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

APPLICATION OF PERMIAN RESOURCES OPERATING, LLC TO EXTEND TIME TO COMMENCE DRILLING OPERATIONS AND POOL ADDITIONAL INTERESTS UNDER ORDER NO. R-22960, EDDY COUNTY, NEW MEXICO.

CASE NO. 24821 ORDER NO. R-22960

HEARING EXHIBITS

Exhibit A	Self-Affirmed Statement of Ryan Curry
A-1	Application & Proposed Notice
A-2	Order No. R-22960
Exhibit B	Self-Affirmed Statement of Dana S. Hardy
B-1	Sample Notice Letter to All Interested Parties
B-2	Notice Letter Chart
B-3	Copies of Certified Mail Receipts and Returns
B-4	Affidavit of Publication for September 14, 2024

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

APPLICATION OF PERMIAN RESOURCES OPERATING, LLC TO EXTEND TIME TO COMMENCE DRILLING OPERATIONS AND POOL ADDITIONAL INTERESTS UNDER ORDER NO. R-22960, EDDY COUNTY, NEW MEXICO.

CASE NO. 24821 ORDER NO. R-22960

SELF-AFFIRMED STATEMENT OF RYAN CURRY

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

2. I am familiar with the land matters involved in the above-reference case. Copies of Permian Resources' application and proposed hearing notice are attached as **Exhibit A-1**.

3. Permian Resources no longer seeks to pool additional interests in this matter and is withdrawing that request. Permian Resources, does, however, maintain its request for an extension of the deadline to commence drilling operations.

4. The Division issued Order No. R-22960 in Case No. 23816 ("Order") on December 1, 2023. The Order pooled uncommitted interests in the First and Third intervals of the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the N/2 N/2 of Sections 35 and 36, Township 19 South, Range 29 East, Eddy County, New Mexico ("Unit"); dedicated the Unit to the Ironhorse 35-36 Fed State #131H well ("Well"); and designated Permian Resources as operator of the Unit and Well. A copy of the Order is attached as **Exhibit A-2**.

The Order requires Permian Resources to commence drilling the Well within one
 (1) year of the date of the Order unless Permian Resources obtains a time extension from the
 Division Director for good cause shown.

6. Permian Resources' ability to commence drilling the Well has been impacted by changes in its development plan and the need to co-develop this unit with offset acreage to prevent waste. Co-development reduces the risk of parent-child effects and also reduces drilling and completion costs by avoiding the need to dispatch multiple teams at different times.

7. Permian Resources plans to codevelop the acreage included in this case with the acreage included in Case Nos. 24822, 24823, 24824, 24825, 24819 and 24818, which are currently pending before the Division and involve units located in Sections 35 and 36, Township 19 South, Range 29 East. Case Nos. 24818 and 24819 involve new pooling applications, while the remainder of the cases involve extension requests. Permian Resources' ability to co-develop the acreage depends on the issuance of pooling orders in Case Nos. 24818 and 24819. Therefore, good cause exists for an extension of the deadline to commence drilling.

 Permian Resources requests that the Division extend the deadline to commence drilling the Well to December 1, 2025.

 Permian Resources further requests the other provisions of the Order remain in force and effect.

10. Permian Resources is in good standing under the statewide rules and regulations.

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

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

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

Ryan Curry

9/19/24 Date

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

APPLICATION OF PERMIAN RESOURCES OPERATING, LLC TO EXTEND TIME TO COMMENCE DRILLING OPERATIONS AND POOL ADDITIONAL INTERESTS UNDER ORDER NO. R-22960, EDDY COUNTY, NEW MEXICO.

CASE NO. 24821 ORDER NO. R-22960

APPLICATION

Permian Resources Operating, LLC (OGRID No. 372165) ("Applicant") files this application with the Oil Conservation Division ("Division") requesting a one-year extension of time to commence drilling operations and to pool additional interests under Order No. R-22960 ("Order"). In support of this application, Applicant states the following.

