15,000   |
| 16 Perforating, Wireline, Slic   | kline   | <u> </u>  | 361,754                                     |  | 361,754  |
| 17 High Pressure Pump Truc   | k   |   | 113,434                                     |  | 113,434  |
| 18 Completion Unit, Swab, C  | TU  |   | 134,791                                     | •  | 134,791  |
| 20 Mud Circulation System  |   | 96,811  | ·   |  | 96,811   |
| 21 Mud Logging   |   | 16,130  | 7 472                                       | <u> </u>   | 16,130   |
| 22 Logging / Formation Evalu   | iauon   | 6,690   | 7,673                                       | 10,000   | 14,363<br>746,158                                |
| 23 Mud & Chemicals   |   | 332,951   | 403,207<br>608,810                          | 10,000<br>250,000                                | 898,800  |
| 24 Water   |   | 39,990  | 749,053                                     | 230,000  | 749,053  |
| 25 Stimulation   | Dien  | <del></del>                                     | 111,899                                     | 150,000  | 261,899  |
| 26 Stimulation Flowback & I  |   | 177,689   | 56,269                                      | 130,000  | 233,959  |
| 28 Mud / Wastewater Dispos<br>30 Rig Supervision / Enginee   |   | 111,522   | 122,769                                     | 21,667   | 255,958  |
| 32 Drlg & Completion Overh   |   | 9,591   | 122,709                                     | - 21,007   | 9,591  |
| 35 Labor   |   | 141,116   | 63,942                                      | 101,667  | 306,725  |
| 54 Proppant  |   |   | 1,155,029                                   | - 101,007  | 1,155,029  |
| 95 Insurance   |   | 13,489  | -   | -  | 13,489   |
| 97 Contingency   |   |   | 22,472                                      | 3,833  | 26,305   |
| 99 Plugging & Abandonmen   | t   | -   | <del></del>                                 |  | <del></del>                                      |
|  | TOTAL INTANGIBLES                                   | > 3,235,720                                     | 4,938,578                                   | 722,167  | 8,896,465  |
|  | TOTAL INTANGIBLES                                   | - 5,25,720                                      | <del></del>                                 |  |  |
|  |   | DRILLING  | COMPLETION                                  | PRODUCTION                                       | TOTAL  |
| TANGIBLE C   | OSTS  | COSTS   | COSTS                                       | COSTS  | COSTS  |
| 60 Surface Casing  |   | \$ 112,477                                      | •   |  | \$ 112,477                                       |
| 61 Intermediate Casing   |   | 316,801   | -   |  | 316,801  |
| 62 Drilling Liner  |   |   |   |  |  |
| 63 Production Casing   |   | 632,196   | •   |  | 632,196  |
| 64 Production Liner  |   | •   |   |  |  |
| 65 Tubing  |   |   |   | 140,000  | 140,000  |
| 66 Wellhead  |   | 59,645  | -   | 40,000   | 99,645   |
| 67 Packers, Liner Hangers  |   | 13,556  |   | 20,000   | 33,556   |
| 68 Tanks   |   |   | <del></del>                                 | 45,833   | 45,833   |
| 69 Production Vessels  |   | <del></del>                                     | <del></del>                                 | 126,667  | 126,667  |
| 70 Flow Lines  |   | <del></del>                                     | <u>-</u>                                    | 66,667   | 66,667   |
| 71 Rod string<br>72 Artificial Lift Equipment  |   |   | <del></del>                                 | 90,000   | 90,000   |
| 73 Compressor  |   | <del></del>                                     |   | 5,833  | 5,833  |
| 74 Installation Costs  |   | <del></del>                                     |   |  |  |
| 75 Surface Pumps   |   |   |   | 61,667   | 61,667   |
| 76 Downhole Pumps  |   | <del></del>                                     |   |  | <u> </u>   |
| 77 Measurement & Meter Ins   | stallation  | <del></del>                                     |   | 116,667  | 116,667  |
| 78 Gas Conditioning / Dehye  |   | <del></del>                                     |   |  |  |
| 79 Interconnecting Facility P  |   | <del></del>                                     |   | 20,000   | 20,000   |
| 80 Gathering / Bulk Lines  | . 17  | <del></del>                                     | <del></del>                                 |  | -  |
| 81 Valves, Dumps, Controlle  | ers   |   |   | 108,333  | 108,333  |
| 82 Tank/ Facility Containme  |   | -   | -   | 43,333   | 43,333   |
| 83 Flare Stack   |   | -   |   | 16,667   | 16,667   |
| 84 Electrical/Grounding  |   |   |   | 50,000   | 50,000   |
| 85 Communications / SCAD   | A   |   | •   | 36,667   | 36,667   |
| 86 Instrumentation / Safety  |   |   |   | 833  | 833  |
|  | TOTAL TANGIBLES                                     | > 1,134,676                                     | 0   | 989,167  | 2,123,843  |
|  | TOTAL COSTS   | > 4,370,396                                     | 4,938,578                                   | 1,711,334  | 11,020,308                                       |
|  |   |   | ***************                             |  |  |
|  |   |   |   |  |  |
| REPARED BY Permian Res   | ources Operating, LLC:                              |   |   |  |  |
| ·  |   |   |   |  |  |
| Drilling Engineer  |   |   |   |  |  |
| Completions Engineer   | r: ML   |   |   |  |  |
| Production Engineer  | r: DC   |   |   |  |  |
|  |   |   |   |  | <del></del>                                      |
| ermian Resources Operatin  | g, LLC APPROVAL:                                    |   |   |  |  |
| -  |   |   |   |  |  |
| Co-CEC   | 0   | Co-l  | CEO   | VP - Ope   | erations   |
|  | IATI E  |   | JW  |  | CRM  |
| VP - Land & Lore   | al  | VP - Geoscie                                    | •   |  |  |
| VP - Land & Lega   | "   | 71 - Geostie                                    | SO  |  |  |
|  | ₩.  |   | •   |  |  |
|  |   |   |   |  |  |
|  |   |   |   | <u> </u>   |  |
|  |   |   |   |  |  |
| ON OPERATING PARTNI  | ER APPROVAL:  |   |   |  |  |
|  |   |   | Morking Interest (0)                        |  | Tay ID:  |
| Company Name   | 2:  |   | Working Interest (%):                       |  | Tax ID:  |
| Class d b.   |   |   | Date:                                       |  |  |
| Signed by  | y:  | · ·   | Date:                                       |  |  |
| Title  | e:  |   | Approval:                                   | □ Yes  | ☐ No (mark one)                                  |
|  | •   |   |   |  | <u> </u>   |
| e costs on this AFE are estimates only and may not be co<br>received these of actual costs incurred including less | orstrued as cellings on any specific item or the to | tal cost of the project. Tubing installation sp | proved under the AFE may be delayed up to a | year after the well has been completed. In execu | ting this AFE, the Participant agrees to pay its |

|  | ESTIMATE   | OF COSTS AND AUTHO                             | DRIZATION FOR EXPEND                          | DITURE   |                       |  |  |  |
|--|--|--|---|--|-----------------------|--|--|--|
| DATE: 2.17.2023  |  |  | AFE NO.:                                      | 1  |                       |  |  |  |
| -  | Bane 4-9 Federal Com 12                              | 25H  |   | FIELD:   | Teas; Bone Spring     |  |  |  |
| -  | Section 4, T20S-R34E                                 |  |   | MD/IVD:  | 20,615' / 10,330'     |  |  |  |
| COUNTY/STATE: Lea County, New Mexico   |  | 0  |   | LATERAL LENGTH:                                    | 10,000'               |  |  |  |
| · -  | Dea County, Iven mexic                               | <del></del>                                    |   | DRILLING DAYS:                                     | 19.6                  |  |  |  |
| Permian WI:  | CDCC   |  |   | COMPLETION DAYS:                                   | 18.6                  |  |  |  |
|  | SBSG   | <del></del>                                    | 44 . AFF: 1 1                                 | _  |                       |  |  |  |
| Drill a horizontal SBSG well and complete with 44 stages. AFE includes drilling, completions, flowback and Initial AL install cost |  |  |   |  |                       |  |  |  |
| KEWINGO.   |  |  |   |  |                       |  |  |  |
|  |  | DRILLING                                       | COMPLETION                                    | PRODUCTION   | TOTAL                 |  |  |  |
| INTANGIBLE C   | OSTS   | COSTS  | COSTS   | COSTS  | COSTS                 |  |  |  |
| 1 Land/Legal/Regulatory  | 5  | 54,351   |   | 37,500   | \$ 91,851             |  |  |  |
| 2 Location, Surveys & Damage   | <b>S</b>   | 265,083  | 16,625  | 2,500  | 284,208               |  |  |  |
| 4 Freight / Transportation   |  | 43,826   | 40,284  | 25,000   | 109,110               |  |  |  |
| 5 Rental - Surface Equipment   |  | 114,402  | 198,221<br>55,031                             | 105,000  | 417,624<br>244,057    |  |  |  |
| 6 Rental - Downhole Equipment  |  | 189,026  | 50,131  | <del></del>  | 94,375                |  |  |  |
| 7 Rental - Living Quarters<br>10 Directional Drilling, Surveys   |  | 395,255  |   | -  | 395,255               |  |  |  |
| 11 Drilling  |  | 693,647  |   | -  | 693,647               |  |  |  |
| 12 Drill Bits  |  | 92,179   |   | <u> </u>   | 92,179                |  |  |  |
| 13 Fuel & Power  |  | 173,853  | 667,183                                       | <u> </u>   | 841,036               |  |  |  |
| 14 Cementing & Float Equip   |  | 223,875  |   | 15,000   | 223,875<br>15,000     |  |  |  |
| 15 Completion Unit, Swab, CT   |  | <del></del>                                    | 361,754                                       | - 15,000   | 361,754               |  |  |  |
| 16 Perforating, Wireline, Slick<br>17 High Pressure Pump Truck   |  | <del></del>                                    | 113,434                                       | <del></del>  | 113,434               |  |  |  |
| 18 Completion Unit, Swab, CT   |  | <del></del>                                    | 134,791                                       |  | 134,791               |  |  |  |
| 20 Mud Circulation System  |  | 96,811   | -   |  | 96,811                |  |  |  |
| 21 Mud Logging   |  | 16,130   | -   |  | 16,130                |  |  |  |
| 22 Logging/Formation Evalua  | tion   | 6,690  | 7,673   | 10,000   | 14,363                |  |  |  |
| 23 Mud & Chemicals   |  | 332,951<br>39,990                              | 403,207<br>608,810                            | 10,000<br>250,000                                  | 746,158<br>898,800    |  |  |  |
| 24 Water<br>25 Stimulation   |  | 39,990   | 749,053                                       | 230,000  | 749,053               |  |  |  |
| 26 Stimulation Flowback & Di   | sp   | <del></del>                                    | 111,899                                       | 150,000  | 261,899               |  |  |  |
| 28 Mud/Wastewater Disposal   |  | 177,689  | 56,269  | -  | 233,959               |  |  |  |
| 30 Rig Supervision / Engineeri   | ing  | 111,522  | 122,769                                       | 21,667   | 255,958               |  |  |  |
| 32 Drig & Completion Overhe  |  | 9,591  |   |  | 9,591                 |  |  |  |
| 35 Labor   |  | 141,116  | 63,942  | 101,667  | 306,725               |  |  |  |
| 54 Proppant  |  | 13.400   | 1,155,029                                     | <u> </u>   | 1,155,029             |  |  |  |
| 95 Insurance<br>97 Contingency   |  | 13,489   | 22,472  | 3,833  | 13,489<br>26,305      |  |  |  |
| 99 Plugging & Abandonment  |  |  | - 22,772                                      |  |                       |  |  |  |
| >> 1.1100my = 1.1200mm.  | TOTAL INTANGIBLES                                    | 3,235,720                                      | 4,938,578                                     | 722,167  | 8,896,465             |  |  |  |
| <del></del>  |  |  |   |  |                       |  |  |  |
|  |  | DRILLING                                       | COMPLETION<br>COSTS                           | PRODUCTION   | TOTAL                 |  |  |  |
| TANGIBLE CO  |  | COSTS  |   | COSTS  | COSTS                 |  |  |  |
| 60 Surface Casing  | :  | 316,801  |   | <del></del>  | \$ 112,477<br>316,801 |  |  |  |
| 61 Intermediate Casing<br>62 Drilling Liner  |  | 310,601  | <del></del>                                   | <del></del>  | 310,001               |  |  |  |
| 63 Production Casing   |  | 632,196  | <del></del>                                   | <del></del>  | 632,196               |  |  |  |
| 64 Production Liner  |  |  |   | -  | -                     |  |  |  |
| 65 Tubing  |  | -  | -   | 140,000  | 140,000               |  |  |  |
| 66 Wellhead  |  | 59,645   | -   | 40,000   | 99,645                |  |  |  |
| 67 Packers, Liner Hangers  |  | 13,556   |   | 20,000   | 33,556                |  |  |  |
| 68 Tanks   |  | <del></del>                                    | <del></del>                                   | 45,833   | 45,833                |  |  |  |
| 69 Production Vessels 70 Flow Lines  |  | <del></del>                                    | <del></del>                                   | 126,667  | 126,667               |  |  |  |
| 71 Rod string  |  |  | <del></del>                                   | 66,667   | 66,667                |  |  |  |
| 72 Artificial Lift Equipment   |  |  |   | 90,000   | 90,000                |  |  |  |
| 73 Compressor  |  | <del></del>                                    | •   | 5,833  | 5,833                 |  |  |  |
| 74 Installation Costs  |  | -  |   |  | <u> </u>              |  |  |  |
| 75 Surface Pumps   |  | <u> </u>                                       |   | 61,667   | 61,667                |  |  |  |
| 76 Downhole Pumps 77 Measurement & Meter Inst  | allation   |  |   | 116,667  | 116,667               |  |  |  |
| 78 Gas Conditioning / Dehydr   |  | <del></del>                                    | <del></del>                                   | 110,007  | 110,007               |  |  |  |
| 79 Interconnecting Facility Pip  |  | <del></del>                                    |   | 20,000   | 20,000                |  |  |  |
| 80 Gathering/Bulk Lines  | .,   |  | -   | -  | <del></del>           |  |  |  |
| 81 Valves, Dumps, Controllers  |  |  |   | 108,333  | 108,333               |  |  |  |
| 82 Tank / Facility Containmen  | t  |  | -   | 43,333   | 43,333                |  |  |  |
| 83 Flare Stack   |  |  | <del></del>                                   | 16,667   | 16,667                |  |  |  |
| 84 Electrical/Grounding<br>85 Communications/SCADA   |  | <del></del>                                    | <del></del>                                   | 50,000<br>36,667                                   | 50,000<br>36,667      |  |  |  |
| 86 Instrumentation / Safety  |  |  | <del></del>                                   | 833  | 833                   |  |  |  |
| ,,   | TOTAL TANGIBLES                                      | 1,134,676                                      | 0   | 989,167  | 2,123,843             |  |  |  |
|  | TOTAL COSTS :  |  | 4,938,578                                     | 1,711,334  | 11,020,308            |  |  |  |
|  |  |  | <del></del>                                   |  |                       |  |  |  |
| REPARED BY Permian Reso  | urces Operating, LLC:                                |  |   |  |                       |  |  |  |
| WESOI BEINGH VESOI   | arces Operating, LDC:                                |  |   |  |                       |  |  |  |
| Drilling Engineer:   | PS   |  |   |  |                       |  |  |  |
| Completions Engineer:  | ML   |  |   |  |                       |  |  |  |
| Production Engineer:   | DC   |  |   |  |                       |  |  |  |
|  |  |  |   |  |                       |  |  |  |
| ermian Resources Operating,  | LLC APPROVAL:  |  |   |  |                       |  |  |  |
|  |  |  |   |  |                       |  |  |  |
| Co-CEO   |  | Co-C   | CEO   | VP - Oper  | ations                |  |  |  |
| •  | WH   |  | JW  | -  | CRM                   |  |  |  |
| VP - Land & Legal  |  | VP - Geoscier                                  |   |  |                       |  |  |  |
|  | BG   |  | SO  |  |                       |  |  |  |
|  |  |  |   |  |                       |  |  |  |
|  |  |  |   |  |                       |  |  |  |
|  |  |  |   |  |                       |  |  |  |
| ON OPERATING PARTNE  | R APPROVAL:  |  |   |  |                       |  |  |  |
| Company Mary   |  |  | Working Interest (9).                         |  | ax ID:                |  |  |  |
| Company Name:  |  | <del></del>                                    | Working Interest (%):                         | 1  | na 11/.               |  |  |  |
| Signed by:   |  |  | Date:   |  |                       |  |  |  |
| 0  |  |  |   |  |                       |  |  |  |
| Title:   |  |  | Approval:[                                    | Yes  | No (mark one)         |  |  |  |
| costs on this AFE are estimates only and may not be const  | trund as critings on any specific item or the total  | I cost of the project. Tubing installation are | roved under the AFE may be delayed up to a ve |  |                       |  |  |  |
| retirents there of artical couls incurred including level  | Constitute constitutions beneficiare and well contra | and a street of the same of the same           | the account much the property of the account  | ment covering this well. Participants shall be on- |                       |  |  |  |

|  | ESTIMATE (   | OF COSTS AND AUTHO                             | RIZATION FOR EXPEND                            | ITURE  |  |
|--|--|--|--|--|--|
| DATE:  | 2.17.2023  |  |  | AFE NO.:   | 1  |
| WELL NAME: Bane 4-9 Federal Com 12   |  | 26H  |  | FIELD:   | Teas; Bone Spring                          |
| LOCATION: Section 4, T20S-R34E   |  |  |  | MD/IVD:  | 20,290' / 10,005'                          |
| COUNTY/STATE:  | Lea County, New Mexic                                | 0  |  | LATERAL LENGTH:                                  | 10,000'                                    |
| Permian WI:  |  |  |  | DRILLING DAYS:                                   | 19.6                                       |
| GEOLOGIC TARGET:   | SBSG   |  |  | COMPLETION DAYS:                                 | 18.6                                       |
|  | Drill a horizontal SBSG                              | well and complete with                         | 44 stages. AFE includes                        | drilling, completions, flo                       | wback and Initial AL                       |
| REMARKS:   | install cost   |  |  | 0 1  |  |
|  |  |  |  |  |  |
|  |  | DRILLING                                       | COMPLETION                                     | PRODUCTION                                       | TOTAL                                      |
| INTANGIBLE   | COSTS  | COSTS  | COSTS  | COSTS  | COSTS                                      |
| 1 Land/Legal/Regulatory  | S  | 54,351   | •  | 37,500   | \$ 91,851                                  |
| 2 Location, Surveys & Damas  | ges  | 265,083  | 16,625   | 2,500  | 284,208                                    |
| 4 Freight / Transportation   |  | 43,826   | 40,284<br>198,221                              | 25,000<br>105,000                                | 109,110<br>417,624                         |
| 5 Rental - Surface Equipment   |  | 114,402<br>189,026                             | 55,031   | 105,000  | 244,057                                    |
| 6 Rental - Downhole Equipment 7 Rental - Living Quarters   |  | 44,244   | 50,131   |  | 94,375                                     |
| 10 Directional Drilling, Surve   | eys  | 395,255  | •  | -  | 395,255                                    |
| 11 Drilling  |  | 693,647  | -  | ·  | 693,647                                    |
| 12 Drill Bits  |  | 92,179   | · ·  | -  | 92,179                                     |
| 13 Fuel & Power  |  | 173,853<br>223,875                             | 667,183  |  | 841,036<br>223,875                         |
| 14 Cementing & Float Equip<br>15 Completion Unit, Swab, C  |  |  | <del></del>                                    | 15,000   | 15,000                                     |
| 16 Perforating, Wireline, Slice  |  | <del></del>                                    | 361,754  |  | 361,754                                    |
| 17 High Pressure Pump Truc   |  |  | 113,434  | <del></del>                                      | 113,434                                    |
| 18 Completion Unit, Swab, C  | TU   |  | 134,791  |  | 134,791                                    |
| 20 Mud Circulation System  |  | 96,811   | -  | -  | 96,811                                     |
| 21 Mud Logging   |  | 16,130   | 7,673  | <del></del>                                      | 16,130                                     |
| 22 Logging / Formation Evaluation | uauvn  | 6,690<br>332,951                               | 403,207  | 10,000   | 746,158                                    |
| 24 Water   |  | 39,990   | 608,810  | 250,000  | 898,800                                    |
| 25 Stimulation   |  |  | 749,053  | -  | 749,053                                    |
| 26 Stimulation Flowback & I  |  |  | 111,899  | 150,000  | 261,899                                    |
| 28 Mud/Wastewater Dispos   |  | 177,689  | 56,269   | •  | 233,959                                    |
| 30 Rig Supervision / Enginee   |  | 111,522  | 122,769  | 21,667   | 255,958<br>9,591                           |
| 32 Drlg & Completion Overl<br>35 Labor   | read   | 9,591  | 63,942   | 101,667  | 306,725                                    |
| 54 Proppant  |  | 141,110  | 1,155,029                                      | - 101,007  | 1,155,029                                  |
| 95 Insurance   |  | 13,489   | -  |  | 13,489                                     |
| 97 Contingency   |  | <del></del>                                    | 22,472   | 3,833  | 26,305                                     |
| 99 Plugging & Abandonmen   | ıt   |  |  |  | <u> </u>                                   |
|  | TOTAL INTANGIBLES >                                  | 3,235,720                                      | 4,938,578                                      | 722,167  | 8,896,465                                  |
| •  | · <del>-</del> -                                     | DRILLING                                       | COMPLETION                                     | PRODUCTION                                       | TOTAL                                      |
| TANGIBLE C   | COSTS  | COSTS  | COSTS  | COSTS  | COSTS                                      |
| 60 Surface Casing  | •  | 112,477  | •  | •  | \$ 112,477                                 |
| 61 Intermediate Casing   |  | 316,801  |  |  | 316,801                                    |
| 62 Drilling Liner  |  |  | •  | <u> </u>   | - (20.104                                  |
| 63 Production Casing<br>64 Production Liner  |  | 632,196  |  | <del></del>                                      | 632,196                                    |
| 65 Tubing  |  | <del></del>                                    | <del>.</del>                                   | 140,000  | 140,000                                    |
| 66 Wellhead  |  | 59,645   |  | 40,000   | 99,645                                     |
| 67 Packers, Liner Hangers  |  | 13,556   | -  | 20,000   | 33,556                                     |
| 68 Tanks   |  |  | <u> </u>                                       |  | -  |
| 69 Production Vessels  |  |  | -  | 45,833   | 45,833                                     |
| 70 Flow Lines  |  | <del></del>                                    | -  | 126,667  | 126,667                                    |
| 71 Rod string<br>72 Artificial Lift Equipment  |  | <del></del>                                    | <del></del>                                    | 90,000   | 90,000                                     |
| 73 Compressor  |  | <del></del>                                    | -  | 5,833  | 5,833                                      |
| 74 Installation Costs  |  |  | •  |  | •  |
| 75 Surface Pumps   |  |  | -  | 61,667   | 61,667                                     |
| 76 Downhole Pumps  | . 11   | <u> </u>                                       |  | 116,667  | 116,667                                    |
| 77 Measurement & Meter Ins<br>78 Gas Conditioning / Dehye  |  |  | <del></del>                                    | 110,007  | 110,007                                    |
| 79 Interconnecting Facility P  |  |  | <del></del>                                    | 20,000   | 20,000                                     |
| 80 Gathering / Bulk Lines  | . "  |  | •  | <del></del>                                      | •  |
| 81 Valves, Dumps, Controlle  | ers  |  | <u> </u>                                       | 108,333  | 108,333                                    |
| 82 Tank / Facility Containme   | ent  |  |  | 43,333   | 43,333                                     |
| 83 Flare Stack<br>84 Electrical/Grounding  |  | -  | <del></del>                                    | 16,667<br>50,000                                 | 16,667<br>50,000                           |
| 85 Communications / SCAD   | A  | <del></del>                                    | <del></del>                                    | 36,667   | 36,667                                     |
| 86 Instrumentation / Safety  |  |  |  | 833  | 833  |
|  | TOTAL TANGIBLES >                                    | 1,134,676                                      | 0  | 989,167  | 2,123,843                                  |
|  | TOTAL COSTS >  | 4,370,396                                      | 4,938,578                                      | 1,711,334  | 11,020,308                                 |
|  |  |  |  |  |  |
| DEDARED BY D   |  |  |  |  |  |
| REPARED BY Permian Res   | ources Operating, LLC:                               |  | <del></del>                                    |  |  |
| Drilling Engineer  | r: PS  |  |  |  |  |
| Completions Engineer   | r: ML  |  |  |  |  |
| Production Engineer  | r: DC  |  |  |  |  |
|  |  |  |  |  |  |
| ermian Resources Operatin  | g. LLC APPROVAL:                                     |  |  |  |  |
|  | <b>3</b>   |  |  |  |  |
| Co-CEC   | 0  | Co-C   | EO   | VP - Opera                                       | itions                                     |
|  | WH   |  | jw   |  | CRM  |
| VP - Land & Lega   | al   | VP - Geoscien                                  |  |  |  |
|  | BG   |  | SO   |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| ON OPERATING PARTNE  | ER APPROVAL:   |  |  |  |  |
| Company Name: Working Interest (%): Tax ID:  |  |  |  |  | ıx ID:                                     |
|  |  | Tax 10.  |  |  |  |
| Signed by  | y:   |  | Date:  |  |  |
|  |  |  |  | 7 V  | <b>D</b> N- ()                             |
| Title  | e  |  | Approval:                                      | Yes  | No (mark one)                              |
| custs on this AFE are estimates only and may not be co   | malrood as collings on any smailly flow or the lotal | and of the nectors. Tubing installation energy | read under the Abi may be deleved up to a year | r after the well has been completed. In maruting | this AFF the Buttle locate eases to may be |

|   |                         | OF COSTS AND AUTHO                      | MIZATION FOR EXPEN     |                             |   |
|---|-------------------------|---|------------------------|-----------------------------|---|
| DATE:   | 2.17.2023               |   |                        | AFE NO.:                    | 1                                       |
| WELL NAME:  | Bane 4-9 Federal Com 12 | 27H                                     |                        | FIELD:                      | Teas; Bone Spring                       |
| LOCATION:   | Section 4, T20S-R34E    |   |                        | MD/TVD:                     | 20,615' / 10,330'                       |
| COUNTY/STATE:   | Lea County, New Mexic   | 20                                      |                        | LATERAL LENGTH:             | 10,000'                                 |
| Permian WI:   |                         |   |                        | DRILLING DAYS:              | 19.6                                    |
| GEOLOGIC TARGET:                                      | SBSG                    |   |                        | COMPLETION DAYS:            | 18.6                                    |
|   | Drill a horizontal SRSC | well and complete with                  | 44 stages. AFE include | s drilling, completions, fl | owback and Initial AL                   |
| REMARKS:  | install cost            | Wen und complete was                    |                        |                             | • · · • · · · · · · · · · · · · · · · · |
| KEWARKS:  | TISMIT COST             |   |                        |                             |   |
|   |                         | DRILLING                                | COMPLETION             | PRODUCTION                  | TOTAL                                   |
| INTANGIBLE  | COSTS                   | COSTS                                   | COSTS                  | COSTS                       | COSTS                                   |
| 1 Land / Legal / Regulatory                           | \$                      |   |                        | 37,500                      | \$ 91,851                               |
| 2 Location, Surveys & Dama                            |                         | 265,083                                 | 16,625                 | 2,500                       | 284,208                                 |
| 4 Freight / Transportation                            | 7                       | 43,826                                  | 40,284                 | 25,000                      | 109,110                                 |
| 5 Rental - Surface Equipmen                           | nt                      | 114,402                                 | 198,221                | 105,000                     | 417,624                                 |
| 6 Rental - Downhole Equips                            | ment                    | 189,026                                 | 55,031                 | <u> </u>                    | 244,057                                 |
| 7 Rental - Living Quarters                            |                         | 44,244                                  | 50,131                 |                             | 94,375                                  |
| 10 Directional Drilling, Surv                         | reys .                  | 395,255                                 |                        | <u> </u>                    | 395,255                                 |
| 11 Drilling   |                         | 693,647                                 | <del></del>            | <del></del>                 | 693,647                                 |
| 12 Drill Bits<br>13 Fuel & Power                      |                         | 173,853                                 | 667,183                | <del></del>                 | 841,036                                 |
| 14 Cementing & Float Equip                            | •                       | 223,875                                 |                        |                             | 223,875                                 |
| 15 Completion Unit, Swab,                             |                         | · ·                                     |                        | 15,000                      | 15,000                                  |
| 16 Perforating, Wireline, Sli                         |                         |   | 361,754                |                             | 361,754                                 |
| 17 High Pressure Pump Tru                             |                         |   | 113,434                | <del></del>                 | 113,434                                 |
| 18 Completion Unit, Swab,                             |                         |   | 134,791                | -                           | 134,791                                 |
| 20 Mud Circulation System                             |                         | 96,811                                  | -                      | •                           | 96,811                                  |
| 21 Mud Logging  |                         | 16,130                                  |                        |                             | 16,130                                  |
| 22 Logging/Formation Eval                             | luation                 | 6,690                                   | 7,673                  | -                           | 14,363                                  |
| 23 Mud & Chemicals                                    |                         | 332,951                                 | 403,207                | 10,000                      | 746,158                                 |
| 24 Water  |                         | 39,990                                  | 608,810<br>749,053     | 250,000                     | 898,800<br>749,053                      |
| 25 Stimulation  | Dt.                     |   |                        |                             |   |
| 26 Stimulation Flowback &<br>28 Mud/Wastewater Dispo- |                         | 177,689                                 | 111,899<br>56,269      | 150,000                     | 261,899<br>233,959                      |
| 30 Rig Supervision / Engine                           |                         | 111,522                                 | 122,769                | 21,667                      | 255,958                                 |
| 32 Drlg & Completion Over                             |                         | 9,591                                   | 122,709                | 21,007                      | 9,591                                   |
| 35 Labor  |                         | 141,116                                 | 63,942                 | 101,667                     | 306,725                                 |
| 54 Proppant   |                         |   | 1,155,029              |                             | 1,155,029                               |
| 95 Insurance  |                         | 13,489                                  | -                      |                             | 13,489                                  |
| 97 Contingency  |                         | -                                       | 22,472                 | 3,833                       | 26,305                                  |
| 99 Plugging & Abandonme                               | nt                      |   | ·                      |                             |   |
|   | TOTAL INTANGIBLES >     | 3,235,720                               | 4,938,578              | 722,167                     | 8,896,465                               |
|   |                         | DRILLING                                | COMPLETION             | PRODUCTION                  | TOTAL                                   |
| TANGIBLE  | COSTS                   | COSTS                                   | COSTS                  | COSTS                       | COSTS                                   |
| 60 Surface Casing                                     | CO313                   |   |                        |                             | \$ 112,477                              |
| 61 Intermediate Casing                                | •                       | 316,801                                 |                        |                             | 316,801                                 |
| 62 Drilling Liner                                     |                         | • |                        | <del></del>                 | •                                       |
| 63 Production Casing                                  |                         | 632,196                                 | -                      | <del></del>                 | 632,196                                 |
| 64 Production Liner                                   |                         |   | -                      | •                           |   |
| 65 Tubing   |                         | -                                       | -                      | 140,000                     | 140,000                                 |
| 66 Wellhead   |                         | 59,645                                  |                        | 40,000                      | 99,645                                  |
| 67 Packers, Liner Hangers                             |                         | 13,556                                  | -                      | 20,000                      | 33,556                                  |
| 68 Tanks  |                         | <u> </u>                                |                        |                             |   |
| 69 Production Vessels                                 |                         |   |                        | 45,833                      | 45,833                                  |
| 70 Flow Lines   |                         |   | <del></del>            | 126,667                     | 126,667                                 |
| 71 Rod string 72 Artificial Lift Equipment            | •                       | <del></del>                             | <del></del>            | 90,000                      | 90,000                                  |
| 73 Compressor   | •                       | <del></del>                             | <del></del>            | 5,833                       | 5,833                                   |
| 74 Installation Costs                                 |                         | <del></del>                             |                        | 3,033                       | - 5,033                                 |
| 75 Surface Pumps                                      |                         |   |                        | 61,667                      | 61,667                                  |
| 76 Downhole Pumps                                     |                         | -                                       | -                      | <del></del>                 |   |
| 77 Measurement & Meter In                             | nstallation .           |   | •                      | 116,667                     | 116,667                                 |
| 78 Gas Conditioning / Dehy                            | dration                 |   |                        | -                           | -                                       |
| 79 Interconnecting Facility I                         | Piping                  |   |                        | 20,000                      | 20,000                                  |
| 80 Gathering / Bulk Lines                             |                         | -                                       |                        | -                           |   |
| 81 Valves, Dumps, Controll                            |                         | · -                                     | -                      | 108,333                     | 108,333                                 |
| 82 Tank / Facility Containm<br>83 Flare Stack         | ent                     |   | <del></del>            | 43,333                      | 43,333                                  |
| 84 Electrical/Grounding                               |                         | <del></del>                             |                        | 50,000                      | 50,000                                  |
| 85 Communications / SCAD                              | DA .                    | <del></del>                             | <del></del>            | 36,667                      | 36,667                                  |
| 86 Instrumentation / Safety                           |                         | <del></del>                             | <del></del>            | 833                         | 833                                     |
| , onti  | TOTAL TANGIBLES >       | 1,134,676                               |                        | 989,167                     | 2,123,843                               |
|   | TOTAL COSTS >           |   | 4,938,578              | 1,711,334                   | 11,020,308                              |
|   | TOTAL COSTS             | 1,00,00                                 | 4,750,770              | 1/11/001                    | 11,020,000                              |
|   |                         |   |                        |                             |   |
| EPARED BY Permian Res                                 | sources Operating, LLC: |   |                        |                             |   |
|   |                         |   |                        |                             |   |
| Drilling Enginee                                      |                         |   |                        |                             |   |
| Completions Engineer                                  |                         |   |                        |                             |   |
| Production Enginee                                    | er: DC                  |   |                        |                             |   |
|   |                         |   |                        | -                           |   |
| rmian Resources Operatin                              | ig, LLC APPROVAL:       |   |                        |                             |   |
|   |                         |   |                        |                             |   |
| Co-CE   |                         | Co-C                                    |                        | VP - Oper                   |   |
|   | WH                      |   | - JW                   |                             | CRM                                     |
| VP - Land & Leg                                       | al                      | VP - Geoscien                           | nces                   |                             |   |
|   | BG                      |   | <b>SO</b>              |                             |   |
|   |                         |   |                        |                             |   |
|   |                         |   |                        |                             |   |
|   |                         |   |                        |                             |   |
| ON OPERATING PARTN                                    | ER APPROVAL:            |   | <u> </u>               |                             |   |
| C   |                         |   | Markin - Tutur - 1 (%) | _                           | ID.                                     |
| Company Nam   | ie:                     |   | Working Interest (%):  | T                           | ax ID:                                  |
| g: 11   | y:                      |   | Date:                  |                             |   |
| highed h  |                         |   | Dute.                  |                             |   |
| Signed b  | · ———                   |   | -                      |                             |   |
| Signed b  |                         |   | Approval: [            | Yes                         | ☐ No (mark one)                         |

