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

APPLICATION OF PERMIAN RESOURCES OPERATING, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

**CASE NO. 24967** 

### **EXHIBIT INDEX**

### **Compulsory Pooling Checklist**

Exhibit A	Self-Affirmed Statement of Ryan Curry
A-1	Application & Proposed Notice of Hearing
A-2	C-102
A-3	Plat of Tracts, Tract Ownership, Applicable Lease Numbers, Unit Recapitulation, Pooled Parties
A-4	Sample Well Proposal Letter & AFE
A-5	Chronology of Contact
Exhibit B	Self-Affirmed Statement of Christopher Cantin
B-1	Regional Locator Map
B-2	Cross-Section Location Map
B-3	Subsea Structure Map - Second Bone Spring
B-4	Subsea Structure Map - Third Bone Spring
B-5	Stratigraphic Cross-Section
B-6	Gun Barrel Development Plan
Exhibit C	Self-Affirmed Statement of Dana S. Hardy
C-1	Notice Letter to All Interested Parties Sent November 12, 2024
C-2	Chart of Notice to All Interested Parties
C-3	Copies of Certified Mail Receipts and Returns
C-4	Affidavit of Publication for November 14, 2024

ALL INFORMATION IN THE APPLICATION MUST	BE SUPPORTED BY SIGNED AFFIDAVITS
Case: 24967	APPLICANT'S RESPONSE
Date: December 5, 2024	ALL EIGHT S RESTORSE
Applicant	Permian Resources Operating, LLC
Designated Operator & OGRID (affiliation if applicable)	Permian Resources Operating, LLC (OGRID No. 372165)
Applicant's Counsel:	Hinkle Shanor LLP
Case Title:	Application of Permian Resources Operating, LLC for Compulsory
case filie.	Pooling, Eddy County, New Mexico.
Entries of Appearance/Intervenors:	N/A
Well Family	Bonneville
Formation/Pool	Bonnevine
Formation/Pool Formation Name(s) or Vertical Extent:	Pono Spring
Primary Product (Oil or Gas):	Bone Spring Oil
Pooling this vertical extent:	Top of the Bone Spring Formation to the base of the Second
	Bone Spring Interval
Pool Name and Pool Code:	Avalon; Bone Spring (Code 96381)
Well Location Setback Rules:	Statewide
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	240 acres
Building Blocks:	quarter-quarter
Orientation:	East to West
Description: TRS/County	S/2 SW/4 of Section 14 and the S/2 S/2 of Section 15,
	Township 20 South, Range 27 East, Eddy County.
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes.
and is approval of non-standard unit requested in this	
application?	
Other Situations	
Depth Severance: Y/N. If yes, description	Applicant seeks to pool interests from the top of the Bone
beptil severance. 1711. If yes, description	Spring formation to the base of the Second Bone Spring interval
	at a stratigraphic equivalent of approximately 6,990' TVD as shown
	on the Oxy Jet Deck Federal #1 (API No. 30-015-32610) well log.
Proximity Tracts: If yes, description	No.
Proximity Tracts. If yes, description  Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	· ·
• • • • • • • • • • • • • • • • • • • •	Exhibit A-3
Well(s)	Add wells as needed
Name & API (if assigned), surface and bottom hole location,	Aud wells as fleeded
footages, completion target, orientation, completion status (standard or non-standard)	
	Donnoville 14 Fod Com 124H (ADI # = = = # = = 1
Well #1	Bonneville 14 Fed Com 124H (API # pending) SHL: 1,865' FSL & 1,505' FWL (Unit K), Section 14, T20S-R27E
	BHL: 990' FSL & 1,505 FWL (Unit N), Section 14, 1205-R27E
	Completion Target: Second Bone Spring (Approx. 7,100' TVD)
AFF 0	completion ranget. Second bone spring (Approx. 7,100 TVD)
AFE Capex and Operating Costs	440,000
Orilling Supervision/Month \$	\$10,000
Production Supervision/Month \$	\$1,000
Justification for Supervision Costs	Exhibit A-4
Requested Risk Charge	200%
Notice of Hearing	-100
Proposed Notice of Hearing	Exhibit A-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibits C-1, C-2, C-3
	Exhibits C-1, C-2, C-3 Exhibit C-4

Tract List (including lease numbers and owners)	Exhibit A-3
If approval of Non-Standard Spacing Unit is requested, Tract	
List (including lease numbers and owners) of Tracts subject to	
notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above &	
below)	Exhibit A-3
Joinder	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	Exhibit A-4
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4
Cost Estimate for Production Facilities	Exhibit A-4
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-6
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-2
Depth Severance Discussion	Exhibit A
Forms, Figures and Tables	
C-102	Exhibit A-2
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibit B-2
Structure Contour Map - Subsea Depth	Exhibits B-3
Cross Section Location Map (including wells)	Exhibit B-2
Cross Section (including Landing Zone)	Exhibit B-5
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information prov	rided in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Dana S. Hardy
Signed Name (Attorney or Party Representative):	/s/ Dana S. Hardy
Date:	11/25/2024

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

APPLICATION OF PERMIAN RESOURCES OPERATING, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

**CASE NO. 24967** 

### SELF-AFFIRMED STATEMENT OF RYAN CURRY

- 1. I am a landman with Permian Resources Operating, LLC ("Permian Resources"). I am over 18 years of age, have personal knowledge of the matters addressed herein, and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division ("Division") and my credentials as an expert in petroleum land matters were accepted and made a matter of record.
- 2. Copies of Permian Resources' application and proposed hearing notice are attached as **Exhibit A-1**.
- 3. None of the parties proposed to be pooled in this case indicated opposition to this matter proceeding by affidavit; therefore I do not expect any opposition at hearing.
- 4. Permian Resources seeks an order pooling all uncommitted interests from the top of the Bone Spring formation to the base of the Second Bone Spring interval underlying a 240-acre, more or less, standard horizontal spacing unit comprised of the S/2 SW/4 of Section 14 and the S/2 S/2 of Section 15, Township 20 South, Range 27 East, Eddy County, New Mexico ("Unit").
- 5. The Unit will be dedicated to the **Bonneville 14 Fed Com #124H** well ("Well"), which will be drilled from a surface hole location in the NE/4 SW/4 (Unit K) of Section 14 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 15.
  - 6. The Well will be completed in the Avalon; Bone Spring, (Code 96381).
  - 7. The completed interval of the Well will be orthodox.