1. The Division entered the Order in Case No. 23816 on December 1, 2023.

2. The Order pooled uncommitted interests in the First and Third intervals of the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the N/2 N/2 of Sections 35 and 36, Township 19 South, Range 29 East, Eddy County, New Mexico ("Unit") and dedicated the Unit to the Ironhorse 35-36 Fed State #131H well ("Well").

3. The Order designated Applicant as operator of the Unit and Well.

4. The Order requires Applicant to commence drilling the Well within one (1) year of the date of the Order unless Applicant obtains a time extension from the Division Director for good cause shown.

5. Applicant's ability to commence drilling the Well has been impacted by changes in its development plan and the need to co-develop this unit with offset acreage.

Permian Resources Operating, LLC Case No. 24821 Exhibit A-1 6. Accordingly, Applicant requests that the Division extend the deadline to commence drilling the Well until December 1, 2025.

7. Good cause exists for the requested extension.

8. Additionally, since the Order was entered, Applicant has identified additional uncommitted interests in the Unit that have not been pooled under the terms of the Order.

9. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from the additional interest owners but has been unable to obtain voluntary agreements from the owners.

10. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the additional interests should be pooled into the Unit pursuant to the terms of the Order.

WHEREFORE, Applicant requests this application be set for hearing before an Examiner of the Division on October 3, 2024, and, after notice and hearing, the Division extend the deadline to commence drilling the Well under the Order until December 1, 2025, and pool the additional uncommitted interests into the Unit pursuant to the terms of Division Order No. R-22960.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy Jaclyn M. McLean Dylan M. Villescas P.O. Box 2068 Santa Fe, NM 87504-2068 Phone: (505) 982-4554 dhardy@hinklelawfirm.com jmclean@hinklelawfirm.com dvillescas@hinklelawfirm.com *Attorneys for Permian Resources Operating, LLC* Application of Permian Resources Operating, LLC to Extend Time to Commence Drilling Operations and Pool Additional Interests Under Order No. R-22960, Eddy County, New Mexico. Permian Resources Operating, LLC ("Applicant") requests a one-year extension of time to commence drilling operations and to pool additional interests under Order No. R-22960 ("Order"). The Order: (1) pooled uncommitted interests in the First and Third intervals of the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the N/2 N/2 of Sections 35 and 36, Township 19 South, Range 29 East, Eddy County, New Mexico ("Unit"); dedicated the Unit to the Ironhorse 35-36 Fed State #131H well ("Well"); and designated Applicant as operator of the Unit and Well. Applicant requests the Division extend the deadline to commence drilling the Well until December 1, 2025. Additionally, since the Order was entered, Applicant has identified additional uncommitted interests in the Unit that should be pooled under the terms of the Order. The Well is located approximately 13 miles northeast of Carlsbad, New Mexico.

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

IN THE MATTER OF APPLICATION FOR COMPULSORY POOLING SUBMITTED BY PERMIAN RESOURCES OPERATING, LLC

CASE NO. 23816 ORDER NO. R-22960

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on October 5, 2023, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

- 1. Permian Resources Operating, LLC ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. Operator seeks to be designated the operator of the Unit.
- 2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
- 3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
- 4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
- 5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

- 6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
- 7. Operator is the owner of an oil and gas working interest within the Unit.
- 8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
- 9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
- 10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.

Permian Resources Operating, LLC Case No. 24821 Exhibit A-2

- 11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
- 12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
- 13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
- 14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

- 15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
- 16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
- 17. Operator is designated as operator of the Unit and the Well(s).
- 18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
- 19. If the Unit is a non-standard horizontal spacing unit which has not been approved under this Order, Operator shall obtain the OCD's approval for a non-standard horizontal spacing unit in accordance with 19.15.16.15(B)(5) NMAC.
- 20. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
- 21. This Order shall terminate automatically if Operator fails to comply with Paragraph 20 unless Operator obtains an extension by amending this Order for good cause shown.
- 22. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 23. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
- 24. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled

CASE NO. 23816 ORDER NO. R-22960 Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

- 25. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
- 26. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs that exceed the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
- 27. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
- 28. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
- 29. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.