| WELL NAME: LOCATION: COUNTY/STATE: Permian WI: GEOLOGIC TARGET:  S   | .17.2023<br>Bane 4-9 Federal Com 12<br>Section 4, T20S-R34E  |                        |                          | ATT NO.  |   |
|--|--|------------------------|--------------------------|--|---|
| WELL NAME:  LOCATION:  COUNTY/STATE:  Permian WI:  GEOLOGIC TARGET:  S   | Section 4, T20S-R34E   |                        |                          | AFE NO.:   | 1   |
| LOCATION: S COUNTY/STATE: I Permian WI: GEOLOGIC TARGET: S   | Section 4, T20S-R34E   | 8H                     |                          | FIELD:   | Teas; Bone Spring   |
| COUNTY/STATE: I Permian WI: GEOLOGIC TARGET: S   |  |                        |                          | MD/IVD:  | 20,290' / 10,005'   |
| Permian WI: GEOLOGIC TARGET: 5   | C + M. M. M. M.  |                        |                          | ·  | 10,000'   |
| GEOLOGIC TARGET: 5   | ea County, New Mexico  | <u> </u>               |                          | LATERAL LENGTH:  |   |
| ī  |  |                        |                          | DRILLING DAYS:   | 19.6  |
|  | BSG  |                        |                          | COMPLETION DAYS:   | 18.6  |
|  | Orill a horizontal SBSG 1  | well and complete with | 44 stages, AFE includes  | s drilling, completions, fl  | owback and Initial AL   |
| REMARKS.   | nstall cost  | ica ana compione       |                          | ,,,,,,,  |   |
|  | ISTAIL COST  |                        |                          |  |   |
|  |  |                        | 601 (DI PRIO)            | nnonumios.   | TOTAL   |
|  |  | DRILLING               | COMPLETION               | PRODUCTION   | TOTAL<br>COSTS  |
| INTANGIBLE CO  |  | COSTS                  | COSTS                    | COSTS  |   |
| 1 Land/Legal/Regulatory  | \$   |                        |                          | 37,500   | \$ 91,851   |
| 2 Location, Surveys & Damages  | ì  | 265,083                | 16,625                   | 2,500  | 284,208   |
| 4 Freight / Transportation   |  | 43,826                 | 40,284                   | 25,000   | 109,110   |
| 5 Rental - Surface Equipment   |  | 114,402                | 198,221                  | 105,000  | 417,624   |
| 6 Rental - Downhole Equipmen   | ıt   | 189,026                | 55,031                   |  | 244,057   |
| 7 Rental - Living Quarters   |  | 44,244                 | 50,131                   | <u>-</u>   | 94,375  |
| 10 Directional Drilling, Surveys   | 5  | 395,255                | •                        |  | 395,255   |
| 11 Drilling  |  | 693,647                | •                        | <u> </u>   | 693,647   |
| 12 Drill Bits  |  | 92,179                 | -                        | -  | 92,179  |
| 13 Fuel & Power  |  | 173,853                | 667,183                  |  | 841,036   |
| 14 Cementing & Float Equip   |  | 223,875                | -                        | -  | 223,875   |
| 15 Completion Unit, Swab, CT   | ע  |                        | -                        | 15,000   | 15,000  |
| 16 Perforating, Wireline, Slickli  | ine  |                        | 361,754                  |  | 361,754   |
| 17 High Pressure Pump Truck  |  | <del></del>            | 113,434                  |  | 113,434   |
| 18 Completion Unit, Swab, CT   | U  | -                      | 134,791                  | -  | 134,791   |
| 20 Mud Circulation System  |  | 96,811                 | -                        | -  | 96,811  |
| 21 Mud Logging   |  | 16,130                 | -                        | -  | 16,130  |
| 22 Logging/Formation Evaluat   | ion  | 6,690                  | 7,673                    | -  | 14,363  |
| 23 Mud & Chemicals   |  | 332,951                | 403,207                  | 10,000   | 746,158   |
| 24 Water   |  | 39,990                 | 608,810                  | 250,000  | 898,800   |
| 25 Stimulation   |  | •                      | 749,053                  | -  | 749,053   |
| 26 Stimulation Flowback & Dis  | ip.  |                        | 111,899                  | 150,000  | 261,899   |
| 28 Mud/Wastewater Disposal   | •  | 177,689                | 56,269                   |  | 233,959   |
| 30 Rlg Supervision / Engineering   | ng.  | 111,522                | 122,769                  | 21,667   | 255,958   |
| 32 Drig & Completion Overhea   |  | 9,591                  |                          |  | 9,591   |
| 35 Labor   | -  | 141,116                | 63,942                   | 101,667  | 306,725   |
| 54 Proppant  |  | .71,110                | 1,155,029                | 101,007  | 1,155,029   |
| 95 Insurance   |  | 13,489                 | 1,133,029                |  | 13,489  |
|  |  |                        | 22,472                   | 3,833  | 26,305  |
| 97 Contingency   |  |                        | 22,472                   | 3,833  | 20,303  |
| 99 Plugging & Abandonment  |  |                        | <del> </del>             |  |   |
|  | TOTAL INTANGIBLES >  | 3,235,720              | 4,938,578                | 722,167  | 8,896,465   |
| ·  |  | DRILLING               | COMPLETION               | PRODUCTION   | TOTAL   |
| TALICITE OF  | стс  | COSTS                  | COSTS                    | COSTS  | COSTS   |
| TANGIBLE CO  | 515  |                        |                          |  |   |
| 60 Surface Casing  | \$   | 112,477                | <del></del>              |  | \$ 112,477  |
| 61 Intermediate Casing   |  | 316,801                | <u> </u>                 |  | 316,801   |
| 62 Drilling Liner  |  | •                      | -                        | -  |   |
| 63 Production Casing   |  | 632,196                |                          |  | 632,196   |
| 64 Production Liner  |  | •                      | •                        | <u> </u>   |   |
| 65 Tubing  |  | -                      | •                        | 140,000  | 140,000   |
| 66 Wellhead  |  | 59,645                 |                          | 40,000   | 99,645  |
| 67 Packers, Liner Hangers  |  | 13,556                 | •                        | 20,000   | 33,556  |
| 68 Tanks   |  | <del></del>            | •                        | -  | -   |
| 69 Production Vessels  |  | <del></del>            | <del></del>              | 45,833   | 45,833  |
| 70 Flow Lines  |  | -                      | •                        | 126,667  | 126,667   |
| 71 Rod string  |  | -                      | <del></del>              | 66,667   | 66,667  |
| 72 Artificial Lift Equipment   |  |                        | •                        | 90,000   | 90,000  |
| 73 Compressor  |  |                        | -                        | 5,833  | 5,833   |
| 74 Installation Costs  |  | <del></del>            | -                        |  |   |
| 75 Surface Pumps   |  |                        | <del></del>              | 61,667   | 61,667  |
|  |  |                        | -                        |  |   |
| 76 Downhole Pumps  | llation  | <del></del>            | -                        | 116,667  | 116,667   |
| •  |  | <del></del>            | <del></del>              |  |   |
| 76 Downhole Pumps<br>77 Measurement & Meter Insta  |  | <u>.</u>               |                          | 20,000   | 20,000  |
| 76 Downhole Pumps 77 Measurement & Meter Insta 78 Gas Conditioning / Dehydra   | ing  |                        | <del></del>              | 20,000   |   |
| 76 Downhole Pumps 77 Measurement & Meter Insta 78 Gas Conditioning / Dehydra 79 Interconnecting Facility Pip   | ing  |                        |                          | - 20,000   |   |
| 76 Downhole Pumps 77 Measurement & Meter Insta 78 Gas Conditioning / Dehydra 79 Interconnecting Facility Pips 80 Gathering / Bulk Lines  | ing  | <del></del>            |                          |  | <u> </u>  |
| 76 Downhole Pumps<br>77 Measurement & Meter Insta<br>78 Gas Conditioning / Dehydra<br>79 Interconnecting Facility Pip<br>80 Gathering / Bulk Lines<br>81 Valves, Dumps, Controllers  |  |                        |                          | 108,333  | 108,333   |
| 76 Downhole Pumps 77 Measurement & Meter Insta 78 Gas Conditioning / Dehydra 79 Interconnecting Facility Pip. 80 Gathering / Bulk Lines 81 Valves, Dumps, Controllers 82 Tank / Facility Containment   |  | <u> </u>               | -                        | 108,333<br>43,333  | 108,333<br>43,333   |
| 76 Downhole Pumps 77 Measurement & Meter Insta 78 Gas Conditioning / Dehydra 79 Interconnecting Facility Pip- 80 Gathering / Bulk Lines 81 Valves, Dumps, Controllers 82 Tank / Facility Containment 83 Flare Stack  |  |                        |                          | 108,333<br>43,333<br>16,667  | 108,333<br>43,333<br>16,667   |
| 76 Downhole Pumps 77 Measurement & Meter Insta 78 Gas Conditioning / Dehydra 79 Interconnecting Facility Pip: 80 Gathering / Bulk Lines 81 Valves, Dumps, Controllers 82 Tank / Facility Containment 83 Flare Stack 84 Electrical / Grounding  |  |                        |                          | 108,333<br>43,333<br>16,667<br>50,000  | 108,333<br>43,333<br>16,667<br>50,000   |
| 76 Downhole Pumps 77 Measurement & Meter Insta 78 Gas Conditioning / Dehydra 79 Interconnecting Facility Pips 80 Gathering / Bulk Lines 81 Valves, Dumps, Controllers 82 Tank / Facility Containment 83 Flare Stack 84 Electrical / Grounding 85 Communications / SCADA  |  |                        |                          | 108,333<br>43,333<br>16,667<br>50,000<br>36,667                                | 108,333<br>43,333<br>16,667<br>50,000<br>36,667                                   |
| 76 Downhole Pumps 77 Measurement & Meter Insta 78 Gas Conditioning / Dehydra 79 Interconnecting Facility Pip: 80 Gathering / Bulk Lines 81 Valves, Dumps, Controllers 82 Tank / Facility Containment 83 Flare Stack 84 Electrical / Grounding  |  |                        | -                        | 108,333<br>43,333<br>16,667<br>50,000<br>36,667<br>833                         | 108,333<br>43,333<br>16,667<br>50,000<br>36,667<br>833                            |
| 76 Downhole Pumps 77 Measurement & Meter Insta 78 Gas Conditioning / Dehydra 79 Interconnecting Facility Pip. 80 Gathering / Bulk Lines 81 Valves, Dumps, Controllers 82 Tank / Facility Containment 83 Flare Stack 84 Electrical / Grounding 85 Communications / SCADA  | TOTAL TANGIBLES >  | 1,134,676              | - 0                      | 108,333<br>43,333<br>16,667<br>50,000<br>36,667<br>833<br>989,167              | 108,333<br>43,333<br>16,667<br>50,000<br>36,667<br>833<br>2,123,843               |
| 76 Downhole Pumps 77 Measurement & Meter Insta 78 Gas Conditioning / Dehydra 79 Interconnecting Facility Pip. 80 Gathering / Bulk Lines 81 Valves, Dumps, Controllers 82 Tank / Facility Containment 83 Flare Stack 84 Electrical / Grounding 85 Communications / SCADA  |  | 1,134,676              | -                        | 108,333<br>43,333<br>16,667<br>50,000<br>36,667<br>833                         | 108,333<br>43,333<br>16,667<br>50,000<br>36,667<br>833                            |
| 76 Downhole Pumps 77 Measurement & Meter Insta 78 Gas Conditioning / Dehydra 79 Interconnecting Facility Pip. 80 Gathering / Bulk Lines 81 Valves, Dumps, Controllers 82 Tank / Facility Containment 83 Flare Stack 84 Electrical / Grounding 85 Communications / SCADA  | TOTAL TANGIBLES >  | 1,134,676              | - 0                      | 108,333<br>43,333<br>16,667<br>50,000<br>36,667<br>833<br>989,167              | 108,333<br>43,333<br>16,667<br>50,000<br>36,667<br>833<br>2,123,843               |
| 76 Downhole Pumps 77 Measurement & Meter Insta 78 Gas Conditioning / Dehydra 79 Interconnecting Facility Pip. 80 Gathering / Bulk Lines 81 Valves, Dumps, Controllers 82 Tank / Facility Containment 83 Flare Stack 84 Electrical / Grounding 85 Communications / SCADA 86 Instrumentation / Safety  | TOTAL TANGIBLES >  | 1,134,676              | - 0                      | 108,333<br>43,333<br>16,667<br>50,000<br>36,667<br>833<br>989,167              | 108,333<br>43,333<br>16,667<br>50,000<br>36,667<br>833<br>2,123,843               |
| 76 Downhole Pumps 77 Measurement & Meter Insta 78 Gas Conditioning / Dehydra 79 Interconnecting Facility Pip. 80 Gathering / Bulk Lines 81 Valves, Dumps, Controllers 82 Tank / Facility Containment 83 Flare Stack 84 Electrical / Grounding 85 Communications / SCADA 86 Instrumentation / Safety  | TOTAL TANGIBLES >  | 1,134,676              | - 0                      | 108,333<br>43,333<br>16,667<br>50,000<br>36,667<br>833<br>989,167              | 108,333<br>43,333<br>16,667<br>50,000<br>36,667<br>833<br>2,123,843               |
| 76 Downhole Pumps 77 Measurement & Meter Insta 78 Gas Conditioning / Dehydra 79 Interconnecting Facility Pip. 80 Gathering / Bulk Lines 81 Valves, Dumps, Controllers 82 Tank / Facility Containment 83 Flare Stack 84 Electrical / Grounding 85 Communications / SCADA 86 Instrumentation / Safety  | TOTAL TANGIBLES > TOTAL COSTS > arces Operating, LLC:  | 1,134,676              | - 0                      | 108,333<br>43,333<br>16,667<br>50,000<br>36,667<br>833<br>989,167              | 108,333<br>43,333<br>16,667<br>50,000<br>36,667<br>833<br>2,123,843               |
| 76 Downhole Pumps 77 Measurement & Meter Insta 78 Gas Conditioning / Dehydra 79 Interconnecting Facility Pip. 80 Gathering/ Bulk Lines 81 Valves, Dumps, Controllers 82 Tank / Facility Containment 83 Flare Stack 84 Electrical / Grounding 85 Communications / SCADA 86 Instrumentation / Safety  CEPARED BY Permian Resour  | TOTAL TANGIBLES > TOTAL COSTS > arces Operating, LLC:  | 1,134,676              | - 0                      | 108,333<br>43,333<br>16,667<br>50,000<br>36,667<br>833<br>989,167              | 108,333<br>43,333<br>16,667<br>50,000<br>36,667<br>833<br>2,123,843               |
| 76 Downhole Pumps 77 Measurement & Meter Insta 78 Gas Conditioning / Dehydra 79 Interconnecting Facility Pip. 80 Gathering / Bulk Lines 81 Valves, Dumps, Controllers 82 Tank / Facility Containment 83 Flare Stack 84 Electrical / Grounding 85 Communications / SCADA 86 Instrumentation / Safety  CEPARED BY Permian Resout  Drilling Engineer: Completions Engineer:   | TOTAL TANGIBLES > TOTAL COSTS >  arces Operating, LLC: P5 ML   | 1,134,676              | - 0                      | 108,333<br>43,333<br>16,667<br>50,000<br>36,667<br>833<br>989,167              | 108,333<br>43,333<br>16,667<br>50,000<br>36,667<br>833<br>2,123,843               |
| 76 Downhole Pumps 77 Measurement & Meter Insta 78 Gas Conditioning / Dehydra 79 Interconnecting Facility Pip. 80 Gathering / Bulk Lines 81 Valves, Dumps, Controllers 82 Tank / Facility Containment 83 Flare Stack 84 Electrical / Grounding 85 Communications / SCADA 86 Instrumentation / Safety  CEPARED BY Permian Resout   | TOTAL TANGIBLES > TOTAL COSTS > arces Operating, LLC:  | 1,134,676              | - 0                      | 108,333<br>43,333<br>16,667<br>50,000<br>36,667<br>833<br>989,167              | 108,333<br>43,333<br>16,667<br>50,000<br>36,667<br>833<br>2,123,843               |
| 76 Downhole Pumps 77 Measurement & Meter Insta 78 Gas Conditioning / Dehydra 79 Interconnecting Facility Pip. 80 Gathering / Bulk Lines 81 Valves, Dumps, Controllers 82 Tank / Facility Containment 83 Flare Stack 84 Electrical / Grounding 85 Communications / SCADA 86 Instrumentation / Safety  Drilling Engineer: Completions Engineer:  | TOTAL TANGIBLES > TOTAL COSTS >  arces Operating, LLC: P5 ML   | 1,134,676              | - 0                      | 108,333<br>43,333<br>16,667<br>50,000<br>36,667<br>833<br>989,167              | 108,333<br>43,333<br>16,667<br>50,000<br>36,667<br>833<br>2,123,843               |
| 76 Downhole Pumps 77 Measurement & Meter Insta 78 Gas Conditioning / Dehydra 79 Interconnecting Facility Pip. 80 Gathering / Bulk Lines 81 Valves, Dumps, Controllers 82 Tank / Facility Containment 83 Flare Stack 84 Electrical / Grounding 85 Communications / SCADA 86 Instrumentation / Safety  Drilling Engineer: Completions Engineer: Production Engineer:   | TOTAL TANGIBLES > TOTAL COSTS >  arces Operating, LLC: PS ML DC  | 1,134,676              | - 0                      | 108,333<br>43,333<br>16,667<br>50,000<br>36,667<br>833<br>989,167              | 108,333<br>43,333<br>16,667<br>50,000<br>36,667<br>833<br>2,123,843               |
| 76 Downhole Pumps 77 Measurement & Meter Insta 78 Gas Conditioning / Dehydre 79 Interconnecting Facility Pip. 80 Gathering / Bulk Lines 81 Valves, Dumps, Controllers 82 Tank / Facility Containment 83 Flare Stack 84 Electrical / Grounding 85 Communications / SCADA 86 Instrumentation / Safety  Drilling Engineer: Completions Engineer: Production Engineer:   | TOTAL TANGIBLES > TOTAL COSTS >  Irces Operating, LLC: P5 ML DC  LLC APPROVAL:   | 1,134,676              | - 0                      | 108,333<br>43,333<br>16,667<br>50,000<br>36,667<br>833<br>989,167              | 108,333<br>43,333<br>16,667<br>50,000<br>36,667<br>833<br>2,123,843               |
| 76 Downhole Pumps 77 Measurement & Meter Insta 78 Gas Conditioning / Dehydre 79 Interconnecting Facility Pip. 80 Gathering / Bulk Lines 81 Valves, Dumps, Controllers 82 Tank / Facility Containment 83 Flare Stack 84 Electrical / Grounding 85 Communications / SCADA 86 Instrumentation / Safety  Drilling Engineer: Completions Engineer: Production Engineer:   | TOTAL TANGIBLES > TOTAL COSTS >  Irces Operating, LLC: P5 ML DC  LLC APPROVAL:   | 1,134,676<br>4,370,396 |                          | 108,333<br>43,333<br>16,667<br>50,000<br>36,667<br>833<br>989,167<br>1,711,334 | 108,333<br>43,333<br>16,667<br>50,000<br>36,667<br>833<br>2,123,843<br>11,020,308 |
| 76 Downhole Pumps 77 Measurement & Meter Insta 78 Gas Conditioning / Dehydre 79 Interconnecting Facility Pip. 80 Gathering / Bulk Lines 81 Valves, Dumps, Controllers 82 Tank / Facility Containment 83 Flare Stack 84 Electrical / Grounding 85 Communications / SCADA 86 Instrumentation / Safety  Drilling Engineer: Completions Engineer: Production Engineer:   | TOTAL TANGIBLES > TOTAL COSTS >  Irces Operating, LLC: P5 ML DC  LLC APPROVAL:   | 1,134,676<br>4,370,396 | -<br>-<br>0<br>4,938,578 | 108,333<br>43,333<br>16,667<br>50,000<br>36,667<br>833<br>989,167              | 108,333 43,333 16,667 50,000 36,667 833 2,123,843 11,020,308                      |
| 76 Downhole Pumps 77 Measurement & Meter Insta 78 Gas Conditioning / Dehydra 79 Interconnecting Facility Pip. 80 Gathering/ Bulk Lines 81 Valves, Dumps, Controllers 82 Tank/ Facility Containment 83 Flare Stack 84 Electrical/ Grounding 85 Communications/ SCADA 86 Instrumentation / Safety  CEPARED BY Permian Resound  Drilling Engineer: Completions Engineer: Production Engineer: Production Engineer:  Termian Resources Operating,  Co-CEO  | TOTAL TANGIBLES > TOTAL COSTS > TOTAL COSTS > TOTAL COSTS > TOTAL COSTS > TOTAL TANGIBLES > TOTAL COSTS > TOTAL TANGIBLES > TOTAL TANGIBLE | 1,134,676<br>4,370,396 | - 0<br>4,938,578         | 108,333<br>43,333<br>16,667<br>50,000<br>36,667<br>833<br>989,167<br>1,711,334 | 108,333<br>43,333<br>16,667<br>50,000<br>36,667<br>833<br>2,123,843<br>11,020,308 |
| 76 Downhole Pumps 77 Measurement & Meter Insta 78 Gas Conditioning / Dehydra 79 Interconnecting Facility Pip. 80 Gathering/ Bulk Lines 81 Valves, Dumps, Controllers 82 Tank/ Facility Containment 83 Flare Stack 84 Electrical/ Grounding 85 Communications/ SCADA 86 Instrumentation / Safety  CEPARED BY Permian Resound  Drilling Engineer: Completions Engineer: Production Engineer: Production Engineer:  Termian Resources Operating,  Co-CEO  | TOTAL TANGIBLES > TOTAL COSTS > TOTAL COSTS > TOTAL COSTS > TOTAL COSTS > TOTAL TANGIBLES > TOTAL COSTS > TOTAL TANGIBLES > TOTAL TANGIBLE | 1,134,676<br>4,370,396 | - 0<br>4,938,578         | 108,333<br>43,333<br>16,667<br>50,000<br>36,667<br>833<br>989,167<br>1,711,334 | 108,333 43,333 16,667 50,000 36,667 833 2,123,843 11,020,308                      |
| 76 Downhole Pumps 77 Measurement & Meter Insta 78 Gas Conditioning / Dehydre 79 Interconnecting Facility Pip. 80 Gathering / Bulk Lines 81 Valves, Dumps, Controllers 82 Tank / Facility Containment 83 Flare Stack 84 Electrical / Grounding 85 Communications / SCADA 86 Instrumentation / Safety  Drilling Engineer: Completions Engineer: Production Engineer:   | TOTAL TANGIBLES > TOTAL COSTS > TOTAL COSTS > TOTAL COSTS > TOTAL COSTS > TOTAL TANGIBLES > TOTAL COSTS > TOTAL TANGIBLES > TOTAL TANGIBLE | 1,134,676<br>4,370,396 | - 0<br>4,938,578         | 108,333<br>43,333<br>16,667<br>50,000<br>36,667<br>833<br>989,167<br>1,711,334 | 108,333<br>43,333<br>16,667<br>50,000<br>36,667<br>833<br>2,123,843<br>11,020,308 |
| 76 Downhole Pumps 77 Measurement & Meter Insta 78 Gas Conditioning / Dehydra 79 Interconnecting Facility Pip. 80 Gathering/ Bulk Lines 81 Valves, Dumps, Controllers 82 Tank/ Facility Containment 83 Flare Stack 84 Electrical/ Grounding 85 Communications/ SCADA 86 Instrumentation / Safety  CEPARED BY Permian Resound  Drilling Engineer: Completions Engineer: Production Engineer: Production Engineer:  Termian Resources Operating,  Co-CEO  | TOTAL TANGIBLES > TOTAL COSTS > TOTAL COSTS > TOTAL COSTS > TOTAL COSTS > TOTAL TANGIBLES > TOTAL COSTS > TOTAL TANGIBLES > TOTAL TANGIBLE | 1,134,676<br>4,370,396 | - 0<br>4,938,578         | 108,333<br>43,333<br>16,667<br>50,000<br>36,667<br>833<br>989,167<br>1,711,334 | 108,333<br>43,333<br>16,667<br>50,000<br>36,667<br>833<br>2,123,843<br>11,020,308 |
| 76 Downhole Pumps 77 Measurement & Meter Insta 78 Gas Conditioning / Dehydra 79 Interconnecting Facility Pip. 80 Gathering / Bulk Lines 81 Valves, Dumps, Controllers 82 Tank / Facility Containment 83 Flare Stack 84 Electrical / Grounding 85 Communications / SCADA 86 Instrumentation / Safety  EPARED BY Permian Resou  Drilling Engineer: Completions Engineer: Production Engineer: rmian Resources Operating,  Co-CEO   | TOTAL TANGIBLES > TOTAL COSTS > TOTAL COSTS > TOTAL COSTS > TOTAL COSTS > TOTAL TANGIBLES > TOTAL COSTS > TOTAL TANGIBLES > TOTAL TANGIBLE | 1,134,676<br>4,370,396 | - 0<br>4,938,578         | 108,333<br>43,333<br>16,667<br>50,000<br>36,667<br>833<br>989,167<br>1,711,334 | 108,333 43,333 16,667 50,000 36,667 833 2,123,843 11,020,308                      |
| 76 Downhole Pumps 77 Measurement & Meter Insta 78 Gas Conditioning / Dehydra 79 Interconnecting Facility Pip. 80 Gathering / Bulk Lines 81 Valves, Dumps, Controllers 82 Tank / Facility Containment 83 Flare Stack 84 Electrical / Grounding 85 Communications / SCADA 86 Instrumentation / Safety  EPARED BY Permian Resou  Drilling Engineer: Completions Engineer: Production Engineer: rmian Resources Operating,  Co-CEO   | TOTAL TANGIBLES > TOTAL COSTS > TOTAL COSTS > TOTAL COSTS > TOTAL COSTS > TOTAL TANGIBLES > TOTAL COSTS > TOTAL TANGIBLES > TOTAL TANGIBLE | 1,134,676<br>4,370,396 | - 0<br>4,938,578         | 108,333<br>43,333<br>16,667<br>50,000<br>36,667<br>833<br>989,167<br>1,711,334 | 108,333<br>43,333<br>16,667<br>50,000<br>36,667<br>833<br>2,123,843<br>11,020,308 |
| 76 Downhole Pumps 77 Measurement & Meter Insta 78 Gas Conditioning / Dehydra 79 Interconnecting Facility Pip. 80 Gathering / Bulk Lines 81 Valves, Dumps, Controllers 82 Tank / Facility Containment 83 Flare Stack 84 Electrical / Grounding 85 Communications / SCADA 86 Instrumentation / Safety  REPARED BY Permian Resounces  Drilling Engineer: Completions Engineer: Production Engineer: Production Engineer:  Termian Resources Operating,  Co-CEO  VP - Land & Legal   | TOTAL TANGIBLES > TOTAL COSTS >  Inces Operating, LLC: PS ML DC LLC APPROVAL: WH BG  | 1,134,676<br>4,370,396 | - 0<br>4,938,578         | 108,333<br>43,333<br>16,667<br>50,000<br>36,667<br>833<br>989,167<br>1,711,334 | 108,333 43,333 16,667 50,000 36,667 833 2,123,843 11,020,308                      |
| 76 Downhole Pumps 77 Measurement & Meter Insta 78 Gas Conditioning / Dehydra 79 Interconnecting Facility Pip. 80 Gathering / Bulk Lines 81 Valves, Dumps, Controllers 82 Tank / Facility Containment 83 Flare Stack 84 Electrical / Grounding 85 Communications / SCADA 86 Instrumentation / Safety  REPARED BY Permian Resounces  Drilling Engineer: Completions Engineer: Production Engineer: Production Engineer:  Termian Resources Operating,  Co-CEO  VP - Land & Legal   | TOTAL TANGIBLES > TOTAL COSTS >  Inces Operating, LLC: PS ML DC LLC APPROVAL: WH BG  | 1,134,676<br>4,370,396 | - 0<br>4,938,578         | 108,333<br>43,333<br>16,667<br>50,000<br>36,667<br>833<br>989,167<br>1,711,334 | 108,333 43,333 16,667 50,000 36,667 833 2,123,843 11,020,308                      |
| 76 Downhole Pumps 77 Measurement & Meter Insta 78 Gas Conditioning / Dehydra 79 Interconnecting Facility Pip. 80 Gathering/ Bulk Lines 81 Valves, Dumps, Controllers 82 Tank / Facility Containment 83 Flare Stack 84 Electrical / Grounding 85 Communications / SCADA 86 Instrumentation / Safety  REPARED BY Permian Resou  Drilling Engineer: Completions Engineer: Production Engineer:  | TOTAL TANGIBLES > TOTAL COSTS > TOTAL COSTS > TOTAL COSTS > TOTAL COSTS > TOTAL TANGIBLES > TOTAL TANG |                        |                          | 108,333<br>43,333<br>16,667<br>50,000<br>36,667<br>833<br>989,167<br>1,711,334 | 108,333<br>43,333<br>16,667<br>50,000<br>36,667<br>833<br>2,123,843<br>11,020,308 |
| 76 Downhole Pumps 77 Measurement & Meter Insta 78 Gas Conditioning / Dehydre 79 Interconnecting Facility Pip. 80 Gathering/ Bulk Lines 81 Valves, Dumps, Controllers 82 Tank / Facility Containment 83 Flare Stack 84 Electrical / Grounding 85 Communications / SCADA 86 Instrumentation / Safety  CEPARED BY Permian Resound  Drilling Engineer: Completions Engineer: Production Engineer: Production Engineer: Production Engineer:  | TOTAL TANGIBLES > TOTAL COSTS >  Inces Operating, LLC: PS ML DC LLC APPROVAL: WH BG  |                        | - 0<br>4,938,578         | 108,333<br>43,333<br>16,667<br>50,000<br>36,667<br>833<br>989,167<br>1,711,334 | 108,333 43,333 16,667 50,000 36,667 833 2,123,843 11,020,308                      |
| 76 Downhole Pumps 77 Measurement & Meter Insta 78 Gas Conditioning / Dehydra 79 Interconnecting Facility Pip. 80 Gathering / Bulk Lines 81 Valves, Dumps, Controllers 82 Tank / Facility Containment 83 Flare Stack 84 Electrical / Grounding 85 Communications / SCADA 86 Instrumentation / Safety  Permian Resources Operating, Co-CEO  VP - Land & Legal  ON OPERATING PARTNER  Company Name:   | TOTAL TANGIBLES > TOTAL COSTS >  Inces Operating, LLC: PS ML DC LLC APPROVAL: WH BG  |                        |                          | 108,333<br>43,333<br>16,667<br>50,000<br>36,667<br>833<br>989,167<br>1,711,334 | 108,333 43,333 16,667 50,000 36,667 833 2,123,843 11,020,308  CRM                 |
| 76 Downhole Pumps 77 Measurement & Meter Insta 78 Gas Conditioning / Dehydra 79 Interconnecting Facility Pip. 80 Gathering / Bulk Lines 81 Valves, Dumps, Controllers 82 Tank / Facility Containment 83 Flare Stack 84 Electrical / Grounding 85 Communications / SCADA 86 Instrumentation / Safety  REPARED BY Permian Resounces  Drilling Engineer: Completions Engineer: Production Engineer: Production Engineer:  Production Engineer:  ON OPERATING PARTNER  Company Name:   | TOTAL TANGIBLES > TOTAL COSTS > TOTAL COSTS > TOTAL COSTS > TOTAL COSTS > TOTAL TANGIBLES > TOTAL TANG |                        |                          | 108,333<br>43,333<br>16,667<br>50,000<br>36,667<br>833<br>989,167<br>1,711,334 | 108,333 43,333 16,667 50,000 36,667 833 2,123,843 11,020,308  CRM                 |
| 76 Downhole Pumps 77 Measurement & Meter Insta 78 Gas Conditioning / Dehydra 79 Interconnecting Facility Pip. 80 Gathering/ Bulk Lines 81 Valves, Dumps, Controllers 82 Tank / Facility Containment 83 Flare Stack 84 Electrical / Grounding 85 Communications / SCADA 86 Instrumentation / Safety  REPARED BY Permian Resou  Drilling Engineer: Completions Engineer: Production Engineer: Product | TOTAL TANGIBLES > TOTAL COSTS > Inces Operating, LLC: PS ML DC LLC APPROVAL: WH BG   |                        |                          | 108,333<br>43,333<br>16,667<br>50,000<br>36,667<br>833<br>989,167<br>1,711,334 | 108,333 43,333 16,667 50,000 36,667 833 2,123,843 11,020,308  CRM                 |

|   | ESTIMATE C                | OF COSTS AND AUTHO     | RIZATION FOR EXPENDI    | TURE                      |                       |
|---|---------------------------|------------------------|-------------------------|---------------------------|-----------------------|
| DATE:   | 2.17.2023                 |                        |                         | AFE NO.:                  | 1                     |
| WELL NAME:  | Bane 4-9 Federal Com 13   | 1H                     |                         | FIELD:                    | Teas; Bone Spring     |
| LOCATION:   | Section 4, T20S-R34E      |                        |                         | MD/TVD:                   | 21,110' / 10,825'     |
| COUNTY/STATE:   | Lea County, New Mexico    | <del></del>            |                         | LATERAL LENGTH:           | 10,000'               |
| Permian WI:   |                           |                        |                         | DRILLING DAYS:            | 19.6                  |
| GEOLOGIC TARGET:  | TBSG                      |                        | (                       | COMPLETION DAYS:          | 18.6                  |
|   | Drill a horizontal TBSG v | vell and complete with | 44 stages. AFE includes | drilling, completions, fl | owback and Initial AL |
| REMARKS:  | install cost              | •                      | •                       |                           |                       |
|   |                           |                        |                         |                           |                       |
|   |                           | DRILLING               | COMPLETION              | PRODUCTION                | TOTAL                 |
| INTANGIBLE  | COSTS                     | COSTS                  | COSTS                   | COSTS                     | COSTS                 |
| 1 Land/Legal/Regulatory                                       | S                         | 57,069                 | 17,456                  | 37,500<br>2,500           | \$ 94,569<br>298,294  |
| 2 Location, Surveys & Dama<br>4 Freight / Transportation      | ges                       | 278,338<br>46,017      | 42,298                  | 25,000                    | 113,315               |
| 5 Rental - Surface Equipmen                                   | nt                        | 120,122                | 208,133                 | 105,000                   | 433,255               |
| 6 Rental - Downhole Equipm                                    |                           | 198,477                | 57,783                  | -                         | 256,260               |
| 7 Rental - Living Quarters                                    |                           | 46,457                 | 52,637                  | •                         | 99,094                |
| 10 Directional Drilling, Surv                                 | reys                      | 415,018<br>728,329     | <del></del>             | -                         | 415,018<br>728,329    |
| 11 Drilling<br>12 Drill Bits                                  |                           | 96,788                 | <del></del>             |                           | 96,788                |
| 13 Fuel & Power   |                           | 182,546                | 700,542                 | -                         | 883,088               |
| 14 Cementing & Float Equip                                    |                           | 235,069                | -                       | -                         | 235,069               |
| 15 Completion Unit, Swab, C                                   |                           | <u> </u>               | 379,842                 | 15,000                    | 15,000<br>379,842     |
| 16 Perforating, Wireline, Slice<br>17 High Pressure Pump True |                           | <del></del>            | 119,106                 |                           | 119,106               |
| 18 Completion Unit, Swab, G                                   |                           | <del></del>            | 141,530                 | •                         | 141,530               |
| 20 Mud Circulation System                                     |                           | 101,651                | -                       | -                         | 101,651               |
| 21 Mud Logging  |                           | 16,936                 |                         | -                         | 16,936                |
| 22 Logging/Formation Eval<br>23 Mud & Chemicals               | uation                    | 7,024<br>349,599       | 8,057<br>423,367        | 10,000                    | 15,081<br>782,966     |
| 23 Mud & Chemicais 24 Water                                   |                           | 41,989                 | 639,251                 | 300,000                   | 981,240               |
| 25 Stimulation  |                           | •                      | 786,506                 | -                         | 786,506               |
| 26 Stimulation Flowback &                                     |                           |                        | 117,494                 | 150,000                   | 267,494               |
| 28 Mud/Wastewater Dispos                                      |                           | 186,574<br>117,098     | 59,083<br>128,908       | 21,667                    | 245,657<br>267,673    |
| 30 Rig Supervision / Engine<br>32 Drig & Completion Over      |                           | 10,071                 | 120,900                 | 21,007                    | 10,071                |
| 35 Labor  | iiçau                     | 148,172                | 67,140                  | 101,667                   | 316,978               |
| 54 Proppant   |                           |                        | 1,212,780               | -                         | 1,212,780             |
| 95 Insurance  |                           | 14,164                 | -                       | 2 020                     | 14,164                |
| 97 Contingency  |                           | -                      | 23,595                  | 3,833                     | 27,428                |
| 99 Plugging & Abandonmer                                      | TOTAL INTANGIBLES >       | 3,397,506              | 5,185,507               | 772,167                   | 9,355,180             |
|   | TOTAL INTANGIBLES         |                        |                         |                           |                       |
|   |                           | DRILLING<br>COSTS      | COMPLETION<br>COSTS     | PRODUCTION<br>COSTS       | TOTAL<br>COSTS        |
| TANGIBLE C  | COSTS                     | 118,101                | COSIS                   |                           | \$ 118,101            |
| 60 Surface Casing<br>61 Intermediate Casing                   | •                         | 332,642                | <del></del>             |                           | 332,642               |
| 62 Drilling Liner   |                           | •                      | -                       |                           | <del></del>           |
| 63 Production Casing  |                           | 663,806                |                         | -                         | 663,806               |
| 64 Production Liner   |                           |                        | •                       | 140,000                   | 140,000               |
| 65 Tubing<br>66 Wellhead                                      |                           | 62,628                 | <del></del>             | 140,000                   | 140,000<br>102,628    |
| 67 Packers, Liner Hangers                                     |                           | 14,234                 |                         | 20,000                    | 34,234                |
| 68 Tanks  |                           | <del></del>            | -                       | 45,833                    | 45,833                |
| 69 Production Vessels   |                           |                        |                         | 126,667                   | 126,667               |
| 70 Flow Lines   |                           | <u>·</u> _             | <del></del>             | 66,667                    | 66,667                |
| 71 Rod string<br>72 Artificial Lift Equipment                 |                           |                        | <del></del>             | 90,000                    | 90,000                |
| 73 Compressor   |                           | <del></del>            |                         | 5,833                     | 5,833                 |
| 74 Installation Costs   |                           | -                      | •                       |                           | -                     |
| 75 Surface Pumps  |                           |                        | -                       | 61,667                    | 61,667                |
| 76 Downhole Pumps 77 Measurement & Meter In                   | estallation               | <del></del>            | -                       | 116,667                   | 116,667               |
| 78 Gas Conditioning / Dehy                                    |                           | <del></del>            | <del></del>             | - 110,007                 |                       |
| 79 Interconnecting Facility I                                 |                           |                        | •                       | 20,000                    | 20,000                |
| 80 Gathering / Bulk Lines                                     |                           |                        | •                       |                           | -                     |
| 81 Valves, Dumps, Controlle                                   |                           |                        | <del></del>             | 108,333                   | 108,333<br>43,333     |
| 82 Tank / Facility Containme<br>83 Flare Stack                | ent                       | <del></del>            | <del></del>             | 16,667                    | 16,667                |
| 84 Electrical/Grounding                                       |                           |                        | •                       | 50,000                    | 50,000                |
| 85 Communications / SCAD                                      | )A                        |                        |                         | 36,667                    | 36,667                |
| 86 Instrumentation / Safety                                   |                           |                        | <del>-</del>            | 833                       | 833                   |
|   | TOTAL TANGIBLES >         |                        | 0                       | 989,167                   | 2,180,577             |
|   | TOTAL COSTS >             | 4,588,916              | 5,185,507               | 1,761,334                 | 11,535,757            |
|   |                           |                        |                         |                           |                       |
| REPARED BY Permian Res  | sources Operating, LLC:   |                        |                         |                           |                       |
|   |                           |                        |                         |                           |                       |
| Drilling Enginee  |                           |                        |                         |                           |                       |
| Completions Enginee   |                           |                        |                         |                           |                       |
| Production Enginee  | er: DC                    |                        |                         |                           |                       |
| amaian Basaumas Omonatin                                      | TIC APPROVAL.             |                        |                         |                           |                       |
| ermian Resources Operatin                                     | E LLC AFFROYAL            |                        |                         |                           |                       |
| Co-CE   | 0                         | Co-C                   | EO                      | VP - Oper                 | ations                |
|   | WH                        |                        | JW                      |                           | CRM                   |
| VP - Land & Leg   |                           | VP - Geoscier          |                         |                           |                       |
|   | BG                        |                        | 50                      |                           |                       |
|   |                           |                        |                         |                           |                       |
|   |                           |                        |                         |                           |                       |
| ON OPERATING PARTS  | ER APPROVATA              |                        |                         |                           |                       |
| ON OPERATING PARTN  | ER AFFRUVAL               |                        |                         |                           |                       |
| Company Nam   | e:                        |                        | Working Interest (%):   | T                         | ax ID:                |
|   | <u> </u>                  |                        |                         |                           |                       |
| Signed b  | y:                        | <del></del>            | Date:                   |                           | <del></del>           |
| Titl  | le:                       |                        | Approval:               | Yes                       | No (mark one)         |
|   |                           |                        |                         | <del></del>               | <del></del>           |

Permian Resources Operating, LLC
300 N. Marienfeld St., Ste. 1000 Midland, TX 79701
Phone (432) 695-4222 • Fax (432) 695-4063
TIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

|   | ESTIMATE  | OF COSTS AND AUTHO                               | ORIZATION FOR EXTERE                            |   |   |
|---|---|--|---|---|---|
| DATE:   | 2,17,2023   |  |   | AFE NO.: _                                      | 1   |
| WELL NAME:  | Bane 4-9 Federal Com 13                               | 32H  |   | FIELD:  | Teas; Bone Spring                               |
| LOCATION:   | Section 4, T20S-R34E                                  |  |   | MD/TVD:   | 21,110' / 10,825'                               |
| COUNTY/STATE:   | Lea County, New Mexic                                 | 0  |   | LATERAL LENGTH:                                 | 10,000′   |
| Permian WI:   |   |  |   | DRILLING DAYS:                                  | 19.6  |
| GEOLOGIC TARGET:  | TBSG  |  |   | COMPLETION DAYS:                                | 18.6  |
| GEOLOGIC TARGET.  | Drill a horizontal TBSG                               | wall and complete with                           | A4 stages AFF includes                          | _   | lowback and Initial AL                          |
| DF14. DICC  |   | wen and complete with                            | 1 44 Stages. At L Include:                      | dimmig, completions, i                          | ion back and made 112                           |
| REMARKS:  | install cost  |  |   |   |   |
|   |   | DDU LING   | COMPLETION                                      | PRODUCTION                                      | TOTAL   |
|   |   | DRILLING<br>COSTS                                | COMPLETION<br>COSTS                             | COSTS   | COSTS   |
| INTANGIBLE  |   |  | CO313   | 37,500  | \$ 94,569                                       |
| 1 Land / Legal / Regulatory                               |   | 57,069<br>278,338                                | 17,456  | 2,500   | 298,294   |
| 2 Location, Surveys & Dama<br>4 Freight / Transportation  | ges   | 46,017   | 42,298  | 25,000  | 113,315   |
| 5 Rental - Surface Equipmen                               |   | 120,122  | 208,133   | 105,000   | 433,255   |
| 6 Rental - Downhole Equipm                                |   | 198,477  | 57,783  |   | 256,260   |
| 7 Rental - Living Quarters                                |   | 46,457   | 52,637  |   | 99,094  |
| 10 Directional Drilling, Surv                             | eys   | 415,018  |   | -   | 415,018   |
| 11 Drilling   | •   | 728,329  | -   | •   | 728,329   |
| 12 Drill Bits   |   | 96,788   |   | -   | 96,788  |
| 13 Fuel & Power   |   | 182,546  | 700,542   |   | 883,088   |
| 14 Cementing & Float Equip                                |   | 235,069  |   | 15 000  | 235,069<br>15,000                               |
| 15 Completion Unit, Swab, C                               |   | <del>.</del>                                     | 379,842   | 15,000  | 379.842   |
| 16 Perforating, Wireline, Slice                           |   | <del></del>                                      | 119,106   | <del></del>                                     | 119,106   |
| 17 High Pressure Pump Truc<br>18 Completion Unit, Swab, C |   | <del></del>                                      | 141,530   | <del></del>                                     | 141,530   |
| 20 Mud Circulation System                                 | <del>-</del>  | 101,651  | - 141,550                                       | <del></del>                                     | 101,651   |
| 21 Mud Logging  |   | 16,936   | <del></del>                                     | <del></del>                                     | 16,936  |
| 22 Logging / Formation Eval                               | uation  | 7,024  | 8,057   |   | 15,081  |
| 23 Mud & Chemicals  |   | 349,599  | 423,367   | 10,000  | 782,966   |
| 24 Water  |   | 41,989   | 639,251   | 300,000   | 981,240   |
| 25 Stimulation  |   |  | 786,506   | •   | 786,506   |
| 26 Stimulation Flowback &                                 |   |  | 117,494   | 150,000   | 267,494   |
| 28 Mud/Wastewater Dispos                                  | al  | 186,574  | 59,083  | •   | 245,657   |
| 30 Rig Supervision/Engine                                 | ering   | 117,098  | 128,908   | 21,667  | 267,673   |
| 32 Drlg & Completion Overl                                | nead  | 10,071   |   | •   | 10,071  |
| 35 Labor  |   | 148,172  | 67,140  | 101,667   | 316,978   |
| 54 Proppant   |   |  | 1,212,780                                       |   | 1,212,780                                       |
| 95 Insurance  |   | 14,164   | 22.505  | 2 022   | 14,164<br>27,428                                |
| 97 Contingency  |   | <del>-</del> _                                   | 23,595  | 3,833   | 27,426  |
| 99 Plugging & Abandonmer                                  |   | <del></del>                                      | <del></del>                                     | <del></del>                                     |   |
|   | TOTAL INTANGIBLES                                     | 3,397,506  | 5,185,507                                       | 772,167   | 9,355,180                                       |
|   |   | DRILLING   | COMPLETION                                      | PRODUCTION                                      | TOTAL   |
| TANGIBLE O  | COSTS   | COSTS  | COSTS   | COSTS   | COSTS   |
| 60 Surface Casing   |   | \$ 118,101                                       | •   | •   | \$ 118,101                                      |
| 61 Intermediate Casing                                    |   | 332,642  |   | <del></del>                                     | 332,642   |
| 62 Drilling Liner   |   | •  | -   | •   | -   |
| 63 Production Casing                                      |   | 663,806  | -   |   | 663,806   |
| 64 Production Liner                                       |   | •  | -   | -   |   |
| 65 Tubing   |   | -  |   | 140,000   | 140,000   |
| 66 Wellhead   |   | 62,628   |   | 40,000  | 102,628   |
| 67 Packers, Liner Hangers                                 |   | 14,234   |   | 20,000  | 34,234  |
| 68 Tanks  |   | •  |   | 45,833  | 45,833  |
| 69 Production Vessels                                     |   |  |   | 126,667   | 126,667   |
| 70 Flow Lines   |   | <del></del>                                      | <u> </u>  | 66,667  | 66,667  |
| 71 Rod string 72 Artificial Lift Equipment                |   |  |   | 90,000  | 90,000  |
| 73 Compressor   |   |  | <del></del>                                     | 5,833   | 5,833   |
| 74 Installation Costs                                     |   |  | <del></del>                                     |   |   |
| 75 Surface Pumps  |   | <del></del>                                      | <del></del>                                     | 61,667  | 61,667  |
| 76 Downhole Pumps   |   |  |   |   | -   |
| 77 Measurement & Meter In                                 | stallation  | <del></del>                                      | <del></del>                                     | 116,667   | 116,667   |
| 78 Gas Conditioning / Dehy                                |   |  | -   | •   | •   |
| 79 Interconnecting Facility F                             |   | •  | -   | 20,000  | 20,000  |
| 80 Gathering / Bulk Lines                                 |   |  | -   |   |   |
| 81 Valves, Dumps, Controlle                               |   | <u> </u>   |   | 108,333   | 108,333   |
| 82 Tank / Facility Containme                              | ent   |  |   | 43,333  | 43,333  |
| 83 Flare Stack  |   |  |   | 16,667  | 16,667  |
| 84 Electrical/Grounding                                   |   | <u> </u>   |   | 50,000  | 50,000  |
| 85 Communications / SCAD                                  | А   |  | <u> </u>  | 36,667  | 36,667  |
| 86 Instrumentation / Safety                               | TOTAL TANCING   | 1 404 440  |   |   |   |
|   | TOTAL TANGIBLES:                                      |  |   | 989,167   | 2,180,577                                       |
|   | TOTAL COSTS:  | > 4,588,916                                      | 5,185,507                                       | 1,761,334                                       | 11,535,757                                      |
|   |   |  |   |   |   |
| REPARED BY Permian Res                                    | Ources Operating 11C.                                 |  |   |   |   |
|   | Janees Operating, LLC:                                |  |   |   |   |
| Drilling Enginee  | r: PS   |  |   |   |   |
| Completions Enginee                                       |   |  |   |   |   |
| Production Enginee  |   |  |   |   |   |
|   |   |  |   |   |   |
|   | - 11C ADDROVII  |  |   |   |   |
| ermian Resources Operatin                                 | g, LLC APPROVAL:                                      |  |   |   |   |
| C- 00   | n   | 0.0  | CEO   | Vn O  | rations   |
| Co-CE   |   | رەر  | .EO   | VP - Ope  | CRM   |
| 1m4-  |   | 100 0  | ···   |   | СКМ   |
| VP - Land & Leg   |   | VP - Geoscier                                    |   |   |   |
|   | BG  |  | so  |   |   |
|   |   |  |   |   |   |
|   |   |  |   |   |   |
|   |   |  |   |   |   |
| ON OPERATING PARTN  | ER APPROVAL:  |  |   |   |   |
| C   |   |  | Moskin- I-1 (W)                                 |   | Fav. ID:  |
| Company Nam   | e:  |  | Working Interest (%):                           |   | Гах ID:   |
| Cianad h  | u•  |  | Date  |   |   |
| Signed by   | y:  |  | Date:   |   |   |
| Titl  | e:  |  | Approval:                                       | Yes   | ☐ No (mark one)                                 |
|   | amtrued as cridings on any specific item or the total |  |   | -   | <del></del>                                     |
| 4. 418  |   | a anno ad the amines. Talking topicallation arms | rorest nation the AFE may be delayed up to a ye | ar after the well has been completed. In execut | ing this APE, the Participant agrees to pay its |

|   |   | OF COSTS AND AUTHO     | RIZATION FOR EXPENI                     |                             |                       |
|---|---|------------------------|---|-----------------------------|-----------------------|
| DATE:   | 2.17.2023   |                        |   | AFE NO.:                    | 1                     |
| WELL NAME:  | Bane 4-9 Federal Com 13                                     | 33H                    |   | FIELD:                      | Teas; Bone Spring     |
| LOCATION:   | Section 4, T20S-R34E  |                        |   | MD/TVD:                     | 21,110' / 10,825'     |
| COUNTY/STATE:   | Lea County, New Mexic                                       | 0                      |   | LATERAL LENGTH:             | 10,000'               |
| •   | Dea County, Iven Mexic                                      |                        |   | DRILLING DAYS:              | 19.6                  |
| Permian WI:   | TDCC  |                        |   | COMPLETION DAYS:            | 18.6                  |
| GEOLOGIC TARGET:  | TBSG  |                        | Adabas - App                            |                             |                       |
|   |   | well and complete with | 144 stages. AFE include                 | s drilling, completions, fl | OWDACK AND INITIAL AL |
| REMARKS:  | install cost  |                        |   |                             |                       |
|   |   |                        |   |                             |                       |
|   |   | DRILLING               | COMPLETION                              | PRODUCTION                  | TOTAL                 |
| INTANGIBLE  |   | COSTS                  | COSTS                                   | COSTS                       | COSTS                 |
| 1 Land / Legal / Regulatory                             | \$  | 57,069<br>278,338      | 17.454                                  | 37,500<br>2,500             | \$ 94,569<br>298,294  |
| 2 Location, Surveys & Dama                              | iges  | 46,017                 | 17,456<br>42,298                        | 25,000                      | 113,315               |
| 4 Freight/Transportation<br>5 Rental - Surface Equipmen | n.t   | 120,122                | 208,133                                 | 105,000                     | 433,255               |
| 6 Rental - Downhole Equipment                           |   | 198,477                | 57,783                                  | - 100,000                   | 256,260               |
| 7 Rental - Living Quarters                              | ment  | 46,457                 | 52,637                                  |                             | 99,094                |
| 10 Directional Drilling, Sur                            | vevs  | 415,018                | -                                       | •                           | 415,018               |
| 11 Drilling   | •   | 728,329                | -                                       |                             | 728,329               |
| 12 Drill Bits   |   | 96,788                 | -                                       | -                           | 96,788                |
| 13 Fuel & Power   |   | 182,546                | 700,542                                 | •                           | 883,088               |
| 14 Cementing & Float Equip                              |   | 235,069                |   | *****                       | 235,069               |
| 15 Completion Unit, Swab,                               |   |                        | -                                       | 15,000                      | 15,000                |
| 16 Perforating, Wireline, Sli                           |   |                        | 379,842                                 |                             | 379,842<br>119,106    |
| 17 High Pressure Pump Tru                               |   |                        | 119,106                                 | <del></del>                 | 141,530               |
| 18 Completion Unit, Swab,                               | C.0   | 101,651                | 141,530                                 | <del></del>                 | 101,651               |
| 20 Mud Circulation System<br>21 Mud Logging             |   | 16,936                 | <del></del>                             | <del></del>                 | 16,936                |
| 22 Logging / Formation Eval                             | luation   | 7,024                  | 8,057                                   | <del></del>                 | 15,081                |
| 23 Mud & Chemicals                                      |   | 349,599                | 423,367                                 | 10,000                      | 782,966               |
| 24 Water  |   | 41,989                 | 639,251                                 | 300,000                     | 981,240               |
| 25 Stimulation  |   |                        | 786,506                                 | •                           | 786,506               |
| 26 Stimulation Flowback &                               | Disp  | -                      | 117,494                                 | 150,000                     | 267,494               |
| 28 Mud/Wastewater Dispo                                 |   | 186,574                | 59,083                                  | -                           | 245,657               |
| 30 Rig Supervision / Engine                             | ering   | 117,098                | 128,908                                 | 21,667                      | 267,673               |
| 32 Drlg & Completion Over                               | head  | 10,071                 | -                                       |                             | 10,071                |
| 35 Labor  |   | 148,172                | 67,140                                  | 101,667                     | 316,978               |
| 54 Proppant   |   |                        | 1,212,780                               | -                           | 1,212,780             |
| 95 Insurance  |   | 14,164                 |   |                             | 14,164                |
| 97 Contingency  |   | <del></del>            | 23,595                                  | 3,833                       | 27,428                |
| 99 Plugging & Abandonme                                 |   | <del> </del>           |   |                             |                       |
|   | TOTAL INTANGIBLES >   | 3,397,506              | 5,185,507                               | 772,167                     | 9,355,180             |
|   |   | DRILLING               | COMPLETION                              | PRODUCTION                  | TOTAL                 |
| TANGIBLE (  | COSTS   | COSTS                  | COSTS                                   | COSTS                       | COSTS                 |
| 60 Surface Casing                                       |   | 118,101                |   | <del></del>                 | \$ 118,101            |
| 61 Intermediate Casing                                  |   | 332,642                | -                                       | •                           | 332,642               |
| 62 Drilling Liner                                       |   | <del></del>            | -                                       | -                           | -                     |
| 63 Production Casing                                    |   | 663,806                | -                                       | -                           | 663,806               |
| 64 Production Liner                                     |   | -                      | -                                       |                             | -                     |
| 65 Tubing   |   | ·                      | -                                       | 140,000                     | 140,000               |
| 66 Wellhead   |   | 62,628                 |   | 40,000                      | 102,628               |
| 67 Packers, Liner Hangers                               |   | 14,234                 | <u> </u>                                | 20,000                      | 34,234                |
| 68 Tanks  |   | <del></del>            |   | 45,833                      | 45,833                |
| 69 Production Vessels                                   |   |                        |   | 126,667                     | 126,667               |
| 70 Flow Lines   |   |                        |   | 66,667                      | 66,667                |
| 71 Rod string   |   |                        |   | 90,000                      | 90,000                |
| 72 Artificial Lift Equipment<br>73 Compressor           | •   |                        |   | 5,833                       | 5,833                 |
| 74 Installation Costs                                   |   | <del></del>            | <del></del>                             |                             |                       |
| 75 Surface Pumps  |   |                        | -                                       | 61,667                      | 61,667                |
| 76 Downhole Pumps                                       |   | <del></del>            | -                                       |                             |                       |
| 77 Measurement & Meter Ir                               | estallation   | -                      |   | 116,667                     | 116,667               |
| 78 Gas Conditioning / Dehy                              |   |                        | -                                       | •                           | -                     |
| 79 Interconnecting Facility I                           |   | <del></del>            | -                                       | 20,000                      | 20,000                |
| 80 Gathering / Bulk Lines                               | - "   | -                      | -                                       |                             | <u> </u>              |
| 81 Valves, Dumps, Controll                              |   |                        |   | 108,333                     | 108,333               |
| 82 Tank / Facility Containm                             | ent   |                        | <u> </u>                                | 43,333                      | 43,333                |
| 83 Flare Stack  |   | ·                      |   | 16,667                      | 16,667                |
| 84 Electrical/Grounding                                 |   | •                      | <u> </u>                                | 50,000                      | 50,000                |
| 85 Communications / SCAD                                | <b>J</b> A  | <del></del>            | -                                       | 36,667                      | 36,667                |
| 86 Instrumentation / Safety                             | TOTAL TANCON ===  | 4 400 440              |   | 833                         | 833                   |
|   | TOTAL TANGIBLES   |                        | 0                                       | 989,167                     | 2,180,577             |
|   | TOTAL COSTS :   | 4,588,916              | 5,185,507                               | 1,761,334                   | 11,535,757            |
|   |   |                        |   | -                           |                       |
| REPARED BY Permian Res                                  | Sources Operating 11C.                                      |                        |   |                             |                       |
| VPT WEED DI LEHINAH KE                                  | ources Operating, LLC:                                      |                        |   |                             |                       |
| Drilling Enginee  | er: PS  |                        |   |                             |                       |
| Completions Engineer                                    |   |                        |   |                             |                       |
| Production Enginee                                      |   |                        |   |                             |                       |
| 1 rounction Enginee                                     | K   |                        |   |                             |                       |
|   | - IIO . DDF   |                        |   |                             |                       |
| ermian Resources Operatir                               | ig, LLC APPROVAL:   |                        |   |                             |                       |
| O- OF   | ·n  | 0.0                    | TO.                                     | VD O                        | ations                |
| Co-Ch   | <u>wн</u>   | Co-C                   | EO                                      | VP - Oper                   | CRM                   |
| UD 1441   | ****  | Un C                   | • |                             | CKM                   |
| VP - Land & Leg   | BG BG   | VP - Geoscien          | - CO                                    |                             |                       |
|   | BC  |                        | 50                                      |                             |                       |
|   |   |                        |   |                             |                       |
|   |   |                        |   |                             |                       |
|   |   |                        |   |                             |                       |
| ON OPERATING PARTN                                      | ER APPROVAL:  |                        |   |                             |                       |
|   |   |                        |   |                             |                       |
| Company Nam   | e:  |                        | Working Interest (%):                   | Т                           | ax ID:                |
| 01  |   | -                      |   |                             |                       |
| Signed b  | y:  |                        | Date:                                   |                             |                       |
| Titi  | lo•   |                        | Annroyal- F                             | Yes                         | ☐ No (mark one)       |
|   |   | <u></u> _              | -                                       |                             | <b>_</b> ` '          |
|   | constrained as continues on any separatic item or the total | (a)                    |   |                             | 4. APR 4 B 1          |