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- 8. Permian Resources seeks to pool interests from the top of the Bone Spring formation to the base of the Second Bone Spring interval at a stratigraphic equivalent of approximately 6,990' TVD as shown on the Oxy Jet Deck Federal #1 (API No. 30-015-32610) well log.
  - 9. **Exhibit A-2** contains the C-102 for the Well.
- 10. **Exhibit A-3** contains a plat identifying ownership by tract in the Unit. This exhibit also includes any applicable lease numbers, a unit recapitulation, and the interests Permian Resources seeks to pool highlighted in yellow.
- 11. Permian Resources has conducted a diligent search of all county public records, including phone directories and computer databases, as well as internet searches, to locate the interest owners it seeks to pool.
- 12. **Exhibit A-4** contains a sample well proposal letter and AFE sent to working interest owners for the Well. The estimated costs reflected on the AFE are fair and reasonable and comparable to the cost of other wells of similar depth and length drilled in the subject formation in the area.
- 13. In my opinion, Permian Resources made a good-faith effort to reach voluntary joinder of uncommitted interests in the Well as indicated by the chronology of contact described in **Exhibit A-5**.
- 14. Permian Resources requests overhead and administrative rates of \$10,000 per month while the Well is being drilled and \$1,000 per month while the Well is producing. These rates are fair and are comparable to the rates charged by Permian Resources and other operators in the vicinity.

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- 15. The attached exhibits were either prepared by me or under my supervision or were compiled from company business records.
- 16. In my opinion, the granting of Permian Resources' application would serve the interests of conservation, the protection of correlative rights, and the prevention of waste.
- 17. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date next to my electronic signature below.

RVAN CLIRRY

11/20/24

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

APPLICATION OF PERMIAN RESOURCES OPERATING, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

**CASE NO. 24967** 

### **APPLICATION**

Pursuant to NMSA § 70-2-17, Permian Resources Operating, LLC ("Applicant") applies for an order pooling all uncommitted interests from the top of the Bone Spring formation to the base of the Second Bone Spring interval underlying a 240-acre, more or less, standard horizontal spacing unit comprised of the S/2 SW/4 of Section 14 and the S/2 S/2 of Section 15, Township 20 South, Range 27 East, Eddy County, New Mexico ("Unit"). In support of its application, Applicant states the following.

- 1. Applicant is a working interest owner in the Unit and has the right to drill wells thereon.
- 2. The Unit will be dedicated to the **Bonneville 14 Fed Com #124H** well ("Well"), which will be drilled from a surface hole location in the NE/4 SW/4 (Unit K) of Section 14 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 15.
  - 3. The completed interval of the Well will be orthodox.
- 4. Applicant seeks to pool interests from the top of the Bone Spring formation to the base of the Second Bone Spring interval at a stratigraphic equivalent of approximately 6,990' TVD as shown on the Oxy Jet Deck Federal #1 (API No. 30-015-32610) well log.
- 5. Applicant has undertaken diligent, good faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Well but has been unable to obtain voluntary agreements from all interest owners.

Permian Resources Operating, LLC Case No. 24967 Exhibit A-1

- 6. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.
- 7. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in the Unit should be pooled and Applicant should be designated the operator of the Well and the Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on December 5, 2024, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the Well in the Unit;
- C. Designating Permian Resources Operating, LLC as operator of the Unit and the
   Well to be drilled thereon;
- D. Authorizing Permian Resources Operating, LLC to recover its costs of drilling, equipping, and completing the Well;
- E. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% charge for the risk assumed by Permian Resources Operating,

  LLC in drilling and completing the Well against any working interest owner who

  does not voluntarily participate in the drilling of the Well.

Respectfully submitted,

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

Counsel for Permian Resources Operating, LLC

Application of Permian Resources Operating, LLC for Compulsory Pooling, Eddy County,

New Mexico. Permian Resources Operating, LLC ("Applicant") applies for an order pooling all uncommitted interests from the top of the Bone Spring formation to the base of the Second Bone Spring interval underlying a 240-acre, more or less, standard horizontal spacing unit comprised of the S/2 SW/4 of Section 14 and the S/2 S/2 of Section 15, Township 20 South, Range 27 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the Bonneville 14 Fed Com #124H well ("Well"), which will be drilled from a surface hole location in the NE/4 SW/4 (Unit K) of Section 14 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 15. The completed interval of the Well will be orthodox. Applicant seeks to pool interests in from the top of the Bone Spring formation to the base of the Second Bone Spring interval at a stratigraphic equivalent of approximately 6,990' TVD as shown on the Oxy Jet Deck Federal #1 (API No. 30-

015-32610) well log. Also to be considered will be the cost of drilling and completing the Well

and the allocation of the costs, the designation of Applicant as operator of the Well, and a 200%

charge for the risk involved in drilling and completing the Well. The Well is located approximately

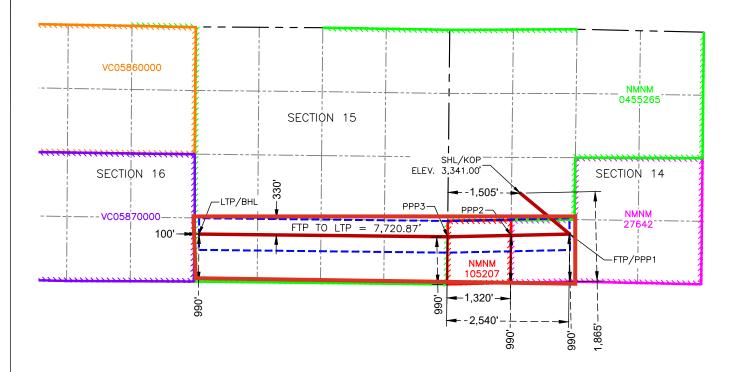
10 miles North of Carlsbad, New Mexico.