CASE NO. 23816 ORDER NO. R-22960

- 30. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
- 31. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 30 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 32. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
- 33. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
- 34. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
- 35. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 36. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

Date: 12/1/2023

DYLAN M FUGE DIRECTOR (ACTING) DMF/hat

CASE NO. 23816 ORDER NO. R-22960

Exhibit A

COMPULSORY POOLING APPLICA		
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS		
Case: 23816 APPLICANT'S RESPONSE		
Date	October 5, 2023	
Applicant	Permian Resources Operating, LLC	
	Permian Resources Operating, LLC, 372165	
Designated Operator & OGRID (affiliation if applicable) Applicant's Counsel:	Montgomery & Andrews, P.A. (Sharon T. Shaheen and Samantha H. Catalano)	
Case Title:	Application of Permian Resources Operating, LLC for Compulsory Pooling, Eddy County, New Mexico	
Entries of Appearance/Intervenors:	None at this time	
Well Family	Ironhorse 35-36 Fed State Wells	
Formation/Pool		
Formation Name(s) or Vertical Extent:	First and Third Bone Spring intervals	
Primary Product (Oil or Gas):	Oil	
Pooling this vertical extent:	First and Third Bone Spring intervals	
Pool Name and Pool Code:	WINCHESTER; BONE SPRING [65010]	
Well Location Setback Rules:	Statewide rules	
Spacing Unit		
Type (Horizontal/Vertical)	Horizontal	
Size (Acres)	320 acres, more or less	
Building Blocks:	Quarter-quarter section (40 ac)	
Orientation:	West - East	
Description: TRS/County	N/2 N/2 of Sections 35 and 36, Township 19 South, Range 29 East, in Eddy County, NM	
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>anc</u> is approval of non-standard unit requested in this application?	l Yes	
Other Situations		
Depth Severance: Y/N. If yes, description	n/a	
Proximity Tracts: If yes, description	n/a	
Proximity Defining Well: if yes, description	n/a	
Applicant's Ownership in Each Tract	See Exhibit A-1	
Well(s) Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status Secand to English States Secand to English States		

CASE NO. 23816 ORDER NO. R-22960

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Received by OCD: 10/3/2023 7:31:28 PM	Page 5 o		
Well #1	Ironhorse 35-36 Fed State #131H well. API No. Pending SHL: Lot H of Section 34, T19S-R29E, NM BHL: 10' FEL and 330' FNL of Section 36, T19S-R29E, NMPM Completion Target: Third Bone Spring Formation at approx. 9,194' Well Orientation: West to East Completion location expected to be standard		
Well #2	n/a		
Horizontal Well First and Last Take Points	FTP (~100' FWL and 330' FNL of Section 35) LTP (~ 100' FEL and 330' FNL of Section 36)		
Completion Target (Formation, TVD and MD)	Third Bone Spring Formation - TVD (~9,194'), MD (~19,479'), <i>see</i> Exhibit A-4		
AFE Capex and Operating Costs			
Drilling Supervision/Month \$	\$10,000, <i>see</i> Exhibit A at 3, ¶ 18		
Production Supervision/Month \$	\$1,000, <i>see</i> Exhibit A at 3, ¶ 18		
Justification for Supervision Costs	See AFE at Exhibit A-4		
Requested Risk Charge	200%, <i>see</i> Exhibit A at 4, ¶ 19		
Notice of Hearing			
Proposed Notice of Hearing	Submitted with online filing of Application		
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C		
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C		
Ownership Determination			
Land Ownership Schematic of the Spacing Unit	Exhibit A-1		
Tract List (including lease numbers and owners)	Exhibit A-1		
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	n/a		
Pooled Parties (including ownership type)	See Exhibit A-1		
Unlocatable Parties to be Pooled	<i>See</i> Exhibit A-1; see also Exhibit C and Exhibit A attached thereto		
Ownership Depth Severance (including percentage above & below)	n/a		
Joinder			
Sample Copy of Proposal Letter	Exhibit A-4		
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-1		
Chronology of Contact with Non-Joined Working Interests	Exhibit A-2		
Overhead Rates In Proposal Letter	See Exhibit A-4 at 2		
Cost Estimate to Drill and Complete	See AFE at Exhibit A-4		
CastsEatismatestae E 9419/2023 8:43:43 AM	See AFE at Exhibit A-4		