Permian Resources Operating, LLC
300 N. Marienfeld St., Ste. 1000 Midland, TX 79701
Phone (432) 695-4222 • Fax (432) 695-4063
IMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

|  | ESTIMATE               | OF COSTS AND AUTHO     | ORIZATION FOR EXPENI     |                            |                       |
|--|------------------------|------------------------|--------------------------|----------------------------|-----------------------|
| DATE:  | 2.17.2023              |                        |                          | AFE NO.:                   | 1                     |
| WELL NAME:   | Bane 4-9 Federal Com 1 | 34H                    |                          | FIELD:                     | Teas; Bone Spring     |
| LOCATION:  | Section 4, T20S-R34E   |                        |                          | MD/TVD:                    | 21,110' / 10,825'     |
| COUNTY/STATE:  | Lea County, New Mexic  | co                     |                          | LATERAL LENGTH:            | 10,000'               |
| Permian WI:  |                        |                        |                          | DRILLING DAYS:             | 19.6                  |
| GEOLOGIC TARGET:   | TBSG                   |                        |                          | COMPLETION DAYS:           | 18.6                  |
| GLOLOGIC IAMOLII   |                        | well and complete with | A4 stages AFF include    | s drilling, completions, f |                       |
| DELIA DICC.  | install cost           | wen and complete with  | 1 TI Stages. AI L merude | s arming, completions, i   | lowback and madai 115 |
| REMARKS:   | Histaii Cost           |                        |                          |                            |                       |
|  |                        | DRILLING               | COMPLETION               | PRODUCTION                 | TOTAL                 |
| INITANCIBLE  | тоете                  | COSTS                  | COSTS                    | COSTS                      | COSTS                 |
| INTANGIBLE   |                        | s 57,069               |                          | 37,500                     | \$ 94,569             |
| 1 Land/Legal/Regulatory<br>2 Location, Surveys & Dama          |                        | 278,338                | 17,456                   | 2,500                      | 298,294               |
| 4 Freight / Transportation                                     | es                     | 46,017                 | 42,298                   | 25,000                     | 113,315               |
| 5 Rental - Surface Equipmen                                    |                        | 120,122                | 208,133                  | 105,000                    | 433,255               |
| 6 Rental - Downhole Equipm                                     |                        | 198,477                | 57,783                   | -                          | 256,260               |
| 7 Rental - Living Quarters                                     |                        | 46,457                 | 52,637                   |                            | 99,094                |
| 10 Directional Drilling, Surv                                  | ys:                    | 415,018                | -                        | •                          | 415,018               |
| 11 Drilling  |                        | 728,329                | •                        | -                          | 728,329               |
| 12 Drill Bits  |                        | 96,788                 | 700 540                  |                            | 96,788                |
| 13 Fuel & Power  |                        | 182,546                | 700,542                  | <del></del>                | 883,088<br>235,069    |
| 14 Cementing & Float Equip                                     | TI                     | 235,069                | <del></del>              | 15,000                     | 15.000                |
| 15 Completion Unit, Swab, C<br>16 Perforating, Wireline, Slice |                        | <del></del>            | 379,842                  | 15,000                     | 379,842               |
| 17 High Pressure Pump Truc                                     |                        | <del></del>            | 119,106                  | <del></del>                | 119,106               |
| 18 Completion Unit, Swab, C                                    |                        |                        | 141,530                  |                            | 141,530               |
| 20 Mud Circulation System                                      |                        | 101,651                | •                        |                            | 101,651               |
| 21 Mud Logging   |                        | 16,936                 | •                        | -                          | 16,936                |
| 22 Logging/Formation Eval                                      | ation                  | 7,024                  | 8,057                    |                            | 15,081                |
| 23 Mud & Chemicals   |                        | 349,599                | 423,367                  | 10,000                     | 782,966               |
| 24 Water   |                        | 41,989                 | 639,251                  | 300,000                    | 981,240               |
| 25 Stimulation   |                        |                        | 786,506                  | -                          | 786,506               |
| 26 Stimulation Flowback & I                                    |                        |                        | 117,494                  | 150,000                    | 267,494               |
| 28 Mud/Wastewater Dispos                                       |                        | 186,574                | 59,083                   | 01//5                      | 245,657               |
| 30 Rig Supervision / Enginee                                   |                        | 117,098                | 128,908                  | 21,667                     | 267,673<br>10,071     |
| 32 Drlg & Completion Overl<br>35 Labor                         | cau                    | 10,071                 | 67,140                   | 101,667                    | 316,978               |
| 54 Proppant  |                        | 140,172                | 1,212,780                | 101,007                    | 1,212,780             |
| 95 Insurance   |                        | 14,164                 |                          | <del></del>                | 14,164                |
| 97 Contingency   |                        | •                      | 23,595                   | 3,833                      | 27,428                |
| 99 Plugging & Abandonmen                                       | 1                      | -                      | <del></del>              |                            | •                     |
|  | TOTAL INTANGIBLES      | > 3,397,506            | 5,185,507                | 772,167                    | 9,355,180             |
|  |                        |                        |                          |                            |                       |
|  |                        | DRILLING               | COMPLETION               | PRODUCTION                 | TOTAL                 |
| TANGIBLE   | OSTS                   | COSTS                  | COSTS                    | COSTS                      | COSTS                 |
| 60 Surface Casing  |                        | \$ 118,101<br>332,642  | <del></del>              |                            | \$ 118,101            |
| 61 Intermediate Casing   |                        | 332,042                | <del></del>              | <del></del>                | 332,642               |
| 62 Drilling Liner<br>63 Production Casing                      |                        | 663,806                | <del></del>              | <del></del>                | 663,806               |
| 64 Production Liner  |                        |                        |                          |                            | - 003,000             |
| 65 Tubing  |                        | <del></del>            | <del></del>              | 140,000                    | 140,000               |
| 66 Wellhead  |                        | 62.628                 | <del></del>              | 40,000                     | 102,628               |
| 67 Packers, Liner Hangers                                      |                        | 14,234                 | -                        | 20,000                     | 34,234                |
| 68 Tanks   |                        |                        | •                        | 45,833                     | 45,833                |
| 69 Production Vessels  |                        | -                      | <del></del>              | 126,667                    | 126,667               |
| 70 Flow Lines  |                        | <del></del>            |                          | 66,667                     | 66,667                |
| 71 Rod string  |                        | -                      | ·                        |                            | -                     |
| 72 Artificial Lift Equipment                                   |                        |                        |                          | 90,000                     | 90,000                |
| 73 Compressor  |                        | -                      |                          | 5,833                      | 5,833                 |
| 74 Installation Costs  |                        | -                      | <u> </u>                 |                            | -                     |
| 75 Surface Pumps   |                        | -                      | <del></del>              | 61,667                     | 61,667                |
| 76 Downhole Pumps 77 Measurement & Meter In                    | tallation              | <del></del>            | <del></del>              | 116,667                    | 116,667               |
| 78 Gas Conditioning / Dehy                                     |                        | <del></del>            | <del></del>              | - 110,007                  | - 110,007             |
| 79 Interconnecting Facility P                                  |                        | <del></del>            | <del></del>              | 20,000                     | 20,000                |
| 80 Gathering / Bulk Lines                                      | Pr19                   |                        | <del></del>              |                            |                       |
| 81 Valves, Dumps, Controlle                                    | rs                     |                        |                          | 108,333                    | 108,333               |
| 82 Tank / Facility Containme                                   |                        |                        | <del>.</del>             | 43,333                     | 43,333                |
| 83 Flare Stack   |                        | •                      | •                        | 16,667                     | 16,667                |
| 84 Electrical/Grounding  |                        |                        |                          | 50,000                     | 50,000                |
| 85 Communications / SCAD                                       | <b>\</b>               |                        | <u> </u>                 | 36,667                     | 36,667                |
| 86 Instrumentation / Safety                                    |                        | -                      | ·                        | 833                        | 833                   |
|  | TOTAL TANGIBLES        |                        | 0                        | 989,167                    | 2,180,577             |
| ****   | TOTAL COSTS            | > 4,588,916            | 5,185,507                | 1,761,334                  | 11,535,757            |
|  |                        |                        |                          |                            |                       |
| REPARED BY Permian Res   | umas Onamina IIC       |                        |                          |                            |                       |
| ELAKED DI Teldian Kes  | outes Operating, LLC.  |                        |                          |                            |                       |
| Drilling Enginee   | : PS                   |                        |                          |                            |                       |
| Completions Enginee  |                        |                        |                          |                            |                       |
| Production Engineer  |                        |                        |                          |                            |                       |
| . rosuction enginee  |                        |                        |                          |                            |                       |
| lan Daca   | . II.C ADDDOVICE       |                        |                          |                            |                       |
| rmian Resources Operatin                                       | LLC APPKOVAL:          |                        |                          |                            |                       |
| CoCE   | )                      | Co-C                   | EO                       | VP - Oper                  | ations                |
| COCE   | ,wн                    | 20-0                   |                          | vr - Oper                  | CRM                   |
|  |                        | VP - Geoscier          | •                        |                            | CRIVI                 |
| VD facilities  | BC:                    | v r - Geoscier         | ices                     |                            |                       |
| VP - Land & Lega   | BU                     |                        | 5O                       |                            |                       |
| VP - Land & Lega   |                        |                        |                          |                            |                       |
| VP - Land & Lega   |                        |                        |                          |                            |                       |
| VP - Land & Lego   |                        |                        |                          |                            |                       |
|  |                        |                        |                          |                            |                       |
| VP - Land & Legi   | R APPROVAL:            |                        |                          |                            |                       |
| ON OPERATING PARTNI  |                        |                        | Working Interest (%)     |                            | ax ID:                |
|  |                        |                        | Working Interest (%):    | Тт                         | ax ID:                |
| ON OPERATING PARTNI  Company Name                              | :                      |                        |                          |                            | ax ID:                |
| ON OPERATING PARTNI<br>Company Name<br>Signed by               | :                      |                        |                          | Т                          | ax ID:                |
| ON OPERATING PARTNI  Company Name                              | :                      |                        |                          | _                          | ax ID:                |

| ESTIMATE OF COSTS | AND AUTHORIZ | ATION FOR | EXPENDITURE |
|-------------------|--------------|-----------|-------------|
|                   |              |           |             |

|   | ESTIMATE                | OF COSTS AND AUTH     |                          |  |                        |
|---|-------------------------|-----------------------|--------------------------|--|------------------------|
| DATE:   | 2.17.2023               |                       |                          | AFE NO.:   | 1                      |
| WELL NAME:  | Bane 4-9 Federal Com 1  | 71H                   |                          | FIELD:   | Teas; Bone Spring      |
|   |                         |                       |                          | MD/TVD:  | 20,700' / 10,415'      |
| LOCATION:   | Section 4, T20S-R34E    |                       |                          | · -  |                        |
| COUNTY/STATE:   | Lea County, New Mexic   | :0                    |                          | LATERAL LENGTH:  | 10,000'                |
| Permian WI:   |                         |                       |                          | DRILLING DAYS:   | 19.6                   |
|   | TBSG                    |                       |                          | COMPLETION DAYS:   | 18.6                   |
| GEOLOGIC TARGET:  |                         |                       |                          |  |                        |
|   | Drill a horizontal TBSG | well and complete wit | h 44 stages. AFE include | s drilling, completions, f   | lowback and Initial AL |
| REMARKS:  | install cost            |                       |                          |  |                        |
|   |                         |                       |                          |  |                        |
|   |                         | DD111111C             | COMPLETION               | PRODUCTION   | TOTAL                  |
|   |                         | DRILLING              |                          | PRODUCTION   |                        |
| INTANGIBLE  | COSTS                   | COSTS                 | COSTS                    | COSTS  | COSTS                  |
| 1 Land / Legal / Regulatory   |                         | 55,739                | • .                      | 37,500   | 5 93,239               |
| 2 Location, Surveys & Dama  | iges                    | 271,852               | 17,050                   | 2,500  | 291,402                |
| 4 Freight / Transportation  |                         | 44,945                | 41,312                   | 25,000   | 111,257                |
| 5 Rental - Surface Equipmen   | nt                      | 117,323               | 203,283                  | 105,000  | 425,606                |
| 6 Rental - Downhole Equip   |                         | 193,853               | 56,437                   | <del></del>  | 250,289                |
| 7 Rental - Living Quarters  | menn                    | 45,374                | 51,411                   | <del></del>  | 96,785                 |
|   |                         |                       | 31,411                   | <del></del>  | 405,348                |
| 10 Directional Drilling, Surv   | reys                    | 405,348               |                          |  |                        |
| 11 Drilling   |                         | 711,359               | <u> </u>                 |  | 711,359                |
| 12 Drill Bits   |                         | 94,533                |                          | <u>·</u>   | 94,533                 |
| 13 Fuel & Power   |                         | 178,292               | 684,220                  |  | 862,512                |
| 14 Cementing & Float Equip  | )                       | 229,592               | -                        | -  | 229,592                |
| 15 Completion Unit, Swab,   | CTU                     |                       |                          | 15,000   | 15,000                 |
| 16 Perforating, Wireline, Sli   |                         | <del></del>           | 370,992                  |  | 370,992                |
| 17 High Pressure Pump Tru   |                         | -                     | 116,330                  | -  | 116,330                |
| 18 Completion Unit, Swab,   |                         |                       | 138,232                  |  | 138,232                |
| 20 Mud Circulation System   | <del>-</del>            | 99,283                | 100,202                  |  | 99,283                 |
|   |                         | 16,542                | <del></del>              |  | 16,542                 |
| 21 Mud Logging  | hation                  | 6,860                 | 7,869                    |  | 14,729                 |
| 22 Logging / Formation Eval   | ualiu                   |                       |                          |  |                        |
| 23 Mud & Chemicals  |                         | 341,453               | 413,503                  | 10,000   | 764,956                |
| 24 Water  |                         | 41,011                | 624,356                  | 300,000  | 965,367                |
| 25 Stimulation  |                         | •                     | 768,180                  | -  | 768,180                |
| 26 Stimulation Flowback &   | •                       |                       | 114,757                  | 150,000  | 264,757                |
| 28 Mud/Wastewater Dispo   | sal                     | 182,227               | 57,706                   | •  | 239,933                |
| 30 Rig Supervision / Engine   |                         | 114,369               | 125,904                  | 21,667   | 261,941                |
| 32 Drig & Completion Over   |                         | 9,836                 | <del></del>              | -  | 9,836                  |
| 35 Labor  | -                       | 144,719               | 65,575                   | 101,667  | 311,961                |
| 54 Proppant   |                         | 111/17                | 1,184,522                |  | 1,184,522              |
|   |                         | 12 024                | 1,101,522                |  | 13,834                 |
| 95 Insurance  |                         | 13,834                | 23,045                   | 3,833  | 26,878                 |
| 97 Contingency  |                         | -                     | 23,045                   | 3,833  | 20,878                 |
| 99 Plugging & Abandonme   | nt                      |                       |                          |  | <u>-</u>               |
|   | TOTAL INTANGIBLES:      | > 3,318,344           | 5,064,685                | 772,167  | 9,155,196              |
|   |                         |                       |                          |  |                        |
|   |                         | DRILLING              | COMPLETION               | PRODUCTION   | TOTAL                  |
| TANGIBLE  | COSTS                   | COSTS                 | COSTS                    | COSTS  | COSTS                  |
| 60 Surface Casing   |                         | \$ 115,349            | -                        | -  | s 115,349              |
| 61 Intermediate Casing  |                         | 324,891               | -                        |  | 324,891                |
| 62 Drilling Liner   |                         |                       |                          |  | •                      |
| 63 Production Casing  |                         | 648,340               | <del></del>              |  | 648,340                |
|   |                         | •                     | <del></del>              |  | 010,510                |
| 64 Production Liner   |                         |                       |                          |  |                        |
| 65 Tubing   |                         |                       | <u>·</u>                 | 140,000  | 140,000                |
| 66 Wellhead   |                         | 61,169                |                          | 40,000   | 101,169                |
| 67 Packers, Liner Hangers   |                         | 13,902                | <u> </u>                 | 20,000   | 33,902                 |
| 68 Tanks  |                         | <del></del>           |                          | 45,833   | 45,833                 |
| 69 Production Vessels   |                         | -                     | -                        | 126,667  | 126,667                |
| 70 Flow Lines   |                         |                       | -                        | 66,667   | 66,667                 |
| 71 Rod string   |                         |                       | <del></del>              |  |                        |
| 72 Artificial Lift Equipment  |                         |                       |                          | 90,000   | 90,000                 |
|   |                         |                       | <del></del>              | 5,833  | 5,833                  |
| 73 Compressor   |                         |                       |                          | 3,633  |                        |
| 74 Installation Costs   |                         | •                     | -                        |  |                        |
| 75 Surface Pumps  |                         |                       |                          | 61,667   | 61,667                 |
| 76 Downhole Pumps   |                         | -                     | <u> </u>                 |  | •                      |
| 77 Measurement & Meter Ir   | stallation              |                       |                          | 116,667  | 116,667                |
| 78 Gas Conditioning / Dehy  | dration                 |                       | <del></del>              |  | <del></del>            |
| 79 Interconnecting Facility I   | Piping                  | <del></del>           | -                        | 20,000   | 20,000                 |
| 80 Gathering / Bulk Lines   | - **                    |                       |                          |  | -                      |
| 81 Valves, Dumps, Controll  | ore                     | <del></del>           |                          | 108,333  | 108,333                |
| • •   |                         |                       | <del></del>              | 43,333   | 43,333                 |
| 82 Tank / Facility Containm   | v.m                     |                       | <del></del>              |  |                        |
| 83 Flare Stack  |                         |                       |                          | 16,667   | 16,667                 |
| 84 Electrical/Grounding   |                         | <u> </u>              | <del></del>              | 50,000   | 50,000                 |
| 85 Communications/SCAD  | PA .                    |                       |                          | 36,667   | 36,667                 |
| 86 Instrumentation / Safety   |                         | <u> </u>              | •                        | 833  | 833                    |
|   | TOTAL TANGIBLES:        | > 1,163,650           |                          | 989,167  | 2,152,817              |
|   | TOTAL COSTS:            |                       | 5,064,685                | 1,761,334  | 11,308,013             |
|   | 102003.0                | 1,102,771             | 2,001,000                | 2,:02,002  |                        |
|   |                         |                       |                          |  |                        |
| REPARED BY Permian Res  | ourse Operating IIC:    |                       |                          |  |                        |
| REFARED DI Fermuan Res  | ources Operating, LLC.  |                       |                          |  |                        |
| Deilling Enginee  | pc                      |                       |                          |  |                        |
| Drilling Enginee  |                         |                       |                          |  |                        |
| Completions Enginee   | er: ML                  |                       |                          |  |                        |
| Production Enginee  | er: DC                  |                       |                          |  |                        |
| <b>J</b>  |                         |                       | _                        |  |                        |
|   | - 110 400000****        |                       |                          |  |                        |
| ermian Resources Operatir   | ig, LLC APPROVAL:       |                       |                          |  |                        |
|   |                         |                       |                          |  |                        |
| Co-CE   |                         | Co-C                  | CEO                      | VP - Oper  | rations                |
|   | WH                      |                       | jw                       |  | CRM                    |
| VP - Land & Leg   | al                      | VP - Geoscie          | nces                     |  |                        |
| VI - Land & Leg   | BG                      | vi - Geoscie          | SO SO                    |  |                        |
|   | BC .                    |                       | 80                       |  |                        |
|   |                         |                       |                          |  |                        |
|   |                         |                       |                          |  |                        |
|   |                         |                       |                          |  |                        |
| ON OPERATING PARTN  | ER APPROVAL:            |                       |                          |  |                        |
|   |                         |                       | <del></del>              |  |                        |
| Company Nam   | e:                      |                       | Working Interest (%):    | 1  | Γax ID:                |
| ,y  |                         |                       |                          |  |                        |
| Signed b  | y:                      |                       | Date:                    |  |                        |
| - 0   | -                       |                       | _                        |  |                        |
| Tit   | le:                     |                       | Approval: [              | Yes  | ☐ No (mark one)        |
|   |                         |                       |                          |  | <del></del>            |
| resets on this AFE are estimates only and may not be a<br>continue to these of artical mets incurred includes. In |                         |                       |                          | nar after the well has been completed. In executi<br>meet covering this well. Participants shall be co |                        |
|   |                         |                       |                          |  |                        |

### ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

| DATE:   | 2.17.2023  |   |   | AFE NO.:  | 1  |
|---|--|---|---|---|--|
| WELL NAME:  | Bane 4-9 Federal Com 1                                 | 72H   |   | FIELD:  | Teas; Bone Spring                              |
| LOCATION:   | Section 4, T20S-R34E                                   |   |   | MD/TVD:   | 20,700' / 10,415'                              |
| COUNTY/STATE:   | Lea County, New Mexic                                  | co  |   | LATERAL LENGTH:                                     | 10,000'  |
| Permian WI:   | -  |   |   | DRILLING DAYS:                                      | 19.6   |
| GEOLOGIC TARGET:  | TBSG   |   |   | COMPLETION DAYS:                                    | 18.6   |
|   | Drill a horizontal TBSG                                | well and complete v                         | vith 44 stages. AFE include                     | es drilling, completions, f                         | lowback and Initial AL                         |
| REMARKS:  | install cost   | •   | · ·   |   |  |
|   |  |   |   |   |  |
|   |  | DRILLING                                    | COMPLETION                                      | PRODUCTION  | TOTAL  |
| INTANGIBLE  | COSTS  | COSTS                                       | COSTS   | COSTS   | COSTS  |
| 1 Land/Legal/Regulatory                                   |  | \$ 55,739                                   | -   | 37,500  | 5 93,239                                       |
| 2 Location, Surveys & Dama                                | ges  | 271,852<br>44,945                           | 17,050<br>41,312                                | 2,500   | 291,402<br>111,257                             |
| 4 Freight / Transportation<br>5 Rental - Surface Equipmen | n#   | 117,323                                     | 203,283   | 105,000   | 425,606  |
| 6 Rental - Downhole Equipment                             |  | 193,853                                     | 56,437  |   | 250,289  |
| 7 Rental - Living Quarters                                |  | 45,374                                      | 51,411  | -   | 96,785   |
| 10 Directional Drilling, Surv                             | reys   | 405,348                                     |   | •   | 405,348  |
| 11 Drilling   |  | 711,359                                     | <del></del>                                     |   | 711,359<br>94,533                              |
| 12 Drill Bits<br>13 Fuel & Power                          |  | 94,533<br>178,292                           | 684,220   | <del></del>   | 862,512  |
| 14 Cementing & Float Equip                                |  | 229,592                                     |   |   | 229,592  |
| 15 Completion Unit, Swab, (                               |  |   | -   | 15,000  | 15,000   |
| 16 Perforating, Wireline, Slie                            |  |   | 370,992   |   | 370,992  |
| 17 High Pressure Pump True                                |  | <u> </u>                                    | 116,330   | -   | 116,330  |
| 18 Completion Unit, Swab, (                               | CTU  | - 00 202                                    | 138,232   |   | 138,232  |
| 20 Mud Circulation System<br>21 Mud Logging               |  | 99,283                                      | <del></del>                                     |   | 99,283<br>16,542                               |
| 22 Logging / Formation Eval                               | uation   | 6,860                                       | 7,869   | <del></del>   | 14,729   |
| 23 Mud & Chemicals  | -  | 341,453                                     | 413,503   | 10,000  | 764,956  |
| 24 Water  |  | 41,011                                      | 624,356   | 300,000   | 965,367  |
| 25 Stimulation  | n.   |   | 768,180   | 150,000   | 768,180  |
| 26 Stimulation Flowback & 1                               | •  | 182,227                                     | 114,757<br>57,706                               | 150,000   | 264,757  |
| 28 Mud / Wastewater Dispos<br>30 Rig Supervision / Engine |  | 114,369                                     | 125,904   | 21,667  | 261,941  |
| 32 Drig & Completion Over                                 |  | 9,836                                       | -   | - 21,007  | 9,836  |
| 35 Labor  |  | 144,719                                     | 65,575  | 101,667   | 311,961  |
| 54 Proppant   |  |   | 1,184,522                                       |   | 1,184,522                                      |
| 95 Insurance  |  | 13,834                                      | ***   | 2.022   | 13,834   |
| 97 Contingency  | •4   |   | 23,045  | 3,833   | 26,878   |
| 99 Plugging & Abandonmer                                  |  | 2 220 244                                   |   |   |  |
| <del></del>   | TOTAL INTANGIBLES                                      | > 3,318,344                                 | 5,064,685                                       | 772,167   | 9,155,196                                      |
|   |  | DRILLING                                    | COMPLETION                                      | PRODUCTION  | TOTAL  |
| TANGIBLE C  |  | COSTS                                       | COSTS   | COSTS   | COSTS  |
| 60 Surface Casing   | :  | \$ 115,349                                  | <del></del>                                     |   | \$ 115,349                                     |
| 61 Intermediate Casing<br>62 Drilling Liner               |  | 324,891                                     | <del></del>                                     | <del></del>   | 324,891  |
| 63 Production Casing                                      |  | 648,340                                     |   | <del></del>   | 648,340  |
| 64 Production Liner                                       |  | -   | <del></del>                                     | -   |  |
| 65 Tubing   |  |   |   | 140,000   | 140,000  |
| 66 Wellhead   |  | 61,169                                      | -   | 40,000  | 101,169  |
| 67 Packers, Liner Hangers                                 |  | 13,902                                      |   | 20,000  | 33,902   |
| 68 Tanks<br>69 Production Vessels                         |  |   | <del></del>                                     | 45,833  | 45,833<br>126,667                              |
| 70 Flow Lines   |  | <del></del>                                 | <del></del>                                     | 126,667   | 66,667   |
| 71 Rod string   |  |   |   | -   | -  |
| 72 Artificial Lift Equipment                              |  | •   | -   | 90,000  | 90,000   |
| 73 Compressor   |  |   |   | 5,833   | 5,833  |
| 74 Installation Costs                                     |  |   | <u> </u>  |   |  |
| 75 Surface Pumps  |  | <u>-</u>                                    |   | 61,667  | 61,667   |
| 76 Downhole Pumps 77 Measurement & Meter In               | stallation   | <del></del>                                 | <del></del>                                     | 116,667   | 116,667  |
| 78 Gas Conditioning/Dehy                                  |  | <del></del>                                 | <del></del>                                     |   |  |
| 79 Interconnecting Facility F                             |  | •   | •   | 20,000  | 20,000   |
| 80 Gathering/Bulk Lines                                   |  |   |   |   | -  |
| 81 Valves, Dumps, Controlle                               |  |   |   | 108,333   | 108,333  |
| 82 Tank / Facility Containme<br>83 Flare Stack            | ent  | <u> </u>                                    | <del></del>                                     | 43,333  | 43,333   |
| 83 Flare Stack<br>84 Electrical/Grounding                 |  |   | <del></del>                                     | 50,000  | 50,000   |
| 85 Communications / SCAD                                  | A  | <del></del>                                 | <del></del>                                     | 36,667  | 36,667   |
| 86 Instrumentation / Safety                               |  |   |   | 833   | 833  |
|   | TOTAL TANGIBLES  | > 1,163,650                                 | 0   | 989,167   | 2,152,817                                      |
|   | TOTAL COSTS:   | > 4,481,994                                 | 5,064,685                                       | 1,761,334   | 11,308,013                                     |
| REPARED BY Permian Res                                    | ources Operating, LLC:                                 |   |   |   | 3  |
|   | · · · · · · · · · · · · · · · · · · ·                  |   |   |   |  |
| Drilling Enginee  |  |   |   |   |  |
| Completions Enginee                                       |  |   |   |   |  |
| Production Enginee  | r: DC  |   |   |   |  |
| ermian Resources Operatin                                 | g, LLC APPROVAL:                                       |   |   |   |  |
| Co-CE   | 0  | _   | Co-CEO  | VP - Oper   | ations   |
| 20 02.  |  |   | - IW  | 7. Орс.   | CRM  |
| VP - Land & Lega  | al   | VP - Geos                                   | ciences   |   | <del></del>                                    |
|   | BG BG  | 2200  |   |   |  |
|   |  |   |   |   |  |
|   |  |   |   |   |  |
|   |  |   |   |   |  |
| ON OPERATING PARTNI                                       | ER APPROVAL:   |   |   |   |  |
|   |  |   | hat- a  |   | · 1D   |
| Company Name  | e:   |   | Working Interest (%):                           |   | ax ID:   |
| Signed by   | y:   |   | Date:   |   |  |
|   |  |   |   | <del></del>   |  |
| Title   | e:   |   | Approval:                                       | Yes   | No (mark one)                                  |
| costs on this AFE are estimates only and may not be co    | postrued as critings on any specific item or the total | il rost of the project. Tubing installation | approved under the AFE may be delayed up to a y | ear after the well has been completed. In execution | ng this AFF, the Participant agrees to pay its |

|  | ESTIMATE (   | OF COSTS AND AUTHO                             | RIZATION FOR EXPEND                          |  |   |
|--|--|--|--|--|---|
| DATE:  | 2.17.2023  |  |  | AFE NO.:   | 1   |
| WELL NAME:   | Bane 4-9 Federal Com 17                              | 73H  |  | FIELD:   | Teas; Bone Spring                                   |
| LOCATION:  | Section 4, T20S-R34E                                 |  |  | MD/TVD:  | 20,700' / 10,415'                                   |
| COUNTY/STATE:  | Lea County, New Mexic                                | 0  |  | LATERAL LENGTH:                                    | 10,000'   |
| Permian WI:  |  | -  |  | DRILLING DAYS:                                     | 19.6  |
| GEOLOGIC TARGET:   | TBSG   |  |  | COMPLETION DAYS:                                   | 18.6  |
| GEOLOGIC TARGET.   | Drill a horizontal TBSG                              | well and complete with                         | AA stagge AFF include                        | _  |   |
| Den / 1 DVC  |  | well allu complete with                        | H stages. At L therauce                      | s arming, completions, in                          | OWDER and Haddi 115                                 |
| REMARKS:   | install cost   |  |  |  |   |
|  |  | DRILLING                                       | COMPLETION                                   | PRODUCTION   | TOTAL   |
|  |  | COSTS  | COSTS  | COSTS  | COSTS   |
| INTANGIBLE C   |  |  |  | 37,500   | \$ 93,239   |
| 1 Land/Legal/Regulatory                                      | S  | 55,739<br>271,852                              | 17,050                                       | 2,500  | 291,402   |
| 2 Location, Surveys & Damag<br>4 Freight / Transportation    | ges  | 44,945   | 41,312                                       | 25,000   | 111,257   |
| 5 Rental - Surface Equipment                                 |  | 117,323  | 203,283                                      | 105,000  | 425,606   |
| 6 Rental - Downhole Equipm                                   |  | 193,853  | 56,437                                       | <del></del>  | 250,289   |
| 7 Rental - Living Quarters                                   |  | 45,374   | 51,411                                       | -  | 96,785  |
| 10 Directional Drilling, Surve                               | evs  | 405,348  | <del></del>                                  |  | 405,348   |
| 11 Drilling  | •  | 711,359  | -  | -  | 711,359   |
| 12 Drill Bits  |  | 94,533   |  | -  | 94,533  |
| 13 Fuel & Power  |  | 178,292  | 684,220                                      | -  | 862,512   |
| 14 Cementing & Float Equip                                   |  | 229,592  | •  |  | 229,592   |
| 15 Completion Unit, Swab, C                                  |  |  |  | 15,000   | 15,000  |
| 16 Perforating, Wireline, Slich                              |  |  | 370,992                                      |  | 370,992   |
| 17 High Pressure Pump Truck                                  |  |  | 116,330                                      |  | 116,330   |
| 18 Completion Unit, Swab, C                                  | TU   |  | 138,232                                      |  | 138,232   |
| 20 Mud Circulation System                                    |  | 99,283   | <del></del>                                  |  | 99,283  |
| 21 Mud Logging   | and a  | 16,542   | 7,869  |  | 16,542<br>14,729                                    |
| 22 Logging / Formation Evalu                                 | auon   | 6,860<br>341,453                               | 413,503                                      | 10,000   | 764,956   |
| 23 Mud & Chemicals<br>24 Water                               |  | 41,011   | 624,356                                      | 300,000  | 965,367   |
|  |  |  | 768,180                                      | 300,000  | 768,180   |
| 25 Stimulation 26 Stimulation Flowback & D                   | Hen  | <del></del>                                    | 114,757                                      | 150,000  | 264,757   |
| 28 Mud/Wastewater Disposa                                    |  | 182,227  | 57,706                                       | 130,000  | 239,933   |
| 30 Rig Supervision / Engineer                                |  | 114,369  | 125,904                                      | 21,667   | 261,941   |
| 32 Drig & Completion Overh                                   |  | 9,836  |  |  | 9,836   |
| 35 Labor   |  | 144,719  | 65,575                                       | 101,667  | 311,961   |
| 54 Proppant  |  |  | 1,184,522                                    |  | 1,184,522   |
| 95 Insurance   |  | 13,834   | •  |  | 13,834  |
| 97 Contingency   |  | <del></del>                                    | 23,045                                       | 3,833  | 26,878  |
| 99 Plugging & Abandonment                                    | İ  | -  | •  |  | -   |
|  | TOTAL INTANGIBLES >                                  | 3,318,344                                      | 5,064,685                                    | 772,167  | 9,155,196   |
|  |  |  | 201 (Pr PERSON)                              |  |   |
|  |  | DRILLING                                       | COMPLETION                                   | PRODUCTION   | TOTAL   |
| TANGIBLE C   |  | COSTS  | COSTS  | COSTS  | COSTS   |
| 60 Surface Casing  | •  |  | <u> </u>                                     | -  | \$ 115,349  |
| 61 Intermediate Casing                                       |  | 324,891  | <del></del>                                  | <del></del>  | 324,891   |
| 62 Drilling Liner  |  | 648,340  | <del></del>                                  | <del></del>  | 648,340   |
| 63 Production Casing<br>64 Production Liner                  |  | 010,510  | <del></del>                                  |  | 048,540   |
| 65 Tubing  |  | <del></del>                                    | <del></del>                                  | 140,000  | 140,000   |
| 66 Wellhead  |  | 61,169   | <del></del>                                  | 40,000   | 101,169   |
| 67 Packers, Liner Hangers                                    |  | 13,902   | <del></del>                                  | 20,000   | 33,902  |
| 68 Tanks   |  | <del></del>                                    |  | 45,833   | 45,833  |
| 69 Production Vessels  |  |  | -  | 126,667  | 126,667   |
| 70 Flow Lines  |  | -  | •  | 66,667   | 66,667  |
| 71 Rod string  |  |  | -  | -  | -   |
| 72 Artificial Lift Equipment                                 |  | -  | •  | 90,000   | 90,000  |
| 73 Compressor  |  |  | •  | 5,833  | 5,833   |
| 74 Installation Costs  |  | <u> </u>                                       | •  |  | <u> </u>  |
| 75 Surface Pumps   |  |  | •  | 61,667   | 61,667  |
| 76 Downhole Pumps  |  | •  | ·  |  |   |
| 77 Measurement & Meter Ins                                   |  | <u> </u>                                       | <del></del>                                  | 116,667  | 116,667   |
| 78 Gas Conditioning / Dehyd                                  |  |  | -  | •  | -   |
| 79 Interconnecting Facility Pi                               | ping   | <del></del>                                    | <del></del>                                  | 20,000   | 20,000  |
| 80 Gathering / Bulk Lines                                    |  |  | <u> </u>                                     | 100 222  |   |
| 81 Valves, Dumps, Controller<br>82 Tank / Facility Containme |  | <del></del>                                    | <del></del>                                  | 108,333  | 108,333   |
| 83 Flare Stack   | •••  | <u>-</u>                                       | <u>-</u>                                     | 16,667   | 16,667  |
| 84 Electrical/Grounding                                      |  | <del></del>                                    |  | 50,000   | 50,000  |
| 85 Communications / SCADA                                    |  | <del></del>                                    | <del></del>                                  | 36,667   | 36,667  |
| 86 Instrumentation / Safety                                  |  | <del></del>                                    | -  | 833  | 833   |
|  | TOTAL TANGIBLES >                                    | 1,163,650                                      |  | 989,167  | 2,152,817   |
|  | TOTAL COSTS >  |  | 5,064,685                                    | 1,761,334  | 11,308,013  |
|  | TOTAL COSTS  | 4/401,774                                      | 5,000,2005                                   | 1,/01,034  | 11,000,013  |
|  |  |  |  |  |   |
| REPARED BY Permian Reso                                      | ources Operating, LLC:                               |  |  |  |   |
|  |  |  |  |  |   |
| Drilling Engineer  | : PS   |  |  |  |   |
| Completions Engineer   | : ML   |  |  |  |   |
| Production Engineer  | : DC   |  |  |  |   |
| <u>_</u>   |  |  |  |  | ·   |
| rmian Resources Operating                                    | IIC APPROVAL.  |  |  |  |   |
| runan Kesources Operating                                    | CLC ALLOVAL.   |  |  |  | <del></del>   |
| Co-CEC   | )  | Co-C   | EO   | VP - Oper  | ations  |
| <del>-</del>   | WH   |  | IW   |  | CRM   |
| VP - Land & Lega   |  | VP - Geoscien                                  | • • •  |  | Çilli   |
| A L PWHO OF FIGGY  | ·  | v r - Geoscien                                 |  |  |   |
|  |  |  | <b>∞</b>                                     |  |   |
|  |  |  |  |  |   |
|  |  |  |  |  |   |
|  |  |  |  |  |   |
| ON OPERATING PARTNE  | R APPROVAL:  |  |  |  |   |
| C  |  |  | Marking Interest (N)                         |  | an ID.  |
| Company Name   | ·  |  | Working Interest (%):                        | Т  | Tax ID:   |
| Signad hu  | •  |  | Date:  |  |   |
| Signed by  |  |  | Date:  |  | <del></del>   |
| Title  | :  |  | Approval: [                                  | ☐ Yes  | ☐ No (mark one)                                     |
|  |  |  |  | <del></del> -                                      | <del></del>   |
| costs on this AFE are estimates only and may not be con      | natured as codines on any specific item or the total | count of the named. Tubing installation appro- | wast under the AFF may be delayed up to a ve | ar after the well has been completed. In each with | and this AAR also flustrationed account to many its |

|  |   | OF COSTS AND AUTHO                                |                        |                             |                        |
|--|---|---|------------------------|-----------------------------|------------------------|
| DATE:  | 2.17.2023   |   |                        | AFE NO.: _                  | T Post Contra          |
| WELL NAME:   | Bane 4-9 Federal Com 17                                 | '4H   |                        | FIELD:                      | Teas; Bone Spring      |
| LOCATION:  | Section 4, T20S-R34E                                    |   |                        | MD/TVD:                     | 20,700' / 10,415'      |
| COUNTY/STATE:  | Lea County, New Mexic                                   | 0   |                        | LATERAL LENGTH:             | 10,000'                |
| Permian WI:  |   |   |                        | DRILLING DAYS:              | 19.6                   |
| GEOLOGIC TARGET:   | TBSG  |   |                        | COMPLETION DAYS:            | 18.6                   |
|  |   | well and complete with                            | 44 stages. AFE include | s drilling, completions, fl | lowback and Initial AL |
| REMARKS:   | install cost  | •   | · ·                    |                             |                        |
|  |   |   |                        |                             |                        |
|  |   | DRILLING  | COMPLETION             | PRODUCTION                  | TOTAL                  |
| INTANGIBLE   | COSTS   | COSTS   | COSTS                  | COSTS                       | COSTS                  |
| 1 Land / Legal / Regulatory  | S   | 55,739  | -                      | 37,500                      | \$ 93,239              |
| 2 Location, Surveys & Damag  | zes   | 271,852   | 17,050                 | 2,500                       | 291,402                |
| 4 Freight / Transportation   |   | 44,945  | 41,312                 | 25,000                      | 111,257                |
| 5 Rental - Surface Equipmen  |   | 117,323   | 203,283                | 105,000                     | 425,606<br>250,289     |
| 6 Rental - Downhole Equipm   | ient  | 193,853<br>45,374                                 | 56,437<br>51,411       | <del></del>                 | 96,785                 |
| 7 Rental - Living Quarters 10 Directional Drilling, Surve  | A   | 405,348   | 31,411                 |                             | 405,348                |
| 11 Drilling  | rys   | 711,359   | <del></del>            | <del></del>                 | 711,359                |
| 12 Drill Bits  |   | 94,533  |                        | <del>.</del>                | 94,533                 |
| 13 Fuel & Power  |   | 178,292   | 684,220                | -                           | 862,512                |
| 14 Cementing & Float Equip   |   | 229,592   | -                      | -                           | 229,592                |
| 15 Completion Unit, Swab, C  |   |   |                        | 15,000                      | 15,000                 |
| 16 Perforating, Wireline, Slic   | kline   | •   | 370,992                | -                           | 370,992                |
| 17 High Pressure Pump Truc   |   | <u> </u>  | 116,330                | •                           | 116,330                |
| 18 Completion Unit, Swab, C  | .TU   |   | 138,232                | -                           | 138,232                |
| 20 Mud Circulation System  |   | 99,283  | <u> </u>               |                             | 99,283                 |
| 21 Mud Logging   |   | 16,542  | 7,869                  | <u> </u>                    | 16,542                 |
| 22 Logging / Formation Evaluation | 14UOU   | 6,860<br>341,453                                  | 413,503                | 10,000                      | 764,956                |
| 23 Mud & Chemicals<br>24 Water   |   | 41,011  | 624,356                | 300,000                     | 965,367                |
| 25 Stimulation   |   | 41,011  | 768,180                | 300,000                     | 768,180                |
| 26 Stimulation Flowback & I  | Disp  | <del></del>                                       | 114,757                | 150,000                     | 264,757                |
| 28 Mud/Wastewater Dispos   |   | 182,227   | 57,706                 | -                           | 239,933                |
| 30 Rig Supervision / Enginee   |   | 114,369   | 125,904                | 21,667                      | 261,941                |
| 32 Drlg & Completion Overh   |   | 9,836   | -                      |                             | 9,836                  |
| 35 Labor   |   | 144,719   | 65,575                 | 101,667                     | 311,961                |
| 54 Proppant  |   |   | 1,184,522              | -                           | 1,184,522              |
| 95 Insurance   |   | 13,834  | -                      | -                           | 13,834                 |
| 97 Contingency   |   | -   | 23,045                 | 3,833                       | 26,878                 |
| 99 Plugging & Abandonmen   | 1   |   | <u> </u>               | <u> </u>                    | •                      |
|  | TOTAL INTANGIBLES >                                     | 3,318,344   | 5,064,685              | 772,167                     | 9,155,196              |
|  |   | DRILLING  | COMPLETION             | PRODUCTION                  | TOTAL                  |
| TANGIBLE C   | OSTS  | COSTS   | COSTS                  | COSTS                       | COSTS                  |
| 60 Surface Casing  | .0313   |   |                        |                             | S 115,349              |
| 61 Intermediate Casing   | •   | 324,891   | <del></del>            |                             | 324,891                |
| 62 Drilling Liner  |   |   | <del></del>            | -                           | -                      |
| 63 Production Casing   |   | 648,340   | -                      | -                           | 648,340                |
| 64 Production Liner  |   | -   | -                      | -                           |                        |
| 65 Tubing  |   | <del></del>                                       |                        | 140,000                     | 140,000                |
| 66 Wellhead  |   | 61,169  | -                      | 40,000                      | 101,169                |
| 67 Packers, Liner Hangers  |   | 13,902  | -                      | 20,000                      | 33,902                 |
| 68 Tanks   |   |   | •                      | 45,833                      | 45,833                 |
| 69 Production Vessels  |   |   |                        | 126,667                     | 126,667                |
| 70 Flow Lines  |   |   | ·                      | 66,667                      | 66,667                 |
| 71 Rod string  |   |   | <u> </u>               | 90,000                      | 90,000                 |
| 72 Artificial Lift Equipment<br>73 Compressor  |   | <del></del>                                       | <del></del>            | 5,833                       | 5,833                  |
| 74 Installation Costs  |   | <del></del>                                       | <del></del>            |                             | - 3,333                |
| 75 Surface Pumps   |   |   | <del></del>            | 61,667                      | 61,667                 |
| 76 Downhole Pumps  |   |   | <del></del>            |                             |                        |
| 77 Measurement & Meter Ins   | stallation  | <del></del>                                       | •                      | 116,667                     | 116,667                |
| 78 Gas Conditioning / Dehyo  |   |   | -                      | -                           | -                      |
| 79 Interconnecting Facility P  | iping   | <del></del>                                       | -                      | 20,000                      | 20,000                 |
| 80 Gathering / Bulk Lines  |   | -   |                        |                             | -                      |
| 81 Valves, Dumps, Controlle  | rs  | •   |                        | 108,333                     | 108,333                |
| 82 Tank / Facility Containme   | ent   | -   |                        | 43,333                      | 43,333                 |
| 83 Flare Stack   |   | · ·   | <u> </u>               | 16,667                      | 16,667                 |
| 84 Electrical/Grounding  |   | <u> </u>  | <del></del>            | 50,000                      | 50,000                 |
| 85 Communications / SCAD.<br>86 Instrumentation / Safety   | n.  | <del></del>                                       | · · ·                  | 36,667                      | 36,667<br>833          |
| 66 Instrumentation/ Safety   | TOTAL TANCIBLES   | 1163 650  | <del></del>            | 989,167                     |                        |
| -  | TOTAL COSTS   |   | U                      |                             | 2,152,817              |
|  | TOTAL COSTS >   | · 4,481,994                                       | 5,064,685              | 1,761,334                   | 11,308,013             |
|  |   |   |                        | <u> </u>                    |                        |
| REPARED BY Permian Res   | ources Operating, LLC:                                  |   |                        |                             |                        |
|  |   |   |                        |                             |                        |
| Drilling Engineer  | r: PS   |   |                        |                             |                        |
| Completions Engineer   | r: ML   |   |                        |                             |                        |
| Production Engineer  | r: DC   |   |                        |                             |                        |
|  |   |   |                        |                             |                        |
| ermian Resources Operating   | g, LLC APPROVAL:  |   |                        |                             |                        |
|  |   | -   |                        |                             |                        |
| Co-CEC   | 0   | Co-Ci   | EO                     | VP - Oper                   | ations                 |
|  | WH  |   | JW                     |                             | CRM                    |
| VP - Land & Lega   | ıl  | VP - Geoscien                                     |                        |                             |                        |
| J  | BG  |   | SO                     |                             |                        |
|  |   |   |                        |                             |                        |
|  |   |   |                        |                             |                        |
|  |   |   |                        |                             |                        |
| ON OPERATING PARTNE  | ER APPROVAL:  |   |                        |                             |                        |
|  |   | ·   |                        |                             |                        |
| Company Name   | 2:  |   | Working Interest (%):  | т                           | Tax ID:                |
| a  |   |   | <b>-</b>               |                             |                        |
| Signed by  | /:  |   | Date:                  |                             |                        |
| Title  | 9:  |   | Approval: [            | Yes                         | ☐ No (mark one)        |
|  |   |   |                        |                             | <del></del>            |
| costs on this AFE are estimates only and may not be co   | material as craftians on any smartfir them or the total | Louis of the manines. Turbine installation agency |                        |                             |                        |

| <b>ESTIMATE</b> | OF COSTS | AND AUI | HORIZAT | TION FOR | EXPENDITU | RI |
|-----------------|----------|---------|---------|----------|-----------|----|
|                 |          |         |         |          |           |    |