C-102 Submit Electronically			Er			w Mexico ral Resources Department TON DIVISION		Case No. 24967 Exhibit A-2		Operating, LLO Revised July 9, 2024
Via OCI	O Permitting					Submitta	√ Initial Su			
					Type:	☐ Amende	•			
									☐ As Drille	ed
			15			ION INFORMATION				
API Nu	TBI	)	Pool Code Property N	9638	1	Pool Name Avalon	; Bone S	pring	Well Numb	- Or
Flopei	T T	BD	1 Toperty I	varrie	BONNEVI	LLE 14 FED COM			Well Numb	124H
OGRI		_	Operator I		DMIAN DECOL	IDCES ODEDATING				vel Elevation
	37216	<b>5</b> )wner: □ Stat	to $\Box$ Foo $\Box$			JRCES OPERATING	-		☐ Tribal <b>ਓ</b> Fe	,341.00'
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					Surfa	ce Location				
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	ı	_ongitude	County
K	14	20S	27E		1,865' FSL	1,505' FWL	32.571	394° -	104.255435°	EDDY
					Bottom	Hole Location		1		
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude		_ongitude	County
М	15	20S	27E		990' FSL	100' FWL	32.569	065° -	104.277160°	EDDY
	•				•		•			•
	ited Acres	Infill or Definin		1	ig Well API	Overlapping Spacing	g Unit (Y/N)		ation Code	
240			g 	TBE		N TBD				
Order	Numbers.	TBD				Well setbacks are เ	under Comm	on Owners	ship: ⊠Yes □I	No
					Kick O	ff Point (KOP)				
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	ı	_ongitude	County
K	14	208	27E		1,865' FSL	1,505' FWL	32.571	394° -	104.255435°	EDDY
	1				l First Ta	I ake Point (FTP)				
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	ı	_ongitude	County
N	14	208	27E		990' FSL	2,540' FWL	32.569	048° -	104.252100°	EDDY
	I				l Last Ta	L ake Point (LTP)				
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	I	_ongitude	County
М	15	208	27E		990' FSL	100' FWL	32.569	065° -	104.277160°	EDDY
	1				1			<u> </u>		
Unitize	d Area or A	rea of Uniforn	n Interest	Spacin	ig Unit Type 🔀 Ho	orizontal 🏻 Vertical	Grou	ınd Floor E	levation:	
						T				
OPER.	ATOR CER	TIFICATIONS	i			SURVEYOR CERTIF	ICATIONS			
best of that this in the la well at t unlease	my knowledge s organization and including this location p ed mineral int	e and belief, and either owns a withe proposed bours arsuant to a col	d, if the well is working interes ottom hole loca ntract with an oluntary poolin	a vertical of a	and complete to the conditional well, sed mineral interest is a right to drill this working interest or a compulsory	I hereby certify that the wactual surveys made by correct to the best of my	me or under m belief.	ny supervisio		
THIS DOCUMENT SHALL NOT BE RECORDED FOR ANY										
the con	the consent of at least one lessee or owner of a working interest or unleased			RELIED UPON AS A FINA						
the well		rest in each tract (in the target pool or formation) in which any part of impleted interval will be located or obtained a compulsory pooling ne division.  NICHOLAS COLE PHIPPS P.S. 29796 COOSA CONSULTING CORPORATION PO BOX 1583, MIDLAND, TEXAS 79701								
Signatu	re -		г	Date		Signature and Seal of Pr	-			
Gigilatu	i oca	Evans-		11/15/	24	Signature and Sear of Pl	oressional Sul	veyor		
Printed	Name					Certificate Number	Date of Sur	vey		
Cas	sie Evar	ıs				29796		1	1/14/2024	
Email Address Cassie.Evans@permianres.com										

#### ACREAGE DEDICATION PLATS

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.



SURFACE HOLE LOCATION & KICK-OFF POINT 1,865' FSL & 1,505' FWL ELEV. = 3,341.00'

NAD 83 X = 565,333.99' NAD 83 Y = 571,612.59' NAD 83 LAT = 32.571394' NAD 83 LONG = -104.255435' NAD 27 X = 524,153.82' NAD 27 Y = 571,551.45' NAD 27 LAT = 32.571277' NAD 27 LONG = -104.254926' FIRST TAKE POINT & PENETRATION POINT 1 990' FSL & 2,540' FWL

NAD 83 X = 566,362.04' NAD 83 Y = 570,759.91' NAD 83 LAT = 32.569048° NAD 83 LONG = -104.252100° NAD 27 X = 525,181.84' NAD 27 Y = 570,698.78' NAD 27 LAT = 32.568931° NAD 27 LONG = -104.251591° PENETRATION POINT 2 990' FSL & 1,320' FWL

NAD 83 X = 565,140.40'
NAD 83 Y = 570,732.87'
NAD 83 LAT = 32.568976°
NAD 81 LONG = -104,256066°
NAD 27 X = 523,960.22'
NAD 27 Y = 570,671.76'
NAD 27 LAT = 32.568860°
NAD 27 LONG = -104.255557°

PENETRATION POINT 3 990' FSL & 0' FWL

NAD 83 X = 563,818.75' NAD 83 Y = 570,703.63' NAD 83 LAT = 32.568898° NAD 83 LONG = -104.260356° NAD 27 X = 522,638.60' NAD 27 Y = 570,642.54' NAD 27 LAT = 32.568782° NAD 27 LONG = -104.259847° LAST TAKE POINT &
BOTTOM HOLE LOCATION
990' FSL & 100' FWL

NAD 83 X = 558,642.11'
NAD 83 Y = 570,761.19'
NAD 83 LAT = 32.569065°
NAD 83 LONG = -104.277160°
NAD 27 X = 517,462.09'
NAD 27 V = 570,700.17'
NAD 27 LAT = 32.568949°
NAD 27 LONG = -104.276650°

### Bonneville 14 Fed Com 124H Permian Resources Operating, LLC

<u>Township 20 South – Range 27 East, N.M.P.M.</u>

Section 14: S/2SW/4 Section 15: S/2S/2

Containing 240.00 acres, more or less

Eddy County, New Mexico

Limited in Depth to from the Top of the Bone Spring Formation to the Base of the  $2^{nd}$  Bone Spring Formation

-	Sec. 15			Sec. 14			

Tract 1	USA BLM NMNM 27642
Tract 2	USA BLM NMNM 105821023
Tract 3	USA BLM NMNM 455265