CASE NO. 23816 ORDER NO. R-22960

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Received by OCD: 10/3/2023 7:31:28 PM	Page 6 o		
Cost Estimate for Production Facilities	See AFE at Exhibit A-4		
Geology			
Summary (including special considerations)	See Exhibit B, and Exhibits B-1 through B-5		
Spacing Unit Schematic	Exhibit B-2		
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-5		
Well Orientation (with rationale)	See Exhibit B, ¶ 10		
Target Formation	Exhibit B-4		
HSU Cross Section	Exhibit B-4; see Exhibit B-2		
Depth Severance Discussion	n/a		
Forms, Figures and Tables			
C-102	Exhibit A-3		
Tracts	Exhibit A-1		
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-1		
General Location Map (including basin)	Exhibit B-1		
Well Bore Location Map	Exhibit B-3		
Structure Contour Map - Subsea Depth	Exhibit B-3		
Cross Section Location Map (including wells)	Exhibit B-2		
Cross Section (including Landing Zone)	Exhibit B-4		
Additional Information			
Special Provisions/Stipulations	n/a		
CERTIFICATION: I hereby certify that the information pr	ovided in this checklist is complete and accurate.		
Printed Name (Attorney or Party Representative):	Sharon T. Shaheen		
Signed Name (Attorney or Party Representative):	/s/ Sharon T. Shaheen		
Date:	10/3/2023		

Released to Imaging: 10/4/2023 8:43:43 AM

CASE NO. 23816 ORDER NO. R-22960

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

APPLICATION OF PERMIAN RESOURCES OPERATING,LLC TO EXTEND TIME TO COMMENCE DRILLINGOPERATIONS AND POOL ADDITIONAL INTERESTS UNDERORDER NO. R-22960, EDDY COUNTY, NEW MEXICOCASE NO.24821ORDER NO. R-22960

SELF-AFFIRMED STATEMENT OF DANA S. HARDY

I am attorney in fact and authorized representative of Permian Resources Operating,
 LLC, the Applicant herein.

2. I am familiar with the Notice Letter attached as **Exhibit B-1** and caused the Notice Letter, along with the Application in this case, to be sent to the parties set out in the chart attached as **Exhibit B-2**.

3. Exhibit C-2 also provides the date each Notice Letter was sent and the date each return was received.

4. Copies of the certified mail green cards and white slips are attached as Exhibit B-3 as supporting documentation for proof of mailing and the information provided on Exhibit C-2.

5. On September 14, 2024, I caused a notice to be published to all interested parties in the Carlsbad Current-Argus. An Affidavit of Publication from the Legal Clerk of the Carlsbad Current-Argus along with a copy of the notice publication, is attached as **Exhibit B-4**.

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

<u>/s/ Dana S. Hardy</u> Dana S. Hardy September 23, 2024 Date

> Permian Resources Operating, LLC Case No. 24821 Exhibit B



HINKLE SHANOR LLP

ATTORNEYS AT LAW P.O. BOX 2068 SANTA FE, NEW MEXICO 87504 505-982-4554 (FAX) 505-982-8623

WRITER: Dana S. Hardy, Partner dhardy@hinklelawfirm.com

hinklelawfirm.com

September 5, 2024

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO ALL PARTIES ENTITLED TO NOTICE

Re: Case No. 24821 – Application of Permian Resources Operating, LLC, to extend time to commence drilling operations and pool additional interests under order no. R-22960, Eddy County, New Mexico.