|   |   | OF COSTS AND AUTHO                            | RIZATION FOR EXPEND                               |                           |   |
|---|---|---|---|---------------------------|---|
| DATE:   | 2.17.2023   |   |   | AFE NO.:                  | 1   |
| WELL NAME:  | Bane 4-9 Federal Com 2                                | 01H   |   | FIELD:_                   | Tonto; Wolfcamp                           |
| LOCATION:   | Section 4, T20S-R34E                                  |   |   | MD/TVD:                   | 21,210' / 10,925'                         |
| COUNTY/STATE:   | Lea County, New Mexic                                 | 20  |   | LATERAL LENGTH:           | 10,000'                                   |
| Permian WI:   |   |   |   | DRILLING DAYS:            | 19.6                                      |
| GEOLOGIC TARGET:  | WCXY  | · · · · · · · · · · · · · · · · · · ·         |   | COMPLETION DAYS:          | 19  |
| GEOLOGIC IARGET   |   | / wall and complete with                      | h 44 stages AFE includ                            | es drilling, completions, |   |
| DEMARKS.  |   | well and complete wit                         | II 44 stages. ATE Includ                          | es arming, completions,   | HOW DUCK WITH HUMAN                       |
| REMARKS:  | AL install cost                                       |   |   |                           |   |
|   |   | DRULING                                       | COMPLETION  | PRODUCTION                | TOTAL                                     |
|   | 00070   | DRILLING<br>COSTS                             | COSTS   | COSTS                     | COSTS                                     |
| INTANGIBLE  | COSIS   |   |   | 37,500                    | \$ 96,566                                 |
| 1 Land/Legal/Regulatory<br>2 Location, Surveys & Dama     |   | 288,079                                       | 18,067  | 2,500                     | 308,647                                   |
| 4 Freight / Transportation                                | .gcs  | 47,628  | 43,778  | 25,000                    | 116,406                                   |
| 5 Rental - Surface Equipmen                               | nt  | 124,327                                       | 215,417   | 105,000                   | 444,744                                   |
| 6 Rental - Downhole Equipm                                |   | 205,424                                       | 59,805  |                           | 265,229                                   |
| 7 Rental - Living Quarters                                |   | 48,083  | 54,480  | <del></del>               | 102,562                                   |
| 10 Directional Drilling, Surv                             | reys  | 429,543                                       | -   |                           | 429,543                                   |
| 11 Drilling   |   | 753,820                                       |   |                           | 753,820                                   |
| 12 Drill Bits   |   | 100,176                                       | •   |                           | 100,176                                   |
| 13 Fuel & Power   |   | 188,935                                       | 725,061   |                           | 913,996                                   |
| 14 Cementing & Float Equip                                |   | 243,296                                       |   | 15,000                    | 243,296<br>15,000                         |
| 15 Completion Unit, Swab, (                               |   |   | 393,136   | 15,000                    | 393,136                                   |
| 16 Perforating, Wireline, Slice                           |   |   | 123,274   |                           | 123,274                                   |
| 17 High Pressure Pump True<br>18 Completion Unit, Swab, ( |   | <del></del>                                   | 146,484   | -                         | 146,484                                   |
| 20 Mud Circulation System                                 |   | 105,209                                       | -   | <del></del>               | 105,209                                   |
| 21 Mud Logging  |   | 17,529  | <del></del>                                       | <del></del>               | 17,529                                    |
| 22 Logging / Formation Eval                               | uation  | 7,270   | 8,339   |                           | 15,609                                    |
| 23 Mud & Chemicals  | *=  | 361,835                                       | 438,185   | 10,000                    | 810,020                                   |
| 24 Water  |   | 43,459  | 661,625   | 300,000                   | 1,005,083                                 |
| 25 Stimulation  |   | - 107.10                                      | 814,033   | -                         | 814,033                                   |
| 26 Stimulation Flowback &                                 | Disp  | -   | 121,606   | 150,000                   | 271,606                                   |
| 28 Mud/Wastewater Dispos                                  |   | 193,104                                       | 61,151  |                           | 254,254                                   |
| 30 Rig Supervision / Engine                               | ering   | 121,196                                       | 133,420   | 21,667                    | 276,283                                   |
| 32 Drig & Completion Over                                 | head  | 10,423  | -   | -                         | 10,423                                    |
| 35 Labor  |   | 153,358                                       | 69,489  | 101,667                   | 324,514                                   |
| 54 Proppant   |   |   | 1,255,227   |                           | 1,255,227                                 |
| 95 Insurance  |   | 14,660  | -   |                           | 14,660                                    |
| 97 Contingency  |   |   | 24,421  | 3,833                     | 28,254                                    |
| 99 Plugging & Abandonmer                                  |   |   |   |                           |   |
|   | TOTAL INTANGIBLES:                                    | > 3,516,419                                   | 5,367,000   | 772,167                   | 9,655,585                                 |
| •   |   | DRILLING                                      | COMPLETION  | PRODUCTION                | TOTAL                                     |
| TANGIBLE (  | COSTS   | COSTS   | COSTS   | COSTS                     | COSTS                                     |
| 60 Surface Casing   |   | 5 122,234                                     | •   | •                         | S 122,234                                 |
| 61 Intermediate Casing                                    | •   | 344,284                                       |   |                           | 344,284                                   |
| 62 Drilling Liner   |   |   | <del></del>                                       | <del></del>               |   |
| 63 Production Casing                                      |   | 687,039                                       | •   | -                         | 687,039                                   |
| 64 Production Liner                                       |   | <del></del>                                   |   |                           | •   |
| 65 Tubing   |   |   | -   | 140,000                   | 140,000                                   |
| 66 Wellhead   |   | 64,820  | •   | 40,000                    | 104,820                                   |
| 67 Packers, Liner Hangers                                 |   | 14,732  | -   | 20,000                    | 34,732                                    |
| 68 Tanks  |   |   | •   | 45,833                    | 45,833                                    |
| 69 Production Vessels                                     |   | •   |   | 126,667                   | 126,667                                   |
| 70 Flow Lines   |   |   |   | 66,667                    | 66,667                                    |
| 71 Rod string   |   |   | -   |                           |   |
| 72 Artificial Lift Equipment                              |   | <u> </u>                                      | <u> </u>  | 90,000                    | 90,000                                    |
| 73 Compressor   |   | <u> </u>                                      |   | 5,833                     | 5,833                                     |
| 74 Installation Costs                                     |   | <u> </u>                                      | <del></del>                                       |                           | (1/47                                     |
| 75 Surface Pumps  |   |   | <del></del>                                       | 61,667                    | 61,667                                    |
| 76 Downhole Pumps 77 Measurement & Meter In               | stallation  |   | -   | 116,667                   | 116,667                                   |
| 78 Gas Conditioning / Dehy                                |   | <del></del>                                   | <del></del>                                       | 110,007                   | 110,007                                   |
| 79 Interconnecting Facility I                             |   | <del></del>                                   | <del></del>                                       | 20,000                    | 20,000                                    |
| 80 Gathering / Bulk Lines                                 | **  |   |   |                           |   |
| 81 Valves, Dumps, Controlle                               | ers   | <del></del>                                   |   | 108,333                   | 108,333                                   |
| 82 Tank / Facility Containme                              |   |   | -   | 43,333                    | 43,333                                    |
| 83 Flare Stack  |   | <del></del>                                   | <del></del>                                       | 16,667                    | 16,667                                    |
| 84 Electrical/Grounding                                   |   |   | -   | 50,000                    | 50,000                                    |
| 85 Communications / SCAD                                  | )A  |   |   | 36,667                    | 36,667                                    |
| 86 Instrumentation / Safety                               |   | •   | •   | 833                       | 833                                       |
|   | TOTAL TANGIBLES:                                      | > 1,233,109                                   | 0   | 989,167                   | 2,222,276                                 |
|   | TOTAL COSTS:  | > 4,749,528                                   | 5,367,000   | 1,761,334                 | 11,877,862                                |
|   |   |   |   |                           |   |
|   |   |   |   |                           |   |
| REPARED BY Permian Res                                    | ources Operating, LLC:                                |   |   |                           |   |
| D.:   |   |   |   |                           |   |
| Drilling Enginee  |   |   |   |                           |   |
| Completions Enginee                                       |   |   |   |                           |   |
| Production Enginee  | r: DC   |   |   |                           |   |
|   |   |   |   |                           |   |
| ermian Resources Operatin                                 | g, LLC APPROVAL:                                      |   |   |                           |   |
|   |   |   |   |                           |   |
| Co-CE   | 0   | Co-C  |   | VP - Oper                 | ations                                    |
|   | WH  |   | w   | •                         | CRM                                       |
| VP - Land & Leg   | al  | VP - Geoscien                                 | ices  |                           |   |
| VP - Land & Leg   | BG  | Scorien                                       | SO  |                           |   |
|   |   |   | ~   |                           |   |
|   |   |   |   |                           |   |
|   |   |   |   |                           |   |
|   |   |   |   |                           |   |
| ON OPERATING PARTN  | ER APPROVAL:  |   |   |                           |   |
|   |   |   | Marking Interest (9)                              |                           | av ID:                                    |
| Company Nam   | e:  |   | Working Interest (%):                             | T                         | ax ID:                                    |
| Signed b  | 17:   |   | Date:   |                           |   |
| oigned b  | · <del></del>   |   | Date:   |                           | <del></del>                               |
| Titl  | e:  |   | Approval: [                                       | Yes                       | ☐ No (mark one)                           |
| costs on this AFE are estimates only and may not be o     | <u></u>   |   |   |                           | <del></del> ` `                           |
| and the same has able to the same and the same and has a  | ولين مياه بن ميماز بأرانيسي سيد من وسيارات من المسابس | Comp of the narries. Taking installation appe | ment a miles that AFF may be delicated an to a se |                           | - this ATE the Destroyest come to now the |

| <b>ESTIMATE OF COSTS</b> | AND AUTHORIZAT | TION FOR | EXPENDITURE |
|--------------------------|----------------|----------|-------------|
|                          |                |          |             |

| DATE:   | 2.17.2023                                  | <del></del>                                   |  | AFE NO.:                  | 1                    |
|---|--|---|--|---------------------------|----------------------|
| WELL NAME:  | Bane 4-9 Federal Com 20                    | 02H   |  | FIELD:                    | Tonto; Wolfcamp      |
| LOCATION:   | Section 4, T20S-R34E                       |   |  | MD/TVD:                   | 21,210' / 10,925'    |
| COUNTY/STATE:   | Lea County, New Mexic                      | :0  |  | LATERAL LENGTH:           | 10,000'              |
| Permian WI:   |  |   |  | DRILLING DAYS:            | 19.6                 |
| GEOLOGIC TARGET:  | WCXY                                       |   |  | COMPLETION DAYS:          | 19                   |
| REMARKS:  | Drill a horizontal WCXY<br>AL install cost | well and complete w                           | vith 44 stages. AFE includ                     | es drilling, completions, | flowback and Initial |
|   |  |   |  |                           |                      |
|   |  | DRILLING                                      | COMPLETION                                     | PRODUCTION                | TOTAL<br>COSTS       |
| INTANGIBLE  |  | COSTS   | COSTS  | COSTS 37,500              | \$ 96,566            |
| 1 Land/Legal/Regulatory<br>2 Location, Surveys & Dama         |  | 59,066<br>288,079                             | 18,067   | 2,500                     | 308,647              |
| 4 Freight / Transportation                                    | hes.                                       | 47,628  | 43,778   | 25,000                    | 116,406              |
| 5 Rental - Surface Equipmen                                   | t  | 124,327                                       | 215,417  | 105,000                   | 444,744              |
| 6 Rental - Downhole Equipm                                    | nent                                       | 205,424                                       | 59,805   | -                         | 265,229              |
| 7 Rental - Living Quarters                                    |  | 48,083<br>429,543                             | 54,480   | <del></del>               | 102,562<br>429,543   |
| 10 Directional Drilling, Surv<br>11 Drilling                  | eys  | 753,820                                       | <del></del>                                    | <del></del>               | 753,820              |
| 12 Drill Bits   |  | 100,176                                       | -  | -                         | 100,176              |
| 13 Fuel & Power   |  | 188,935                                       | 725,061  | •                         | 913,996              |
| 14 Cementing & Float Equip                                    |  | 243,296                                       | -  |                           | 243,296              |
| 15 Completion Unit, Swab, C                                   |  | <del>-</del>                                  | 393,136  | 15,000                    | 15,000<br>393,136    |
| 16 Perforating, Wireline, Slice<br>17 High Pressure Pump True |  | <del></del>                                   | 123,274  |                           | 123,274              |
| 18 Completion Unit, Swab, O                                   |  | -   | 146,484  | -                         | 146,484              |
| 20 Mud Circulation System                                     |  | 105,209                                       | -  | -                         | 105,209              |
| 21 Mud Logging  |  | 17,529  | - 0.220  | <u> </u>                  | 17,529<br>15,609     |
| 22 Logging / Formation Eval<br>23 Mud & Chemicals             | uation                                     | 7,270<br>361,835                              | 8,339<br>438,185                               | 10,000                    | 810,020              |
| 24 Water  |  | 43,459  | 661,625  | 300,000                   | 1,005,083            |
| 25 Stimulation  |  |   | 814,033  |                           | 814,033              |
| 26 Stimulation Flowback &                                     |  |   | 121,606  | 150,000                   | 271,606              |
| 28 Mud/Wastewater Dispos                                      |  | 193,104                                       | 61,151   | 21,667                    | 254,254<br>276,283   |
| 30 Rig Supervision / Engine<br>32 Drig & Completion Over      |  | 121,196<br>10,423                             | 133,420  | - 21,00/                  | 10,423               |
| 35 Labor  |  | 153,358                                       | 69,489   | 101,667                   | 324,514              |
| 54 Proppant   |  |   | 1,255,227                                      |                           | 1,255,227            |
| 95 Insurance  |  | 14,660  | 24 421   | 2 022                     | 14,660<br>28,254     |
| 97 Contingency<br>99 Plugging & Abandonmer                    | s <b>t</b>                                 | <del></del>                                   | 24,421   | 3,833                     | 20,254               |
| 55 I lugging & Abandonmer                                     | " TOTAL INTANGIBLES:                       | 3,516,419                                     | 5,367,000                                      | 772,167                   | 9,655,585            |
| <u> </u>  | TOTAL INTANGIBLES.                         |   |  |                           |                      |
| # . NGIP: F   | no ama                                     | DRILLING<br>COSTS                             | COMPLETION<br>COSTS                            | PRODUCTION<br>COSTS       | TOTAL<br>COSTS       |
| TANGIBLE C  |  | \$ 122,234                                    |  |                           | 5 122,234            |
| 61 Intermediate Casing  | •  | 344,284                                       | <del></del>                                    | -                         | 344,284              |
| 62 Drilling Liner   |  | <del></del>                                   | -  | -                         |                      |
| 63 Production Casing  |  | 687,039                                       |  | <u> </u>                  | 687,039              |
| 64 Production Liner   |  | <u> </u>                                      | <del></del>                                    | 140,000                   | 140,000              |
| 65 Tubing<br>66 Wellhead                                      |  | 64,820  |  | 40,000                    | 104,820              |
| 67 Packers, Liner Hangers                                     |  | 14,732  | •  | 20,000                    | 34,732               |
| 68 Tanks  |  |   |  | 45,833                    | 45,833               |
| 69 Production Vessels   |  |   | -  | 126,667                   | 126,667              |
| 70 Flow Lines   |  |   | <u> </u>                                       | 66,667                    | 66,667               |
| 71 Rod string<br>72 Artificial Lift Equipment                 |  | <del></del>                                   | <del></del>                                    | 90,000                    | 90,000               |
| 73 Compressor   |  | <del></del>                                   |  | 5,833                     | 5,833                |
| 74 Installation Costs   |  |   | •  |                           |                      |
| 75 Surface Pumps  |  |   |  | 61,667                    | 61,667               |
| 76 Downhole Pumps   | atallatian                                 | <u>-</u>                                      | <del></del>                                    | 116,667                   | 116,667              |
| 77 Measurement & Meter In<br>78 Gas Conditioning / Dehy       |  | <del></del>                                   | <del></del>                                    | 110,007                   | 110,007              |
| 79 Interconnecting Facility I                                 |  | <del></del>                                   |  | 20,000                    | 20,000               |
| 80 Gathering / Bulk Lines                                     | • •  |   |  | -                         | •                    |
| 81 Valves, Dumps, Controlle                                   |  |   |  | 108,333                   | 108,333              |
| 82 Tank / Facility Containme<br>83 Flare Stack                | ent  | <del></del>                                   | <del></del>                                    | 43,333                    | 43,333               |
| 84 Electrical/Grounding                                       |  | <del></del>                                   |  | 50,000                    | 50,000               |
| 85 Communications / SCAD                                      | A  |   |  | 36,667                    | 36,667               |
| 86 Instrumentation / Safety                                   |  |   |  | 833                       | 833                  |
|   | TOTAL TANGIBLES                            |   | 0  | 989,167                   | 2,222,276            |
|   | TOTAL COSTS:                               | > 4,749,528                                   | 5,367,000                                      | 1,761,334                 | 11,877,862           |
| REPARED BY Permian Res  | ources Operating, LLC:                     |   |  |                           |                      |
| Dane D  | ~~   |   |  |                           | <del></del>          |
| Drilling Enginee  |  |   |  |                           |                      |
| Completions Enginee   |  |   |  |                           |                      |
| Production Enginee  | ir: DC                                     |   | ··   |                           |                      |
| ermian Resources Operatin                                     | g, LLC APPROVAL:                           |   |  |                           |                      |
| Co-CE   | o  | Co  | -CEO   | VP - Oper                 |                      |
|   | WH   |   | JW   |                           | CRM                  |
| VP - Land & Leg   | al   | VP - Geosci                                   |  |                           |                      |
|   | BG   |   | so   |                           |                      |
|   |  |   |  |                           |                      |
|   |  |   |  | ·                         |                      |
| ON OPERATING PARTN  | ER APPROVAL:                               |   |  |                           |                      |
| Company Nam   | е:   |   | Working Interest (%):                          | 1                         | Tax ID:              |
| - · ·   |  |   | <del></del>                                    |                           |                      |
| Signed b  | y:   | -   | Date:  |                           |                      |
| Titl  | e:   |   | Approval: [                                    | Yes                       | ☐ No (mark one)      |
|   |  | al cost of the project. Tabing installation a | pproved under the AFE may be delayed up to a y |                           | <del></del>          |

|                                 | ESTIMATE                | OF COSTS AND AUTH   | ORIZATION FOR EXPEN       | DITURE                     |                      |
|---------------------------------|-------------------------|---------------------|---------------------------|----------------------------|----------------------|
| DATE:                           | 2.17.2023               |                     |                           | AFE NO.:                   | 1                    |
| WELL NAME:                      | Bane 4-9 Federal Com 20 | 03H                 |                           | FIELD:                     | Tonto; Wolfcamp      |
| LOCATION:                       | Section 4, T20S-R34E    |                     |                           | MD/TVD:                    | 21,210' / 10,925'    |
|                                 |                         |                     |                           | _                          | <del></del>          |
| COUNTY/STATE:                   | Lea County, New Mexic   | 0                   |                           | LATERAL LENGTH:            | 10,000'              |
| Permian WI:                     |                         |                     |                           | DRILLING DAYS:             | 19.6                 |
| GEOLOGIC TARGET:                | WCXY                    |                     |                           | COMPLETION DAYS:           | 19                   |
|                                 | Drill a horizontal WCXV | well and complete w | ith 44 stages. AFF includ | les drilling, completions, | flowback and Initial |
| DEMARKS.                        |                         | wen una complete w  | .a omgeo a a.e.aa         | co arming, completions,    |                      |
| REMARKS:                        | AL install cost         |                     |                           |                            |                      |
|                                 |                         |                     |                           |                            |                      |
|                                 |                         | DRILLING            | COMPLETION                | PRODUCTION                 | TOTAL                |
| INTANGIBLE                      | COSTS                   | COSTS               | COSTS                     | COSTS                      | COSTS                |
| 1 Land/Legal/Regulatory         | S                       |                     |                           | 37,500                     | \$ 96,566            |
| 2 Location, Surveys & Dama      | ges                     | 288,079             | 18,067                    | 2,500                      | 308,647              |
| 4 Freight/Transportation        |                         | 47,628              | 43,778                    | 25,000                     | 116,406              |
| 5 Rental - Surface Equipmer     | ıt                      | 124,327             | 215,417                   | 105,000                    | 444,744              |
| 6 Rental - Downhole Equips      | nent                    | 205,424             | 59,805                    | •                          | 265,229              |
| 7 Rental - Living Quarters      |                         | 48,083              | 54,480                    | <u> </u>                   | 102,562              |
| 10 Directional Drilling, Surv   | eys                     | 429,543             |                           | -                          | 429,543              |
| 11 Drilling                     |                         | 753,820             | -                         | <del></del>                | 753,820              |
| 12 Drill Bits                   |                         | 100,176             | -                         |                            | 100,176              |
| 13 Fuel & Power                 |                         | 188,935             | 725,061                   |                            | 913,996              |
| 14 Cementing & Float Equip      | •                       | 243,296             | -                         |                            | 243,296              |
| 15 Completion Unit, Swab, (     | CTU                     |                     | -                         | 15,000                     | 15,000               |
| 16 Perforating, Wireline, Slice |                         | <del></del>         | 393,136                   | -                          | 393,136              |
| 17 High Pressure Pump True      |                         |                     | 123,274                   |                            | 123,274              |
| 18 Completion Unit, Swab, G     |                         |                     | 146,484                   |                            | 146,484              |
| 20 Mud Circulation System       |                         | 105,209             |                           | <del></del>                | 105,209              |
| 21 Mud Logging                  |                         | 17,529              |                           | <del></del>                | 17,529               |
| 22 Logging / Formation Eval     | uation                  | 7,270               | 8,339                     |                            | 15,609               |
| 23 Mud & Chemicals              |                         | 361,835             | 438,185                   | 10,000                     | 810,020              |
| 24 Water                        |                         | 43,459              | 661,625                   | 300,000                    | 1,005,083            |
| 25 Stimulation                  |                         | 45,457              | 814,033                   |                            | 814,033              |
| 26 Stimulation Flowback &       | Disp                    | <del></del>         | 121,606                   | 150,000                    | 271,606              |
| 28 Mud/Wastewater Dispos        |                         | 193,104             | 61,151                    |                            | 254,254              |
| 30 Rig Supervision / Engine     |                         | 121,196             | 133,420                   | 21,667                     | 276,283              |
| 32 Drig & Completion Over       |                         | 10,423              | 133,420                   | 21,007                     | 10,423               |
| 35 Labor                        | ileau                   | 153,358             | 69,489                    | 101,667                    | 324,514              |
|                                 |                         | 193,336             | 1,255,227                 | 101,007                    | 1,255,227            |
| 54 Proppant                     |                         | 14,660              | 1,233,227                 | <del></del>                | 14,660               |
| 95 Insurance                    |                         | 14,000              | 24,421                    | 3,833                      | 28,254               |
| 97 Contingency                  | -                       | <u>-</u> _          | 24,421                    | 3,033                      | 28,234               |
| 99 Plugging & Abandonmer        |                         | <u>·</u>            | <u>-</u>                  |                            |                      |
|                                 | TOTAL INTANGIBLES >     | 3,516,419           | 5,367,000                 | 772,167                    | 9,655,585            |
| •                               | -                       | DRILLING            | COMPLETION                | PRODUCTION                 | TOTAL                |
|                                 | 20.000                  | COSTS               | COSTS                     | COSTS                      | COSTS                |
| TANGIBLE O                      | OSIS                    |                     |                           |                            |                      |
| 60 Surface Casing               | 3                       | 122,234             |                           | •                          | 5 122,234<br>344,284 |
| 61 Intermediate Casing          |                         | 344,284             |                           | •                          | 344,284              |
| 62 Drilling Liner               |                         | •                   |                           |                            | -                    |
| 63 Production Casing            |                         | 687,039             |                           | -                          | 687,039              |
| 64 Production Liner             |                         | -                   | <u> </u>                  | <u> </u>                   |                      |
| 65 Tubing                       |                         | •                   | -                         | 140,000                    | 140,000              |
| 66 Wellhead                     |                         | 64,820              |                           | 40,000                     | 104,820              |
| 67 Packers, Liner Hangers       |                         | 14,732              | -                         | 20,000                     | 34,732               |
| 68 Tanks                        |                         | -                   | -                         | 45,833                     | 45,833               |
| 69 Production Vessels           |                         |                     |                           | 126,667                    | 126,667              |
| 70 Flow Lines                   |                         |                     |                           | 66,667                     | 66,667               |
| 71 Rod string                   |                         | •                   |                           |                            | •                    |
| 72 Artificial Lift Equipment    |                         | <del></del>         | -                         | 90,000                     | 90,000               |
| 73 Compressor                   |                         |                     |                           | 5,833                      | 5,833                |
| 74 Installation Costs           |                         | -                   | -                         |                            | -                    |
| 75 Surface Pumps                |                         | •                   |                           | 61,667                     | 61,667               |
| 76 Downhole Pumps               |                         | <del></del>         | <del></del>               |                            | <del></del>          |
| 77 Measurement & Meter In       | stallation              | <del></del>         | •                         | 116,667                    | 116,667              |
| 78 Gas Conditioning / Dehy      |                         |                     | -                         | •                          |                      |
| 79 Interconnecting Facility I   |                         |                     |                           | 20,000                     | 20,000               |
| 80 Gathering / Bulk Lines       |                         | <del></del>         | <del></del>               |                            |                      |
| 81 Valves, Dumps, Controlle     | ers                     | <del></del>         | <del></del>               | 108,333                    | 108,333              |
| 82 Tank / Facility Containm     |                         | <del></del>         | <del></del>               | 43,333                     | 43,333               |
| 83 Flare Stack                  |                         | <del></del>         |                           | 16,667                     | 16,667               |
| 84 Electrical/Grounding         |                         | <del></del>         | <del></del>               | 50,000                     | 50,000               |
| 85 Communications / SCAD        | )A                      | <del></del>         |                           | 36,667                     | 36,667               |
| 86 Instrumentation / Safety     |                         |                     | <del></del>               | 833                        | 833                  |
| Jo mountmentation / Darety      | TOTAL TANGIBLES         | 1,233,109           |                           | 989,167                    | 2,222,276            |
| _                               |                         |                     |                           | <del></del> _              | <del></del>          |
|                                 | TOTAL COSTS >           | × 4,749,528_        | 5,367,000                 | 1,761,334                  | 11,877,862           |
| REPARED BY Permian Res          | sources Operating, LLC: |                     |                           |                            |                      |
|                                 | - Francis               |                     |                           |                            |                      |
| Drilling Enginee                | r. PS                   |                     |                           |                            |                      |
| Completions Enginee             |                         |                     |                           |                            |                      |
| Production Enginee              |                         |                     |                           |                            |                      |
| . roduction Enginee             |                         |                     |                           |                            |                      |
| amian Resources Occasión        | ME LIC APPROVAL.        |                     |                           |                            |                      |
| ermian Resources Operatin       | <del></del>             |                     |                           |                            |                      |
| C- CE                           | •                       | Cal                 | CEO                       | VP. Once                   | ations               |
| Co-CE                           | О                       | C0-                 | CEO                       | VP - Open                  |                      |
|                                 |                         |                     | •                         |                            | CRM                  |
| VP - Land & Leg                 | al                      | VP - Geoscie        | ences                     |                            |                      |
|                                 | BG                      |                     | 50                        |                            |                      |
|                                 |                         |                     |                           |                            |                      |
|                                 |                         |                     |                           |                            |                      |
|                                 |                         |                     |                           |                            |                      |
| ON OPERATING PARTN              | ER APPROVAL:            |                     |                           |                            |                      |
|                                 |                         |                     | 147                       |                            | ID.                  |
| Company Nam                     | e:                      |                     | Working Interest (%):     | т                          | ax ID:               |
|                                 |                         |                     | _                         |                            |                      |
| Signed b                        | y:                      |                     | Date:                     |                            |                      |
|                                 |                         |                     |                           |                            |                      |
| Titt                            | e:                      |                     | Approval:                 | Yes                        | No (mark one)        |
|                                 |                         |                     |                           |                            |                      |

|   | ESTIMATE (                                  |                         |                                  | JITORE                                |                      |
|---|---|-------------------------|----------------------------------|---------------------------------------|----------------------|
| DATE: 2   | 2.17.2023                                   |                         |                                  | AFE NO.:                              | 1                    |
| WELL NAME: E  | Bane 4-9 Federal Com 20                     | 34H                     |                                  | FIELD:                                | Tonto; Wolfcamp      |
| _   | Section 4, T20S-R34E                        |                         |                                  | MD/TVD:                               | 21,210' / 10,925'    |
| _   | ea County, New Mexic                        | 20                      |                                  | LATERAL LENGTH:                       | 10,000'              |
| · -   | za County, Ivew Mexic                       | <del></del>             |                                  | DRILLING DAYS:                        | 19.6                 |
| Permian WI:   |   |                         |                                  | _                                     | 19.0                 |
| -   | VCXY  |                         |                                  | COMPLETION DAYS:                      |                      |
|   |   | ' well and complete wit | h 44 stages. AFE includ          | es drilling, completions,             | flowback and Initial |
| REMARKS:  | AL install cost                             |                         |                                  |                                       |                      |
|   |   |                         |                                  |                                       |                      |
|   |   | DRILLING                | COMPLETION                       | PRODUCTION                            | TOTAL                |
| INTANGIBLE CO   | STS   | COSTS                   | COSTS                            | COSTS                                 | COSTS                |
| 1 Land/Legal/Regulatory   | S   |                         | -                                | 37,500                                | s 96,566             |
| 2 Location, Surveys & Damages   | •   | 288,079                 | 18,067                           | 2,500                                 | 308,647              |
| 4 Freight/Transportation  |   | 47,628                  | 43,778                           | 25,000                                | 116,406              |
| 5 Rental - Surface Equipment  |   | 124,327                 | 215,417                          | 105,000                               | 444,744              |
| 6 Rental - Downhole Equipmer  | ıt  | 205,424                 | 59,805                           |                                       | 265,229              |
| 7 Rental - Living Quarters  |   | 48,083                  | 54,480                           | -                                     | 102,562              |
| 10 Directional Drilling, Surveys  | <del>}</del>                                | 429,543                 |                                  |                                       | 429,543<br>753,820   |
| 11 Drilling   |   | 753,820<br>100,176      | •                                | <del></del>                           | 100,176              |
| 12 Drill Bits<br>13 Fuel & Power  |   | 188,935                 | 725,061                          | <del></del>                           | 913,996              |
| 14 Cementing & Float Equip  |   | 243,296                 | 725,001                          |                                       | 243,296              |
| 15 Completion Unit, Swab, CT  | il.   |                         | <del></del>                      | 15,000                                | 15,000               |
| 16 Perforating, Wireline, Slickli   |   | <del></del>             | 393,136                          |                                       | 393,136              |
| 17 High Pressure Pump Truck   | •••   | <del></del>             | 123,274                          |                                       | 123,274              |
| 18 Completion Unit, Swab, CT  | ប   | <del></del>             | 146,484                          | -                                     | 146,484              |
| 20 Mud Circulation System   |   | 105,209                 | •                                |                                       | 105,209              |
| 21 Mud Logging  |   | 17,529                  | -                                | -                                     | 17,529               |
| 22 Logging / Formation Evaluat  | ion   | 7,270                   | 8,339                            |                                       | 15,609               |
| 23 Mud & Chemicals  |   | 361,835                 | 438,185                          | 10,000                                | 810,020              |
| 24 Water  |   | 43,459                  | 661,625                          | 300,000                               | 1,005,083            |
| 25 Stimulation  |   |                         | 814,033                          | -                                     | 814,033              |
| 26 Stimulation Flowback & Dis   | P   |                         | 121,606                          | 150,000                               | 271,606              |
| 28 Mud/Wastewater Disposal  |   | 193,104                 | 61,151                           | •                                     | 254,254              |
| 30 Rig Supervision / Engineering  |   | 121,196                 | 133,420                          | 21,667                                | 276,283              |
| 32 Drlg & Completion Overhea  | d   | 10,423                  |                                  | -                                     | 10,423               |
| 35 Labor  |   | 153,358                 | 69,489                           | 101,667                               | 324,514              |
| 54 Proppant   |   |                         | 1,255,227                        | <u> </u>                              | 1,255,227            |
| 95 Insurance  |   | 14,660                  | 24.421                           | 3,833                                 | 14,660<br>28,254     |
| 97 Contingency  |   |                         | 24,421                           | 3,833                                 | 28,254               |
| 99 Plugging & Abandonment   |   | <del></del>             |                                  |                                       |                      |
|   | TOTAL INTANGIBLES >                         | 3,516,419               | 5,367,000                        | 772,167                               | 9,655,585            |
|   |   | DRILLING                | COMPLETION                       | PRODUCTION                            | TOTAL                |
| TANGIBLE CO   | STS   | COSTS                   | COSTS                            | COSTS                                 | COSTS                |
| 60 Surface Casing   | 515   |                         |                                  | •                                     | \$ 122,234           |
| 61 Intermediate Casing  |   | 344,284                 | <del></del>                      | <del></del>                           | 344,284              |
| 62 Drilling Liner   |   | <del></del>             |                                  | -                                     | -                    |
| 63 Production Casing  |   | 687,039                 | •                                |                                       | 687,039              |
| 64 Production Liner   |   |                         |                                  |                                       | -                    |
| 65 Tubing   |   | -                       | •                                | 140,000                               | 140,000              |
| 66 Wellhead   |   | 64,820                  | -                                | 40,000                                | 104,820              |
| 67 Packers, Liner Hangers   |   | 14,732                  | •                                | 20,000                                | 34,732               |
| 68 Tanks  |   |                         | •                                | 45,833                                | 45,833               |
| 69 Production Vessels   |   | •                       | -                                | 126,667                               | 126,667              |
| 70 Flow Lines   |   | -                       | •                                | 66,667                                | 66,667               |
| 71 Rod string   |   | •                       | -                                | -                                     | -                    |
| 72 Artificial Lift Equipment  |   | -                       | -                                | 90,000                                | 90,000               |
| 73 Compressor   |   |                         | -                                | 5,833                                 | 5,833                |
| 74 Installation Costs   |   | -                       | -                                |                                       |                      |
| 75 Surface Pumps  |   |                         |                                  | 61,667                                | 61,667               |
| 76 Downhole Pumps   |   | •                       | •                                | •                                     | -                    |
| 77 Measurement & Meter Insta  |   |                         | <u> </u>                         | 116,667                               | 116,667              |
| 78 Gas Conditioning/Dehydra   |   | <u> </u>                |                                  | -                                     |                      |
| 79 Interconnecting Facility Pipe  | ng  |                         | <del></del>                      | 20,000                                | 20,000               |
| 80 Gathering / Bulk Lines   |   | <del></del>             | <u> </u>                         | 100 222                               | 100 222              |
| 81 Valves, Dumps, Controllers   |   | <u> </u>                | -                                | 108,333                               | 108,333              |
| 82 Tank / Facility Containment  |   | <del></del>             | <del>-</del>                     |                                       |                      |
| 83 Flare Stack<br>84 Electrical/Grounding   |   | <del> </del>            | <del></del>                      | 16,667<br>50,000                      | 16,667<br>50,000     |
| 85 Communications / SCADA   |   | <del></del>             | <del></del>                      | 36,667                                | 36,667               |
| 86 Instrumentation / Safety   |   | <del></del>             | <del></del>                      | 833                                   | 833                  |
|   | TOTAL TANGIBLES >                           | 1,233,109               |                                  | 989,167                               | 2,222,276            |
|   |   |                         | F 247 000                        | · · · · · · · · · · · · · · · · · · · |                      |
|   | TOTAL COSTS >                               | × 4,749,528             | 5,367,000                        | 1,761,334                             | 11,877,862           |
|   |   |                         |                                  |                                       |                      |
| -   |   |                         |                                  |                                       |                      |
| EPARED BY Permian Reson   | rces Operating. LLC:                        |                         |                                  |                                       |                      |
| EPARED BY Permian Resou   | rces Operating, LLC:                        |                         |                                  |                                       |                      |
| EPARED BY Permian Resou   | rces Operating, LLC:                        |                         |                                  |                                       |                      |
| Drilling Engineer:  | PS PS                                       |                         |                                  |                                       |                      |
| Drilling Engineer:<br>Completions Engineer:   |   |                         |                                  |                                       |                      |
| Drilling Engineer:  | PS<br>ML                                    |                         |                                  |                                       |                      |
| Drilling Engineer:<br>Completions Engineer:<br>Production Engineer:   | PS<br>ML<br>DC                              |                         |                                  |                                       |                      |
| Drilling Engineer:<br>Completions Engineer:<br>Production Engineer:   | PS<br>ML<br>DC                              |                         |                                  |                                       |                      |
| Drilling Engineer:<br>Completions Engineer:<br>Production Engineer:<br>mian Resources Operating,  | PS<br>ML<br>DC                              | Co.C                    | FO                               | VP - Open                             | ations               |
| Drilling Engineer:<br>Completions Engineer:<br>Production Engineer:   | PS<br>ML<br>DC                              | Co-C                    |                                  | VP - Oper                             |                      |
| Drilling Engineer: Completions Engineer: Production Engineer: rmian Resources Operating, Co-CEO   | PS<br>ML<br>DC<br>LLC APPROVAL:             |                         | JW                               | VP - Oper                             | ationsCRM            |
| Completions Engineer: Production Engineer: rmian Resources Operating,   | PS<br>ML<br>DC<br>LLC APPROVAL:             | Co-C<br>VP - Geoscien   | JW sces                          | VP - Oper                             |                      |
| Drilling Engineer: Completions Engineer: Production Engineer: mian Resources Operating, Co-CEO  | PS<br>ML<br>DC<br>LLC APPROVAL:             |                         | JW                               | VP - Oper                             |                      |
| Drilling Engineer: Completions Engineer: Production Engineer: mian Resources Operating, Co-CEO  | PS<br>ML<br>DC<br>LLC APPROVAL:             |                         | JW sces                          | VP - Oper                             |                      |
| Drilling Engineer: Completions Engineer: Production Engineer: mian Resources Operating, Co-CEO  | PS<br>ML<br>DC<br>LLC APPROVAL:             |                         | JW sces                          | VP - Oper                             |                      |
| Drilling Engineer: Completions Engineer: Production Engineer: mian Resources Operating, Co-CEO VP - Land & Legal  | PS<br>ML<br>DC<br>LLC APPROVAL:<br>WH<br>BG |                         | JW sces                          | VP - Oper                             |                      |
| Drilling Engineer: Completions Engineer: Production Engineer: Trainian Resources Operating, Co-CEO VP - Land & Legal  | PS<br>ML<br>DC<br>LLC APPROVAL:<br>WH<br>BG |                         | JW sces                          | VP - Oper                             |                      |
| Drilling Engineer: Completions Engineer: Production Engineer: mian Resources Operating, Co-CEO VP - Land & Legal  | PS ML DC  LLC APPROVAL:  WH BG  APPROVAL:   | VP - Geoscien           | JW SO                            |                                       | CRM                  |
| Drilling Engineer: Completions Engineer: Production Engineer: rmian Resources Operating, Co-CEO VP - Land & Legal   | PS<br>ML<br>DC<br>LLC APPROVAL:<br>WH<br>BG | VP - Geoscien           | JW sces                          |                                       |                      |
| Drilling Engineer: Completions Engineer: Production Engineer: Production Engineer: Co-CEO VP - Land & Legal ON OPERATING PARTNER Company Name:                            | PS ML DC  LLC APPROVAL:  WH  BG  APPROVAL:  | VP - Geoscien           | SO  SO  Working Interest (%):    | т                                     | CRM                  |
| Drilling Engineer: Completions Engineer: Production Engineer: Production Engineer: Co-CEO VP - Land & Legal ON OPERATING PARTNER Company Name:                            | PS ML DC  LLC APPROVAL:  WH BG  APPROVAL:   | VP - Geoscien           | SO  SO  Working Interest (%):    |                                       | CRM                  |
| Drilling Engineer: Completions Engineer: Production Engineer: Production Engineer: Train Resources Operating, Co-CEO VP - Land & Legal ON OPERATING PARTNER Company Name: | PS ML DC  LLC APPROVAL:  WH  BG  APPROVAL:  | VP - Geoscien           | SO  Working Interest (%):  Date: | т                                     | CRM                  |

## **TAB 3**

Case Nos. 23452-23455

| Exhibit B:    | Self-Affirmed Statement of Staci Mueller, Geologist                                  |
|---------------|--|
| Exhibit B-1:  | Locator Map & Stress Direction   |
| Exhibit B-2:  | Permit Status  |
| Exhibit B-3:  | Gun Barrel View  |
| Exhibit B-4:  | Development Plan Comparison  |
| Exhibit B-5:  | Subsea Structure Map   |
| Exhibit B-6:  | 3 <sup>rd</sup> bone Spring Isopach Map  |
| Exhibit B-7:  | Structural Cross Section   |
| Exhibit B-8:  | 3 <sup>rd</sup> Bone Spring Producers vs. all Wolfcamp Producers                     |
| Exhibit B-9:  | All 3 <sup>rd</sup> Bone Spring and Wolfcamp Producers                               |
| Exhibit B-10: | Comparing 3 <sup>rd</sup> Sand to Wolfcamp Reservoir (SoPhiH)                        |
|               | 2 <sup>nd</sup> Bone Spring Structure Map  |
| Exhibit B-12: | 2 <sup>nd</sup> Bone Spring Sand Isopach   |
|               | 2 <sup>nd</sup> Bone Spring Sand Cross Section                                       |
|               | 2 <sup>nd</sup> Bone Spring Sand vs. 3 <sup>rd</sup> Bone Spring Carbonate Producers |
| Exhibit B-15: | PhilH L 2 <sup>nd</sup> Sand vs. 3 <sup>rd</sup> Carbonate                           |
| Exhibit B-16: | 1st Bone Spring Sand Structure   |
| Exhibit B-17: | 1st Bone Spring Sand Isopach   |
| Exhibit B-18: | 1 <sup>st</sup> Bone Spring Structural Cross Section                                 |
| Exhibit B-19: | Wolfcamp Structure Map (Subsea TVD)  |
| Exhibit B-20: | Wolfcamp XY Isopach  |
| Exhibit B-21: | Wolfcamp XY West to East Cross Section   |

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

APPLICATIONS OF CIMAREX ENERGY CO. FOR A HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case Nos. 23448 – 23451 (Mighty Pheasant; Bone Spring)

APPLICATIONS OF CIMAREX ENERGY CO. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case Nos. 23594 – 23597 (Mighty Pheasant; Wolfcamp)

APPLICATIONS OF CIMAREX ENERGY CO. FOR A HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

> Case Nos. 23452 – 23455 (Loosey Goosey; Bone Spring)

APPLICATIONS OF CIMAREX ENERGY CO. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case Nos. 23598 – 23601 (Loosey Goosey; Wolfcamp)

## SELF-AFFIRMED STATEMENT OF STACI MUELLER

- I, being duly sworn on oath, state the following:
- 1. I am over the age of 18, and I have personal knowledge of the matters stated herein.
- 2. I am employed as a petroleum geologist for Cimarex Energy Co. ("Cimarex"), and I am familiar with the subject application and the geology involved.
- 3. This testimony is submitted in connection with the filing by Cimarex in the above-referenced compulsory pooling application pursuant to 19.15.4.12.A(1) NMAC.



- 4. I have testified previously by affidavit before the Oil Conservation Division ("Division") as an expert petroleum geologist; my credentials have been made a matter of record, and I have been qualified as an expert by the Division.
  - a. I have a Bachelor of Science Degree in Geophysical Engineering from Colorado School of Mines, and a Master of Science Degree in Geophysics from Colorado School of Mines.
  - b. I have worked on New Mexico Oil and Gas matters since July 2018.
- 5. Cimarex is an established operator in the Quail Ridge area, with 35 horizontal wells drilled within the basal 3<sup>rd</sup> Bone Spring Sand starting in 2010 through 2022. In most of the 3<sup>rd</sup> Sand developments, Triple Combo logs were taken to further the reservoir characterization of both the Bone Spring and Wolfcamp formations. From these extensive mapping efforts along with offset production analyses, Cimarex has verified that the 3<sup>rd</sup> Sand is the most economic target at the Mighty Pheasant and Loosey Goosey proposed development.
- 6. **Exhibit B-1** shows a map made by Jens-Erik Lund Snee and Mark D. Zoback from Stanford University, which depicts the maximum horizontal stress direction throughout the Delaware and Midland Basins. The map on the right is a zoomed in portion of the regional map (red outline), where the blue lines represent the digitized version of the same stress directions. Based on the regional trend observed by Lund Snee and Zoback, the estimated stress direction at Mighty Pheasant and Loosey Goosey is approximately N70E, which means the favorable well orientation is north-south instead of east-west. Both Cimarex and Permian Resources plan to drill in the north-south orientation.
- 7. **Exhibit B-2** is a table summarizing the permit status for the Mighty Pheasant and Loosey Goosey developments. Highlighted in yellow are the wells that Cimarex has submitted to the BLM,

and each well has "AFMSS-Accepted" noted to show that these wells are high enough on Cimarex's priority list for the BLM to be currently working on them. Ten permits were submitted between February and March 2022 for a 3<sup>rd</sup> Bone Spring Sand development (tier 1 target in area) plus a 1<sup>st</sup> Sand or 2<sup>nd</sup> Sand well to de-risk the sections in more highly channelized reservoirs.

- 8. **Exhibit B-3** is a gun barrel view of Cimarex's development plan across both Mighty Pheasant (Sections 5 & 8) and Loosey Goosey (Sections 4 & 9). Cimarex plans to develop the 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> Bone Spring Sands at 4 wells per section spacing. The 1<sup>st</sup> Sand target is the high porosity, clean sand in the upper half of the interval. The 2<sup>nd</sup> Sand target is the basal siltstone/sandstone interval, and the 3<sup>rd</sup> Sand target is the basal clean sand lobe, which is also the established target across several townships.
- 9. **Exhibit B-4** is a gun barrel view of Cimarex's plan (left side) versus Permian Resources (right side). Permian Resources plans to include 3 additional landing zones in their full section development: the Upper 2<sup>nd</sup> Bone Spring Sand, the 3<sup>rd</sup> Carbonate, and the Wolfcamp XY Sands. This is a risky development scenario, because the 3<sup>rd</sup> Sand & Wolfcamop XY vertical spacing is about 95 ft, which is not considered a true stagger and subsequently treated as a flat development. Therefore, Permian Resource plans to develop the 3<sup>rd</sup> Sand & Wolfcamp XY combined reservoir tank at 8 wells per section, which is over-spaced for this area, where almost every operator has developed the 3<sup>rd</sup> Sand with 4 wells per section. Permian Resources' 3<sup>rd</sup> Carbonate target is approximately 135 ft vertical distance from their proposed Lower 2<sup>nd</sup> Sand target, which is also very tight vertical spacing when there is no frac baffle in between (no tight carbonates). The Lower 2<sup>nd</sup> Sand is the established target across several townships, while there has only been one well landed in the 3<sup>rd</sup> Carbonate (with no 2<sup>nd</sup> Sand above). The Upper 2<sup>nd</sup> Sand is a target that Cimarex has investigated and determined to be too risky to drill before collecting data.

- 10. **Exhibit B-5** is a structure map (Subsea TVD) of the top of the Wolfcamp, which is about 50 ft below the 3<sup>rd</sup> Bone Spring Sand Target, as noted by the type log located at the blue star. The contour interval is 100 ft, well control points are displayed, and structure is dipping to the south. From the first take point to the last take point of the Mighty Pheasant and Loosey Goosey wells (located within black and red box), there is approximately 100 ft of relief.
- 11. **Exhibit B-6** is an isopach map of the 3<sup>rd</sup> Bone Spring Sand, as noted by the type log located at the blue star. The contour interval is 20 ft, well control points are displayed, and the 3<sup>rd</sup> Sand is consistently between 260-280 ft at the Mighty Pheasant and Loosey Goosey development (located within black and red box).
- 12. **Exhibit B-7** is a structural cross section from west to east on the northern end of the Mighty Pheasant and Loosey Goosey sections. Gamma Ray is displayed in the first log track, on a scale from 0 to 150 API, shaded to the right with blue representing low Gamma Ray, brown representing high Gamma Ray, and yellow in between. The second track is deep resistivity (RDEEP), on a scale from 2 to 2000 Ohms, with RDEEP less than 20 Ohms shaded solid red to represent the Bone Spring Sand reservoirs. The third track is the photoelectric log (PEF) which is shaded blue and purple for higher values and yellow for lower values. The fourth track is neutron and density porosity (NPHI and DPHI). NPHI is shown in red, while DPHI is blue, and when DPHI crosses to the left of NPHI, the space in between the two curves is shaded yellow. Otherwise, it is shaded grey. The basal 3<sup>rd</sup> Sand target is often characterized by the yellow crossover shading in the NPHI and DPHI track, Gamma Ray around 50-70 API, and RDEEP below 20 Ohms. Cimarex's target is the standard basal 3<sup>rd</sup> Bone Spring Sand target across the area (a few townships), which is shown as a green stick in all three logs. Frac baffles are shown in red and white striped boxes within the depth track, and there are only a couple frac baffles present within the 3<sup>rd</sup> Bone Spring Carbonate.

These baffles are characterized by low Gamma Ray <50 API, indicating carbonate, along with high resistivity, and low neutron and density porosities (0-4%). There are no indications of any major geomechanical changes/frac baffles in between Cimarex's 3<sup>rd</sup> Sand target and Permian Resources' Wolfcamp Sands target, indicating that these two intervals are most likely one shared reservoir tank.

- 13. **Exhibit B-8** is showing a map with all the producing 3<sup>rd</sup> Bone Spring Sand wells across almost three townships (left), versus all of the Wolfcamp producers across the area (right). This Exhibit highlights the fact that the 3<sup>rd</sup> Sand is the established target in the area surrounding the Mighty Pheasant and Loosey Goosey sections (black and red box), while there have only been two Wolfcamp developments plus some parent well tests. Cimarex is also an established operator in this area, with 36 wells drilled including a Wolfcamp test.
- 14. **Exhibit B-9** shows all of the 3<sup>rd</sup> Bone Spring Sand producing wells with blue diamonds, and all of the Wolfcamp Sands producing wells with orange diamonds. Mighty Pheasant and Loosey Goosey are located within the black and red box which lies among almost all 3<sup>rd</sup> Sand wells. There are a couple of Wolfcamp development tests two miles to the south, but the majority of Wolfcamp and 3<sup>rd</sup> Sand co-development occurs 3 townships to the south, where the total 3<sup>rd</sup> Sand and Wolfcamp Sands reservoir tank is much thicker and deeper into the basin.
- 15. **Exhibit B-10** shows the PhiH (porosity\*height) of the 3<sup>rd</sup> Bone Spring Sand (left) versus the Wolfcamp X and Y Sands (right) as shown by the type log located at the blue star. PhiH is one of the most common reservoir maps to identify ideal target areas within the Bone Spring Sands because it represents total pore space, and more pore space means more room for hydrocarbon storage. Both maps have the same color scale, with a contour interval of 2 pore-ft. The Mighty Pheasant and Loosey Goosey sections are shown in the black and red box, and the well control

points are displayed, along with the values of the closest control points to the subject development. Higher PhiH values are indicated in yellow and red, while lower values are shown in blue. The average PhiH within the 3<sup>rd</sup> Sand, based on the closest control points, is 26.75 pore-ft. While the average PhiH within the Wolfcamp X and Y Sands is 10 pore-ft, which means that the 3<sup>rd</sup> Sand is at least 72.8% of the total reservoir, while the Wolfcamp Sands are 27.2% of the total reservoir. However, because there are no frac baffles separating the 3<sup>rd</sup> Sand and Wolfcamp Sands, and because the two Permian Resource targets would have about 95 ft of vertical separation, their Wolfcamp wells would drain a significant portion of the 3<sup>rd</sup> Sand reservoir that the four 3<sup>rd</sup> Sand wells would already be targeting.