Permian Resources Operating, LLC Case No. 24967 Exhibit A-3

Tract 1: SE/4SW/4 of Section 14	
(containing 40.00 acres, more or less)	

Tract 2: SW/4SW/4 of Section 14	
Total	100.000000%
Tom Boyd Drilling Co	Record Title
Murphy Minerals Corp	Record Title
Harvard & Lemay Exploration Co	Record Title
Harvard & Lemay Exploration Ltd. Series 1978-A	Record Title
Harvard & Lemay Exploration Ltd. Series 1977-A	Record Title
LEMOR LLC	12.500000%
Permian Resources Operating, LLC	25.000000%
Murphy Petroleum Corporation	12.500000%
Harvard Energy Partners, L.P.	50.000000%

### (containing 40.00 acres, more or less)

NMNO 2023, LP	100.000000%
Promontory Exploration LP	Record Title
Total	100.000000%

### Tract 3: S/2S/2 of Section 15 (containing 160 00 acres more or less)

(containing 160.00 acres, more or tess)	
Permian Resources Operating LLC	50.000000%
Fasken Land & Minerals Ltd.	49.000000%
Tascosa Energy Partners, LLC	1.000000%
Total	100.000000%

### **Unit Working Interest**

Permian Resources Operating LLC	37.500000%
Fasken Land & Minerals Ltd.	32.666667%
Tascosa Energy Partners, LLC*	0.666667%
NMNO 2023, LP	16.666667%
Harvard Energy Partners, L.P.	8.333333%
Murphy Petroleum Corporation	2.083333%
LEMOR LLC	2.083333%
Harvard & Lemay Exploration Ltd. Series 1977-A	Lessee of Record
Harvard & Lemay Exploration Ltd. Series 1978-A	Lessee of Record
Harvard & Lemay Exploration Co	Lessee of Record
Murphy Minerals Corp	Lessee of Record
Tom Boyd Drilling Co	Lessee of Record
Promontory Exploration LP	Lessee of Record
Total	100.000000%
Total Committed to Unit	70.166667%
Total Seeking to Pool	29.833333%
Parties Seeking to Pool	

<sup>\*</sup>Denotes Lessee of Record/Record Title



**OFFICE** 432.695.4222 **FAX** 432.695.4063

August 28, 2024

Via Certified Mail & Email

Tascosa Energy Partners, LLC 901 W. Missouri Ave. Midland, TX 79701

RE: Bonneville 14 Fed Com – Well Proposal

W/2 of Sec. 14 & All of Secs. 15 & 16, T20S-R27E

Eddy County, New Mexico

To Whom It May Concern:

Permian Resources Operating, LLC, as Operator ("Permian"), hereby proposes the drilling and completion of the following Bone Spring wells, the Bonneville 14 Fed Com at the following approximate locations within Township 20 South, Range 27 East:

#### 1. Bonneville 14 Fed Com #121H

SHL: Unit Letter C of Section 14, or at a legal location within Section 14

BHL: 10' FWL & 330' FNL of Section 16 FTP: 2540' FWL & 330' FNL of Section 14 LTP: 100' FWL & 330' FNL of Section 16

TVD: Approximately 7,100' TMD: Approximately 19,885'

Proration Unit: N/2NW/4 of Sec. 14 & N/2N/2 of Secs. 15 & 16, T20S-R27E

Targeted Interval: 2<sup>nd</sup> Bone Spring Total Cost: See attached AFE

#### 2. Bonneville 14 Fed Com #122H

SHL: Unit Letter F of Section 14, or at a legal location within Section 14

BHL: 10' FWL & 1650' FNL of Section 16 FTP: 2540' FWL & 1650' FNL of Section 14 LTP: 100' FWL & 1650' FNL of Section 16

TVD: Approximately 7,100' TMD: Approximately 19,885'

Proration Unit: S/2NW/4 of Sec. 14 & S/2N/2 of Secs. 15 & 16, T20S-R27E

Targeted Interval: 2<sup>nd</sup> Bone Spring Total Cost: See attached AFE

#### 3. Bonneville 14 Fed Com #123H

SHL: Unit Letter K of Section 14, or at a legal location within Section 14

BHL: 10' FWL & 2310' FSL of Section 16 FTP: 2540' FWL & 2310' FSL of Section 14 LTP: 100' FWL & 2310' FSL of Section 16

TVD: Approximately 7,100' TMD: Approximately 19,885'

Proration Unit: N/2SW/4 of Sec. 14 & N/2S/2 of Secs. 15 & 16, T20S-R27E

Targeted Interval: 2<sup>nd</sup> Bone Spring Total Cost: See attached AFE

Permian Resources Operating, LLC Case No. 24967 Exhibit A-4



**OFFICE** 432.695.4222 **FAX** 432.695.4063

### 4. Bonneville 14 Fed Com #124H

SHL: Unit Letter N of Section 14, or at a legal location within Section 14

BHL: 10' FWL & 990' FSL of Section 15 FTP: 2540' FWL & 990' FSL of Section 14 LTP: 100' FWL & 990' FSL of Section 15

TVD: Approximately 7,100' TMD: Approximately 14,885'

Proration Unit: S/2SW/4 of Sec. 14 & S/2S/2 of Sec. 15, T20S-R27E

Targeted Interval: 2<sup>nd</sup> Bone Spring Total Cost: See attached AFE

#### 5. Bonneville 14 Fed Com #131H

SHL: Unit Letter C of Section 14, or at a legal location within Section 14

BHL: 10' FWL & 330' FNL of Section 15 FTP: 2540' FWL & 330' FNL of Section 14 LTP: 100' FWL & 330' FNL of Section 15

TVD: Approximately 8,425' TMD: Approximately 16,210'

Proration Unit: N/2NW/4 of Sec. 14 & N/2N/2 of Sec. 15, T20S-R27E

Targeted Interval: 3<sup>rd</sup> Bone Spring Total Cost: See attached AFE

#### 6. Bonneville 14 Fed Com #132H

SHL: Unit Letter F of Section 14, or at a legal location within Section 14

BHL: 10' FWL & 1870' FNL of Section 15 FTP: 2540' FWL & 1870' FNL of Section 14 LTP: 100' FWL & 1870' FNL of Section 15