To whom it may concern:

This letter is to advise you that the enclosed application was filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **October 3, 2024**, beginning at 8:15 a.m.

The hearing will be conducted in a hybrid fashion, both virtually and in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505. To participate virtually, see the instructions posted on the OCD Hearings website: <u>https://www.emnrd.nm.gov/ocd/hearing-info/</u>. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Pursuant to Division Rule 19.15.4.13.B, a party who intends to present evidence at the hearing shall file a pre-hearing statement and serve copies on other parties, or the attorneys of parties who are represented by counsel, at least four business days in advance of a scheduled hearing, but in no event later than 5:00 p.m. Mountain Time, on the Thursday preceding the scheduled hearing date. The statement must be submitted through the OCD E-Permitting system (https://wwwapps.emnrd.nm.gov/ocd/ocdpermitting/) e-mail or via to ocd.hearings@emnrd.nm.gov 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 application, please contact Ryan Curry, Senior Landman at Permian Resources Operating, LLC at <u>ryan.curry@permianres.com</u> or (432) 400-0209.

Sincerely, /s/ Dana S. Hardy Dana S. Hardy

> Permian Resources Operating, LLC Case No. 24821 Exhibit B-1

STATE OF NEW MEXICO DEPARTMENT OF ENERGY, MINERALS, AND NATURAL RESOURCES OIL CONSERVASION DIVISON

APPLICATION OF PERMIAN RESOURCES OPERATING, LLC TO EXTEND TIME TO COMMENCE DRILLING OPERATIONS AND POOL ADDITIONAL INTERESTS UNDER ORDER NO. R-22960, EDDY COUNTY, NEW MEXICO. CASE NO

CASE NOS. 24821 & 24822

NOTICE LETTER CHART

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
3MG Corporation	09/09/24	09/16/2024
500 West Texas	9589 0710 5270 1152 5455 69	
Suite 1020		
Midland, TX 79701		
Chisos, Ltd.	09/09/24	09/16/2024
3355 W. Alabama	9589 0710 5270 1152 5457 98	
Suite 1200-B		
Houston, TX 77057		
CWM 2000-B II, Ltd.	09/09/24	09/16/2024
500 West Texas	9589 0710 5270 1152 5455 52	
Suite 1020		
Midland, TX 79701		
CWM 2000-B, Ltd.	09/09/24	09/16/2024
500 West Texas	9589 0710 5270 1152 5455 45	
Suite 1020		
Midland, TX 79701		
Devon Energy Production Company, LP	09/09/24	09/16/2024
333 W. Sheridan Avenue	9589 0710 5270 1152 5457 81	
Oklahoma City, OK 73102		
EOG Resources, Inc.	09/09/24	USPS Tracking as of
5509 Champions Dr.	9589 0710 52702159 7457 16	09/23/2024: Item delivered
Midland, TX 79706		09/13/2024.
Foundation Energy Fund V-B Holding,	09/09/24	09/23/2024
LLC.	9589 0710 5270 2159 7457 09	
5057 Keller Springs Road		
Suite 650		
Addison, TX 75001		
Javelina Partners	09/09/24	09/16/2024
616 Texas St.	9589 0710 5270 2159 7456 93	
Fort Worth, TX 76102		
Mewbourne Development Corporation	09/09/24	09/16/2024
500 West Texas	9589 0710 5270 1152 5456 13	
Suite 1020		
Midland, TX 79701		