- 16. **Exhibit B-11** is a structure map (Subsea TVD) of the top of the 3<sup>rd</sup> Bone Spring Carbonate, which is about 40 ft below the 2<sup>nd</sup> Bone Spring Sand Target, as noted by the type log located at the blue star. The contour interval is 100 ft, well control points are displayed, and structure is dipping to the south. From the first take point to the last take point of the Mighty Pheasant and Loosey Goosey wells (located within black and red box), there is approximately 200 ft of relief on the eastern edge of the proposed development, and about 100 ft of relief on the western edge.
- 17. **Exhibit B-12** is an isopach map of the  $2^{nd}$  Bone Spring Sand, as noted by the type log located at the blue star. The contour interval is 20 ft, well control points are displayed, and the  $2^{nd}$  Sand is consistently between 420-440 ft at the Mighty Pheasant and Loosey Goosey development (located within black and red box).
- 18. **Exhibit B-13** is a structural cross section from west to east on the northern end of the Mighty Pheasant and Loosey Goosey sections. Gamma Ray is displayed in the first log track, on a scale from 0 to 150 API, shaded to the right with blue representing low Gamma Ray, brown representing high Gamma Ray, and yellow in between. The second track is deep resistivity

(RDEEP), on a scale from 2 to 2000 Ohms, with RDEEP less than 20 Ohms shaded solid red to represent the Bone Spring Sand reservoirs. The third track is the photoelectric log (PEF) which is shaded blue and purple for higher values and yellow for lower values. The fourth track is neutron and density porosity (NPHI and DPHI). NPHI is shown in red, while DPHI is blue, and when DPHI crosses to the left of NPHI, the space in between the two curves is shaded yellow. Otherwise, it is shaded grey. The Lower 2<sup>nd</sup> Sand target is often characterized by the yellow crossover shading in the NPHI and DPHI track, Gamma Ray around 50-70 API, and RDEEP below 200 Ohms (not as low as basal 3<sup>rd</sup> Sand target). Cimarex's target is the standard Lower 2<sup>nd</sup> Bone Spring Sand target across the area (a few townships), which is shown as a green stick in all three logs. Frac baffles are shown in red and white striped boxes within the depth track, and there are only a couple frac baffles present within the 2<sup>nd</sup> Bone Spring Carbonate and in the middle of the 2<sup>nd</sup> Sand. These baffles are characterized by low Gamma Ray <50 API, indicating carbonate, along with high resistivity, and low neutron and density porosities (0-4%). These frac baffles within the 2<sup>nd</sup> Sand, plus the vertical distance of approximately 400 ft, indicate that there may be another target within the Upper 2<sup>nd</sup> Sand (similar log characteristics as the Lower Sand target). However, this would be a several mile step-out test, so Cimarex is planning advanced logging/data collection through this interval to de-risk it while drilling the 3<sup>rd</sup> Sand wells.

19. **Exhibit B-14** is showing a map with all the producing Lower 2<sup>nd</sup> Bone Spring Sand wells across almost nine townships (left), versus all of the 3<sup>rd</sup> Bone Spring Carbonate producers across the area (right). This Exhibit highlights the fact that the Lower 2<sup>nd</sup> Sand is the established target in the area surrounding the Mighty Pheasant and Loosey Goosey sections (black and red box), while there has only been one well landed in the 3<sup>rd</sup> Carbonate, with no 2<sup>nd</sup> Sand development above.

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20. **Exhibit B-15** shows the PhiH (porosity\*height) of the 2<sup>nd</sup> Bone Spring Sand (left) versus the 3<sup>rd</sup> Bone Spring Carbonate (right) as shown by the type log located at the blue star. PhiH is one of the most common reservoir maps to identify ideal target areas within the Bone Spring Sands because it represents total pore space, and more pore space means more room for hydrocarbon storage. Both maps have the same color scale, with a contour interval of 2 pore-ft. The Mighty Pheasant and Loosey Goosey sections are shown in the black and red box, and the well control points are displayed. Higher PhiH values are indicated in yellow and red, while lower values are shown in blue. The average PhiH within the 2<sup>nd</sup> Sand, based on the closest control points, is 30 pore-ft. While the average PhiH within the 3<sup>rd</sup> Carbonate is 20 pore-ft, which means that the 2<sup>nd</sup> Sand is at least 60% of the total reservoir, while the 3<sup>rd</sup> Carbonate is 40% of the total reservoir. However, because there are no frac baffles separating the 2<sup>nd</sup> Sand and 3<sup>rd</sup> Carbonate, and because the two Permian Resource targets would have about 135 ft of vertical separation, their 3<sup>rd</sup> Carbonate wells would drain a significant portion of the 2<sup>nd</sup> Sand reservoir that the four 2<sup>nd</sup> Sand wells would already be targeting.

21. **Exhibit B-16** is a structure map (Subsea TVD) of the top of the 1<sup>st</sup> Bone Spring Sand, which is about 40 ft above the 1<sup>st</sup> Bone Spring Sand Target, as noted by the type log located at the blue star. The contour interval is 100 ft, well control points are displayed, and structure is dipping to the south. From the first take point to the last take point of the Mighty Pheasant and Loosey Goosey wells (located within black and red box), there is approximately 85 ft of relief.

22. **Exhibit B-17** is an isopach map of the 1<sup>st</sup> Bone Spring Sand, as noted by the type log located at the blue star. The contour interval is 20 ft, well control points are displayed, and the 1<sup>st</sup> Sand is consistently between 280-300 ft at the Mighty Pheasant and Loosey Goosey development (located within black and red box).

23. Exhibit B-18 is a structural cross section from west to east on the northern end of the Mighty Pheasant and Loosey Goosey sections. Gamma Ray is displayed in the first log track, on a scale from 0 to 150 API, shaded to the right with blue representing low Gamma Ray, brown representing high Gamma Ray, and yellow in between. The second track is deep resistivity (RDEEP), on a scale from 2 to 2000 Ohms, with RDEEP less than 20 Ohms shaded solid red to represent the Bone Spring Sand reservoirs. The third track is the photoelectric log (PEF) which is shaded blue and purple for higher values and yellow for lower values. The fourth track is neutron and density porosity (NPHI and DPHI). NPHI is shown in red, while DPHI is blue, and when DPHI crosses to the left of NPHI, the space in between the two curves is shaded yellow. Otherwise, it is shaded grey. The 1st Sand target is often characterized by the yellow crossover shading in the NPHI and DPHI track, Gamma Ray around 50-70 API, and RDEEP below 20 Ohms. Cimarex's target is the standard 1st Bone Spring Sand target across the area (a few townships), which is shown as a green stick in all three logs.

### WOLFCAMP STATEMENT

(See Cimarex's Motion for an Order to Prohibit the Drilling of Wells in the Upper Wolfcamp in Order to Protect Correlative Rights and Optimize Production of the Subject Lands, filed as an Exhibit in Cases 23594 – 23597 and Cases 23598 - 23601)

- 24. **Exhibit B-19** is a structure map (Subsea TVD) of the top of the Wolfcamp, which is about 50 ft below the 3<sup>rd</sup> Bone Spring Sand Target, as noted by the type log located at the blue star. The contour interval is 100 ft, well control points are displayed, and structure is dipping to the south. From the first take point to the last take point of the Mighty Pheasant and Loosey Goosey wells (located within black and red box), there is approximately 100 ft of relief.
- 25. **Exhibit B-20** is an isopach map of the Wolfcamp X and Y Sands, as noted by the type log located at the blue star. The contour interval is 20 ft, well control points are displayed, and the

Wolfcamp X and Y Sands are consistently about 100 ft at the Mighty Pheasant and Loosey Goosey development (located within black and red box).

26. Exhibit B-21 is a structural cross section from west to east on the northern end of the Mighty Pheasant and Loosey Goosey sections. Gamma Ray is displayed in the first log track, on a scale from 0 to 150 API, shaded to the right with blue representing low Gamma Ray, brown representing high Gamma Ray, and yellow in between. The second track is deep resistivity (RDEEP), on a scale from 2 to 2000 Ohms, with RDEEP less than 20 Ohms shaded solid red to represent the Bone Spring Sand reservoirs. The third track is the photoelectric log (PEF) which is shaded blue and purple for higher values and yellow for lower values. The fourth track is neutron and density porosity (NPHI and DPHI). NPHI is shown in red, while DPHI is blue, and when DPHI crosses to the left of NPHI, the space in between the two curves is shaded yellow. Otherwise, it is shaded grey. The basal 3<sup>rd</sup> Sand target is often characterized by the yellow crossover shading in the NPHI and DPHI track, Gamma Ray around 50-70 API, and RDEEP below 20 Ohms. Cimarex's target is the standard basal 3rd Bone Spring Sand target across the area (a few townships), which is located above the Wolfcamp X & Y Sands (highlighted yellow on the left side). Frac baffles are shown in red and white striped boxes within the depth track, and there are only a couple frac baffles present within the 3<sup>rd</sup> Bone Spring Carbonate. These baffles are characterized by low Gamma Ray <50 API, indicating carbonate, along with high resistivity, and low neutron and density porosities (0-4%). There are no indications of any major geomechanical changes/frac baffles in between Cimarex's 3rd Sand target and Permian Resources' Wolfcamp Sands target, indicating that these two intervals are most likely one shared reservoir tank; therefore, Permian Resources' Wolfcamp XY Sands target will primarily produce from the 3<sup>rd</sup> Bone Spring Sand.

- 27. The Exhibits to this Affidavit were prepared by me or compiled from Cimarex's company business records under my supervision.
- 28. The granting of this Application is in the interests of conservation, the prevention of waste, and the protection of correlative rights.
  - 29. The foregoing is correct and complete to the best of my knowledge and belief.

[Signature page follows]

Signature page of Self-Affirmed Statement of Staci Mueller:

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case Nos. 23448-23455 and 23594 – 23601 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.

STACI MUELLER

7/11/2023

Date Signed

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# Geology Exhibits



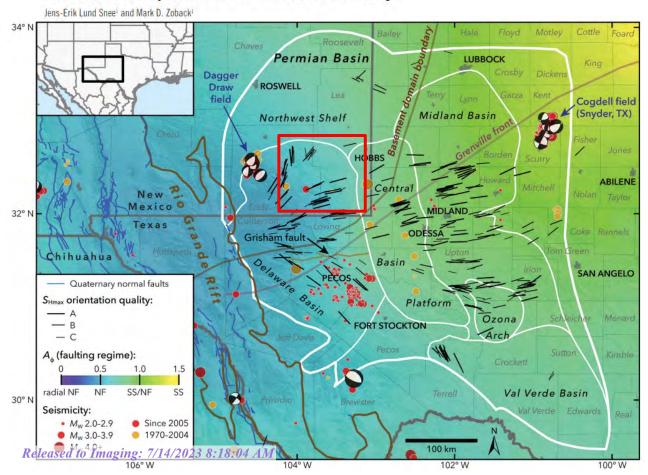
# Locator Map & Stress Direction

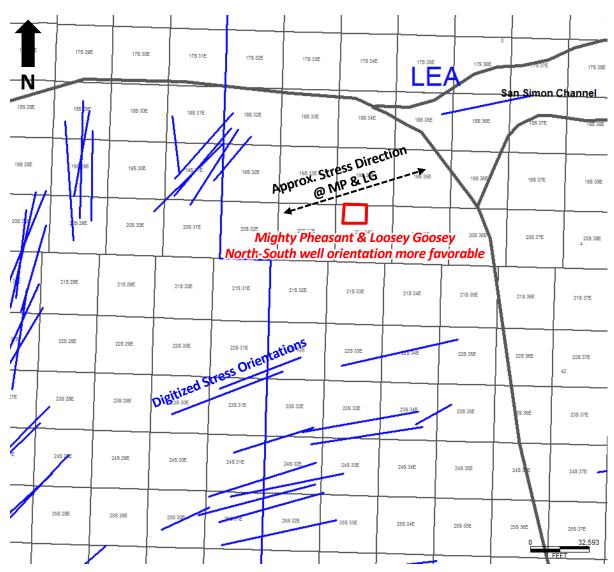
Coterra plans to develop Sections 4-9 and 5-8 with 2-mile laterals

- 1. 8 Lower 3<sup>rd</sup> Bone Spring Sand
- 2. 8 2<sup>nd</sup> Bone Spring Sand
- 3. 8 1st Bone Spring Sand

The wells will be drilled north to south from 2 pads/ Section

## State of stress in the Permian Basin, Texas and New Mexico: Implications for induced seismicity

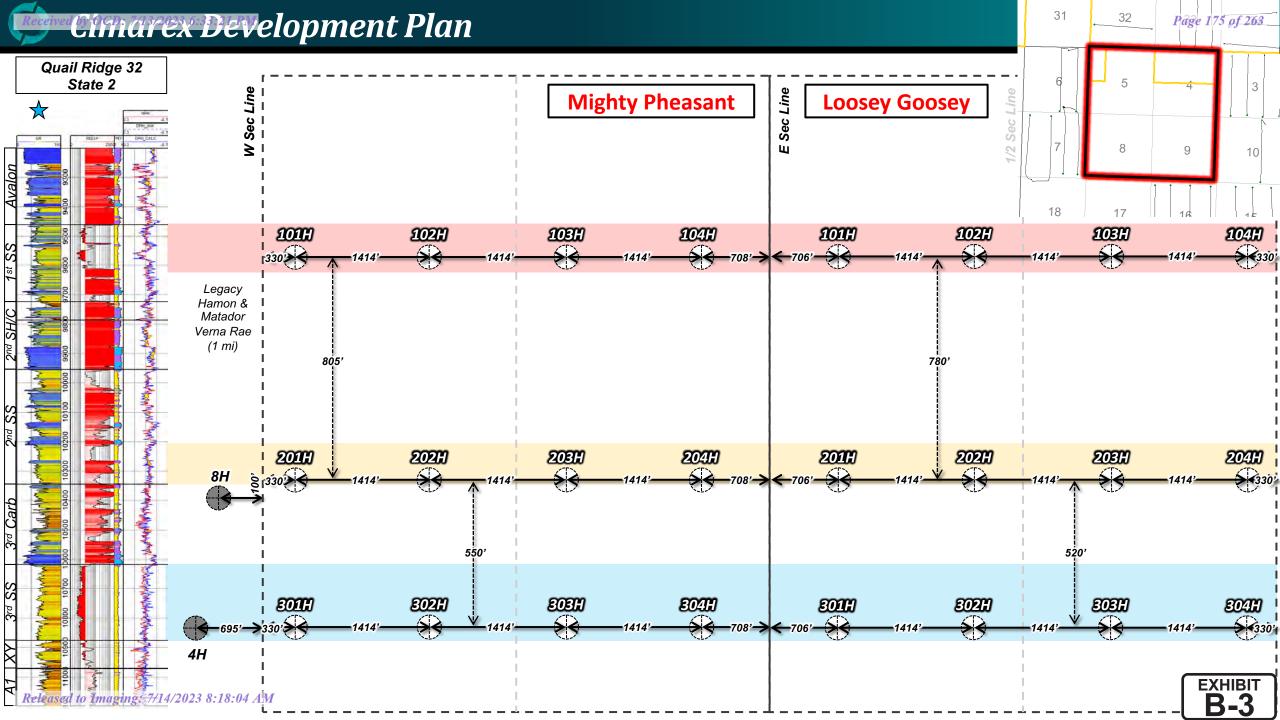


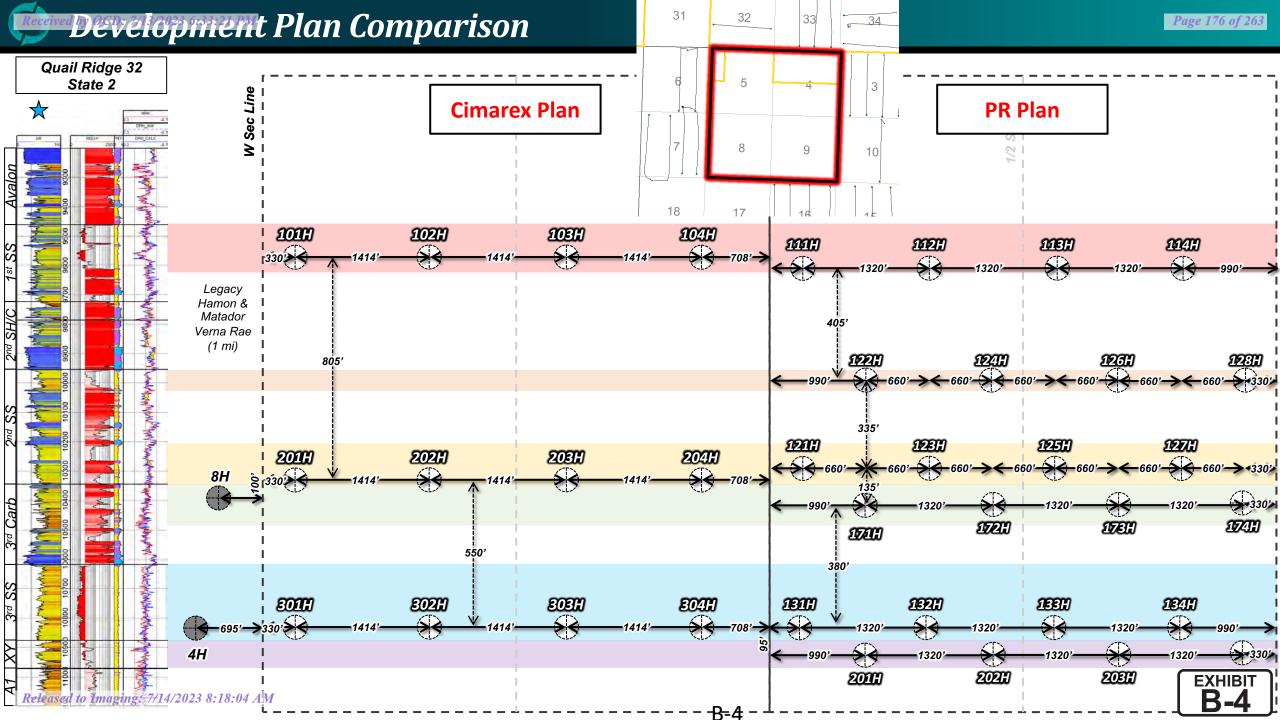




|          | State                                      | County | Well Name & Number               | Permit Status   | Permit Submission Due Date | Permit<br>Submitted Date | 10-Day Letter<br>Date | 10-Day Letter<br>Due |
|----------|--|--------|----------------------------------|-----------------|----------------------------|--------------------------|-----------------------|----------------------|
|          | NM   | Lea    | Mighty Pheasant 5-8 Fed Com 101H | To be permitted |                            |                          |                       |                      |
|          | NM Lea Mighty Pheasant 5-8 Fed Com 103H To |        | To be permitted                  |                 |                            |                          |                       |                      |
|          |  |        | To be permitted                  |                 |                            |                          |                       |                      |
|          |  |        | To be permitted                  |                 |                            |                          |                       |                      |
|          | NM   | Lea    | Mighty Pheasant 5-8 Fed Com 201H | To be permitted |                            |                          |                       |                      |
|          | NM   | Lea    | Mighty Pheasant 5-8 Fed Com 202H | To be permitted |                            |                          |                       |                      |
|          | NM   | Lea    | Mighty Pheasant 5-8 Fed Com 203H | To be permitted |                            |                          |                       |                      |
|          | NM   | Lea    | Mighty Pheasant 5-8 Fed Com 204H | AFMSS-Accepted  | 2/14/2022                  | 2/14/2022                | 6/2/2023              | 7/17/2023            |
|          | NM   | Lea    | Mighty Pheasant 5-8 Fed Com 301H | AFMSS-Accepted  | 3/1/2022                   | 3/1/2022                 |                       |                      |
| $\dashv$ | NM   | Lea    | Mighty Pheasant 5-8 Fed Com 302H | AFMSS-Accepted  | 3/2/2022                   | 3/2/2022                 |                       |                      |
|          | NM   | Lea    | Mighty Pheasant 5-8 Fed Com 303H | AFMSS-Accepted  | 2/14/2022                  | 2/14/2022                | 6/2/2023              | 7/17/2023            |
|          | NM   | Lea    | Mighty Pheasant 5-8 Fed Com 304H | AFMSS-Accepted  | 3/1/2022                   | 3/1/2022                 | 6/2/2023              | 7/17/2023            |
|          | NM   | Lea    | Loosey Goosey 4-9 Fed Com 101H   | To be permitted |                            |                          |                       |                      |
|          | NM   | Lea    | Loosey Goosey 4-9 Fed Com 102H   | To be permitted |                            |                          |                       |                      |
|          | NM   | Lea    | Loosey Goosey 4-9 Fed Com 103H   | To be permitted |                            |                          |                       |                      |
|          | NM   | Lea    | Loosey Goosey 4-9 Fed Com 104H   | To be permitted |                            |                          |                       |                      |
|          | NM   | Lea    | Loosey Goosey 4-9 Fed Com 201H   | To be permitted |                            |                          |                       |                      |
|          | NM   | Lea    | Loosey Goosey 4-9 Fed Com 202H   | To be permitted |                            |                          |                       |                      |
|          | NM   | Lea    | Loosey Goosey 4-9 Fed Com 203H   | To be permitted |                            |                          |                       |                      |
|          | NM   | Lea    | Loosey Goosey 4-9 Fed Com 204H   | AFMSS-Accepted  | 3/15/2022                  | 3/15/2022                |                       |                      |
|          | NM   | Lea    | Loosey Goosey 4-9 Fed Com 301H   | AFMSS-Accepted  | 3/9/2022                   | 3/9/2022                 |                       |                      |
| $\dashv$ | NM   | Lea    | Loosey Goosey 4-9 Fed Com 302H   | AFMSS-Accepted  | 3/9/2022                   | 3/9/2022                 |                       |                      |
|          | NM   | Lea    | Loosey Goosey 4-9 Fed Com 303H   | AFMSS-Accepted  | 3/15/2022                  | 3/15/2022                |                       |                      |
|          | NM   | Lea    | Loosey Goosey 4-9 Fed Com 304H   | AFMSS-Accepted  | 3/15/2022                  | 3/15/2022                |                       |                      |

Submitted permits for 3<sup>rd</sup> Sand development & 1<sup>st</sup> Sand/2<sup>nd</sup> Sand test BLM is currently working on these

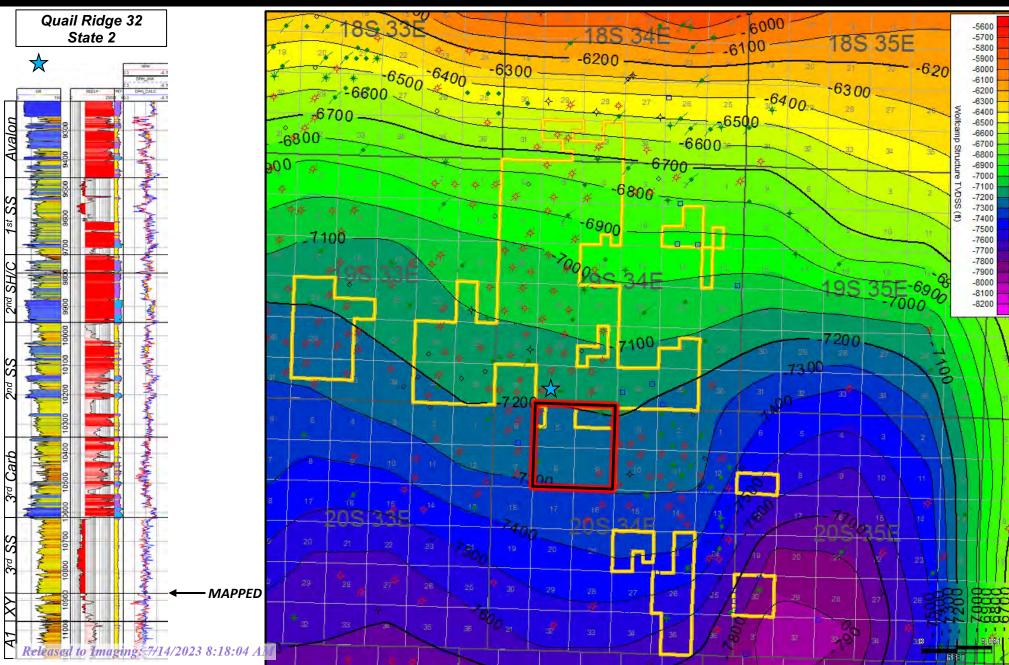




# 3<sup>rd</sup> Bone Spring Sand

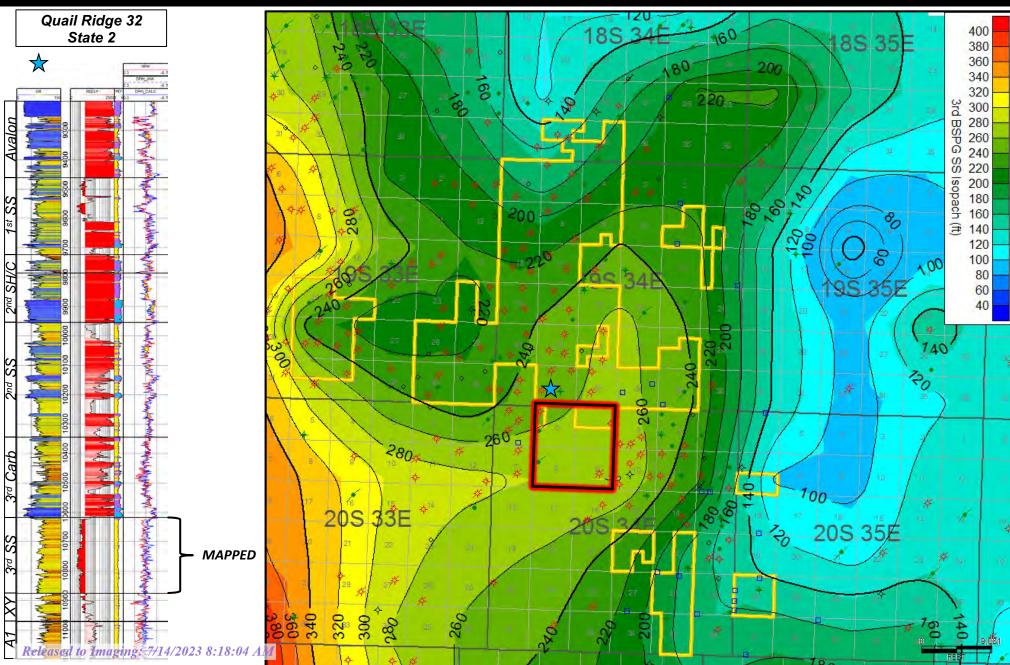


# 3<sup>rd</sup> Bone Spring Sand Structure

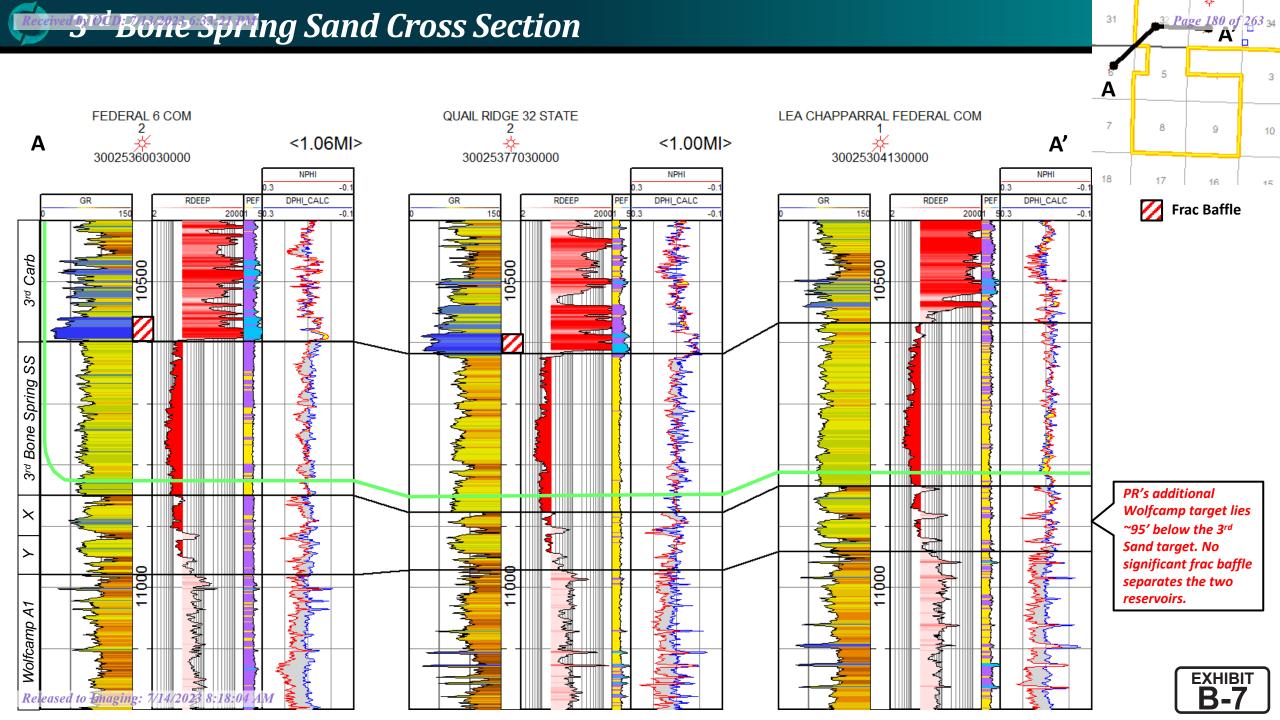




# 3rd Bone Spring Sand Isopach







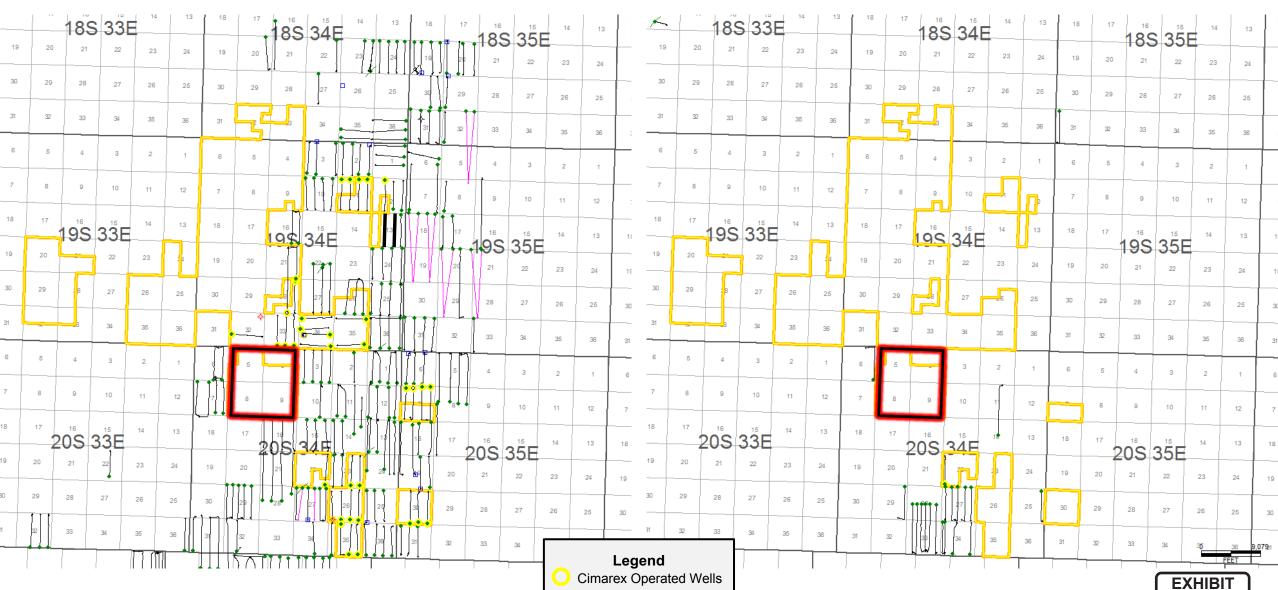
**B-8** 

#### 3<sup>rd</sup> Bone Spring Sand is Established Target

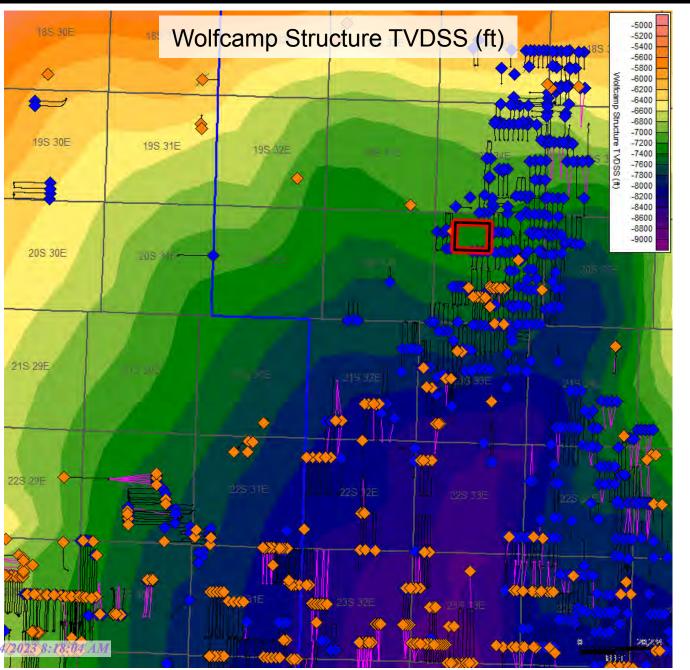
#### **3rd Bone Spring Sand Producers**

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#### **Wolfcamp Producers**



### Co-Wolfcamp SS/3<sup>rd</sup> SS Development Begins Further South



3<sup>rd</sup> Bone Spring Sand

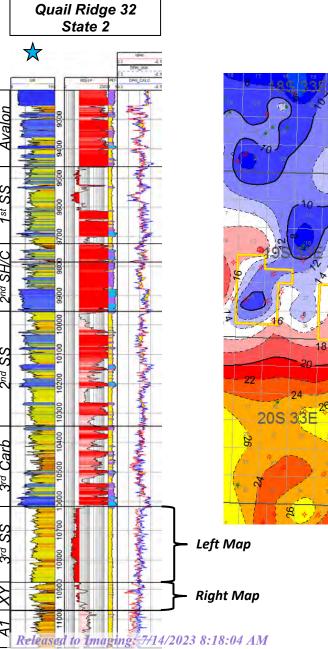


**Wolfcamp Sands** 

B-9

## Receive

#### Comparing 3<sup>rd</sup> Sand to Wolfcamp Reservoir (SoPhiH)



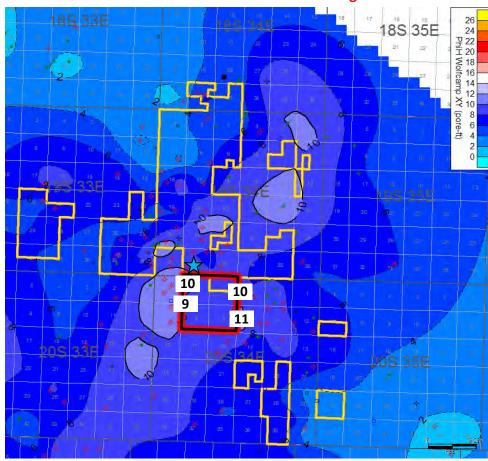
## PhiH 3<sup>rd</sup> Bone Spring Sand CTRA Target