TVD: Approximately 8,275' TMD: Approximately 16,060'

Proration Unit: S/2NW/4 of Sec. 14 & S/2N/2 of Sec. 15, T20S-R27E

Targeted Interval: 3<sup>rd</sup> Bone Spring Total Cost: See attached AFE

#### 7. Bonneville 14 Fed Com #133H

SHL: Unit Letter K of Section 14, or at a legal location within Section 14

BHL: 10' FWL & 1870' FSL of Section 15 FTP: 2540' FWL & 1870' FSL of Section 14 LTP: 100' FWL & 1870' FSL of Section 15

TVD: Approximately 8,475' TMD: Approximately 16,260'

Proration Unit: N/2SW/4 of Sec. 14 & N/2S/2 of Sec. 15, T20S-R27E

Targeted Interval: 3<sup>rd</sup> Bone Spring Total Cost: See attached AFE



**OFFICE** 432.695.4222 **FAX** 432.695.4063

#### 8. Bonneville 14 Fed Com #134H

SHL: Unit Letter N of Section 14, or at a legal location within Section 14

BHL: 10' FWL & 330' FSL of Section 15 FTP: 2540' FWL & 330' FSL of Section 14 LTP: 100' FWL & 330' FSL of Section 15

TVD: Approximately 8,325' TMD: Approximately 16,110'

Proration Unit: S/2SW/4 of Sec. 14 & S/2S/2 of Sec. 15, T20S-R27E

Targeted Interval: 3<sup>rd</sup> Bone Spring Total Cost: See attached AFE

The location, TVD, and target is approximate and subject to change dependent on surface or subsurface issues encountered. Permian is proposing to drill these wells under the modified terms of the 1989 AAPL Operating Agreement and a form of said Operating Agreement is available upon request. The Operating Agreement has the following general provisions:

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

Please indicate your election to participate in the drilling and completion of the proposed wells on the enclosed ballot. Please sign and return one copy of this letter, signed copies of the proposed AFEs, a signed copy of the enclosed insurance declaration, and your geologic well requirements.

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

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

Respectfully,

Ryan B Cum

Ryan Curry Senior Landman Permian Resources

**Enclosures** 



**OFFICE** 432.695.4222 **FAX** 432.695.4063

### **Bonneville 14 Fed Com Elections:**

Well Elections: (Please indicate your responses in the space below)						
Well(s)	Elect to Participate	Elect <u>NOT</u> to Participate				
Bonneville 14 Fed Com #121H						
Bonneville 14 Fed Com #122H						
Bonneville 14 Fed Com #123H						
Bonneville 14 Fed Com #124H						
Bonneville 14 Fed Com #131H						
Bonneville 14 Fed Com #132H						
Bonneville 14 Fed Com #133H						
Bonneville 14 Fed Com #134H						

Company Name (If Applicable):
By:
Printed Name:
Date:



**OFFICE** 432.695.4222 **FAX** 432.695.4063

### Participate / Rejection Declaration

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

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

Company Name (If Applicable):				
By:				
Printed Name:				
Date:				



Printed Date: Aug 27, 2024

AFE Number: Description: Bonneville 14 Fed Com #124H

AFE Name: Bonneville 14 Fed Com #124H PERMIAN AFE TYPE: Drill and Complete

Well Operator: RESOURCES

Operator AFE #:

**Description** Gross Est. (\$) **Account Artificial Lift Intangible** 8060.1200 IAL - WORKOVER RIG \$17,000.00 8060,2300 IAL - COMPLETION FLUIDS \$5,000.00 8060.3400 IAL - RENTAL EQUIPMENT \$5,000.00 8060.3410 IAL - LAYDOWN MACHINE \$5,000.00 8060.1400 IAL - WIRELINE OPEN/CASED HOLE \$10,000.00 8060.2600 IAL - CONTRACT LABOR/ROUSTABOUT \$15,000.00 8060.1900 IAL - INSPECTION & TESTING \$3,000.00 8060.2000 IAL - TRUCKING/VACUUM/TRANSP \$5,000.00 8060.2010 IAL - KILL TRUCK \$5,000.00 8060.3500 IAL - WELLSITE SUPERVISION \$5,000.00 IAL - REVERSE UNIT RENTAL 8060.3420 \$5,000.00 Sub-total \$80,000.00 **Completion Intangible** 8025.1400 ICC - WIRELINE OPEN/CASED HOLE \$40,000.00 8025.2300 **ICC - COMPLETION FLUIDS** \$10,000.00 8025.1100 ICC - ROAD, LOCATIONS, PITS \$10,500.00 8025.2600 ICC - CONTRACT LABOR/ROUSTABOUT \$15,000.00 8025.1600 **ICC - COILED TUBING** \$184,906.00 8025.3500 **ICC - WELLSITE SUPERVISION** \$97,200.00 8025.1800 ICC - WATER DISPOSAL/VACUUM TRUCK \$11,970.00 8025.3000 ICC - WATER HANDLING \$118,110.00 8025.2200 ICC - ELECTRIC LOGGING / PERFORATING \$343,035.00 8025.3100 ICC - WELLHEAD/FRACTREE REPAIR \$40,000.00 8025.3700 ICC - SAFETY / ENVIRONMENTAL \$15,000.00 8025.3600 ICC - SUPERVISION/ENGINEERING \$5,000.00 8025.2000 **ICC - TRUCKING** \$14,375.00 ICC - FUEL / POWER 8025.1500 \$427,133.00 8025.3800 ICC - OVERHEAD \$10,000.00 8025.3400 **ICC - RENTAL EQUIPMENT** \$208,314.00 8025.3050 **ICC - SOURCE WATER** \$267,717.00 8025.2500 ICC - WELL STIMULATION/FRACTUR \$2,025,826.00 Sub-total \$3,844,086.00 **Drilling Intangible** 8015.4300 **IDC - WELLSITE SUPERVISION** \$90,000.00 8015.1900 **IDC - DIRECTNL DRILL & SURVEY** \$241,860.06 8015.3000 **IDC - CEMENT SERV/FLOAT EQUIP** \$252,725.00 8015.3200 IDC - CONTRACT LABOR/ROUSTABOUT \$55,000.00 IDC - RIG MOB / STANDBY RATE 8015.1600 \$35,500.00 8015.2300 IDC - FUEL / POWER \$153,398.44 8015.2150 IDC - DRILL BIT \$142,500.00