Permian Resources Operating, LLC Case No. 24821 Exhibit B-2

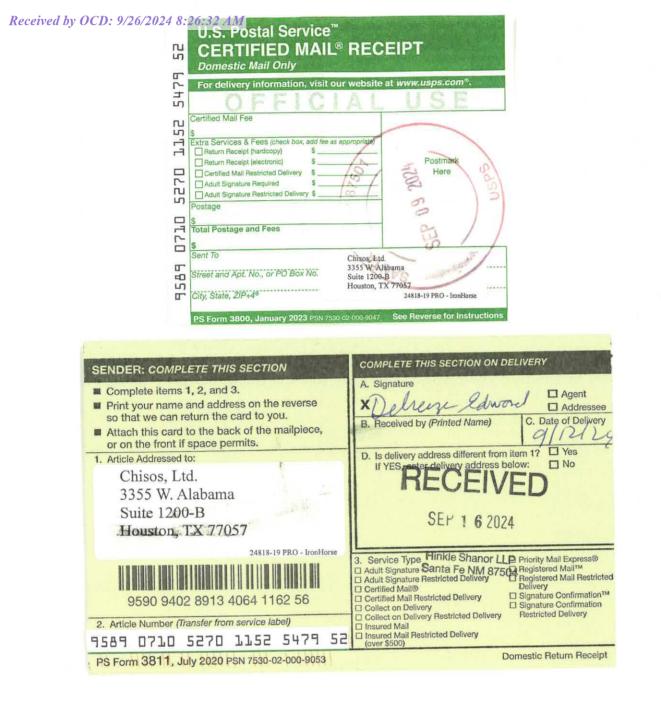
STATE OF NEW MEXICO DEPARTMENT OF ENERGY, MINERALS, AND NATURAL RESOURCES OIL CONSERVASION DIVISON

APPLICATION OF PERMIAN RESOURCES OPERATING, LLC TO EXTEND TIME TO COMMENCE DRILLING OPERATIONS AND POOL ADDITIONAL INTERESTS UNDER ORDER NO. R-22960, EDDY COUNTY, NEW MEXICO. CASE NO

CASE NOS. 24821 & 24822

NOTICE LETTER CHART

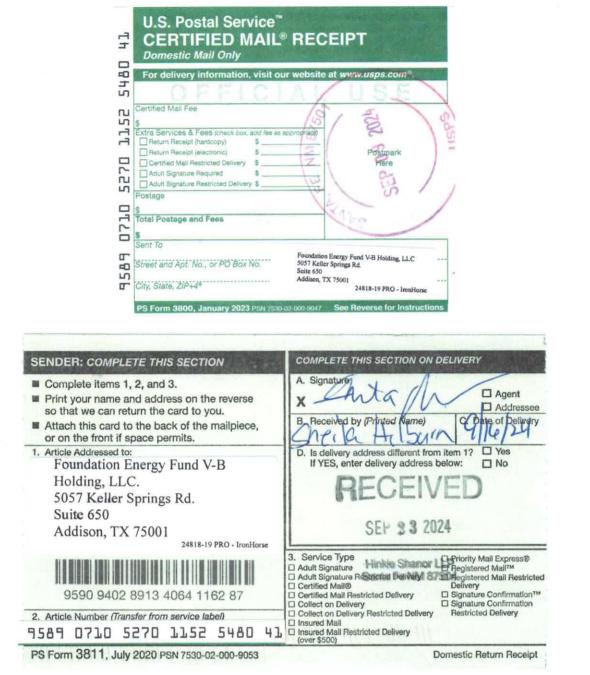
Mewbourne Energy Partners 09-A, LP 500 West Texas Suite 1020 Midland, TX 79701	09/09/24 9589 0710 5270 1152 5456 06	09/16/2024
Mewbourne Oil Company 500 West Texas Suite 1020 Midland, TX 79701	09/09/24 9589 0710 5270 1152 5455 90	09/19/2024
Northern Oil & Gas, Inc. 4350 Baker Road Suite 400 Minnetonka, MN 55343	09/09/24 9589 0710 5270 2159 7456 86	09/16/2024
Penroc Oil Corporation PO Box 2769 Hobbs, NM 88241	09/09/24 9589 0710 5270 2159 7 456 79	09/16/2024
Rockport Oil and Gas, LLC 800 Bering Dr. Suite 305 Houston, TX 77057	09/09/24 9589 0710 5270 1152 5455 76	09/23/2024