Ph 22 II 20 23 26 26 32

Avg PhiH in 3<sup>rd</sup> SS = 26.75 72.8% of total reservoir

#### PhiH Wolfcamp X & Y Sands

**Permian Resources Additional Target** 

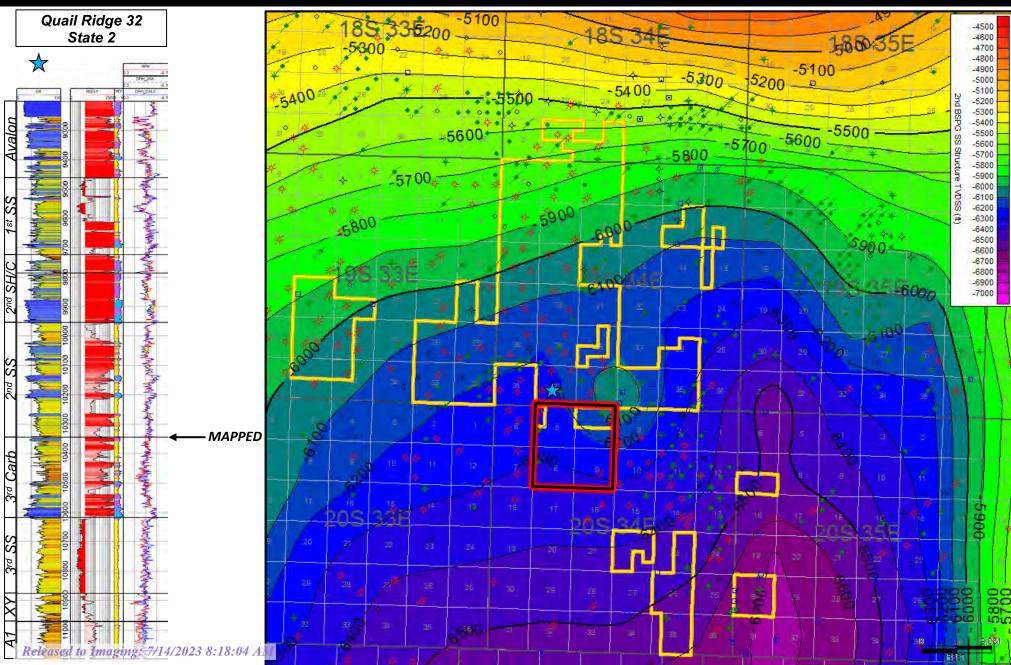


Avg PhiH in WFMP XY = 10 27.2% of total reservoir

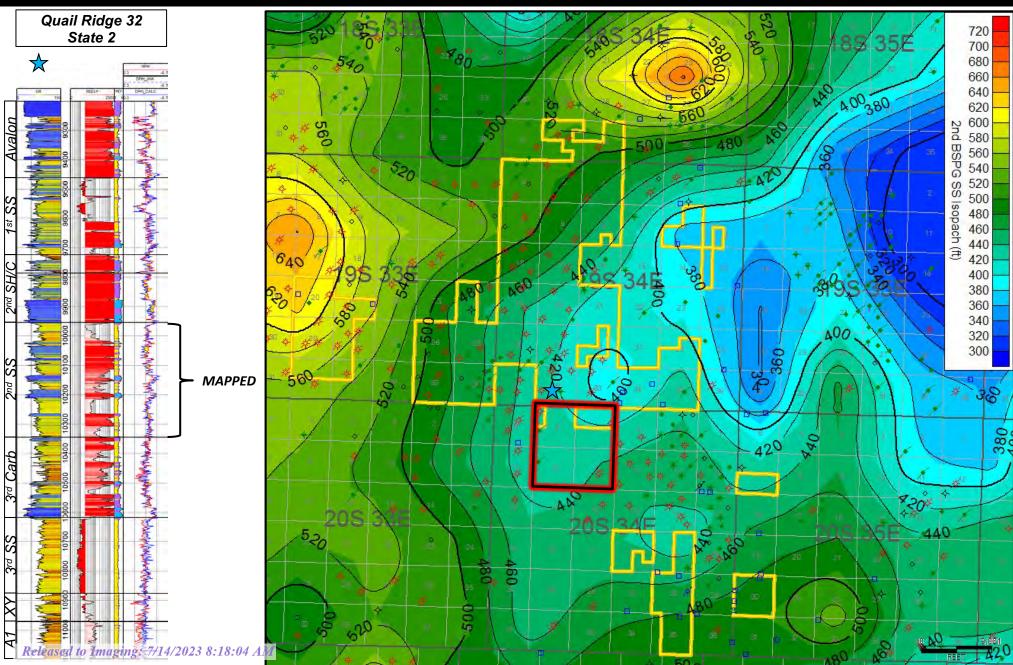
## 2<sup>nd</sup> Bone Spring Sand

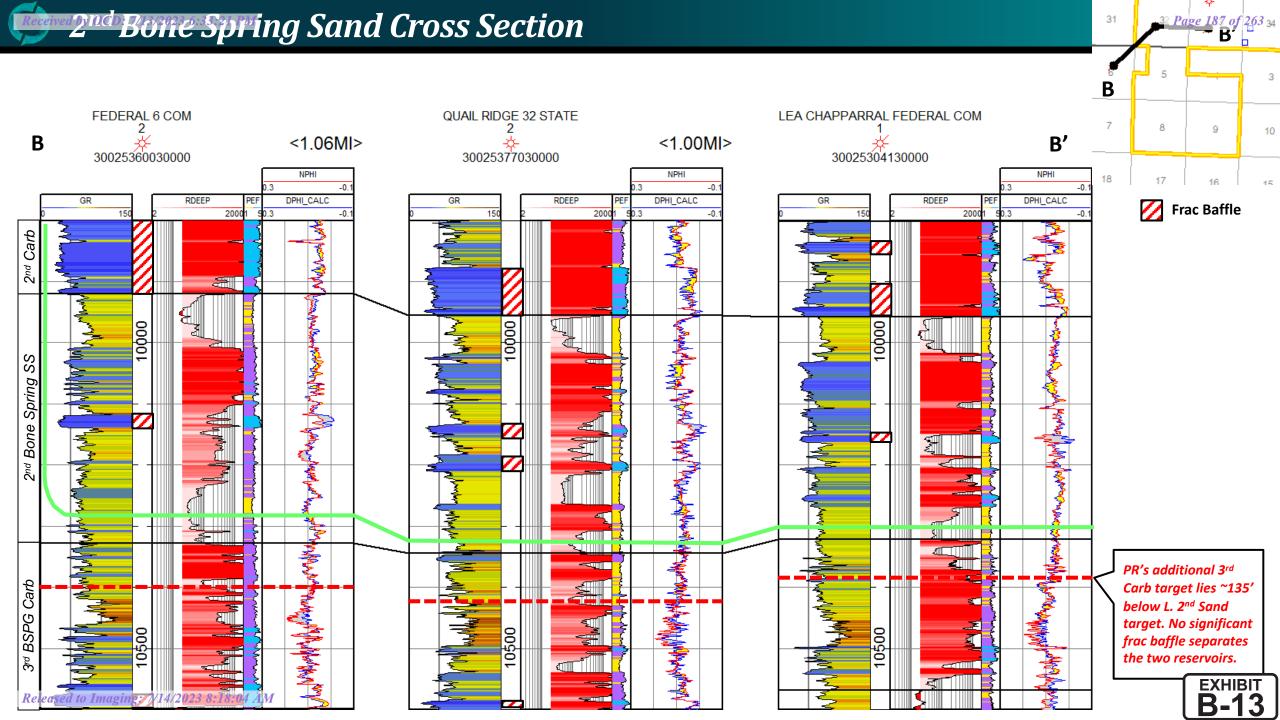


### 2<sup>nd</sup> Bone Spring Sand Structure

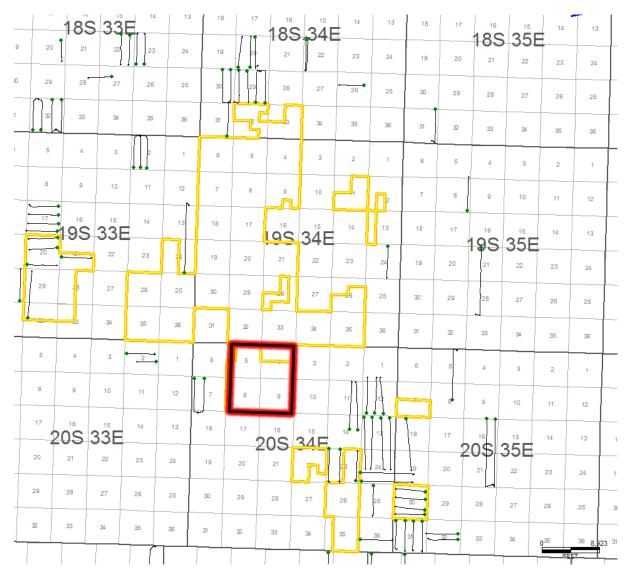


### 2<sup>nd</sup> Bone Spring Sand Isopach

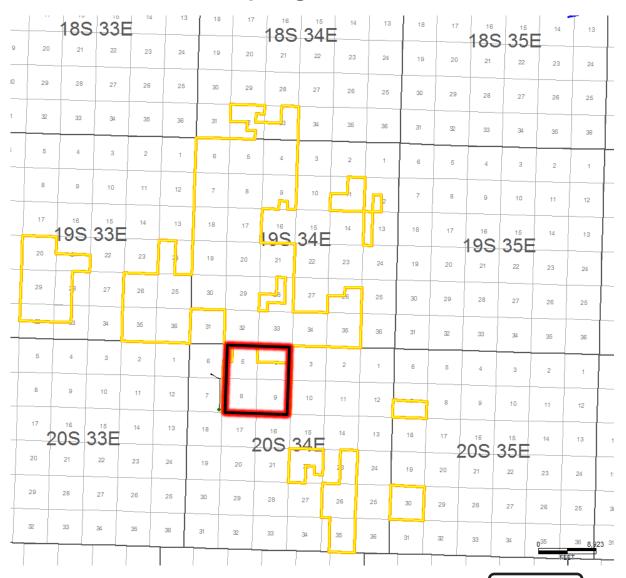




#### **Lower 2nd Bone Spring Sand Producers**



#### **3rd Bone Spring Carb Producers**

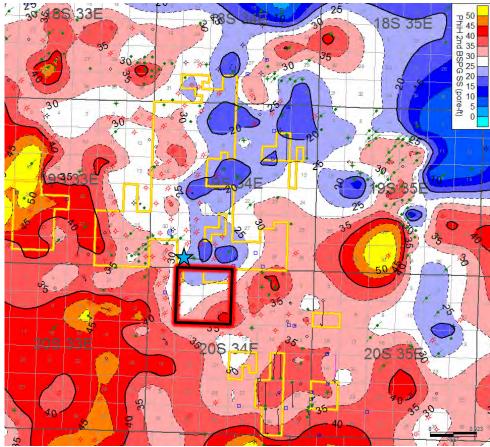


### PhiH L 2<sup>nd</sup> Sand vs. 3<sup>rd</sup> Carb

# Quail Ridge 32 State 2 Left Map Right Map Released to Imaging: 7/14/2023 8:18:04 AM

#### **PhiH 2<sup>nd</sup> Bone Spring Sand**

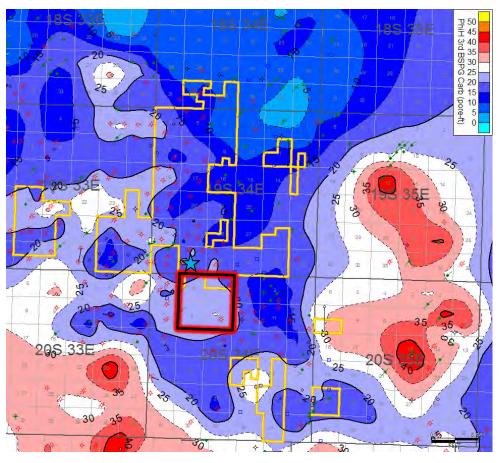
**CTRA Target** 



Avg PhiH in 3<sup>rd</sup> SS = 30 60% of total reservoir

#### **PhiH 3<sup>rd</sup> Bone Spring Carb**

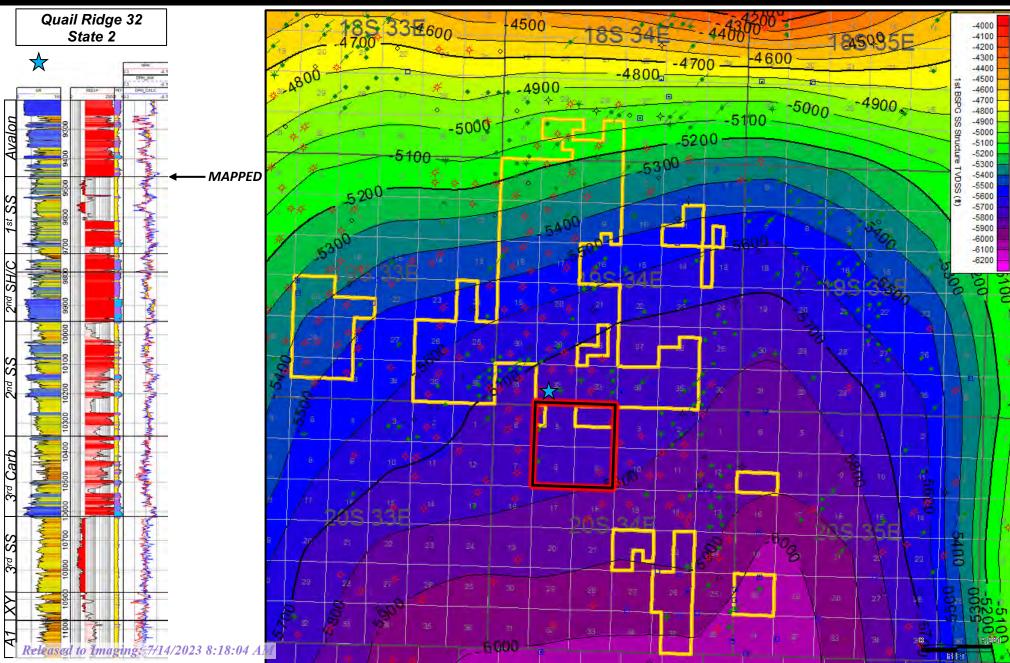
**Permian Resources Additional Target** 



Avg PhiH in WFMP XY = 20 40% of total reservoir

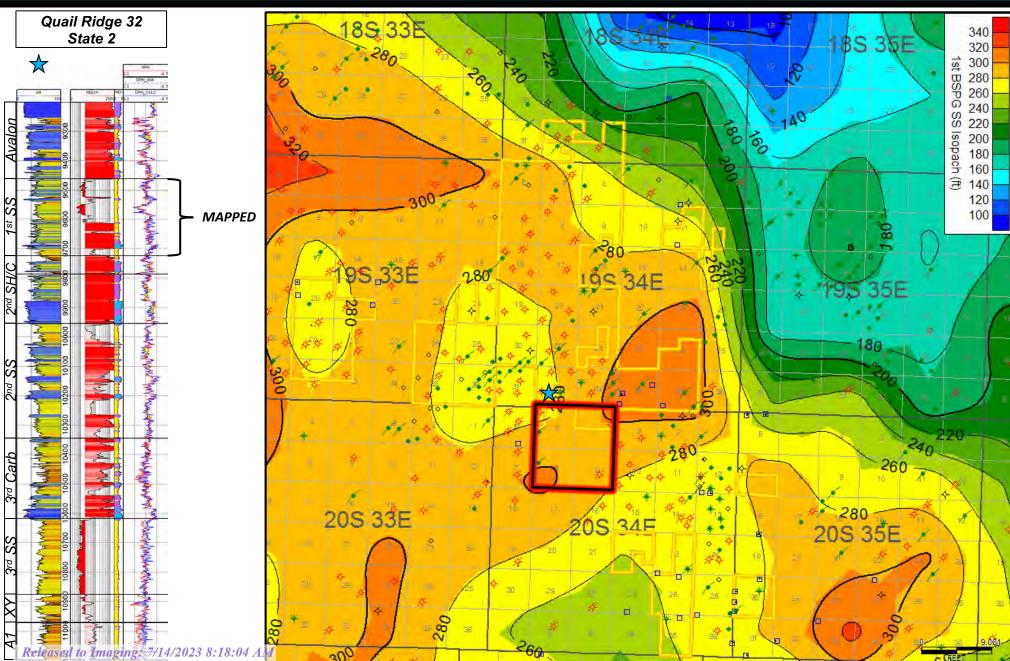
## 1st Bone Spring Sand

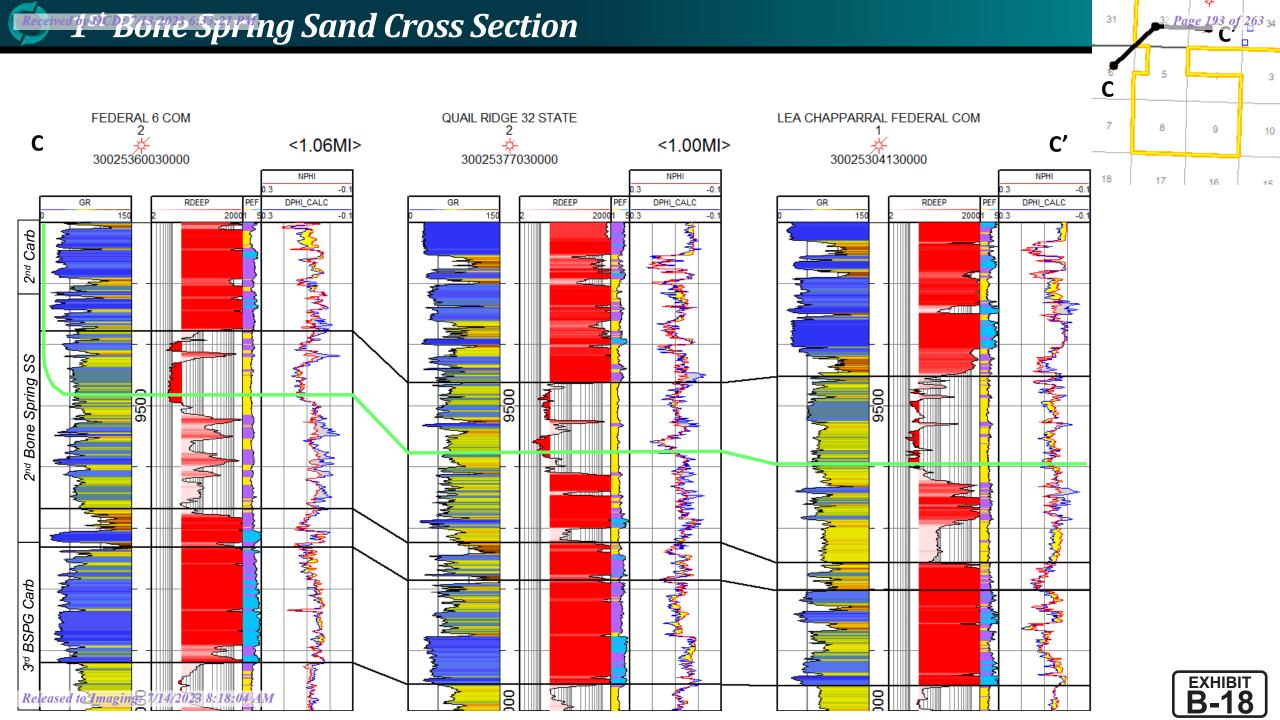
## 1st Bone Spring Sand Structure





## 1st Bone Spring Sand Isopach

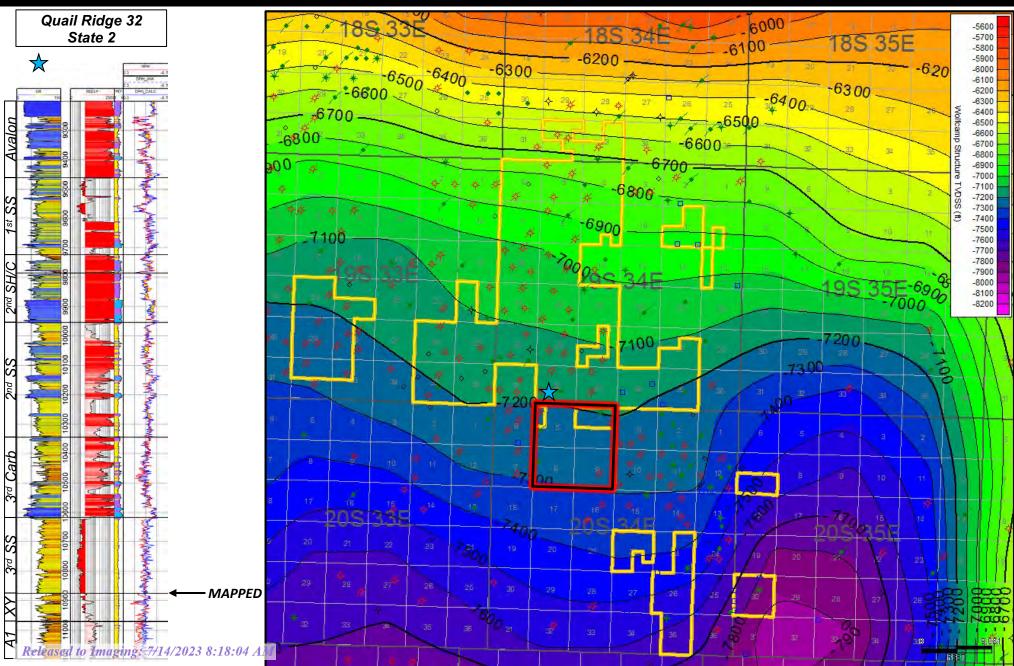




## Wolfcamp XY

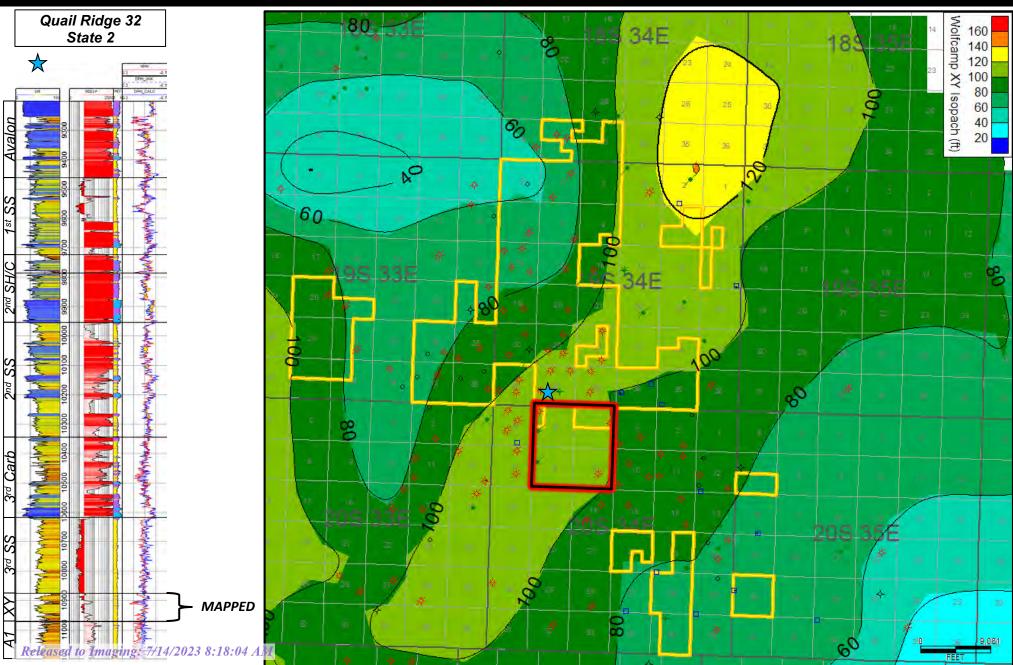


## Wolfcamp XY Structure



B-19

## Wolfcamp XY Isopach



#### Wolfcamp XY Cross Section 32 Page 197 of 263 34 FEDERAL 6 COM **QUAIL RIDGE 32 STATE** LEA CHAPPARRAL FEDERAL COM D <1.06MI> <1.00MI> D' 30025360030000 30025377030000 30025304130000 NPHI NPHI DPHI\_CALC DPHI\_CALC GR RDEEP DPHI\_CALC Frac Baffle 2000 20001 20001 The Wall of the Control 3rd Carb 10500 10500 3rd Bone Spring SS からなりとなるとうできます PR's additional Wolfcamp target lies ~95' below the 3rd Sand target. No significant frac baffle separates the two reservoirs. Wolfcamp A1 **EXHIBIT**

#### **TAB 4**

Case Nos. 23452-23455

| Exhibit C:    | Self-Affirmed Statement of Eddie Behm, Petroleum Engineer                           |
|---------------|---|
| Exhibit C-1:  | Mighty Pheasant Loosey Goosey Development Plan                                      |
| Exhibit C-2:  | Capital Plan Comparison Cimarex vs. Permian   |
| Exhibit C-3:  | Map of 3 <sup>rd</sup> Bone Spring Sand Producers                                   |
| Exhibit C-4:  | 3 <sup>rd</sup> Sand Well Count by Landing and Operators                            |
| Exhibit C-5:  | Black and Tan 3 <sup>rd</sup> Sand Composite Forecast 6 wells                       |
|               | (Before WC completion)  |
| Exhibit C-6:  | Black and Tan 3 <sup>rd</sup> Sand Composite Forecast 6 Wells Post                  |
|               | Wolfcamp Frac   |
| Exhibit C-7:  | Black and Tan Wolfcamp Composite Forecast 5 wells                                   |
| Exhibit C-8:  | Lessons Learned from the Black and Tan Development                                  |
| Exhibit C-9:  | Diagram of Staggered Landing Wolfcamp 3 <sup>rd</sup> SS Vs. 3 <sup>rd</sup> SS Fla |
| Exhibit C-10: | Black and Tan Analog comparison to MP/LG  |
| Exhibit C-11: | Landing Zone Matters; Five Years Ago, Cimarex's Perry Test                          |
|               | Confirmed 3 <sup>rd</sup> SS Landing as Best Target                                 |
| Exhibit C-12: | Dataset Identifying all Wells in Area of Interest                                   |

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

APPLICATIONS OF CIMAREX ENERGY CO. FOR A HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case Nos. 23448 – 23451 (Mighty Pheasant; Bone Spring; Secs. 5 & 8)

APPLICATIONS OF CIMAREX ENERGY CO. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case Nos. 23594 – 23597 (Mighty Pheasant; Wolfcamp; Secs. 5 & 8)

APPLICATIONS OF CIMAREX ENERGY CO. FOR A HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

> Case Nos. 23452 – 23455 (Loosey Goosey; Bone Spring; Secs. 4 & 9)

APPLICATIONS OF CIMAREX ENERGY CO. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case Nos. 23598 – 23601 (Loosey Goosey; Wolfcamp; Secs. 4 & 9)

#### SELF-AFFIRMED STATEMENT OF EDDIE BEHM

- I, being duly sworn on oath, state the following:
- 1. I am over the age of 18 and have the capacity to provide this Statement; I am a Reservoir Engineer for Cimarex Energy Co. ("Cimarex") and have personal knowledge of the matters stated herein.
- 2. I attended the University of Tulsa and graduated with a bachelor's in petroleum engineering in 2011. I have worked for Occidental, California Resources prior to working for Cimarex Energy



Co. ("Cimarex") and have been employed as a Production and Reservoir engineer for Cimarex for the last 6 years, working in the Delaware Basin with a primary focus on Lea County, New Mexico. I am familiar with the subject applications filed in the above-referenced Cases and the engineering involved.

- 3. I have previously testified before the Oil Conservation Division ("Division") as an expert reservoir engineer, and my credentials have been accepted of record by the Division.
- 4. This testimony is submitted in connection with the filing by Cimarex in the above-referenced compulsory pooling application pursuant to 19.15.4.12.A(1) NMAC.
- 5. I am also thoroughly familiar with the competing applications filed by Read & Stevens, Inc. who designated Permian Resources Operating, LLC as the Operator (Read & Stevens and Permian Resources collectively referred to herein as "Permian" or "Permian Resources") in Case Nos. 23508 through 23523. This Statement provides a description and overview of Cimarex's development plan in comparison to Permian's development plans.
- 6. Exhibit C-1, Slide 2: Mighty Pheasant Loosey Goosey Development Plan. Cimarex's development plan includes the Mighty Pheasant Wells in Sections 5 and 8, Township 20 South, Range 34 East; and the Loosey Goosey Wells in Sections 4 and 9, Township 20 South, Range 34 East, all in Lea County, and Cimarex plans to develop the entire 2880 acres of the proposed units with only 33.9 acres of disturbance to the surface, thus substantially minimizing environmental impact (resulting in only a minimal 1.17% disturbance). Once the four drill pads and bulk gathering lines are installed, Cimarex will be able to rotate back to these existing drill pads for all activities and operations, thus requiring no further disturbance to the lands; by minimizing dirt work in this way, Cimarex will reduce potential air pollution and preserve native vegetation and natural habitat. Furthermore, Cimarex will develop this area with best-in-class gas

capture technology and operations and has already initiated this approach by securing proposals for oil, water, and gas takeaway and submitting load requests to power surface equipment to develop the acreage. As a company we permit zero (0) routine flaring and build tankless facilities that offer superior capture rates of low-pressure gas (>=90% low pressure capture) for new developments which will be utilized in our proposed development plan.

- 7. Exhibit C-2, Slide 3: Capital Plan Comparison of Mighty Pheasant vs. Joker (1280-acre Capital comparison is shown for Sections 5 & 8) to Highlight:
  - a) The \$92.7MM in Capital waste that results from the extra wells proposed by Permian Resources; public data show that Permian's extra wells will be non-additive to EUR and PV10
  - b) The \$31.6 MM in extra well cost driven by the wasteful execution of Permian Resources' plan.
  - c) Permian's unnecessary expenditure of \$11 MM on one additional 2<sup>nd</sup> Sand well in comparison to Cimarex's plan which avoids such waste.
  - d) At the time of its proposal, Permian Resources will spend \$270MM more than Cimarex to develop all 4 sections, thus in comparison, Permian would create financial waste that excessively burdens, undermines, and harms the correlative rights of working interest owners.
- 8. Exhibit C-3, slide 6: 3<sup>rd</sup> Bone Spring Sand is the Established Single Bench Target at 4 Wells Per Section (WPS) Within the Area of Interest (AOI). The map of 3<sup>rd</sup> Bone Spring Sand Producers shows significant single bench development of the 3<sup>rd</sup> Sand at 4 wells per section spacing. The Map of Wolfcamp producers shows that the Wolfcamp is not primarily targeted with 3<sup>rd</sup> Sand development. Furthermore, where Wolfcamp is developed, it is

predominantly drilled and developed without the 3<sup>rd</sup> Sand because the reservoir is adequately captured with a single landing within the flow unit. There is only one development plan within the entire AOI similar to the plan Permian has proposed for the 3<sup>rd</sup> Sand. This plan, similar to Permian's plan, is located just 2 miles south of the subject lands, and it was based on similar well drainage assumptions that utilized outdated completion height assumptions. The Black and Tan Development Plan is the best analog and example that demonstrates the likely outcome of Permian Resources' proposal when both the 3<sup>rd</sup> Sand and Wolfcamp are developed as if they were separate and equal targets. A summary of the production results at **Exhibit C-10 (Slide 14)** herein speaks for itself, demonstrating what happened with the Black and Tan Development Plan, and therefore showing the substantial underproduction and waste that would likely result from Permian's approach, which is based on the same underlying assumptions. Cimarex's plan would avoid such an outcome.

- 9. **Exhibit C-4, Slide 7: Well Count by Landing and Operators Shows 3<sup>rd</sup> Sand is the Consensus Landing**. Ninety-seven percent of wells drilled in this area, that is, 236 out of 244 wells, are executed as single bench, non-staggered developments. This means it is not just Cimarex's idiosyncratic opinion that the best development plan for the Subject Lands requires a single landing target, but this is a consensus shared by all companies active within the area and directly supported by the data. Furthermore, 222 wells out of 244 total wells within the AOI land in the 3<sup>rd</sup> Sand supporting Cimarex's assessment of 3<sup>rd</sup> Sand as the optimum landing. Cimarex has executed 36 wells within the AOI, 15% of all wells, and has development experience specific to this area and its landing requirements.
- 10. Exhibit C-5, Slide 9: Black and Tan 3<sup>rd</sup> Sand Composite Forecast 6 wells (Before WC completion) This Forecast shows the aggregate well performance of 6 wells prior to

underlying Wolfcamp development. Significant reserves (that of 2.5MM barrels of oil) and rates (that being 3356 BOPD IP30) were accessed by these 1-mile wells supporting 3<sup>rd</sup> Sand as a proven landing for optimal production.

- Wolfcamp Frac. This Forecast shows the aggregate well performance of 3<sup>rd</sup> Bone Spring Sand wells after underlying Wolfcamp development. Unfavorable results included elevated water cut, rapid GOR Incline, and steep oil decline which are signatures of interference between the five Wolfcamp wells drilled below these six 3<sup>rd</sup> Sand wells. After the Wolfcamp wells were drilled and produced, overall reserves appear to have fallen to 1.63 MM barrels of oil with steep decline profile. This highlights the degradation a 2<sup>nd</sup> landing causes within the AOI.
- 12. **Exhibit C-7, Slide 11: Black and Tan Wolfcamp Composite Forecast 5 wells.** This plot shows the aggregate performance and forecast to the five Wolfcamp wells completed below the six 3<sup>rd</sup> Sand wells shown on exhibits C-4 and C-5. Data clearly shows that vertical interference occurs in staggered developments, causing these 5 wells to add only 885MBO oil reserves and 500 BOPD IP in the aggregate. Elevated water cut and rapid GOR incline are evidence of interference with 3<sup>rd</sup> sand wells above.
- Exhibit C-8, Slide 12: Lessons Learned from the Black and Tan Development. Exhibit C-8 table 1.0 shows some simple forecast metrics highlighting the fact that only a negligible rate and a negligible amount of EUR were detectible from drilling the five extra, not to mention expensive, Wolfcamp wells. It is noteworthy and significant how little benefit the five wells added and how much they negatively impacted 3<sup>rd</sup> sand production. The aggregate rate change is so small it is essentially zero (0) which does not support or justify as effective capital stewardship the drilling of the 8 additional \$11MM dollar wells proposed by Permian Resources.

Table 1.1 shows the pore space distribution, 3<sup>rd</sup> Sand has 268% more PHIH than the upper Wolfcamp and is clearly the predominant contributing reservoir. The hypothesis that landing in 3<sup>rd</sup> Sand with 268% more porosity and height combined with better flow properties is the best way to access all the bbls becomes unarguable with production data from Black And Tan where the addition of Wolfcamp landings added no reserves and only negatively impacted the 3<sup>rd</sup> Sand raising aggregate section OpEx. The lesson learned from this data is that drilling into the Upper Wolfcamp itself is financially wasteful and jeopardizes optimal 3<sup>rd</sup> Sand production. A setback from 3<sup>rd</sup> sand is in the best interest of efficient low risk recovery of the area reserves.

SS Flat. This exhibit C-9, Slide 13: Diagram of Staggered Landing Wolfcamp 3<sup>rd</sup> SS Vs. 3<sup>rd</sup> SS Flat. This exhibit shows what Cimarex believes happened in the Black and Tan analog example which reflects the nature of Permian Resources' proposal and therefore Permian's likely outcome. The Majority of Stimulated Rock Volume accessed by 3<sup>rd</sup> Sand well's landed flat must be very similar to the Stimulated rock volume accessed by staggered Wolfcamp and 3<sup>rd</sup> landings. If this were not true, the sum of Wolfcamp and 3<sup>rd</sup> sand production out of the Black and Tan development would be significantly higher once the 2<sup>nd</sup> bench was added instead of about the same. Where appropriate geologically, Cimarex executes as many as 9 landings within the same section in Lea County. Due to the location of barriers and target reservoir height executing two landings within the contested acreage in the 3<sup>rd</sup> Sand Wolfcamp target or the lower 2<sup>nd</sup> Sand 3<sup>rd</sup> Shale target serves only to double development CapEx. Cimarex has proprietary data from South Lea County developments in thicker pay that support the accuracy of how we have assessed the vertical interference and is confident additional landings serve only to dilute sweet spot landing production. Not everyone has access to the same data but there is a wealth of public data available from the

Hydraulic Fracture Test Site 2 DOE and industry partnership that would lead to the same conclusion.

- Pheasant and Loosey Goosey have a similar pore space distribution as the Black and Tan Development with slightly higher porosity. The extra porosity is more likely to correlate to better permeability and allow a single landing to capture proven 3<sup>rd</sup> sand reserves even more efficiently. Sensitivities run vs. reserves (table 1.3) and P50 expectations (table 1.4) show the PV 10 degradation and how much uplift would be needed to break even on the additional wells proposed by Permian. Given Black and Tan's added negligible bbls and rate, close to 0%, in similar rock two miles away, the public data simply does not support the 30% to 40% EUR and rate improvement needed to even break even on the extra incremental CapEx proposed by Permian resources well count. Furthermore, due to optimum well count Cimarex's plan is self-funding with payout in < 1 year. This is important for follow up benches that Cimarex will be able to rapidly develop out of lease cashflow, whereas Permian resources would require debt to fund an annual drilling program and would be significantly more exposed to commodity pricing jeopardizing timely development of subsequent benches.
- Perry Test Confirmed 3<sup>rd</sup> SS Landing as Best Target. Cimarex confirmed 3<sup>rd</sup> sand as best landing zone 5 years ago in 2018 with the Perry 4H 1 mile South of the contested acreage block. Over the life of the well, we see the old conventional 3<sup>rd</sup> Sand landing outperform other landings. Fracs evolved over time to modern slick water completions. Today most companies pump between 2000#/ft and 3000#/ft and 38 bbl/ft up to 60 bbl/ft with 6 to 14 clusters per stage depending on the target. It is highly unusual for a legacy frac, that is, one more conventional (i.e., <2016 with low

cluster count, long stages, and unfocused frac energy), to better access reservoir than a modern frac (>2016 vintage with high cluster count, short stages, very focused frac energy). The best explanation for 478#/ft 3<sup>rd</sup> Sand frac outperforming 5 to 6 times the frac energy pumped in the Wolfcamp test well is that the vast majority of oil reserves and best rock fabric flow properties are located within the 3<sup>rd</sup> Sand, and not in the Upper Wolfcamp. Thus, drilling into the Upper Wolfcamp is a waste of resources.

- 17. The dataset that identifies all the wells in the Area of Interest that I used in my analysis and that played a role in my conclusions is attached hereto as **Exhibit C-12**.
- 18. The Exhibits to this Self-Affirmed Statement were prepared by me or compiled from Cimarex's company business records under my supervision.
- 19. As explained by the foregoing, the granting of Cimarex's Applications are in the best interests of conservation, the prevention of waste, and the protection of correlative rights.
  - 20. The foregoing is correct and complete to the best of my knowledge and belief.

    [Signature page follows]

Signature page of Self-Affirmed Statement of Eddie Behm:

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case Nos. 23448-23455 and 23594 – 23601 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.

Eddie Behm

Date Signed

7/11/2023

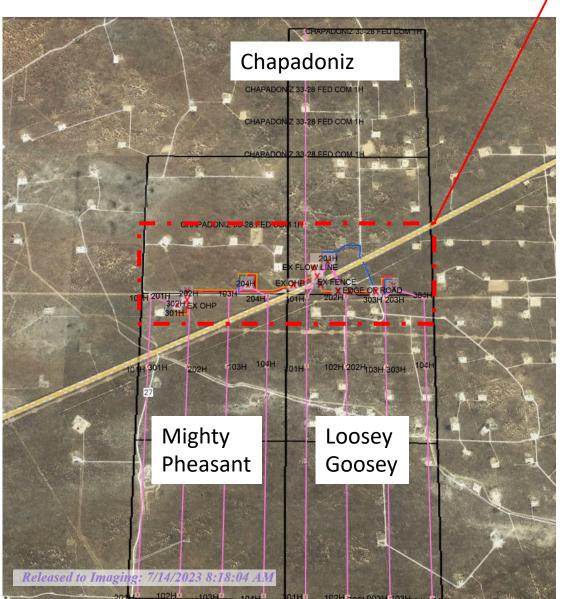
## Development Strategy





#### Mighty Pheasant Loosey Goosey Development Plan

1 mile





Single Battery develops – 27 to 34 planned wells

- Oil water gas power ROW connects 4 drilling pads with on pad separation to Battery
- Single battery eliminates 2 additional batteries worth of disturbance and high-risk emissions devices.
- Cimarex permits 0 routine flaring, and our design has >=90% low pressure vapor capture
- Roads (2.33) acres, pads (25.25 acres) and battery (6.31 acres) create ~33.9 acres of disturbance allowing for full development of ~2880 acres, 1.17% disturbance.
- Pipelines are onetime construction; follow-up wells will use existing gathering off pad which is installed the first time a well is drilled off a drill pad. All future wells create no new disturbance off drill pads minimizing environmental impact

#### Capital Plan Comparison Mighty Pheasant vs. Joker

| Mighty Pheasant |                   |                     |                   |                             |  |     |
|-----------------|-------------------|---------------------|-------------------|-----------------------------|--|-----|
| AFE Bench Total | June Current Cost | es Well AFE CapEx J |                   | Well AFE CapEx June Current |  | Res |
|                 | \$9,651,993       | \$8,570,695         | 101H              | 1st                         |  |     |
| ¢26 022 774     | \$9,651,993       | \$9,450,693         | 102h              | 1st                         |  |     |
| \$36,922,774    | \$9,651,993       | \$9,450,693         | 103H              | 1st                         |  |     |
|                 | \$9,651,993       | \$9,450,693         | 104H              | 1st                         |  |     |
|                 | \$9,651,993       | \$8,570,695         | NA                | upper 2 <sup>nd</sup> *     |  |     |
| \$25,712,085    | \$9,651,993       | \$8,570,695         | NA                | upper 2 <sup>nd</sup> *     |  |     |
|                 | \$9,651,993       | \$8,570,695         | NA                | upper 2nd*                  |  |     |
|                 | \$9,651,993       | \$8,570,695         | 201H              | 2nd                         |  |     |
| 624 202 700     | \$9,651,993       | \$8,570,695         | 202H              | 2nd                         |  |     |
| \$34,282,780    | \$9,651,993       | \$8,570,695         | 203H              | 2nd                         |  |     |
|                 | \$9,651,993       | \$8,570,695         | 204H              | 2nd                         |  |     |
|                 | \$10,621,993      | \$9,428,854         | 301H              | 3rd                         |  |     |
| ¢27.675.400     | \$10,621,993      | \$9,428,854         | 302H              | 3rd                         |  |     |
| \$37,675,408    | \$10,621,993      | \$9,408,850         | 303H              | 3rd                         |  |     |
|                 | \$10,621,993      | \$9,408,850         | 304H              | 3rd                         |  |     |
| \$134,593,047   | \$148,659,895     | \$134,593,047       | Total Gross CapEx |                             |  |     |

\*Note: we have planned for upper 2<sup>nd</sup>, acquiring data on 3<sup>rd</sup> sand wells to confirm adequate flow, saturation, and in place in this ~60-foot target and will execute if viable.

| Permian Resources - Joker |           |               |                   |                 |  |  |
|---------------------------|-----------|---------------|-------------------|-----------------|--|--|
| Res                       | Well      | AFE CapEx     | June Current Cost | AFE Bench Total |  |  |
| 1st                       | 111       | \$10,724,193  |                   |                 |  |  |
| 1st                       | 112       | \$10,724,193  |                   | ¢42.006.772     |  |  |
| 1st                       | 113       | \$10,724,193  |                   | \$42,896,772    |  |  |
| 1st                       | 114       | \$10,724,193  |                   |                 |  |  |
| uppr 2nd                  | 122       | \$11,020,308  |                   |                 |  |  |
| uppr 2nd                  | 124       | \$11,020,308  |                   | \$44,081,232    |  |  |
| uppr 2nd                  | 126       | \$11,020,308  |                   | 344,001,232     |  |  |
| uppr 2nd                  | 128       | \$11,020,308  |                   |                 |  |  |
| 2nd                       | 121       | \$11,020,308  |                   |                 |  |  |
| 2nd                       | 123       | \$11,020,308  |                   | \$44,081,232    |  |  |
| 2nd                       | 125       | \$11,020,308  |                   | 344,001,232     |  |  |
| 2nd                       | 127       | \$11,020,308  |                   |                 |  |  |
| 3rd bs                    | 131H      | \$11,535,757  |                   |                 |  |  |
| 3rd bs                    | 132H      | \$11,535,757  |                   | \$46,143,028    |  |  |
| 3rd bs                    | 133H      | \$11,535,757  |                   | 340,143,026     |  |  |
| 3rd bs                    | 134H      | \$11,535,757  |                   |                 |  |  |
| 3rd bs                    | 171H      | \$11,308,013  |                   |                 |  |  |
| 3rd bs                    | 172H      | \$11,308,013  |                   |                 |  |  |
| 3rd bs                    | 173H      | \$11,308,013  |                   |                 |  |  |
| 3rd bs                    | 174H      | \$11,308,013  |                   | \$92,743,500    |  |  |
| WC                        | 201H      | \$11,877,862  |                   | 732,745,500     |  |  |
| WC                        | 202H      | \$11,877,862  |                   |                 |  |  |
| WC                        | 203H      | \$11,877,862  |                   |                 |  |  |
| WC                        | 204H      | \$11,877,862  |                   |                 |  |  |
| Total Gro                 | oss CapEx | \$269,945,764 | ?                 | \$269,945,764   |  |  |

#### Permian plan is \$135MM more / 1280 acres with proposal Capex, ~100% more CapEx, bad for WI owners:

- \$ 92.7 MM, shown in red, Cimarex models as uneconomic non additive wells with reserves best captured by single landing.
- \$31.6 MM, where well counts are ~= Permian costs are \$2.1 MM to \$2.4MM higher/well at time of proposal
- \$ 11 MM, one additional 2<sup>nd</sup> sand well vs. Cimarex Proven spacing.
- Repetition Resources Contracts, practices, and development plan is >= \$121MM of waste driven by Frac cost and Well Count

|          | State | County | Well Name & Number               | Permit Status   | Permit Submission Due Date | Permit<br>Submitted Date | 10-Day Letter<br>Date | 10-Day Letter<br>Due |
|----------|-------|--------|----------------------------------|-----------------|----------------------------|--------------------------|-----------------------|----------------------|
| ſ        | NM    | Lea    | Mighty Pheasant 5-8 Fed Com 101H | To be permitted |                            |                          |                       |                      |
|          | NM    | Lea    | Mighty Pheasant 5-8 Fed Com 102H | To be permitted |                            |                          |                       |                      |
|          | NM    | Lea    | Mighty Pheasant 5-8 Fed Com 103H | To be permitted |                            |                          |                       |                      |
|          | NM    | Lea    | Mighty Pheasant 5-8 Fed Com 104H | To be permitted |                            |                          |                       |                      |
|          | NM    | Lea    | Mighty Pheasant 5-8 Fed Com 201H | To be permitted |                            |                          |                       |                      |
|          | NM    | Lea    | Mighty Pheasant 5-8 Fed Com 202H | To be permitted |                            |                          |                       |                      |
|          | NM    | Lea    | Mighty Pheasant 5-8 Fed Com 203H | To be permitted |                            |                          |                       |                      |
|          | NM    | Lea    | Mighty Pheasant 5-8 Fed Com 204H | AFMSS-Accepted  | 2/14/2022                  | 2/14/2022                | 6/2/2023              | 7/17/2023            |
|          | NM    | Lea    | Mighty Pheasant 5-8 Fed Com 301H | AFMSS-Accepted  | 3/1/2022                   | 3/1/2022                 |                       |                      |
| $\dashv$ | NM    | Lea    | Mighty Pheasant 5-8 Fed Com 302H | AFMSS-Accepted  | 3/2/2022                   | 3/2/2022                 |                       |                      |
|          | NM    | Lea    | Mighty Pheasant 5-8 Fed Com 303H | AFMSS-Accepted  | 2/14/2022                  | 2/14/2022                | 6/2/2023              | 7/17/2023            |
| L        | NM    | Lea    | Mighty Pheasant 5-8 Fed Com 304H | AFMSS-Accepted  | 3/1/2022                   | 3/1/2022                 | 6/2/2023              | 7/17/2023            |
|          | NM    | Lea    | Loosey Goosey 4-9 Fed Com 101H   | To be permitted |                            |                          |                       |                      |
|          | NM    | Lea    | Loosey Goosey 4-9 Fed Com 102H   | To be permitted |                            |                          |                       |                      |
|          | NM    | Lea    | Loosey Goosey 4-9 Fed Com 103H   | To be permitted |                            |                          |                       |                      |
|          | NM    | Lea    | Loosey Goosey 4-9 Fed Com 104H   | To be permitted |                            |                          |                       |                      |
|          | NM    | Lea    | Loosey Goosey 4-9 Fed Com 201H   | To be permitted |                            |                          |                       |                      |
|          | NM    | Lea    | Loosey Goosey 4-9 Fed Com 202H   | To be permitted |                            |                          |                       |                      |
|          | NM    | Lea    | Loosey Goosey 4-9 Fed Com 203H   | To be permitted |                            |                          |                       |                      |
|          | NM    | Lea    | Loosey Goosey 4-9 Fed Com 204H   | AFMSS-Accepted  | 3/15/2022                  | 3/15/2022                |                       |                      |
|          | NM    | Lea    | Loosey Goosey 4-9 Fed Com 301H   | AFMSS-Accepted  | 3/9/2022                   | 3/9/2022                 |                       |                      |
| 1        | NM    | Lea    | Loosey Goosey 4-9 Fed Com 302H   | AFMSS-Accepted  | 3/9/2022                   | 3/9/2022                 |                       |                      |
|          | NM    | Lea    | Loosey Goosey 4-9 Fed Com 303H   | AFMSS-Accepted  | 3/15/2022                  | 3/15/2022                |                       |                      |
| L        | NM    | Lea    | Loosey Goosey 4-9 Fed Com 304H   | AFMSS-Accepted  | 3/15/2022                  | 3/15/2022                |                       |                      |

Submitted permits for 3<sup>rd</sup> Sand development & 1<sup>st</sup> Sand/2<sup>nd</sup> Sand test BLM is currently working on these

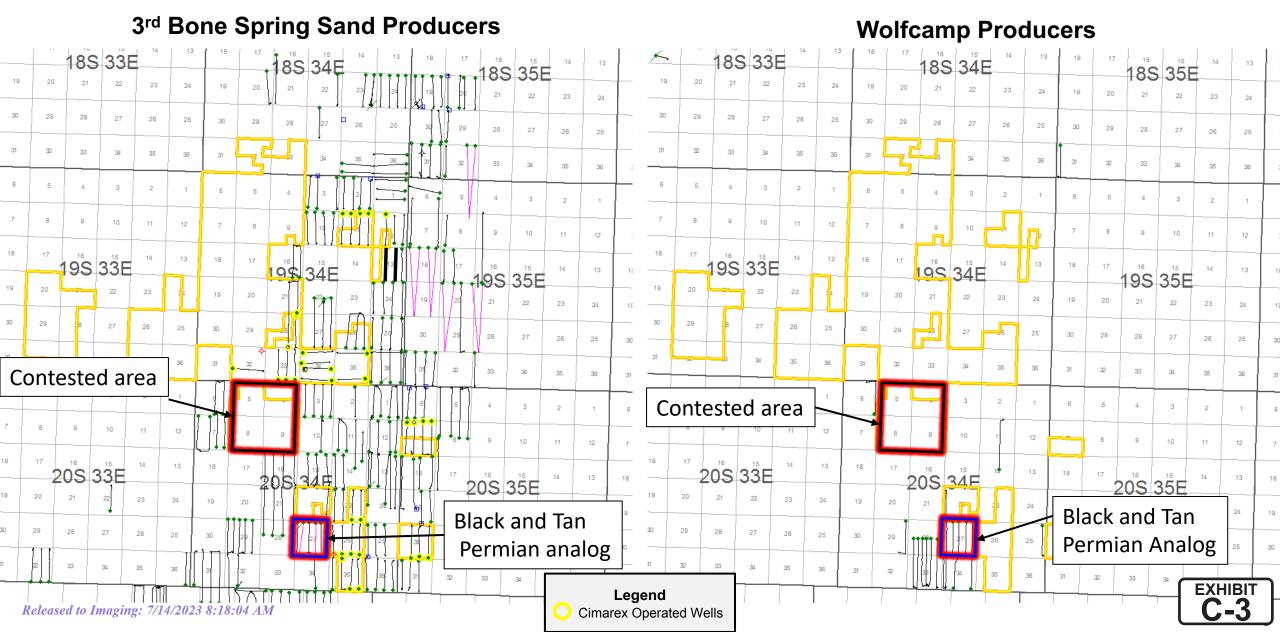
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## 3<sup>rd</sup> Bone Spring Sand



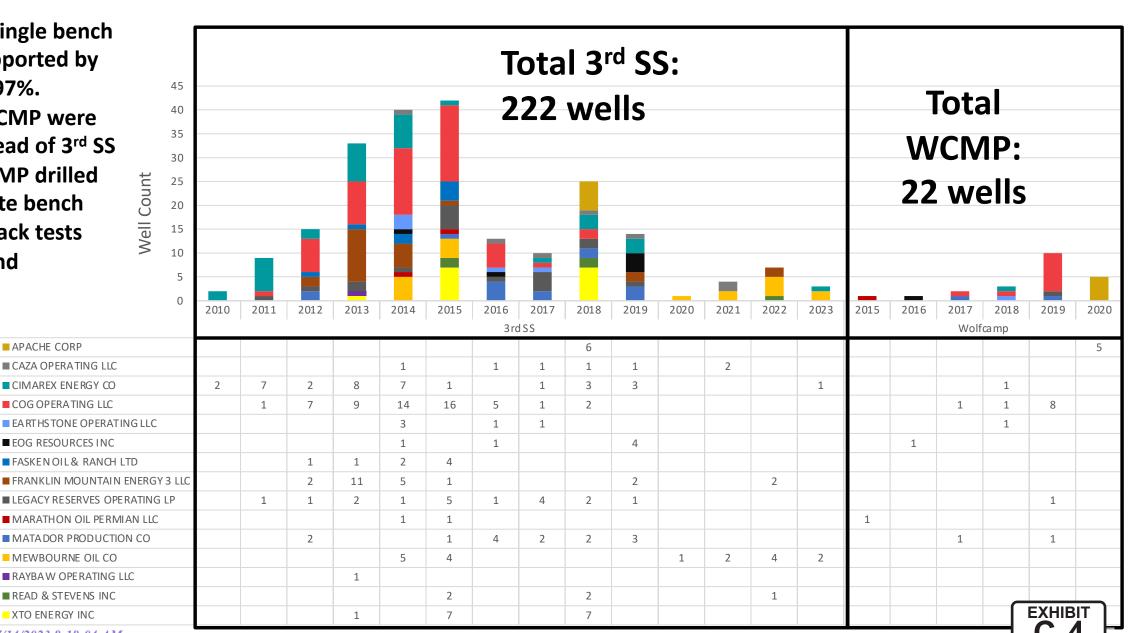
#### 🔛 3<sup>rd</sup> Bone Spring Sand is the Established Single Bench Target at 4 WPS within AOP

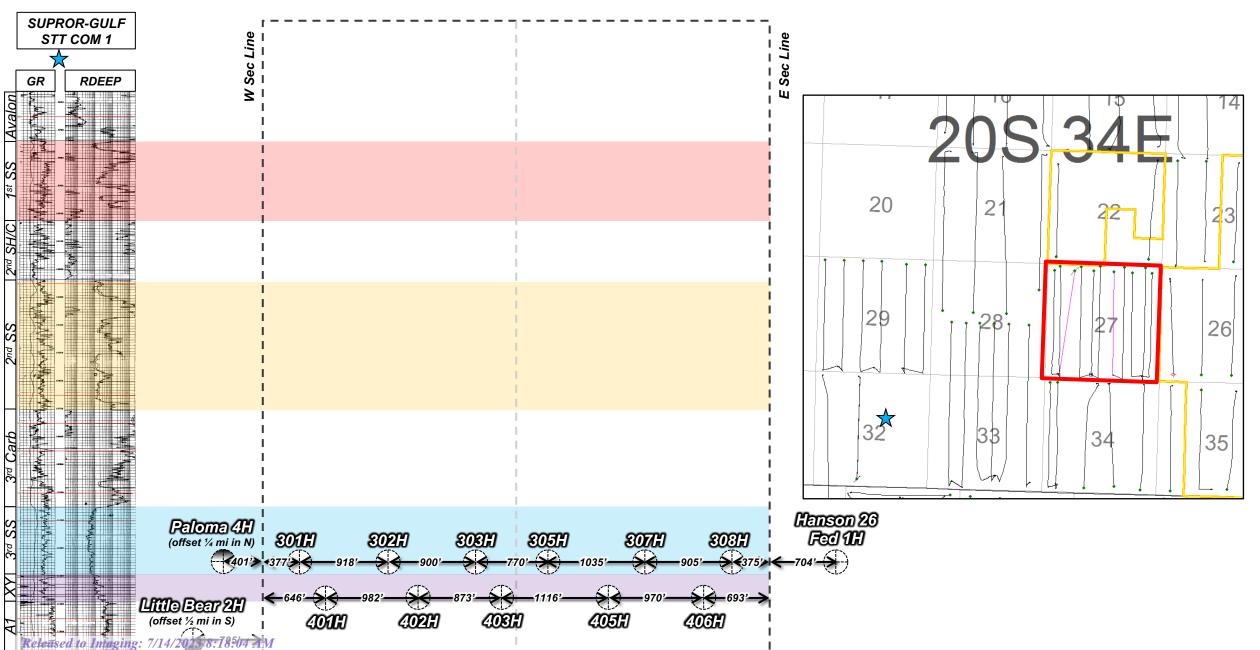
42,650 acres developed with more than 1 well, all but one development, 98.5% of sections similar to Cimarex proposal



## Well Count by Landing and Operators Shows 3<sup>rd</sup> Sand is the Consensus Landing

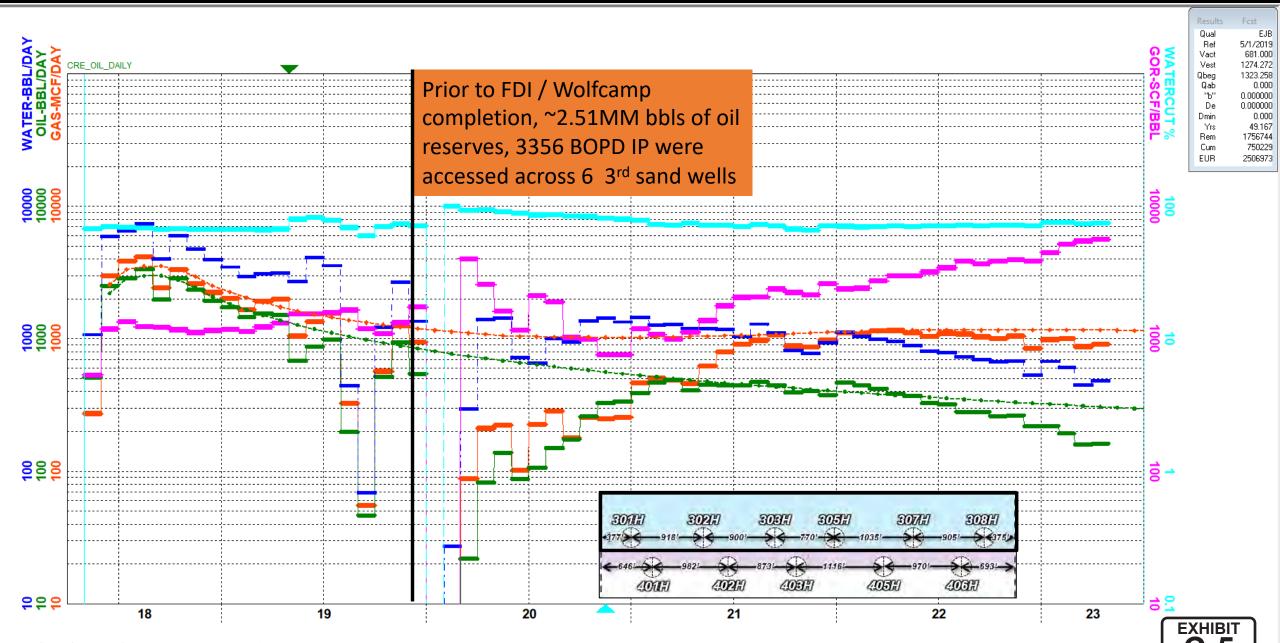
- 3<sup>rd</sup> Sand / single bench landing supported by 236 wells, 97%.
- 13 of 22 WCMP were drilled instead of 3<sup>rd</sup> SS
- 5 of 22 WCMP drilled as a separate bench
- 3 WCMP stack tests with 3<sup>rd</sup> Sand