Printed Date: Aug 27, 2024

KESOOKCES		Timed	Timed Bate. Adg 27, 2024	
Account	<u>Description</u>		Gross Est. (\$)	
8015.1100	IDC - STAKING & SURVEYING		\$15,000.00	
8015.4600	IDC - SAFETY / ENVIRONMENTAL		\$15,000.00	
8015.1300	IDC - SURFACE DAMAGE / ROW		\$35,000.00	
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING		\$152,610.06	
8015.1400	IDC - ROAD, LOCATIONS, PITS		\$85,000.00	
8015.2350	IDC - FUEL/MUD		\$72,187.50	
8015.2000	IDC - CONDUCTOR HOLE & SERVICE		\$53,125.00	
8015.3100	IDC - CASING CREW & TOOLS		\$52,500.00	
8015.3800	IDC - WELLHEAD PREPARE/REPAIR		\$12,500.00	
8015.1700	IDC - DAYWORK CONTRACT		\$565,781.25	
8015.2700	IDC - INSPECTION, TESTING & REPAIR		\$55,000.00	
8015.3700	IDC - DISPOSAL		\$105,114.00	
8015.5000	IDC - WELL CONTROL INSURANCE		\$8,250.00	
8015.1310	IDC - PERMANENT EASEMENT		\$12,000.00	
8015.1000	IDC - PERMITS,LICENSES,ETC		\$15,000.00	
8015.1200	IDC - LEGAL, TITLE SERVICES		\$13,000.00	
8015.2400	IDC - RIG WATER		\$15,000.00	
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP		\$22,500.00	
8015.5200	IDC - CONTINGENCY		\$122,911.68	
8015.1500	IDC - RIG MOB / TRUCKING		\$225,000.00	
8015.2200	IDC - BITS, TOOLS, STABILIZERS		\$50,038.00	
8015.4100	IDC - RENTAL EQUIPMENT		\$67,500.00	
8015.4200	IDC - MANCAMP		\$52,500.00	
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM		\$55,781.25	
8015.3400	IDC - MATERIALS & SUPPLIES		\$5,000.00	
Autificial Life Tanasi	:h.l.	Sub-total	\$2,854,282.24	
Artificial Lift Tangi			¢c0 000 00	
8065.2100	TAL - WELL SITE POWER EQUIPMENT/INSTALL		\$60,000.00	
8065.2300	TAL - GAS LIFT INJECTION LINE & INSTALL		\$60,000.00	
8065.3100	TAL - MEASUREMENT EQUIPMENT TAL - WELLHEAD EQUIPMENT		\$30,000.00	
8065.2000 8065.3200	TAL - WELLHEAD EQUIPMENT TAL - COMM, TELEMETRY & AUTOMA		\$60,000.00 \$10,000.00	
8065.1320	TAL - GAS LIFT EQUIPMENT/INSTALL		\$10,000.00 \$30,000.00	
8065.2500	TAL - VALVES/CONNECTIONS/FTGS		\$15,000.00	
8065.2400	TAL - COMPRESSOR INSTALL & STARTUP		\$300,000.00	
8065.2200	TAL - OHP INFRASTRUCTURE EQUIPMENT/INSTALL		\$140,000.00	
8065.1100	TAL - TUBING		\$125,000.00	
0003.1100	TAL - TOBING	Sub-total	\$830,000.00	
Pipeline				
8036.1300	PLN - SURFACE DAMAGE / ROW		\$11,250.00	
8036.2800	PLN - FLOWLINE MATERIAL		\$30,000.00	
8036.2200	PLN - CONTRACT LABOR		\$30,000.00	
8036.3200	PLN - VALVES FITTINGS & PIPE		\$20,000.00	
		Sub-total	\$91,250.00	
Flowback Intangib	ole			
8040.4000	IFC - CHEMICALS		\$15,000.00	





Printed Date: Aug 27, 2024

			•
<u>Account</u>	<u>Description</u>		Gross Est. (\$
8040.2000	IFC - TRUCKING/VACUUM/TRANSP		\$20,000.00
8040.1100	IFC - ROADS LOCATIONS / PITS		\$5,000.00
8040.3430	IFC - SURFACE PUMP RENTAL		\$20,000.00
8040.2900	IFC - WELL TESTING / FLOWBACK		\$125,000.00
8040.3420	IFC - TANK RENTALS		\$20,000.00
8040.1899	IFC - FRAC WATER RECOVERY		\$197,333.25
8040.3500	IFC - WELLSITE SUPERVISION		\$10,000.00
		Sub-total	\$412,333.25
Facilities			
8035.1500	FAC - MATERIALS & SUPPLIES		\$2,000.00
8035.3400	FAC - METER & LACT		\$25,000.00
8035.1700	FAC - RENTAL EQUIPMENT		\$5,000.00
8035.3700	FAC - AUTOMATION MATERIAL		\$20,000.00
8035.3200	FAC - VALVES FITTINGS & PIPE		\$40,000.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB		\$10,000.00
8035.1600	FAC - TRANSPORTATION TRUCKING		\$5,000.00
8035.3600	FAC - ELECTRICAL		\$20,000.00
8035.2100	FAC - INSPECTION & TESTING		\$2,000.00
8035.3000	FAC - HEATER TREATER/SEPARATOR		\$115,000.00
8035.2500	FAC - CONSULTING SERVICES		\$2,000.00
8035.2400	FAC - SUPERVISION		\$2,000.00
		Sub-total	\$248,000.00
Drilling Tangible			
8020.1200	TDC - CASING - INTERMEDIATE - 1		\$304,284.06
8020.1400	TDC - CASING - PRODUCTION		\$671,963.14
8020.1500	TDC - WELLHEAD EQUIPMENT		\$63,750.00
8020.1100	TDC - CASING - SURFACE		\$92,132.03
		Sub-total	\$1,132,129.24
Completion Tangible			
8030.2000	TCC - WELLHEAD EQUIPMENT		\$47,250.00
		Sub-total	\$47,250.00
		Grand Total	\$9,539,330.73



OFFICE 432.695.4222 FAX 432.695.4063

### **Bonneville – Chronology of Communication**

August 28, 2024 – Proposals sent to all parties.