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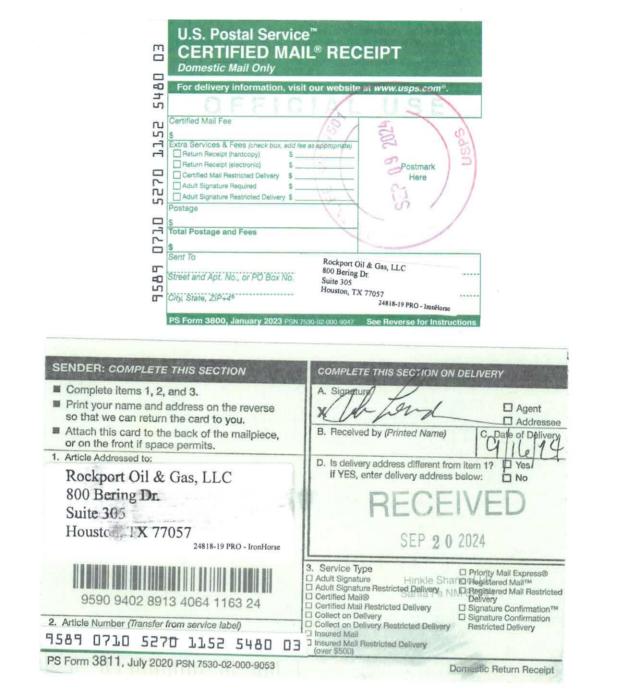












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Nicole Bitton, being first duly sworn, says:

That she is the Agent of the the Carlsbad Current-Argus, a Weekly newspaper of general circulation, printed and published in Carlsbad, Eddy County, New Mexico; that the publication, a copy of which is attached hereto, was published in said newspaper on the following dates:

September 14, 2024

That said newspaper was regularly issued and circulated on those dates. SIGNED:

Agent

Subscribed to and sworn to me this 14th day of September 2024.

County My commission expires: . LATISHA ROMINE Notary Public, State of New Maxico Commission No. 1076338 My Commission Expires

CARA DOUGLAS HINKLE SHANOR, LLP PO BOX 2068 Santa Fe, NM 87504

05-12-2027

LEGAL NOTICE

This is to notify all interested parties, including 3MG Corporation; Chisos. Ltd.; CWM 2000-B II, Ltd.: CWM 2000-B. Ltd.; Devon Energy Production Company, LP; EOG Resources, Inc.; Foundation Energy Fund V-B Holding, LLC.; Javelina Partners; Mewbourne Development Corporation; Mewbourne Energy Partners 09-A, LP; Mewbourne Oil Company, Northern Oil & Gas, Inc.; Penroc Oil Corporation; Rockport Oil & Gas; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Permian Resources Operating, LLC (Case No. 24821). The hearing will be conducted on October 3, 2024, in a hybrid fashion, both virtually and in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor. Santa Fe, NM 87505. To participate virtually, see the instructions posted on the OCD Hearings website: https://www.emnrd.nm.gov/ocd/hearing-info/. Permian Resources Operating, LLC ("Applicant") requests a one-year extension of time to commence drilling operations and to pool additional interests under Order No. R 22960 ("Order"). The Order: (1) pooled uncommitted interests in the First and Third intervals of the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the N/2 N/2 of Sections 35 and 36. Township 19 South. Range 29 East, Eddy County, New Mexico ("Unit"); eddicated the Unit to the Ironhorse 35-36 Fed State #131H well ("Well"); and designated Applicant as operator of the Unit and Well. Applicant requests the Division extend the deadline to commence drilling the Well until December 1, 2025. Additionally, since the Order was entered, Applicant has identified additional uncommitted interests in the Unit that should be pooled under the terms of the Order. The Well is located approximately 13 miles northcast of Carlsbad.

13730-Published in the Carlsbad Current-Argus on Sep 14, 2024.

Permian Resources Operating, LLC Case No. 24821 Exhibit B-4