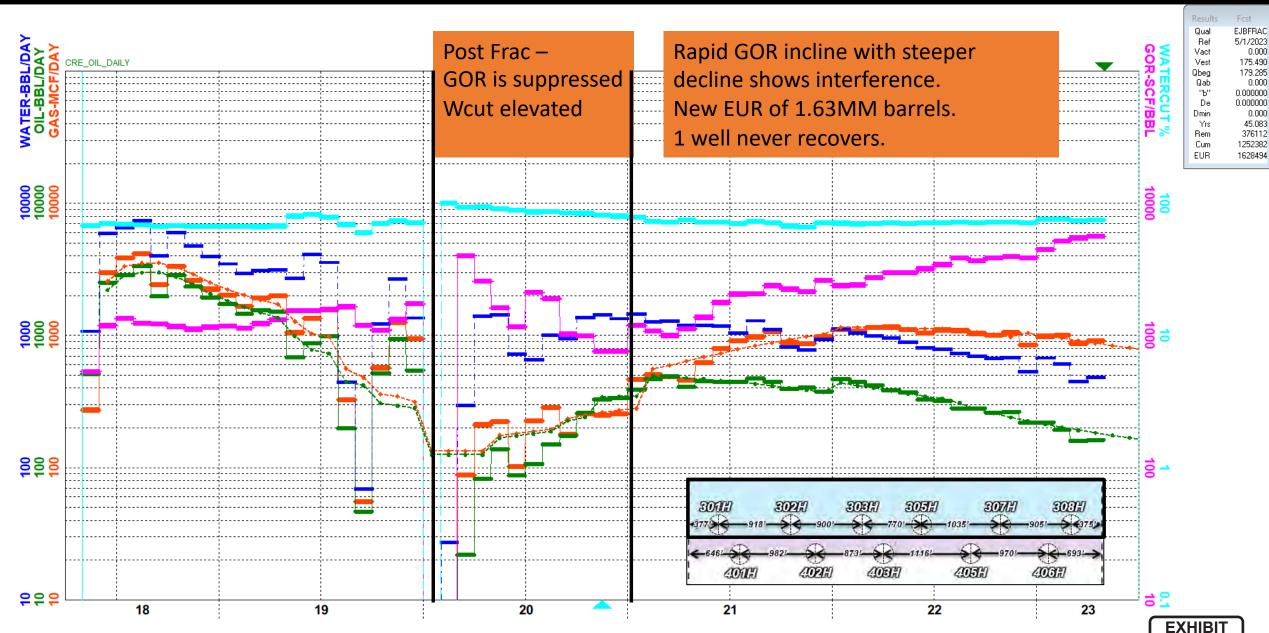


### Black and Tan 3<sup>rd</sup> Sand Composite Forecast 6 Wells ( Before WC completion)



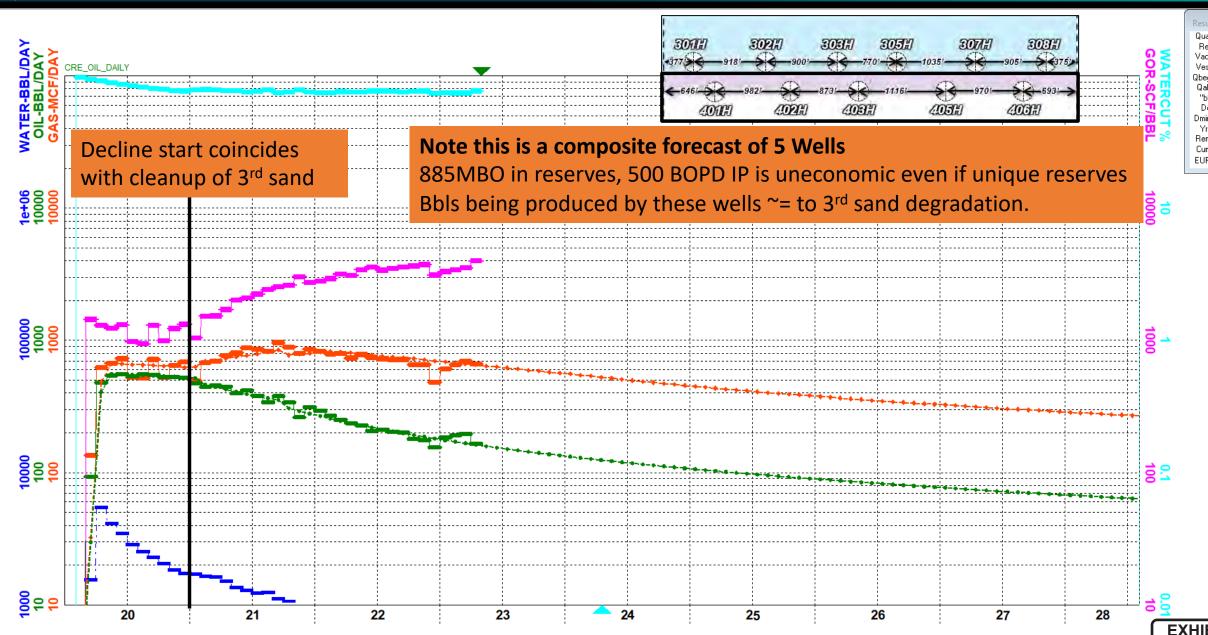


## Black and Tun 3<sup>rd</sup> Sand Composite Forecast 6 Wells Post Wolfcamp Frac



5/1/2023 0.000 158.504

## Black and Tan Wolfcamp Composite Forecast 5 Wells





## Lessons Learned from the Black and Tan Development

| PROJECT = Black & Tan 27  → 30025461240000   BLACK & TAN 27 FEDERAL COM #405H   BLACK & TAN 27 FEDERAL COM   WOLFCAMP A   APACHE CORP   LEA   4583   09/01/2019   02/26/2020   0EF33AE781  → 30025460720000   BLACK & TAN 27 FEDERAL COM #401H   BLACK & TAN 27 FEDERAL COM   WOLFCAMP A   APACHE CORP   LEA   4666   10/19/2019   01/22/2020   AFD8F0925C  → 30025460730000   BLACK & TAN 27 FEDERAL COM #402H   BLACK & TAN 27 FEDERAL COM   WOLFCAMP SANDS XY SAND   APACHE CORP   LEA   4561   08/17/2019   02/26/2020   B4C53386'  → 30025461230000   BLACK & TAN 27 FEDERAL COM #403H   BLACK & TAN 27 FEDERAL COM   WOLFCAMP SANDS XY SAND   APACHE CORP   LEA   4692   09/08/2019   02/26/2020   F44F2545:   | Completed 2nd |
|--|---------------|
| → \$ 30025440180000   BLACK & TAN 27 FEDERAL COM #302H   BLACK & TAN 27 FEDERAL COM   3RD BONE SPRING SAND   APACHE CORP   LEA   4416   12/11/2017   06/01/2018   163AC020E2  → \$ 30025440170000   BLACK & TAN 27 FEDERAL COM #303H   BLACK & TAN 27 FEDERAL COM   3RD BONE SPRING SAND   APACHE CORP   LEA   4526   11/15/2017   06/01/2018   4028841823  → \$ 30025439210100   BLACK & TAN 27 FEDERAL COM #303H   BLACK & TAN 27 FEDERAL COM   3RD BONE SPRING SAND   APACHE CORP   LEA   4360   10/24/2017   05/18/2018   748D250B4E  → \$ 30025439400000   BLACK & TAN 27 FEDERAL COM #305H   BLACK & TAN 27 FEDERAL COM   3RD BONE SPRING SAND   APACHE CORP   LEA   4503   01/07/2018   05/16/2018   CF72E02929  → \$ 30025440440000   BLACK & TAN 27 FEDERAL COM #308H   BLACK & TAN 27 FEDERAL COM   3RD BONE SPRING SAND   APACHE CORP   LEA   4340   01/30/2018   05/05/2018   A7CD7; | Completed 1st |

### WC vs. 3<sup>rd</sup> sand comparison shows stagger is capital waste

- 3<sup>rd</sup> sand IP is > 6 X Wolfcamp
- Wolfcamp oil rate ~= to 3<sup>rd</sup> sand rate decrease
- Wolfcamp reserves ~= to 3<sup>rd</sup> sand EUR decrease
- 5 Wolfcamp wells added ~ 0 additional bbls

| Table 1.0 Comparison                         | 3rd Sand |               |                |          | (Wolfcamp - 3rd Sand |
|--|----------|---------------|----------------|----------|----------------------|
| Table 1.0 Comparison of 3rd sand to Wolfcamp | 3rd Bone | 3rd Bone Post | 3rd Sand Delta | Wolfcamp | Delta) = value added |
| or ard sand to workamp                       | Spring   | frac          | 3rd Sand Deita |          | from 5 wells         |
| IP30 BOPD                                    | 3,356    | NA            | NA             | 555      | NA                   |
| Pre vs. Post frac oil rate                   |          |               |                |          |                      |
| BOPD   | 950      | 500           | -450           | +555     | 105                  |
| EUR MMBO                                     | 2.51     | 1.63          | -0.88          | +0.89    | 0.01                 |

### 3<sup>rd</sup> sand is the landing for this single bench target

- 268% Phi H vs. Wolfcamp
- 3<sup>rd</sup> sand delta compounded by being cleaner with better flow property's than the Wolfcamp

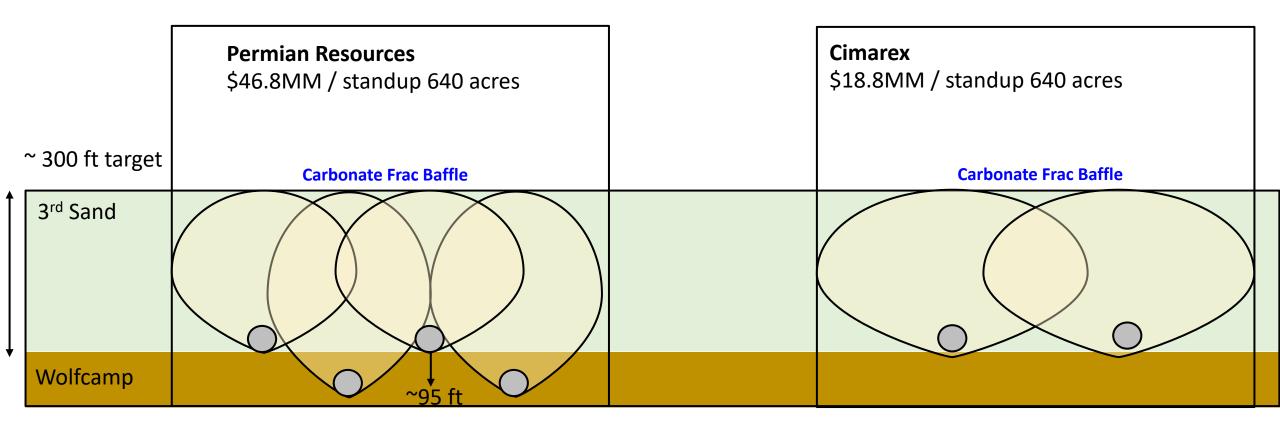
| Table 1.1         |          |          |                               | 3rd / Wolfcamp |
|-------------------|----------|----------|-------------------------------|----------------|
| Analog Comparison | 3rd Sand | Wolfcamp | 3 <sup>rd</sup> SS % of total | Comparison %   |
| PHIH              | 26.75    | 10       | 72.8                          | 268            |

C-8

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## Diagram of Staggered Landing Wolfcamp + 3<sup>rd</sup> SS vs. 3<sup>rd</sup> SS Flat



- Cimarex has experience developing as many as 8 landings within a DSU successfully in Lea county with 9<sup>th</sup> drilling now, 35 to 38 wells / section. The difference is the combination of geology (barriers, reservoir height, and flow units) don't support the proposed staggers at Mighty Pheasant Loosey Goosey as demonstrated by area developments like Black and Tan.
- 3<sup>rd</sup> and Wolfcamp landed this close together are equivalent to 8 WPS flat in the 3<sup>rd</sup> Sand, double the AOI proven density.
- A wealth of data from the DOE and industry funded Hydraulic Fracture Test Site 2 supports an upper Wolfcamp buffer zone in this specific location to protect proven 3<sup>rd</sup> Sand correlative rights and prevent capital waste.

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## Black and Tan Analog Comparison To MP/LG

| Table 1.2         | Black and Tan |          |                   | Might    | y Pheasant Loosey God | osey                          |
|-------------------|---------------|----------|-------------------|----------|-----------------------|-------------------------------|
| Analog Comparison | 3rd Sand      | Wolfcamp | 3rd SS % of total | 3rd Sand | Wolfcamp              | 3 <sup>rd</sup> SS % of total |
| PHIH              | 22            | 7        | 76                | 27       | 10                    | 73                            |

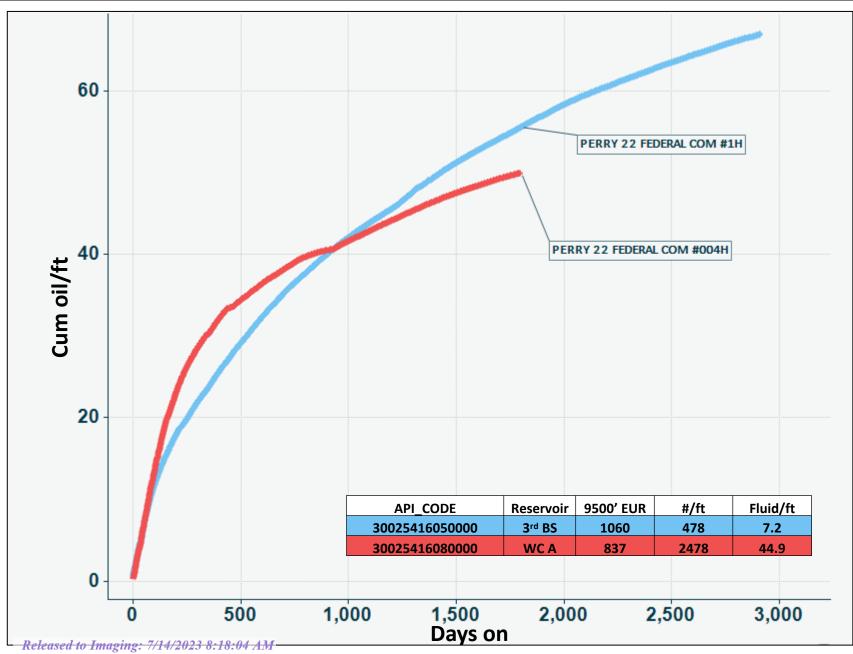
- Contested acreage is expected to outperform Black and Tan 2.5MMbo / 640-acre Technical EUR by ~20%
- Over performance driven by improved PHIH of 3<sup>rd</sup> sand. 27/22 = 122%.
- Sensitivities highlight impact of capital waste given 0% uplift on Black and Tan Wolfcamp 3<sup>rd</sup> SS analog
  - Table 1.3 Wolfcamp must add ~40% reserves to break even vs Cimarex Development at P90 reserves case
  - Table 1.4 Wolfcamp must add ~31% reserves to break even vs. Cimarex Development at SM business case
  - Neither Table 1.3 or 1.4 increase in performance is reasonable to expect given public data

| Table 1.3 Reserves Economic Comparison 10MM Technical EUR DSU |             |                  |              |               |              |               |
|---|-------------|------------------|--------------|---------------|--------------|---------------|
| \$65 flat analy   | ysis at Cim | arex WI & NRI    | F            | Permian       | (            | Cimarex       |
| Reserves  | IP          | Economic EUR MBO | PV10<br>\$MM | Payout months | PV10<br>\$MM | Payout months |
| 100%  | 14,738      | 8,860            | 14.7         | 43            | 41.8         | 12            |
| 110% expected   | 16,212      | 9,820            | 21.4         | 33            |              |               |
| 120% expected   | 17,685      | 10,780           | 28.2         | 26            |              |               |
| 130% expected   | 19,159      | 11,740           | 34.9         | 23            | ·            |               |
| 140% expected   | 20,633      | 12,700           | 41.5         | 21            |              |               |

| Table 1.4 Development Comparison 12MM Technical EUR DSU |             |                  |              |               |      |               |  |
|---|-------------|------------------|--------------|---------------|------|---------------|--|
| \$65 flat analy   | ysis at Cim | arex WI & NRI    | F            | Permian       |      | Cimarex       |  |
| 12 MM EUR   | IP          | Economic EUR MBO | PV10<br>\$MM | Payout months | PV10 | Payout months |  |
| 100%  | 18,897      | 11,026           | 34.8         | 23            | 61.9 | 10            |  |
| 110% expected   | 20,787      | 12,987           | 43.6         | 20            |      |               |  |
| 120% expected   | 22,676      | 14,233           | 52.3         | 18            |      |               |  |
| Reteased to Imaging:                                    | 7/24/5/6/5  | 15,480           | 61           | 16            |      |               |  |
| 140% expected   | 26,456      | 16,727           | 69.7         | 15            |      |               |  |

- In order to create equivalent PV10, Wolfcamp landings must add ~40% more reserves vs reserves estimate (table 1.3) and 31% more reserves vs. P50 expectation (table 1.4). This outcome is unrealistic vs. observed results.
- Cimarex lower terminal fixed OpEx + less well degradation results in 9.1MM EUR vs. Permian 8.9MM EUR at 100% reserves expectation.
- The Cimarex plan self-funds annual drilling after first batch of wells supporting rapid development
- Permian plan supports slower development speed





### Note: 5 to 6 x the frac energy is not as important as the right landing zone.

- The Perry 1H 2014 vintage 3<sup>rd</sup> sand well outperforms modern 2018 Perry 4H Wolfcamp completion in the same section at better oil cut 1 mile south of contested development area.
- The best flow properties and majority of bbls are best accessed from the 3<sup>rd</sup> sand where they are located

| Exhibit C12 API list |   |  |           |  |  |  |
|----------------------|---|--|-----------|--|--|--|
| UWI (APINum)         | Well Label                                    | Operator                                       | Formation |  |  |  |
| 30025024240100       | LEA UNIT 4H                                   | LEGACY RESERVES OPERATING LP                   | 3rd SS    |  |  |  |
| 30025328180000       | MALLON `34` FEDERAL 16                        | CIMAREX ENERGY CO                              | 3rd SS    |  |  |  |
| 30025393820100       | MALLON 35 FEDERAL 4H                          | CIMAREX ENERGY CO                              | 3rd SS    |  |  |  |
| 30025395550000       | TUSK FEDERAL 2H                               | COG OPERATING LLC                              | 3rd SS    |  |  |  |
| 30025397630100       | MALLON 34 FEDERAL 18H                         | CIMAREX ENERGY CO                              | 3rd SS    |  |  |  |
| 30025398940100       | MALLON 34 FEDERAL 19                          | CIMAREX ENERGY CO                              | 3rd SS    |  |  |  |
| 30025400350000       | AIRCOBRA 12 STATE 002H                        | COG OPERATING LLC                              | 3rd SS    |  |  |  |
| 30025400400000       | QUAIL RIDGE 32 STATE 3H                       | CIMAREX ENERGY CO                              | 3rd SS    |  |  |  |
| 30025400860000       | MALLON 35 FEDERAL 7H                          | CIMAREX ENERGY CO                              | 3rd SS    |  |  |  |
| 30025401150000       | LYNCH 23 FEDERAL 1H                           | CIMAREX ENERGY CO                              | 3rd SS    |  |  |  |
| 30025401230000       | LYNCH 23 FEDERAL 2H                           | CIMAREX ENERGY CO                              | 3rd SS    |  |  |  |
| 30025401350000       | MALLON 34 FEDERAL 20                          | CIMAREX ENERGY CO                              | 3rd SS    |  |  |  |
| 30025402530100       | CHAPARRAL 33 FEDERAL 3H                       | CIMAREX ENERGY CO                              | 3rd SS    |  |  |  |
| 30025403270000       | HANSON 26 FEDERAL 1H                          | CIMAREX ENERGY CO                              | 3rd SS    |  |  |  |
| 30025403280000       | CHAPARRAL 33 FEDERAL COM 4                    | CIMAREX ENERGY CO                              | 3rd SS    |  |  |  |
| 30025403300000       | EAGLE `2` STATE 006H                          | MATADOR PRODUCTION CO                          | 3rd SS    |  |  |  |
|                      | QUAIL `16` STATE COM 003H                     | FASKEN OIL & RANCH LTD                         | 3rd SS    |  |  |  |
|                      | KING COBRA 2 STATE 1H                         | COG OPERATING LLC                              | 3rd SS    |  |  |  |
|                      | AIRSTRIP 6 STATE COM 2H                       | COG OPERATING LLC                              | 3rd SS    |  |  |  |
|                      | WILD COBRA 1 STATE 2H                         | COG OPERATING LLC                              | 3rd SS    |  |  |  |
|                      | PLAYA 2 STATE 001H                            | FRANKLIN MOUNTAIN ENERGY 3 LLC                 | 3rd SS    |  |  |  |
|                      | WEST PEARL 36 STATE 002H                      | COG OPERATING LLC                              | 3rd SS    |  |  |  |
|                      | TIGER `11` FEDERAL 1H                         | COG OPERATING LLC                              | 3rd SS    |  |  |  |
|                      | QUAIL `16` STATE 004H                         | FASKEN OIL & RANCH LTD                         | 3rd SS    |  |  |  |
|                      | PLAYA 2 STATE 002H                            | FRANKLIN MOUNTAIN ENERGY 3 LLC                 | 3rd SS    |  |  |  |
|                      | IGLOO 19 STATE 2H                             | CAZA OPERATING LLC                             | 3rd SS    |  |  |  |
|                      | IRONHOUSE 20 STATE 001H                       | FRANKLIN MOUNTAIN ENERGY 3 LLC                 | 3rd SS    |  |  |  |
|                      | BUTTER CUP 35 STATE COM 001H                  | FRANKLIN MOUNTAIN ENERGY 3 LLC                 | 3rd SS    |  |  |  |
|                      | HANSON 26 FEDERAL 3H                          | CIMAREX ENERGY CO                              | 3rd SS    |  |  |  |
|                      | BUTTER CUP 36 STATE COM 001H                  | FRANKLIN MOUNTAIN ENERGY 3 LLC                 | 3rd SS    |  |  |  |
|                      | BUTTER CUP 36 STATE COM 002H                  | FRANKLIN MOUNTAIN ENERGY 3 LLC                 | 3rd SS    |  |  |  |
|                      | BUTTER CUP 35 STATE COM 002H                  | FRANKLIN MOUNTAIN ENERGY 3 LLC                 | 3rd SS    |  |  |  |
|                      | IRONHOUSE 19 STATE COM 001H                   | FRANKLIN MOUNTAIN ENERGY 3 LLC                 | 3rd SS    |  |  |  |
|                      | LAGUNA 23 FEDERAL COM 002H                    | EARTHSTONE OPERATING LLC                       | 3rd SS    |  |  |  |
| 30025406980100       |   | LEGACY RESERVES OPERATING LP                   | 3rd SS    |  |  |  |
| 30025406990100       |   | LEGACY RESERVES OPERATING LP                   | 3rd SS    |  |  |  |
|                      | OUTLAW `22` FEDERAL COM 1H                    | COG OPERATING LLC                              | 3rd SS    |  |  |  |
|                      |   |  |           |  |  |  |
|                      | MONGOOSE FEE 001H<br>LAGUNA 23 FEDERAL COM 1H | MATADOR PRODUCTION CO EARTHSTONE OPERATING LLC | 3rd SS    |  |  |  |
|                      |   |  | 3rd SS    |  |  |  |
|                      | IRONHOUSE 20 STATE COM 002H                   | FRANKLIN MOUNTAIN ENERGY 3 LLC                 | 3rd SS    |  |  |  |
| 30025407500000       | PRICKLY PEAR 6 FEDERAL 4H                     | COC OPERATING LLC                              | 3rd SS    |  |  |  |
|                      |   | COG OPERATING LLC                              | 3rd SS    |  |  |  |
|                      | HANSON 26 FEDERAL 4H                          | CIMAREX ENERGY CO                              | 3rd SS    |  |  |  |
|                      | CONDOR STATE 001H                             | COG OPERATING LLC                              | 3rd SS    |  |  |  |
|                      | HANSON 26 FEDERAL 2H                          | CIMAREX ENERGY CO                              | 3rd SS    |  |  |  |
|                      | LYNCH 35 FEE 1H                               | CIMAREX ENERGY CO                              | 3rd SS    |  |  |  |
|                      | MERIT 32 DM STATE COM 001H                    | FRANKLIN MOUNTAIN ENERGY 3 LLC                 | 3rd SS    |  |  |  |
|                      | QUAIL 11 STATE COM 1H                         | CIMAREX ENERGY CO                              | 3rd SS    |  |  |  |
|                      | QUAIL 11 STATE COM 2H                         | CIMAREX ENERGY CO                              | 3rd SS    |  |  |  |
| 30025408750000       | AIRCOBRA 12 STATE 1H                          | COG OPERATING LLC                              | 3rd SS    |  |  |  |

| 2225 1222 1222 | LASSIE C SU CELES COLA COLU     | Issuer and the second s | To 100 |
|----------------|---------------------------------|--|--------|
|                | MERIT 6 EH STATE COM 001H       | FRANKLIN MOUNTAIN ENERGY 3 LLC   | 3rd SS |
|                | QUAIL `16` STATE 007H           | FASKEN OIL & RANCH LTD   | 3rd SS |
|                | STRATOJET 31 STATE COM 2H       | COG OPERATING LLC  | 3rd SS |
|                | TRES PRIMOS 3 STATE 1H          | COG OPERATING LLC  | 3rd SS |
|                | MARATHON ROAD 14 NC FEDERAL 1H  | MEWBOURNE OIL CO   | 3rd SS |
|                | CONDOR STATE 2H                 | COG OPERATING LLC  | 3rd SS |
|                | IRONHOUSE 19 STATE COM 003H     | FRANKLIN MOUNTAIN ENERGY 3 LLC   | 3rd SS |
|                | KING COBRA 2 STATE 2H           | COG OPERATING LLC  | 3rd SS |
|                | IRONHOUSE 19 STATE COM 002H     | FRANKLIN MOUNTAIN ENERGY 3 LLC   | 3rd SS |
|                | GOOSE STATE 001H                | COG OPERATING LLC  | 3rd SS |
|                | WILD COBRA 1 STATE 1H           | COG OPERATING LLC  | 3rd SS |
|                | PERLA NEGRA FEDERAL COM 1H      | XTO ENERGY INC   | 3rd SS |
|                | QUAIL 11 STATE COM 3H           | CIMAREX ENERGY CO  | 3rd SS |
| 30025411480100 | CAPROCK 27 STATE FEDERAL COM 1H | RAYBAW OPERATING LLC   | 3rd SS |
| 30025411520000 | AIRSTRIP FEE COM 1H             | COG OPERATING LLC  | 3rd SS |
| 30025411630000 | IRONHOUSE 24 STATE COM 001H     | FRANKLIN MOUNTAIN ENERGY 3 LLC   | 3rd SS |
| 30025412010000 | GOOSE STATE COM 2H              | COG OPERATING LLC  | 3rd SS |
| 30025412100100 | QUAIL 11 STATE COM 4H           | CIMAREX ENERGY CO  | 3rd SS |
| 30025412150000 | MARATHON ROAD 14 MD FEDERAL 1H  | MEWBOURNE OIL CO   | 3rd SS |
| 30025412450200 | IRONHOUSE `19` STATE COM 004H   | FRANKLIN MOUNTAIN ENERGY 3 LLC   | 3rd SS |
| 30025413050100 | HAMON A FEDERAL COM 3H          | LEGACY RESERVES OPERATING LP   | 3rd SS |
| 30025413580100 | TUSK FEDERAL 4H                 | COG OPERATING LLC  | 3rd SS |
| 30025413660000 | QUAIL `16` STATE 8H             | FASKEN OIL & RANCH LTD   | 3rd SS |
| 30025413670100 | LEA SOUTH 25 FEDERAL COM 5H     | EARTHSTONE OPERATING LLC   | 3rd SS |
| 30025415190100 | NIGHTHAWK STATE COM 1H          | MARATHON OIL PERMIAN LLC   | 3rd SS |
| 30025415320000 | SCHARB 10 PA STATE 1H           | MEWBOURNE OIL CO   | 3rd SS |
| 30025415440000 | ALBATROSS STATE COM 2H          | COG OPERATING LLC  | 3rd SS |
| 30025415620000 | TANGO BTP STATE COM 004H        | EOG RESOURCES INC  | 3rd SS |
| 30025415720100 | PRICKLY PEAR 6 FEDERAL 2H       | COG OPERATING LLC  | 3rd SS |
| 30025415730000 | TUSK FEDERAL 3H                 | COG OPERATING LLC  | 3rd SS |
| 30025415740000 | TUSK FEDERAL 5H                 | COG OPERATING LLC  | 3rd SS |
| 30025415750000 | MARATHON ROAD 15 PA FEDERAL 1H  | MEWBOURNE OIL CO   | 3rd SS |
| 30025415950000 | IRONHOUSE 24 STATE COM 002H     | FRANKLIN MOUNTAIN ENERGY 3 LLC   | 3rd SS |
| 30025416050000 | PERRY 22 FEDERAL COM 1H         | CIMAREX ENERGY CO  | 3rd SS |
| 30025416120100 | ORIOLE STATE 1H                 | COG OPERATING LLC  | 3rd SS |
| 30025416170000 | HAMON A FEDERAL COM 4H          | LEGACY RESERVES OPERATING LP   | 3rd SS |
| 30025416290000 | PRICKLY PEAR 6 FEDERAL 3H       | COG OPERATING LLC  | 3rd SS |
| 30025416300100 | HAMON FEDERAL COM A 2H          | LEGACY RESERVES OPERATING LP   | 3rd SS |
|                | LYNCH 35 FED COM 3H             | CIMAREX ENERGY CO  | 3rd SS |
|                | IRONHOUSE 24 STATE COM 003H     | FRANKLIN MOUNTAIN ENERGY 3 LLC   | 3rd SS |
|                | IRONHOUSE 24 STATE COM 004H     | FRANKLIN MOUNTAIN ENERGY 3 LLC   | 3rd SS |
| 30025417140000 | TOMCAT FEE 1H                   | COG OPERATING LLC  | 3rd SS |
|                | CUATRO HIJOS FEE 4H             | COG OPERATING LLC  | 3rd SS |
| 30025417750000 | SCHARB 10 B3OB STATE 1H         | MEWBOURNE OIL CO   | 3rd SS |
|                | MALLON 27 FEDERAL COM 003H      | MATADOR PRODUCTION CO  | 3rd SS |
|                | ALBATROSS STATE COM 1H          | COG OPERATING LLC  | 3rd SS |
|                | TIGER 11 FEDERAL 2H             | COG OPERATING LLC  | 3rd SS |
|                | CORDONIZ 28 FEDERAL COM 4H      | CIMAREX ENERGY CO  | 3rd SS |
|                | KINGFISHER STATE COM 1H         | COG OPERATING LLC  | 3rd SS |
|                | KINGFISHER STATE COM 2H         | COG OPERATING LLC  | 3rd SS |
| 30025418360000 |                                 |  |        |
|                | TEAL 12 STATE 2H                | CIMAREX ENERGY CO  | 3rd SS |

| 20025440620000 | DEDLA VEDDE 24 CTATE 00211       | VTO ENERGY INC                 | 2 d CC |
|----------------|----------------------------------|--------------------------------|--------|
|                | PERLA VERDE 31 STATE 003H        | XTO ENERGY INC                 | 3rd SS |
|                | PERLA VERDE 31 STATE 4H          | XTO ENERGY INC                 | 3rd SS |
|                | CHAPARRAL 33 FEDERAL COM 5H      | CIMAREX ENERGY CO              | 3rd SS |
|                | LEA SOUTH 25 FEDERAL COM 6H      | EARTHSTONE OPERATING LLC       | 3rd SS |
|                | MARATHON ROAD 15 B30B FEDERAL 1H | MEWBOURNE OIL CO               | 3rd SS |
|                | PALOMA 21 FEDERAL COM 4H         | FASKEN OIL & RANCH LTD         | 3rd SS |
|                | SCHARB 10 B3NC STATE 1H          | MEWBOURNE OIL CO               | 3rd SS |
|                | SUPER COBRA STATE COM 1H         | COG OPERATING LLC              | 3rd SS |
|                | PALOMA 21 FEDERAL COM 1H         | FASKEN OIL & RANCH LTD         | 3rd SS |
|                | PALOMA 21 FEDERAL COM 2H         | FASKEN OIL & RANCH LTD         | 3rd SS |
|                | PALOMA 21 FEDERAL COM 3H         | FASKEN OIL & RANCH LTD         | 3rd SS |
|                | STRATOSPHERE 36 STATE COM 3H     | COG OPERATING LLC              | 3rd SS |
|                | STRATOSPHERE 36 STATE COM 4H     | COG OPERATING LLC              | 3rd SS |
| 30025420360000 | STRATOSPHERE 36 STATE COM 5H     | COG OPERATING LLC              | 3rd SS |
| 30025420370000 | STRATOSPHERE 36 STATE COM 6H     | COG OPERATING LLC              | 3rd SS |
| 30025420630000 | PERLA VERDE 31 STATE 001H        | XTO ENERGY INC                 | 3rd SS |
| 30025420800000 | NORTH LEA `3` FEDERAL COM 001H   | READ & STEVENS INC             | 3rd SS |
| 30025421290000 | TRES PRIMOS 3 STATE 2H           | COG OPERATING LLC              | 3rd SS |
| 30025421410000 | PEARL WEST 36 STATE COM 6H       | COG OPERATING LLC              | 3rd SS |
| 30025421450000 | WEST PEARL 36 STATE COM 003H     | COG OPERATING LLC              | 3rd SS |
| 30025421460000 | PEARL WEST 36 STATE COM 4H       | COG OPERATING LLC              | 3rd SS |
| 30025421470000 | WEST PEARL 36 STATE COM 005H     | COG OPERATING LLC              | 3rd SS |
| 30025421730000 | RAPTOR WEST 3 STATE 004H         | MARATHON OIL PERMIAN LLC       | 3rd SS |
| 30025422010000 | MARATHON ROAD 15 NC FEDERAL 1H   | MEWBOURNE OIL CO               | 3rd SS |
| 30025422120000 | MALLON 27 FEDERAL COM 001H       | MATADOR PRODUCTION CO          | 3rd SS |
| 30025422270000 | NORTH LEA 3 FEDERAL COM 002H     | READ & STEVENS INC             | 3rd SS |
| 30025422280000 | NORTH LEA '3' FEDERAL COM 003H   | READ & STEVENS INC             | 3rd SS |
| 30025422680000 | LEA 7 FEDERAL COM 1H             | CIMAREX ENERGY CO              | 3rd SS |
| 30025422760000 | CUATRO HIJOS FEE 3H              | COG OPERATING LLC              | 3rd SS |
| 30025422920000 | BLACK PEARL 1 FEDERAL COM 1H     | COG OPERATING LLC              | 3rd SS |
|                | BLACK PEARL 1 FEDERAL 002H       | COG OPERATING LLC              | 3rd SS |
|                | BLACK PEARL 1 FEDERAL 3H         | COG OPERATING LLC              | 3rd SS |
|                | BLACK PEARL 1 FEDERAL 4H         | COG OPERATING LLC              | 3rd SS |
|                | MALLON 27 FEDERAL COM 2H         | MATADOR PRODUCTION CO          | 3rd SS |
|                | BLUE JAY FEDERAL 001H            | COG OPERATING LLC              | 3rd SS |
| 30025423420000 |                                  | LEGACY RESERVES OPERATING LP   | 3rd SS |
| 30025423430000 |                                  | LEGACY RESERVES OPERATING LP   | 3rd SS |
| 30025423440000 |                                  | LEGACY RESERVES OPERATING LP   | 3rd SS |
|                | CIMARRON 16-19-34 RN STATE 134H  | MATADOR PRODUCTION CO          | 3rd SS |
|                | IGLOO `19` STATE 3H              | CAZA OPERATING LLC             | 3rd SS |
|                | BUTTER CUP 36 STATE COM 003H     | FRANKLIN MOUNTAIN ENERGY 3 LLC | 3rd SS |
|                | IGGLES STATE COM 001H            | COG OPERATING LLC              | 3rd SS |
|                | STRATOJET 31 STATE COM 8H        | COG OPERATING LLC              | 3rd SS |
|                | KINGFISHER STATE COM 5H          | COG OPERATING LLC              | 3rd SS |
|                | PICKARD 20 18 34 RN STATE 124H   | MATADOR PRODUCTION CO          | 3rd SS |
|                | SCHARB 10 B3MD STATE 1H          | MEWBOURNE OIL CO               | 3rd SS |
|                |                                  |                                |        |
|                | PERLA NEGRA FEDERAL COM 4H       | CIMAREX ENERGY CO              | 3rd SS |
|                |                                  | XTO ENERGY INC                 | 3rd SS |
|                | NORTH LEA '3' FEDERAL COM 004H   | READ & STEVENS INC             | 3rd SS |
|                | PERLA NEGRA FEDERAL COM 2H       | XTO ENERGY INC                 | 3rd SS |
|                | PERLA NEGRA FEDERAL COM 3H       | XTO ENERGY INC                 | 3rd SS |
| 30025428850000 | LEA UNII 44H                     | LEGACY RESERVES OPERATING LP   | 3rd SS |

| 20025420400000                   | LEA LINUT FALL   | LECACY DESERVES OPERATING LD   | Jand CC          |
|----------------------------------|--|--|------------------|
| 30025429490000                   |  | LEGACY RESERVES OPERATING LP   | 3rd SS           |
|                                  | MAS FEDERAL 3H   | COG OPERATING LLC  | 3rd SS           |
| 30025429580000                   |  | LEGACY RESERVES OPERATING LP   | 3rd SS           |
|                                  | DESERT ROSE 17-8 FEDERAL COM 001   | CAZA OPERATING LLC   | 3rd SS           |
|                                  | CIMARRON 16 19S 34E RN STATE COM   | MATADOR PRODUCTION CO  | 3rd SS           |
|                                  | EAGLECLAW FEDERAL 001H   | CAZA OPERATING LLC   | 3rd SS           |
|                                  | LEA SOUTH 25 FEDERAL COM 3BS 007   | EARTHSTONE OPERATING LLC   | 3rd SS           |
| 30025430350000                   |  | LEGACY RESERVES OPERATING LP   | 3rd SS           |
|                                  | DELLA 29 FEDERAL COM 602H  | EOG RESOURCES INC  | 3rd SS           |
| 30025430770000                   |  | LEGACY RESERVES OPERATING LP   | 3rd SS           |
| 30025432470100                   |  | LEGACY RESERVES OPERATING LP   | 3rd SS           |
|                                  | HAMON A FED COM 009H   | LEGACY RESERVES OPERATING LP   | 3rd SS           |
|                                  | SEVERUS 31 FEDERAL COM 001H  | XTO ENERGY INC   | 3rd SS           |
|                                  | SEVERUS 31 FEDERAL COM 002H  | XTO ENERGY INC   | 3rd SS           |
|                                  | SEVERUS 31 FEDERAL COM 003H  | XTO ENERGY INC   | 3rd SS           |
|                                  | SEVERUS 31 FEDERAL COM 004H  | XTO ENERGY INC   | 3rd SS           |
|                                  | CHIEF 30 STATE 7H  | CIMAREX ENERGY CO  | 3rd SS           |
|                                  | BLUE JAY FEDERAL COM 002H  | COG OPERATING LLC  | 3rd SS           |
|                                  | NORTH LEA 10 FEDERAL 002H  | READ & STEVENS INC   | 3rd SS           |
| 30025437410000                   | ESPEJO FEDERAL COM 001H  | XTO ENERGY INC   | 3rd SS           |
| 30025437420000                   | ESPEJO FEDERAL COM 002H  | XTO ENERGY INC   | 3rd SS           |
| 30025437770000                   | ESPEJO FEDERAL COM 003H  | XTO ENERGY INC   | 3rd SS           |
| 30025437920000                   | STRATOJET 31 STATE COM 007H  | COG OPERATING LLC  | 3rd SS           |
| 30025438160100                   | AIRSTRIP 31 18 35 RN STATE COM #132H   | MATADOR PRODUCTION CO  | 3rd SS           |
| 30025439210100                   | BLACK & TAN 27 FEDERAL COM 303H  | APACHE CORP  | 3rd SS           |
| 30025439400000                   | BLACK & TAN 27 FEDERAL COM 305H  | APACHE CORP  | 3rd SS           |
| 30025440170000                   | BLACK & TAN 27 FEDERAL COM 301H  | APACHE CORP  | 3rd SS           |
| 30025440180000                   | BLACK & TAN 27 FEDERAL COM 302H  | APACHE CORP  | 3rd SS           |
| 30025440440000                   | BLACK & TAN 27 FEDERAL COM 307H  | APACHE CORP  | 3rd SS           |
| 30025440450000                   | BLACK AND TAN 27 FEDERAL COM 308   | APACHE CORP  | 3rd SS           |
| 30025440920000                   | MAS FEDERAL COM 001H   | COG OPERATING LLC  | 3rd SS           |
| 30025442130000                   | CHIEF 30 STATE 8H  | CIMAREX ENERGY CO  | 3rd SS           |
| 30025443230000                   | AIRSTRIP 31-18-35 RN STATE COM 1   | MATADOR PRODUCTION CO  | 3rd SS           |
| 30025443410000                   | VERNA RAE FEDERAL COM 133H   | MATADOR PRODUCTION CO  | 3rd SS           |
| 30025443420000                   | VERNA RAE FEDERAL COM 134H   | MATADOR PRODUCTION CO  | 3rd SS           |
| 30025444740000                   | DELLA 29 FEDERAL COM 603H  | EOG RESOURCES INC  | 3rd SS           |
| 30025444750000                   | DELLA 29 FEDERAL 604H  | EOG RESOURCES INC  | 3rd SS           |
| 30025444760000                   | DELLA 29 FEDERAL 605H  | EOG RESOURCES INC  | 3rd SS           |
| 30025444770000                   | DELLA 29 FEDERAL 606H  | EOG RESOURCES INC  | 3rd SS           |
|                                  | EAGLECLAW FEDERAL COM 002H   | CAZA OPERATING LLC   | 3rd SS           |
|                                  | AIRSTRIP 31-18-35 RN STATE COM 1   | MATADOR PRODUCTION CO  | 3rd SS           |
|                                  | CHIEF 30 STATE 9H  | CIMAREX ENERGY CO  | 3rd SS           |
| 30025450540000                   | MESCALERO RIDGE 21 FEDERAL 1H  | CIMAREX ENERGY CO  | 3rd SS           |
| 30025451540000                   |  | LEGACY RESERVES OPERATING LP   | 3rd SS           |
|                                  | LEA 7 FEDERAL COM 29H  | CIMAREX ENERGY CO  | 3rd SS           |
|                                  | LEA 7 FEDERAL COM 30H  | CIMAREX ENERGY CO  | 3rd SS           |
| 30025452100000                   |  | LEGACY RESERVES OPERATING LP   | 3rd SS           |
|                                  | AIRSTRIP 31-18S-35E RN STATE COM   | MATADOR PRODUCTION CO  | 3rd SS           |
| 30025454380000                   |  |  | 3rd SS           |
|                                  | ANCHOR 19 35 33 STATE 001H   | IFRANKLIN MOUNTAIN FINFKGY 3 FF  |                  |
| 30025458960000                   | ANCHOR 19 35 33 STATE 001H<br>CABLE 19 35 9 STATE COM 001H                                 | FRANKLIN MOUNTAIN ENERGY 3 LLC FRANKLIN MOUNTAIN ENERGY 3 LLC                  | +                |
| 30025458960000<br>30025461400000 | ANCHOR 19 35 33 STATE 001H  CABLE 19 35 9 STATE COM 001H  HEREFORD 29-20 W10B FED COM 001H | FRANKLIN MOUNTAIN ENERGY 3 LLC FRANKLIN MOUNTAIN ENERGY 3 LLC MEWBOURNE OIL CO | 3rd SS<br>3rd SS |

|                |                                   | _                              | 1        |
|----------------|-----------------------------------|--------------------------------|----------|
| 30025474570000 | TALON 5-8 FEDERAL 001H            | CAZA OPERATING LLC             | 3rd SS   |
| 30025474830000 | HEREFORD 29-20 W1MD STATE COM 00  | MEWBOURNE OIL CO               | 3rd SS   |
| 30025474840000 | HEREFORD 29-20 W1NC STATE COM 00  | MEWBOURNE OIL CO               | 3rd SS   |
| 30025474860000 | TALON 5-8 FEDERAL 005H            | CAZA OPERATING LLC             | 3rd SS   |
| 30025491550000 | SANTA VACA 19 18 B3NC STATE COM   | MEWBOURNE OIL CO               | 3rd SS   |
| 30025499040000 | CHAROLAIS 28 21 W1MD STATE COM 0  | MEWBOURNE OIL CO               | 3rd SS   |
| 30025499350000 | HEREFORD 29 20 W1PA STATE COM 00  | MEWBOURNE OIL CO               | 3rd SS   |
| 30025501680000 | FOXTAIL E2 05 32 W1 STATE COM 00  | FRANKLIN MOUNTAIN ENERGY 3 LLC | 3rd SS   |
| 30025501690000 | FOXTAIL E2 05 32 W1 STATE COM 00  | FRANKLIN MOUNTAIN ENERGY 3 LLC | 3rd SS   |
| 30025502420000 | SANTA VACA 19-18 B3OB FEE 001H    | MEWBOURNE OIL CO               | 3rd SS   |
| 30025503260000 | SANTA VACA 19-18 B3PA FEE 001H    | MEWBOURNE OIL CO               | 3rd SS   |
| 30025507240000 | MESCALERO RIDGE 21-28 FED COM 2H  | CIMAREX ENERGY CO              | 3rd SS   |
| 30025416080000 | PERRY 22 FEDERAL COM 4H           | CIMAREX ENERGY CO              | Wolfcamp |
| 30025419500000 | NIGHTHAWK STATE COM 003H          | MARATHON OIL PERMIAN LLC       | Wolfcamp |
| 30025430530000 | DELLA 29 FEDERAL COM 701H         | EOG RESOURCES INC              | Wolfcamp |
| 30025431100000 | LEA SOUTH 25 FEDERAL COM WCA 012  | EARTHSTONE OPERATING LLC       | Wolfcamp |
| 30025433950000 | AIRSTRIP 31 18 35 RN STATE COM 2  | MATADOR PRODUCTION CO          | Wolfcamp |
| 30025434820000 | MAS FEDERAL 4H                    | COG OPERATING LLC              | Wolfcamp |
| 30025442140100 | MAS FEDERAL COM 002H              | COG OPERATING LLC              | Wolfcamp |
| 30025444940000 | VERNA RAE FEDERAL COM 204H        | MATADOR PRODUCTION CO          | Wolfcamp |
| 30025450980100 | LITTLE BEAR FEDERAL COM 001H      | COG OPERATING LLC              | Wolfcamp |
| 30025450990000 | LITTLE BEAR FEDERAL COM 003H      | COG OPERATING LLC              | Wolfcamp |
| 30025451000000 | LITTLE BEAR FEDERAL COM 004H      | COG OPERATING LLC              | Wolfcamp |
| 30025451020000 | LITTLE BEAR FEDERAL COM 006H      | COG OPERATING LLC              | Wolfcamp |
| 30025451030000 | LITTLE BEAR FEDERAL COM 007H      | COG OPERATING LLC              | Wolfcamp |
| 30025451040000 | LITTLE BEAR FEDERAL COM 008H      | COG OPERATING LLC              | Wolfcamp |
| 30025451050000 | LITTLE BEAR FEDERAL COM 009H      | COG OPERATING LLC              | Wolfcamp |
| 30025451490000 | LITTLE BEAR FEDERAL COM 002H      | COG OPERATING LLC              | Wolfcamp |
| 30025452110100 | LEA UNIT 100H                     | LEGACY RESERVES OPERATING LP   | Wolfcamp |
| 30025460720000 | BLACK & TAN 27 FEDERAL COM 401H   | APACHE CORP                    | Wolfcamp |
| 30025460730000 | BLACK & TAN 27 FEDERAL COM 402H   | APACHE CORP                    | Wolfcamp |
| 30025460750000 | BLACK & TAN 27 FEDERAL COM 406H   | APACHE CORP                    | Wolfcamp |
| 30025461230000 | BLACK & TAN 27 FEDERAL COM 403H   | APACHE CORP                    | Wolfcamp |
| 00020.0220000  | TELLER & TAN 27 TELLINE CONT-0311 | 7 II THEFTE COTT               | Woncamp  |

### **TAB 5**

Case Nos. 23452-23455

Exhibit D: Self-Affirmed Statement of Notice, Darin C. Savage

Exhibit D-1: Notice Letter Exhibit D-2: Mailing List

Exhibit D-3: Affidavits of Publication

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

APPLICATION OF CIMAREX ENERGY CO. FOR A HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case Nos. 23452-23455

#### **SELF-AFFIRMED STATEMENT OF NOTICE**

| STATE OF NEW MEXICO | ) |     |
|---------------------|---|-----|
|                     | ) | SS. |
| COUNTY OF SANTA FE  | ) |     |

- I, Darin C. Savage, attorney and authorized representative of Cimarex Energy Co. ("Cimarex"), the Applicant herein, being first duly sworn, upon oath, states the following:
- 1. Notice of the applications and hearing in the above-reference cases was timely sent by certified mail, return receipt requested, through the United States Postal Service on March 15, 2023, to all uncommitted interest owners sought to be pooled in this proceeding. *See* Exhibit D-2, attached hereto. Copies of notice letters and evidence of mailing to parties are attached hereto as Exhibits D-1 and D-2.
- 2. Notice was sent to the Hobbs News-Sun, a newspaper of general circulation in Lea County, New Mexico, and timely published in said newspaper on March 17, 2023. *See* Exhibit D-3.