August 29, 2024 – Email correspondence with Fasken Land & Minerals, Ltd. regarding proposal details.

September 3, 2024 – Emailed received from Tascosa Energy Partners, LLC regarding interest in the unit & request JOA to review.

September 6, 2024 – Received Tascosa Energy Partners, LLC's election to participate.

September 9, 2024 – Received Murphy Petroleum Corporation's election to participate.

September 13, 2024 – Email received from DLH Capital, LLC requesting digital copies of proposal.

September 17, 2024 – Email correspondence with DLH Holdings, LLC regarding interest in the unit.

September 17, 2024 – Received elections from NMNM 2023, LP to participate.

September 18, 2024 – Email correspondence with DLH Capital, LLC regarding interest in the unit & provided a copy of proposed JOA.

September 25, 2024 – Email received from Fasken Land & Minerals, Ltd. requesting a drafted JOA on preferred form.

September 30, 2024 – Email correspondence with Integrated Petroleum, LLC regarding possible term assignment.

October 9, 2024 – Email correspondence with DLH Capital, LLC regarding JOA participation.

October 10, 2024 – Email correspondence with Fasken Land & Minerals, Ltd. regarding proposed JOA.

October 17, 2024 - Email correspondence with DLH Capital, LLC regarding JOA participation.

October 23, 2024 – Email correspondence with DLH Capital, LLC regarding JOA participation.

October 25, 2024 – Email correspondence with Fasken Land & Minerals, Ltd. requesting revisions to the JOA.

October 28, 2024 - Email correspondence with Fasken Land & Minerals, Ltd. requesting revisions to the JOA.

November 12, 2024 – Email correspondence with Fasken Land & Minerals, Ltd. Regarding JOA revisions.

November 13, 2024 - Email correspondence with Fasken Land & Minerals, Ltd. Regarding JOA revisions.



OFFICE 432.695.4222 FAX 432.695.4063

November 14, 2024 – Email correspondence with Fasken Land & Minerals, Ltd. Regarding JOA revisions and letter agreement.

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

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

**CASE NOS. 24964** 

24965

24966

APPLICATIONS OF PERMIAN RESOURCES OPERATING, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

**CASE NOS. 24967** 

24968

24969

24970

24971

Released to Imaging: 11/27/2024 4:40:07 PM

### SELF-AFFIRMED STATEMENT OF CHRISTOPHER CANTIN

- 1. I am a geologist with Permian Resources Operating, LLC ("Permian Resources"). I am over 18 years of age, have personal knowledge of the matters addressed herein, and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division ("Division") and my credentials as an expert in petroleum geology were accepted and made a matter of record.
  - 2. I am familiar with the geological matters that pertain to the above-referenced case.
- 3. **Exhibit B-1** is a regional locator map that identifies the Bonneville project area, in proximity to the Capitan Reef within the Delaware Basin, for the Bone Spring horizontal spacing units that are the subject of these applications.
- 4. **Exhibit B-2** is a cross section location map for the proposed horizontal spacing unit ("Unit") within the Bone Spring formation. The approximate wellbore paths for the proposed **Bonneville 14 Fed Com #121H**, **Bonneville 14 Fed Com #122H**, **Bonneville 14 Fed Com**

Permian Resources Operating, LLC Case No. 24967 Exhibit B

Received by OCD: 11/27/2024 10:45:30 AM

#123H, Bonneville 14 Fed Com #124H, Bonneville 14 Fed Com #131H, Bonneville 14 Fed Com #132H, Bonneville 14 Fed Com #133H, Bonneville 14 Fed Com #134H wells ("Wells") are represented by dashed lines. Existing producing wells in the targeted interval are represented by solid lines. This map identifies the cross-section running from A-A' with the cross-section wells name and a black line in proximity to the proposed Wells.

- 5. **Exhibit B-3** is a Subsea Structure map on the base of the Second Bone Spring formation in TVD subsea with a contour interval of 50 ft. The map identifies the approximate wellbore paths for the proposed Wells with an orange line. It also identifies the location of the cross-section running from A-A' in proximity to the proposed Wells. The data points are indicated by red stars. The map demonstrates the formation is gently dipping to the southwest in this area. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal wells.
- 6. **Exhibit B-4** is a Subsea Structure map on the base of the Third Bone Spring formation in TVD subsea with a contour interval of 50 ft. The map identifies the approximate wellbore paths for the proposed Wells with an red line. It also identifies the location of the cross-section running from A-A' in proximity to the proposed Wells. The data points are indicated by red stars. The map demonstrates the formation is gently dipping to the southwest in this area. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal wells.
- 7. **Exhibit B-5** identifies two wells penetrating the targeted interval I used to construct a stratigraphic cross-section from A to A'. It contains gamma ray, resistivity, and porosity logs. The cross section is oriented from west to east and is hung on the top of the Wolfcamp formation. The proposed landing zone for the Wells is labeled on the exhibit. The approximate well-paths for

the proposed Wells are indicated by a dashed orange and red lines to be drilled from east to west across the units. This cross-section demonstrates the target interval is continuous across the Unit.

- 8. **Exhibit B-6** is a gun barrel diagram that shows the proposed Wells in the Bone Spring formation. The spacing unit is defined by a blue box and is labeled with the case number.
- 9. In my opinion, a lay down orientation for the Wells is appropriate to properly develop the subject acreage because of consistent rock properties throughout the Unit and is the preferred fracture orientation in this portion of the trend.
- 10. Based on my geologic study of the area, the targeted interval underlying the Unit is suitable for development by horizontal wells and the tracts comprising the Unit will contribute more or less equally to the production of the Wells.
- 11. In my opinion, the granting of Permian Resources' application will serve the interests of conservation, the protection of correlative rights, and the prevention of waste.
- 12. The exhibits attached hereto were either prepared by me or under my supervision or were compiled from company business records.
- 13. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date identified next to my signature below.