Signature page of Self-Affirmed Statement of Darin C. Savage:

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case Nos. 23452-23455 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.

Darin Savage

7-13-2023

Date Signed



#### ABADIE I SCHILL PC

Colorado New Mexico
Louisiana Texas
Nebraska Kansas
Montana Wyoming
Oklahoma California
North Dakota

March 15, 2023

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

#### TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Cimarex Energy Co., for a horizontal spacing unit and

compulsory pooling, Lea County, New Mexico

<u>Loosey Goosey 4-9 Fed Com 204H Well</u> (Case No. 23452) <u>Loosey Goosey 4-9 Fed Com 304H Well</u> (Case No. 23452)

Case No. 23452:

#### Dear Interest Owners:

This letter is to advise you that Cimarex Energy Co. ("Cimarex") has filed the enclosed application, Case No. 23452, with the New Mexico Oil Conservation Division ("Division") for the compulsory pooling of units within the interval of the Bone Spring formation, as described in the application.

In Case No. 23452, Cimarex seeks to establish a standard 320.89-acre, more or less, horizontal spacing and proration unit comprised of Lot 1 (NE/4 NE/4 equivalent), the SE/4 NE/4, and the E/2 SE/4 of Section 4 and the E/2 E/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, pooling all uncommitted mineral interests from a depth of 9,373 feet (top of first Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], to a depth of 10,845 feet, that being the base of said Bone Spring, designated as an oil pool, underlying the unit. The unit will be dedicated to the above-referenced wells.

A hearing has been requested before a Division Examiner on April 6, 2023, and the status of the hearing can be monitored through the Division's website. Division hearings will commence at 8:15 a.m., traditionally in Porter Hall at the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505.

abadieschill.com

214 McKenzie Street, Santa Fe, New Mexico, 87501

O: 970.385.4401 • F: 970.385.4901

D-

However, under current Division policies, the hearing will be conducted remotely online. For information about remote access and status of the case, you can visit the Division's website at: https://www.emnrd.nm.gov/ocd/hearing-info/ or call (505) 476-3441.

You are being notified as an interest owner (subject to title examination) and are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 19.15.4.13.B NMAC to file a Prehearing Statement at least four business days in advance of a scheduled hearing, but in no event later than 5 p.m. mountain time on the Thursday preceding the scheduled hearing date. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: The names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact John Coffman at (432) 571-7883 or at john.coffman@coterra.com.

Sincerely,

Darin C. Savage

Attorney for Cimarex Energy Co.



#### ABADIE I SCHILL PC

Colorado New Mexico
Louisiana Texas
Nebraska Kansas
Montana Wyoming
Oklahoma California
North Dakota

March 15, 2023

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Cimarex Energy Co., for a horizontal spacing unit and

compulsory pooling, Lea County, New Mexico

Loosey Goosey 4-9 Fed Com 301H Well (Case No. 23453)

Case No. 23453:

Dear Interest Owners:

This letter is to advise you that Cimarex Energy Co. ("Cimarex") has filed the enclosed application, Case No. 23453, with the New Mexico Oil Conservation Division ("Division") for the compulsory pooling of units within the interval of the Bone Spring formation, as described in the application.

In Case No. 23453, Cimarex seeks to establish a standard 320.21-acre, more or less, horizontal spacing and proration unit comprised of Lot 4 (NW/4 NW/4 equivalent), the SW/4 NW/4, and the W/2 SW/4 of Section 4 and the W/2 W/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, pooling all uncommitted mineral interests from a depth of 9,373 feet (top of first Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], to a depth of 10,845 feet, that being the base of said Bone Spring, designated as an oil pool, underlying the unit. The unit will be dedicated to the above-referenced well.

A hearing has been requested before a Division Examiner on April 6, 2023, and the status of the hearing can be monitored through the Division's website. Division hearings will commence at 8:15 a.m., traditionally in Porter Hall at the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505.

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If you have any questions about this matter, please contact John Coffman at (432) 571-7883 or at john.coffman@coterra.com.

Sincerely,

Darin C. Savage

Attorney for Cimarex Energy Co.



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North Dakota

March 15, 2023

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Cimarex Energy Co., for a horizontal spacing unit and

compulsory pooling, Lea County, New Mexico

Loosey Goosey 4-9 Fed Com 302H Well (Case No. 23454)

Case No. 23454:

Dear Interest Owners:

This letter is to advise you that Cimarex Energy Co. ("Cimarex") has filed the enclosed application, Case No. 23454, with the New Mexico Oil Conservation Division ("Division") for the compulsory pooling of units within the interval of the Bone Spring formation, as described in the application.

In Case No. 23454, Cimarex seeks to establish a standard 320.44-acre, more or less, horizontal spacing and proration unit comprised of Lot 3 (NE/4 NW/4 equivalent), the SE/4 NW/4, and the E/2 SW/4 of Section 4 and the E/2 W/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, pooling all uncommitted mineral interests from a depth of 9,373 feet (top of first Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], to a depth of 10,845 feet, that being the base of said Bone Spring, designated as an oil pool, underlying the unit. The unit will be dedicated to the above-referenced well.

A hearing has been requested before a Division Examiner on April 6, 2023, and the status of the hearing can be monitored through the Division's website. Division hearings will commence at 8:15 a.m., traditionally in Porter Hall at the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505.

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Sincerely,

Darin C. Savage

Attorney for Cimarex Energy Co.



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Colorado New Mexico
Louisiana Texas
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Oklahoma California
North Dakota

March 15, 2023

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Cimarex Energy Co., for a horizontal spacing unit and

compulsory pooling, Lea County, New Mexico

Loosey Goosey 4-9 Fed Com 303H Well (Case No. 23455)

Case No. 23455:

Dear Interest Owners:

This letter is to advise you that Cimarex Energy Co. ("Cimarex") has filed the enclosed application, Case No. 23455, with the New Mexico Oil Conservation Division ("Division") for the compulsory pooling of units within the interval of the Bone Spring formation, as described in the application.

In Case No. 23455, Cimarex seeks to establish a standard 320.66-acre, more or less, horizontal spacing and proration unit comprised of Lot 2 (NW/4 NE/4 equivalent), the SW/4 NE/4, and the W/2 SE/4 of Section 4 and the W/2 E/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, pooling all uncommitted mineral interests from a depth of 9,373 feet (top of first Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], to a depth of 10,845 feet, that being the base of said Bone Spring, designated as an oil pool, underlying the unit. The unit will be dedicated to the above-referenced well.

A hearing has been requested before a Division Examiner on April 6, 2023, and the status of the hearing can be monitored through the Division's website. Division hearings will commence at 8:15 a.m., traditionally in Porter Hall at the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505.

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However, under current Division policies, the hearing will be conducted remotely online. For information about remote access and status of the case, you can visit the Division's website at: <a href="https://www.emnrd.nm.gov/ocd/hearing-info/">https://www.emnrd.nm.gov/ocd/hearing-info/</a> or call (505) 476-3441.

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If you have any questions about this matter, please contact John Coffman at (432) 571-7883 or at john.coffman@coterra.com.

Sincerely,

Darin C. Savage

Attorney for Cimarex Energy Co.

| ReferenceNumber | TYPE | Name1  | Name2  | Address1                | Address2   | Address3 City | State | Zip   |
|-----------------|------|--|--|-------------------------|------------|---------------|-------|-------|
| 4207.27         | RI   | Bureau of Land Management                            |  | 414 W Taylor St         |            | Hobbs         | NM    | 88240 |
| 4207.27         | WI   | Moore & Shelton Co., Ltd                             |  | PO Box 3070             |            | Galveston     | TX    | 77552 |
| 4207.27         | WI   | HOG Partnership, LP                                  |  | 5950 Cedar Springs Rd.  |            | Dallas        | TX    | 75235 |
| 4207.27         | WI   | Challenger Crude, Ltd.                               |  | 400 West Illinois Ave.  | Suite 1210 | Midland       | TX    | 79701 |
| 4207.27         | WI   | Read & Stevens, Inc.                                 |  | 300 N. Marienfeld St.   | Suite 1000 | Midland       | TX    | 79701 |
| 4207.27         | WI   | First Century Oil, Inc.                              |  | 300 N. Marienfeld St.   | Suite 1000 | Midland       | TX    | 79701 |
| 4207.27         | WI   | Francis Hill Hudson, Trustee of Lindy's Living Trust |  | 4200 S. Hulen St.       | Suite 302  | Fort Worth    | TX    | 76109 |
| 4207.27         | WI   | Bank of America, N.A., Successor Trustee of          | the Delmar Hudson Lewis Living Trust         | 301 Commerce St.        | Suite 2400 | Fort Worth    | TX    | 76102 |
| 4207.27         | WI   | Magnum Hunter Production                             |  | 600 N. Marienfeld St.   | Suite 600  | Midland       | TX    | 79701 |
| 4207.27         | WI   | Zorro Partners, Ltd.                                 |  | 616 Texas St.           |            | Fort Worth    | TX    | 76102 |
| 4207.27         | WI   | Frost Bank, Trustee of the Josephine T. Hudson       | Testamentary Trust FBO J. Terrell Ard        | 640 Taylor Street       | 17th floor | Fort Worth    | TX    | 76102 |
| 4207.27         | WI   | Ard Oil, LTD   |  | PO Box 101027           |            | Fort Worth    | TX    | 76185 |
| 4207.27         | WI   | Chase Oil Corporation                                |  | PO Box 1767             |            | Artesia       | NM    | 88211 |
| 4207.27         | WI   | Avalon Energy Corporation                            |  | 310 West Wall St.       | Suite 305  | Midland       | TX    | 79701 |
| 4207.27         | WI   | Wilbanks Reserve Corporation                         |  | 450 E. 17th Ave         | Suite 220  | Denver        | CO    | 80203 |
| 4207.27         | WI   | Prime Rock Resources AgentCo, Inc., as nominee       | for the benefit of Prime Rock Resources, LLC | C 203 W. Wall Street    | Suite 1000 | Midland       | TX    | 79701 |
| 4207.27         | WI   | Marks Oil, Inc.                                      |  | 1775 Sherman St.        | Suite 2990 | Denver        | CO    | 80203 |
| 4207.27         | WI   | Javelina Partners                                    |  | 616 Texas St.           |            | Fort Worth    | TX    | 76102 |
| 4207.27         | WI   | William A. Hudson, II                                |  | 616 Texas St.           |            | Fort Worth    | TX    | 76102 |
| 4207.27         | WI   | Union Hill Oil & Gas Co. Inc.                        |  | 7712 Glenshannon Circle | •          | Dallas        | TX    | 75225 |



### Mailing (23453)

| ReferenceNumber | TYPE | Name1   | Name2 | Address1                | Address2   | Address3 City | State | Zip   |
|-----------------|------|---|-------|-------------------------|------------|---------------|-------|-------|
| 4207.27         | RI   | Bureau of Land Management                     |       | 414 W Taylor St         |            | Hobbs         | NM    | 88240 |
| 4207.27         | WI   | Moore & Shelton Co., Ltd                      |       | PO Box 3070             |            | Galveston     | TX    | 77552 |
| 4207.27         | WI   | HOG Partnership, LP                           |       | 5950 Cedar Springs Rd.  |            | Dallas        | TX    | 75235 |
| 4207.27         | WI   | Challenger Crude, Ltd.                        |       | 400 West Illinois Ave.  | Suite 1210 | Midland       | TX    | 79701 |
| 4207.27         | WI   | Read & Stevens, Inc.                          |       | 300 N. Marienfeld St.   | Suite 1000 | Midland       | TX    | 79701 |
| 4207.27         | WI   | First Century Oil, Inc.                       |       | 300 N. Marienfeld St.   | Suite 1000 | Midland       | TX    | 79701 |
|                 |      | Francis Hill Hudson, Trustee of Lindy's Livin | ng    |                         |            |               |       |       |
| 4207.27         | WI   | Trust   |       | 4200 S. Hulen St.       | Suite 302  | Fort Worth    | TX    | 76109 |
|                 |      | Bank of America, N.A., Successor Trustee of   |       |                         |            |               |       |       |
| 4207.27         | WI   | the Delmar Hudson Lewis Living Trust          |       | 301 Commerce St.        | Suite 2400 | Fort Worth    | TX    | 76102 |
| 4207.27         | WI   | Magnum Hunter Production                      |       | 600 N. Marienfeld St.   | Suite 600  | Midland       | TX    | 79701 |
| 4207.27         | WI   | Zorro Partners, Ltd.                          |       | 616 Texas St.           |            | Fort Worth    | TX    | 76102 |
| 4207.27         | WI   | Frost Bank, Trustee of the Josephine T.       |       | 640 Taylor Street       | 17th floor | Fort Worth    | TX    | 76102 |
| 4207.27         | WI   | Ard Oil, LTD                                  |       | PO Box 101027           |            | Fort Worth    | TX    | 76185 |
| 4207.27         | WI   | Chase Oil Corporation                         |       | PO Box 1767             |            | Artesia       | NM    | 88211 |
| 4207.27         | WI   | Avalon Energy Corporation                     |       | 310 West Wall St.       | Suite 305  | Midland       | TX    | 79701 |
| 4207.27         | WI   | Wilbanks Reserve Corporation                  |       | 450 E. 17th Ave         | Suite 220  | Denver        | CO    | 80203 |
|                 |      | Prime Rock Resources AgentCo, Inc., as        |       |                         |            |               |       |       |
|                 |      | nominee for the benefit of Prime Rock         |       |                         |            |               |       |       |
| 4207.27         | WI   | Resources, LLC                                |       | 203 W. Wall Street      | Suite 1000 | Midland       | TX    | 79701 |
| 4207.27         | WI   | Marks Oil, Inc.                               |       | 1775 Sherman St.        | Suite 2990 | Denver        | CO    | 80203 |
| 4207.27         | WI   | Javelina Partners                             |       | 616 Texas St.           |            | Fort Worth    | TX    | 76102 |
| 4207.27         | WI   | William A. Hudson, II                         |       | 616 Texas St.           |            | Fort Worth    | TX    | 76102 |
| 4207.27         | WI   | Union Hill Oil & Gas Co. Inc.                 |       | 7712 Glenshannon Circle | е          | Dallas        | TX    | 75225 |
|                 |      |   |       |                         |            |               |       |       |

### Mailing (23454)

| ReferenceNumber | TYPE | Name1   | Name2 | Address1                | Address2   | Address3 City | State | Zip   |
|-----------------|------|---|-------|-------------------------|------------|---------------|-------|-------|
| 4207.27         | RI   | Bureau of Land Management                     |       | 414 W Taylor St         |            | Hobbs         | NM    | 88240 |
| 4207.27         | WI   | Moore & Shelton Co., Ltd                      |       | PO Box 3070             |            | Galveston     | TX    | 77552 |
| 4207.27         | WI   | HOG Partnership, LP                           |       | 5950 Cedar Springs Rd.  |            | Dallas        | TX    | 75235 |
| 4207.27         | WI   | Challenger Crude, Ltd.                        |       | 400 West Illinois Ave.  | Suite 1210 | Midland       | TX    | 79701 |
| 4207.27         | WI   | Read & Stevens, Inc.                          |       | 300 N. Marienfeld St.   | Suite 1000 | Midland       | TX    | 79701 |
| 4207.27         | WI   | First Century Oil, Inc.                       |       | 300 N. Marienfeld St.   | Suite 1000 | Midland       | TX    | 79701 |
|                 |      | Francis Hill Hudson, Trustee of Lindy's Livin | ng    |                         |            |               |       |       |
| 4207.27         | WI   | Trust   |       | 4200 S. Hulen St.       | Suite 302  | Fort Worth    | TX    | 76109 |
|                 |      | Bank of America, N.A., Successor Trustee of   |       |                         |            |               |       |       |
| 4207.27         | WI   | the Delmar Hudson Lewis Living Trust          |       | 301 Commerce St.        | Suite 2400 | Fort Worth    | TX    | 76102 |
| 4207.27         | WI   | Magnum Hunter Production                      |       | 600 N. Marienfeld St.   | Suite 600  | Midland       | TX    | 79701 |
| 4207.27         | WI   | Zorro Partners, Ltd.                          |       | 616 Texas St.           |            | Fort Worth    | TX    | 76102 |
| 4207.27         | WI   | Frost Bank, Trustee of the Josephine T.       |       | 640 Taylor Street       | 17th floor | Fort Worth    | TX    | 76102 |
| 4207.27         | WI   | Ard Oil, LTD                                  |       | PO Box 101027           |            | Fort Worth    | TX    | 76185 |
| 4207.27         | WI   | Chase Oil Corporation                         |       | PO Box 1767             |            | Artesia       | NM    | 88211 |
| 4207.27         | WI   | Avalon Energy Corporation                     |       | 310 West Wall St.       | Suite 305  | Midland       | TX    | 79701 |
| 4207.27         | WI   | Wilbanks Reserve Corporation                  |       | 450 E. 17th Ave         | Suite 220  | Denver        | CO    | 80203 |
|                 |      | Prime Rock Resources AgentCo, Inc., as        |       |                         |            |               |       |       |
|                 |      | nominee for the benefit of Prime Rock         |       |                         |            |               |       |       |
| 4207.27         | WI   | Resources, LLC                                |       | 203 W. Wall Street      | Suite 1000 | Midland       | TX    | 79701 |
| 4207.27         | WI   | Marks Oil, Inc.                               |       | 1775 Sherman St.        | Suite 2990 | Denver        | CO    | 80203 |
| 4207.27         | WI   | Javelina Partners                             |       | 616 Texas St.           |            | Fort Worth    | TX    | 76102 |
| 4207.27         | WI   | William A. Hudson, II                         |       | 616 Texas St.           |            | Fort Worth    | TX    | 76102 |
| 4207.27         | WI   | Union Hill Oil & Gas Co. Inc.                 |       | 7712 Glenshannon Circle | е          | Dallas        | TX    | 75225 |
|                 |      |   |       |                         |            |               |       |       |

### Mailing (23455)

| ReferenceNumber | TYPE | Name1   | Name2 | Address1                | Address2   | Address3 City | State | Zip   |
|-----------------|------|---|-------|-------------------------|------------|---------------|-------|-------|
| 4207.27         | RI   | Bureau of Land Management                     |       | 414 W Taylor St         |            | Hobbs         | NM    | 88240 |
| 4207.27         | WI   | Moore & Shelton Co., Ltd                      |       | PO Box 3070             |            | Galveston     | TX    | 77552 |
| 4207.27         | WI   | HOG Partnership, LP                           |       | 5950 Cedar Springs Rd.  |            | Dallas        | TX    | 75235 |
| 4207.27         | WI   | Challenger Crude, Ltd.                        |       | 400 West Illinois Ave.  | Suite 1210 | Midland       | TX    | 79701 |
| 4207.27         | WI   | Read & Stevens, Inc.                          |       | 300 N. Marienfeld St.   | Suite 1000 | Midland       | TX    | 79701 |
| 4207.27         | WI   | First Century Oil, Inc.                       |       | 300 N. Marienfeld St.   | Suite 1000 | Midland       | TX    | 79701 |
|                 |      | Francis Hill Hudson, Trustee of Lindy's Livin | ng    |                         |            |               |       |       |
| 4207.27         | WI   | Trust   |       | 4200 S. Hulen St.       | Suite 302  | Fort Worth    | TX    | 76109 |
|                 |      | Bank of America, N.A., Successor Trustee of   |       |                         |            |               |       |       |
| 4207.27         | WI   | the Delmar Hudson Lewis Living Trust          |       | 301 Commerce St.        | Suite 2400 | Fort Worth    | TX    | 76102 |
| 4207.27         | WI   | Magnum Hunter Production                      |       | 600 N. Marienfeld St.   | Suite 600  | Midland       | TX    | 79701 |
| 4207.27         | WI   | Zorro Partners, Ltd.                          |       | 616 Texas St.           |            | Fort Worth    | TX    | 76102 |
| 4207.27         | WI   | Frost Bank, Trustee of the Josephine T.       |       | 640 Taylor Street       | 17th floor | Fort Worth    | TX    | 76102 |
| 4207.27         | WI   | Ard Oil, LTD                                  |       | PO Box 101027           |            | Fort Worth    | TX    | 76185 |
| 4207.27         | WI   | Chase Oil Corporation                         |       | PO Box 1767             |            | Artesia       | NM    | 88211 |
| 4207.27         | WI   | Avalon Energy Corporation                     |       | 310 West Wall St.       | Suite 305  | Midland       | TX    | 79701 |
| 4207.27         | WI   | Wilbanks Reserve Corporation                  |       | 450 E. 17th Ave         | Suite 220  | Denver        | CO    | 80203 |
|                 |      | Prime Rock Resources AgentCo, Inc., as        |       |                         |            |               |       |       |
|                 |      | nominee for the benefit of Prime Rock         |       |                         |            |               |       |       |
| 4207.27         | WI   | Resources, LLC                                |       | 203 W. Wall Street      | Suite 1000 | Midland       | TX    | 79701 |
| 4207.27         | WI   | Marks Oil, Inc.                               |       | 1775 Sherman St.        | Suite 2990 | Denver        | CO    | 80203 |
| 4207.27         | WI   | Javelina Partners                             |       | 616 Texas St.           |            | Fort Worth    | TX    | 76102 |
| 4207.27         | WI   | William A. Hudson, II                         |       | 616 Texas St.           |            | Fort Worth    | TX    | 76102 |
| 4207.27         | WI   | Union Hill Oil & Gas Co. Inc.                 |       | 7712 Glenshannon Circle | е          | Dallas        | TX    | 75225 |
|                 |      |   |       |                         |            |               |       |       |

| Mail Activity Report - CertifiedPro.net |
|---|
| Mailed from 3/1/2023 to 3/31/2023       |
| User Name: abadieschill                 |
| Generated: 7/12/2023 12:52:26 PM        |

| USPS Article Number    | Date Mailed | Name 1   | Name 2                                       | Address 1               | Address 2  | City       | State | Zip   | Mailing Status | Service Options                             |
|------------------------|-------------|--|--|-------------------------|------------|------------|-------|-------|----------------|---|
| 9314869904300105482880 | 03/15/2023  | Bureau of Land Management                      |  | 414 W Taylor St         |            | Hobbs      | NM    | 88240 | Mailed         | Return Receipt - Electronic, Certified Mail |
| 9314869904300105482897 | 03/15/2023  | Moore & Shelton Co., Ltd                       |  | PO Box 3070             |            | Galveston  | TX    | 77552 | Mailed         | Return Receipt - Electronic, Certified Mail |
| 9314869904300105482903 | 03/15/2023  | HOG Partnership, LP                            |  | 5950 Cedar Springs Rd.  |            | Dallas     | TX    | 75235 | Mailed         | Return Receipt - Electronic, Certified Mail |
| 9314869904300105482910 | 03/15/2023  | Challenger Crude, Ltd.                         |  | 400 West Illinois Ave.  | Suite 1210 | Midland    | TX    | 79701 | Mailed         | Return Receipt - Electronic, Certified Mail |
| 9314869904300105482927 | 03/15/2023  | Read & Stevens, Inc.                           |  | 300 N. Marienfeld St.   | Suite 1000 | Midland    | TX    | 79701 | Delivered      | Return Receipt - Electronic, Certified Mail |
| 9314869904300105482934 | 03/15/2023  | First Century Oil, Inc.                        |  | 300 N. Marienfeld St.   | Suite 1000 | Midland    | TX    | 79701 | Delivered      | Return Receipt - Electronic, Certified Mail |
| 9314869904300105482941 | 03/15/2023  | Francis Hill Hudson,                           | Trustee of Lindy's Living Trust              | 4200 S. Hulen St.       | Suite 302  | Fort Worth | TX    | 76109 | Mailed         | Return Receipt - Electronic, Certified Mail |
| 9314869904300105482958 | 03/15/2023  | Bank of America, N.A., Successor Trustee of    | the Delmar Hudson Lewis Living Trust         | 301 Commerce St.        | Suite 2400 | Fort Worth | TX    | 76102 | Delivered      | Return Receipt - Electronic, Certified Mail |
| 9314869904300105482965 | 03/15/2023  | Magnum Hunter Production                       |  | 600 N. Marienfeld St.   | Suite 600  | Midland    | TX    | 79701 | Delivered      | Return Receipt - Electronic, Certified Mail |
| 9314869904300105482972 | 03/15/2023  | Zorro Partners, Ltd.                           |  | 616 Texas St.           |            | Fort Worth | TX    | 76102 | Delivered      | Return Receipt - Electronic, Certified Mail |
| 9314869904300105482989 | 03/15/2023  | Frost Bank, Trustee of the Josephine T. Hudson | Testamentary Trust FBO J. Terrell Ard        | 640 Taylor Street       | 17th floor | Fort Worth | TX    | 76102 | Delivered      | Return Receipt - Electronic, Certified Mail |
| 9314869904300105482996 | 03/15/2023  | Ard Oil, LTD                                   |  | PO Box 101027           |            | Fort Worth | TX    | 76185 | Mailed         | Return Receipt - Electronic, Certified Mail |
| 9314869904300105483009 | 03/15/2023  | Chase Oil Corporation                          |  | PO Box 1767             |            | Artesia    | NM    | 88211 | Delivered      | Return Receipt - Electronic, Certified Mail |
| 9314869904300105483016 | 03/15/2023  | Avalon Energy Corporation                      |  | 310 West Wall St.       | Suite 305  | Midland    | TX    | 79701 | Mailed         | Return Receipt - Electronic, Certified Mail |
| 9314869904300105483023 | 03/15/2023  | Wilbanks Reserve Corporation                   |  | 450 E. 17th Ave         | Suite 220  | Denver     | CO    | 80203 | Delivered      | Return Receipt - Electronic, Certified Mail |
| 9314869904300105483030 | 03/15/2023  | Prime Rock Resources AgentCo, Inc., as nominee | for the benefit of Prime Rock Resources, LLC | 203 W. Wall Street      | Suite 1000 | Midland    | TX    | 79701 | Delivered      | Return Receipt - Electronic, Certified Mail |
| 9314869904300105483047 | 03/15/2023  | Marks Oil, Inc.                                |  | 1775 Sherman St.        | Suite 2990 | Denver     | CO    | 80203 | Delivered      | Return Receipt - Electronic, Certified Mail |
| 9314869904300105483054 | 03/15/2023  | Javelina Partners                              |  | 616 Texas St.           |            | Fort Worth | TX    | 76102 | Delivered      | Return Receipt - Electronic, Certified Mail |
| 9314869904300105483061 | 03/15/2023  | William A. Hudson, II                          |  | 616 Texas St.           |            | Fort Worth | TX    | 76102 | Delivered      | Return Receipt - Electronic, Certified Mail |
| 9314869904300105483078 | 03/15/2023  | Union Hill Oil & Gas Co. Inc.                  |  | 7712 Glenshannon Circle |            | Dallas     | TX    | 75225 | Delivered      | Return Receipt - Electronic, Certified Mail |



March 20, 2023

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0105 4830 78**.

Item Details

Status: Delivered, Left with Individual Status Date / Time: March 18, 2023, 02:45 p.m.

Location:DALLAS, TX 75225Postal Product:First-Class Mail®Extra Services:Certified Mail™

Return Receipt Electronic

Recipient Name: Union Hill Oil Gas Co Inc

Shipment Details

Weight: 5.0oz

**Destination Delivery Address** 

Street Address: 7712 GLENSHANNON CIR
City, State ZIP Code: DALLAS, TX 75225-2054

Recipient Signature

Signature of Recipient:

Address of Recipient:

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

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

Information in this section provided by Covius Document Services, LLC.



Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0105 4830 61.

Item Details Status: Delivered, Left with Individual Status Date / Time: March 20, 2023, 03:22 p.m. Location: FORT WORTH, TX 76102 **Postal Product:** First-Class Mail® **Extra Services:** Certified Mail™ Return Receipt Electronic **Recipient Name:** William A Hudson II Shipment Details Weight: 5.0oz **Destination Delivery Address** City, State ZIP Code: FORT WORTH, TX 76102-4662 Recipient Signature Signature of Recipient: Address of Recipient:

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

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

Information in this section provided by Covius Document Services, LLC.



Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0105 4830 54.

Item Details Status: Delivered, Left with Individual Status Date / Time: March 20, 2023, 03:22 p.m. Location: FORT WORTH, TX 76102 **Postal Product:** First-Class Mail® **Extra Services:** Certified Mail™ Return Receipt Electronic **Recipient Name:** Javelina Partners Shipment Details Weight: 5.0oz **Destination Delivery Address** City, State ZIP Code: FORT WORTH, TX 76102-4662 Recipient Signature

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

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Signature of Recipient:

Address of Recipient:

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#### Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0105 4830 47.

Item Details

**Status:** Delivered to Agent for Final Delivery

**Status Date / Time:** March 20, 2023, 04:38 p.m.

Location: DENVER, CO 80203

Postal Product: First-Class Mail®
Extra Services: Certified Mail™

Return Receipt Electronic

Recipient Name: Marks Oil Inc

Shipment Details

Weight: 5.0oz

Recipient Signature

Signature of Recipient: (Authorized Agent)

Address of Recipient:

Mids & January 2015

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

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

Information in this section provided by Covius Document Services, LLC.



#### Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0105 4830 30**.

Item Details

Status: Delivered, Left with Individual

**Status Date / Time:** March 20, 2023, 04:37 p.m.

Location: MIDLAND, TX 79701

Postal Product: First-Class Mail®
Extra Services: Certified Mail™

Return Receipt Electronic

Recipient Name: Prime Rock Resources AgentCo Inc as nominee

Shipment Details

Weight: 5.0oz

**Destination Delivery Address** 

Street Address: 203 W WALL ST

City, State ZIP Code: MIDLAND, TX 79701-4530

Recipient Signature

Signature of Recipient:

Address of Recipient:

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

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

Information in this section provided by Covius Document Services, LLC.



Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0105 4830 23.

Item Details

Status: Delivered, Front Desk/Reception/Mail Room

**Status Date / Time:** March 20, 2023, 03:39 p.m.

**Location:** DENVER, CO 80203

Postal Product: First-Class Mail® Extra Services: Certified Mail™

Return Receipt Electronic

Recipient Name: Wilbanks Reserve Corporation

Shipment Details

Weight: 5.0oz

**Destination Delivery Address** 

Street Address: 450 E 17TH AVE UNIT 220 City, State ZIP Code: DENVER, CO 80203-1254

Recipient Signature

Signature of Recipient:

Address of Recipient:

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

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

Information in this section provided by Covius Document Services, LLC.



Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0105 4830 09**.

Item Details

Status: Delivered, Individual Picked Up at Post Office

**Status Date / Time:** March 20, 2023, 11:20 a.m.

Location: ARTESIA, NM 88210

Postal Product: First-Class Mail®
Extra Services: Certified Mail™

Return Receipt Electronic

Recipient Name: Chase Oil Corporation

Shipment Details

Weight: 5.0oz

Recipient Signature

Signature of Recipient:

Brawyara

Address of Recipient:

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

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

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

Information in this section provided by Covius Document Services, LLC.



Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0105 4829 89**.

Item Details

Status:Delivered, Left with IndividualStatus Date / Time:March 20, 2023, 01:04 p.m.Location:FORT WORTH, TX 76102

Postal Product: First-Class Mail®
Extra Services: Certified Mail™

Return Receipt Electronic

Recipient Name: Frost Bank Trustee of the Josephine T Hudson

Shipment Details

Weight: 5.0oz

**Destination Delivery Address** 

Street Address: 640 TAYLOR ST

City, State ZIP Code: FORT WORTH, TX 76102-4809

Recipient Signature

Signature of Recipient:

Address of Recipient:

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

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

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

Information in this section provided by Covius Document Services, LLC.



Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0105 4829 72.

Item Details Status: Delivered, Left with Individual Status Date / Time: March 20, 2023, 03:22 p.m. Location: FORT WORTH, TX 76102 **Postal Product:** First-Class Mail® **Extra Services:** Certified Mail™ Return Receipt Electronic **Recipient Name:** Zorro Partners Ltd Shipment Details Weight: 5.0oz **Destination Delivery Address** City, State ZIP Code: FORT WORTH, TX 76102-4662 Recipient Signature Signature of Recipient: Address of Recipient:

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

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

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

Information in this section provided by Covius Document Services, LLC.



Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0105 4829 65**.

Item Details

Status: Delivered, Individual Picked Up at Post Office

**Status Date / Time:** March 20, 2023, 01:10 p.m.

Location:MIDLAND, TX 79701Postal Product:First-Class Mail®Extra Services:Certified Mail™

Return Receipt Electronic

Recipient Name: Magnum Hunter Production

Shipment Details

Weight: 5.0oz

**Destination Delivery Address** 

Street Address: 600 N MARIENFELD ST STE 600

City, State ZIP Code: MIDLAND, TX 79701-4405

Recipient Signature

Signature of Recipient:

Address of Recipient:

Widest TX 71761

Pam Waldow

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

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

Information in this section provided by Covius Document Services, LLC.



March 24, 2023

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0105 4829 58.

Item Details

Status:Delivered, Left with IndividualStatus Date / Time:March 23, 2023, 11:16 a.m.Location:FORT WORTH, TX 76102

Postal Product: First-Class Mail® Extra Services: Certified Mail™

Return Receipt Electronic

Recipient Name: Bank of America N A Successor Trustee of the

Shipment Details

Weight: 5.0oz

**Destination Delivery Address** 

Street Address: 301 COMMERCE ST STE 2400
City, State ZIP Code: FORT WORTH, TX 76102-4124

Recipient Signature

Signature of Recipient:

Address of Recipient:

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

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

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

Information in this section provided by Covius Document Services, LLC.



March 20, 2023

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0105 4829 34.

Item Details

Status: Delivered, Left with Individual

Status Date / Time: March 18, 2023, 11:17 a.m.
Location: MIDLAND, TX 79701

Postal Product: First-Class Mail®
Extra Services: Certified Mail™

Return Receipt Electronic

Recipient Name: First Century Oil Inc

Shipment Details

Weight: 5.0oz

**Destination Delivery Address** 

Street Address: 300 N MARIENFELD ST STE 1000

City, State ZIP Code: MIDLAND, TX 79701-4688

Recipient Signature

Signature of Recipient:

Address of Recipient:

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

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

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

Information in this section provided by Covius Document Services, LLC.



March 20, 2023

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0105 4829 27.

Item Details

Status: Delivered, Left with Individual

**Status Date / Time:** March 18, 2023, 11:17 a.m.

Location:MIDLAND, TX 79701Postal Product:First-Class Mail®Extra Services:Certified Mail™

Return Receipt Electronic

Recipient Name: Read Stevens Inc

Shipment Details

Weight: 5.0oz

**Destination Delivery Address** 

Street Address: 300 N MARIENFELD ST STE 1000

City, State ZIP Code: MIDLAND, TX 79701-4688

Recipient Signature

Signature of Recipient:

Address of Recipient:

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

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

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

Information in this section provided by Covius Document Services, LLC.



April 21, 2023

**Dear Covius Document Services:** 

The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0105 4828 80.

Item Details

**Status:** Delivered to Agent for Final Delivery

Status Date / Time: April 20, 2023, 02:40 p.m. Location: DURANGO, CO 81301

Postal Product: First-Class Mail®
Extra Services: Certified Mail™

Return Receipt Electronic

Recipient Name: Bureau of Land Management

Shipment Details

Weight: 5.0oz

Recipient Signature

Signature of Recipient: (Authorized Agent)

Address of Recipient:

HILDKAM

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

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

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

Information in this section provided by Covius Document Services, LLC.

STATE OF NEW MEXICO COUNTY OF LEA

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

> Beginning with the issue dated March 17, 2023 and ending with the issue dated March 17, 2023.

Publisher

Sworn and subscribed to before me this 17th day of March 2023.

My commission expires January 29, 2027

(Seal) STATE OF NEW MEXICO

**NOTARY PUBLIC** GUSSIE RUTH BLACK **COMMISSION # 1087526** COMMISSION EXPIRES 01/29/2027

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

**LEGAL NOTICE** March 17, 2023

LEGAL NOTICE March 17, 2023

CASE No. 23452: Notice to all parties and persons having any right, title, interest or claim to this case, including owners of working interest, overriding royalty interest, and record title, among others, as well as to the known and unknown heirs, devisees, assigns and successors of MOORE & SHELTON CO., LTD; HOG PARTNERSHIP, LP; CHALLENGER CRUDE, LTD; READ & STEVENS, INC.; FIRST CENTURY OIL, INC.; FRANCIS HILL HUDSON, TRUSTEE OF LINDY'S LIVING TRUST; BANK OF AMERICA, N.A., SUCCESSOR TRUSTEE OF THE DELMAR HUDSON LEWIS LIVING TRUST; MAGNUM HUNTER PRODUCTION; ZORRO PARTNERS, LTD.; FROST BANK, TRUSTEE OF THE JOSEPHINE T. HUDSON TESTAMENTARY TRUST FROJ. TERRELL ARD; ARD OIL, LTD; CHASE OIL CORPORATION, VALON ENERGY CORPORATION; WILBANKS RESERVE CORPORATION, PRIME ROCK RESOURCES AGENTCO, INC., AS NOMINEE FOR THE BENEFIT OF PRIME ROCK RESOURCES, LLC; MARKS OIL, INC.; JAVELINA PARTNERS; WILLIAM A. HUDSON, II and UNION HILL OIL & GAS CO. INC., of Cimarex Energy Co.'s application for approval of a spacing unit and compulsory pooling, Lea County, New Mexico, The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division Examiner will conduct a public hearing at 8:15 a.m. on April 6, 2023. traditionally held at 1220 S. St. Francis, Santa Fe, New Mexico, 87505. However, under current Division policies, the hearing will be conducted remotely online. For information about remote access and the status of the case, you can visit the Division's website at: https://www.emmrd.nm.gov/ocd/hearing-info/ or call (505) 476-3441. Cimarex Energy Co. (operational office at 600 N. Marienfeld St. Suite 600, 79701; HQ office at 1700 Lincoln Street, Suite 3700, Denver CO 80203) seeks an order from the Division; (1) establishing a standard 320.89-acre, more or less, horizontal spacing and proration unit comprised of Lot 1 (NE/4 NE/4 equivalent), the SE/4 NE/4, and the E/2 SE/4 of Section 4 and the E/2 B/2 of Section 9, in Township 20 South, Range 34 East, NMPM. Lea County, Ne

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STATE OF NEW MEXICO COUNTY OF LEA

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> Beginning with the issue dated March 17, 2023 and ending with the issue dated March 17, 2023.

Publisher

Sworn and subscribed to before me this 17th day of March 2023.

Business Manager

My commission expires

January 29, 2027 ATE OF NEW MEXICO (Seal)

**NOTARY PUBLIC** GUSSIE RUTH BLACK **COMMISSION # 1087526** COMMISSION EXPIRES 01/29/2027

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

LEGAL NOTICE March 17, 2023

CASE No. 23453: Notice to all parties and persons having any right, title, interest or claim to this case, including owners of working Interest, overriding royalty interest, and record title, among others, as well as to the known and unknown heirs, devisees, assigns and successors of MOORE & SHELTON CO., LTD: HOG PARTNERSHIP, LP; CHALLENGER CRUDE, LTD; READ & STEVENS, INC.; FIRST CENTURY OIL, INC.; FRANCIS HILL HUBSON, TRUSTEE OF LINDY'S LIVING TRUST; BANK OF AMERICA, N.A., SUCCESSOR TRUSTEE OF THE DELMAR HUDSON LEWIS LIVING TRUST; MAGNUM HUNTER PRODUCTION; ZORRO PARTNERS, LTD.; FROST BANK, TRUSTEE OF THE JOSEPHINE T. HUDSON TESTAMENTARY TRUST FBO J. TERRELL ARD; ARD OIL, LTD; CHASE OIL CORPORATION; PRIME ROCK RESOURCES AGENTCO, INC., AS NOMINEE FOR THE BENEFIT OF PRIME ROCK RESOURCES, LLC; MARKS OIL, INC.; JAVELINA PARTNERS; WILLIAM A. HUDSON, II and UNION HILL OIL & GAS CO. INC., of Cimarex Energy Co.'s application for approval of a spacing unit and compulsory pooling, Lea County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division Examiner will conduct a public hearing at 8:15 a.m., on April 6, 2023, traditionally held at 1220 S. St. Francis, Santa Fe. New Mexico, 87505. However, under current Division policies, the hearing will be conducted remotely online. For information about remote access and the status of the case, you can visit the Division's website at: https://www.emard.mm.gov/ocd/hearing-info/ or call (505) 476-3441, Cimarex Energy Co. (operational office at 600 N. Marlenfeld St. Suite 600, 79701; HQ office at 1700 Lincoln Street, Suite 3700, Denver CO 80203) seeks an order from the Division: (1) establishing a standard 320.21-acre, more or less, horizontal spacing and proration unit comprised of Lot 4 (NW/4 NW/4 equivalent), the SW/4 NW/4, and the W/2 SW/4 of Section 4 and the W/2 W/2 of Section 9 in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests from a depth of 9,373 fe

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STATE OF NEW MEXICO COUNTY OF LEA

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Publisher

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**Business Manager** 

My commission expires

January 29, 2027

(Seal)

STATE OF NEW MEXICO NOTARY PUBLIC GUSSIE RUTH BLACK COMMISSION # 1087525 CIONNIMISSION EXPIRES 91/29/20

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

LEGAL NOTICE March 17, 2023

CASE No. 23454: Notice to all parties and persons having any right, title, interest or claim to this case, including owners of working interest, overriding royalty interest, and record title, among others, as well as to the known and unknown heirs, devisees, assigns and successors of MOORE & SHELTON CO., LTD; HOG PARTNERSHIP, LP; CHALLENGER CRUDE, LTD.; READ & STEVENS, INC.; FIRST CENTURY OIL, INC.; FRANCIS HILL HUDSON, TRUSTEE OF LINDY'S LIVING TRUST; BANK OF AMERICA, N.A., SUCCESSOR TRUSTEE OF THE DELMAR HUDSON LEWIS LIVING TRUST; MAGNUM HUNTER PRODUCTION; ZORRO PARTNERS, LTD.; FROST BANK, TRUSTEE OF THE JOSEPHINE T. HUDSON TESTAMENTARY TRUST FBO J. TERRELL ARD; ARD OIL, LTD; CHASE OIL CORPORATION; AVALON ENERGY CORPORATION; WILBANK'S RESERVE CORPORATION; AVALON ENERGY CORPORATION; WILBANK'S RESERVE CORPORATION; PRIME ROCK RESOURCES AGENTCO, INC., AS NOMINEE FOR THE BENEFIT OF PRIME ROCK RESOURCES, LLC; MARKS OIL, INC.; JAVELINA PARTNERS; WILLIAM A. HUDSON, II and UNION HILL OIL & GAS CO, INC., of Cimarex Energy Co, 's application for approval of a spacing unit and compulsory pooling, Lea County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division Examiner will conduct a public hearing at 8:15 a.m., on April 6, 2023, traditionally held at 1220 S. St. Francis, Santa Fe, New Mexico, 87505. However, under current Division policies, the hearing will be conducted remotely online. For information about remote access and the status of the case, you can visit the Division's website at: https://www.emprd.nm.gov/ocd/hearing-info/ or call (505) 476-3441, Cimarex Energy Co, Operational office at 600 N. Marienfeld St. Suite 600, 79701; HO office at 1700 Lincoln Street, Suite 3700, Denver CO 80203) seeks an order from the Division: (1) establishing a standard 320.44-acre, more or less, horizontal spacing and proration unit comprised of Lot 3 (NEJ/A NW/4 equivalent), the SE/A NW/4, and the E/2 SW/4 of Section 4 and the E/2 W/2 of Section 9, in Township 20 South, thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the well and unit; and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 40 miles northeast of Carlsbad, New Mexico. #00276788

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STATE OF NEW MEXICO COUNTY OF LEA

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Publisher

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**Business Manager** 

My commission expires

January 29, 2027 (Seal)

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

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

#### LEGAL NOTICE March 17, 2023

CASE No. 23455: Notice to all parties and persons having any right, title, interest or claim to this case, including owners of working interest, overriding royalty interest, and record title, among others, as well as to the known and unknown heirs, devisees, assigns and successors of MOORE & SHELTON CO., LTD: HOG PARTNERSHIP, LP; CHALLENGER CRUDE, LTD.; READ & STEVENS, INC.; FIRST CENTURY OIL, INC.; FRANCIS HILL HUDSON, TRUSTEE OF LINDY'S LIVING TRUST; BANK OF AMERICA, N.A., SUCCESSOR TRUSTEE OF THE DELMAR HUDSON LEWIS LIVING TRUST; MAGNUM HUNTER PRODUCTION; ZORRO PARTNERS, LTD.; FROST BANK, TRUSTEE OF THE JOSEPHINE T. HUDSON TESTAMENTARY TRUST FBO J. TERRELL ARD; ARD OIL, LTD; CHASE OIL CORPORATION, AVALON ENERGY CORPORATION; WILBANKS RESERVE CORPORATION, AVALON ENERGY CORPORATION; WILBANKS RESERVE CORPORATION, PRIME ROCK RESOURCES ALC; MARKS OIL, INC.; JAVELINA PARTNERS; WILLIAM A. HUDSON, II and UNION HILL OIL & GAS CO. INC., of Clmarex Energy Co. 's application for approval of a spacing unit and compulsory pooling, Lea County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division Examiner will conduct a public hearing at 8:15 a.m. on April 6, 2023, traditionally held at 1220 S. St. Francis, Santa Fe, New Mexico, 87505. However, under current Division policies, the hearing will be conducted remotely online. For information about remote access and the status of the case, you can visit the Division's website at: https://www.emnrd.nm.gov/ocd/hearing-info/ or call (505) 476-3441. Cimarex Energy Co. (operational office at 600 N. Marienteld St. Suite 600, 79701; HQ office at 1700 Lincoin Street, Suite 3700, Denver CO 80203) seeks an order from the Division: (1) establishing a standard 320.66-acre, more or less, horizontal spacing and proration unit comprised of Lot 2 (NW/4 NE/4 equivalent), the SW/4 NE/4, and the W/2 SE/4 of Section 4 is an irregular section or list. The part of the case pring, of the Case to the principal standard 320.66-acre, more or le

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### **TAB 6**

Case No. 23452-23455

Exhibit E:

Resume of Facilities Engineer: Calvin Boyle Expert Facilities Witness Available for Questions and Consultation

### **Calvin Thomas Boyle**

6001 Deauville Blvd. Suite 300N Midland, TX 79706 | (918)-891-1095 | calvin.boyle@coterra.com

#### Education

#### **Master of Business Administration**

Concentration: Energy Business
Oklahoma State University – Stillwater, OK

Graduated August 2018; GPA: 4.00

#### **Bachelor of Science in Petroleum Engineering**

*University of Oklahoma – Norman, OK* Graduated May 2016; GPA: 3.71

#### **Work Experience**

#### Coterra Energy (Formerly Cimarex Energy) – Facility Engineer

Midland, TX (April 2021-present)

- Plan, supervise, and design capital projects to minimize environmental impact
- Efficiently allocate capital to optimize production facilities
- Manage \$74MM capital construction budget
- Implement Vapor Recovery Unit life plan to effectively decrease emissions
- Coordinate with field personnel and executive management for successful project execution
- Software proficiencies: Promax, ARIES, Carte, XSPOC, Spotfire, Google Earth, and various

#### Coterra Energy (Formerly Cimarex Energy) - Production Engineer

Midland, TX (March 2020-April 2021)

- Monitor production of more than 200 oil and gas wells in Lea and Eddy County New Mexico (Gas Lift, ESP, flowing, and pumping wells)
- Proposed, oversaw, and executed the divestiture of a 30 well asset
- Design and implement workovers (Rod Lift, ESP, Plunger, Acid Stimulation)
- Implemented the XSPOC system which decreased downtime by 12%

#### Coterra Energy (Formerly Cimarex Energy) – Field Engineer

Jal, NM (March 2019 to March 2020)

- Managed production of 31 oil wells (Gas lift, pumping, plunger, and flowing)
- Optimized the wells to increase production and decrease LOE
- Monitored flare pilot and VRUs to prevent methane emissions from flares and tanks
- Maintained production facilities

#### Halliburton Energy Services – Technical Professional, Cement

El Reno, OK (June 2017 to March 2019)

- Manage and design the cementing program for all of XTO's drilling rigs in the Mid-Continent; designing the cement programs in order to meet or exceed all of the XTO's specifications on each well drilled
- Design cement slurries for thickening time, compressive strength, rheological properties, and fluid loss; proactively tailoring cement slurries to achieve desired properties and alleviate risk for both my customers and Halliburton
- Run foam cement jobs on location; monitoring multiple variables and pumping nitrogen to ensure a successful job