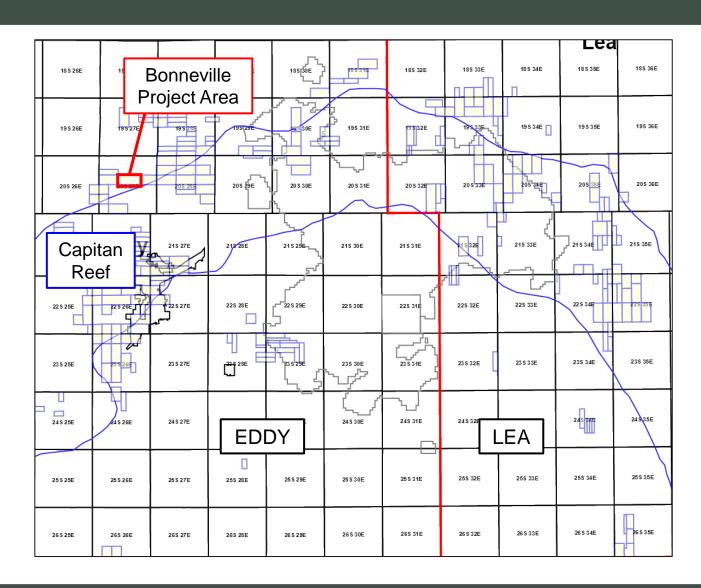
CHRISTOPHER CANTIN

Date

Released to Imaging: 11/27/2024 4:40:07 PM

### Regional Locator Map Bonneville 14 Fed Com



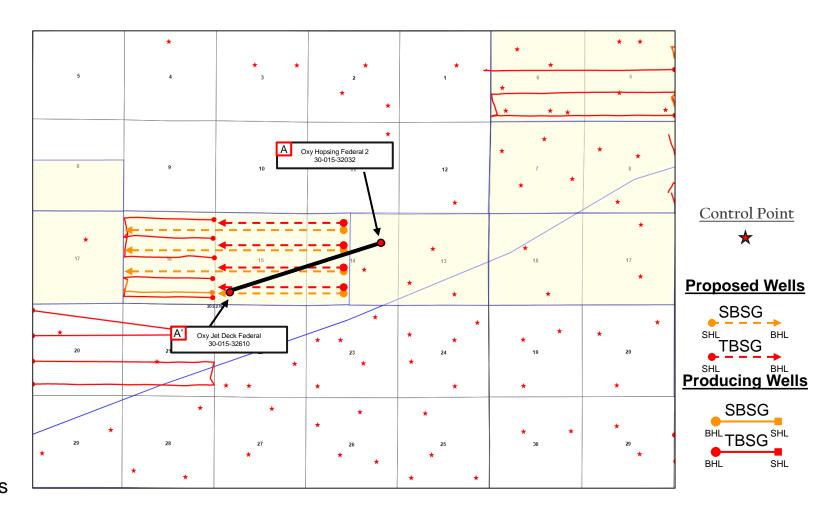


Permian Resources



# Page 30 of 58

### Cross-Section Locator Map Bonneville 14 Fed Com Second Bone Spring and Third Bone Spring

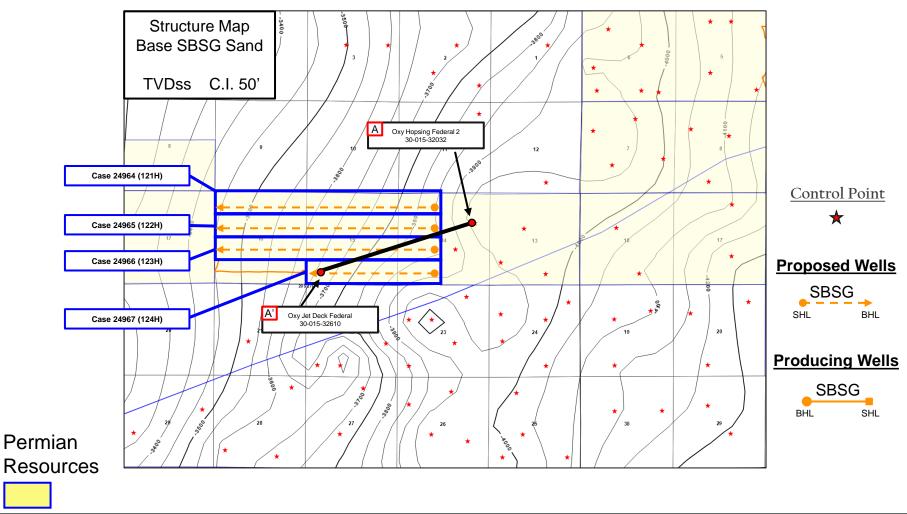


Permian Resources



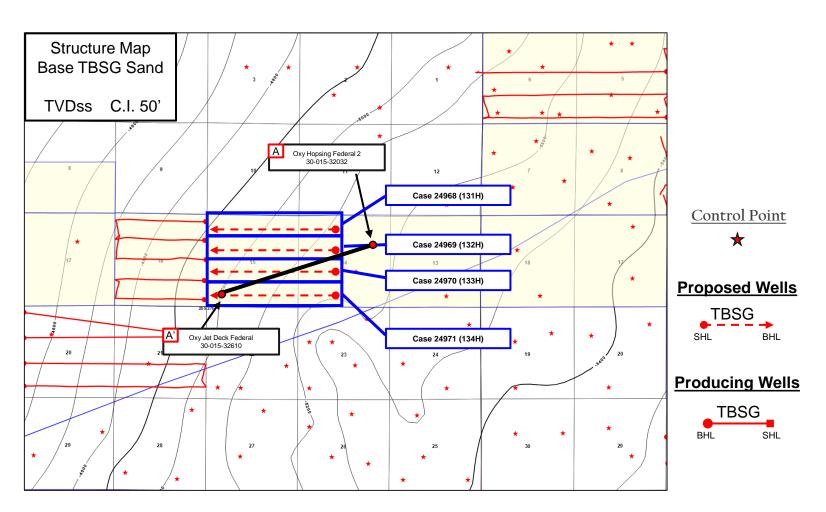
# Exhibit B-3 Page 31 of 58 PR

### Base of Second Bone Spring – Structure Map Bonneville 14 Fed Com 121H - 124H



# Exhibit B-4 Page 32 of 58 PR

### Base of Third Bone Spring – Structure Map Bonneville 14 Fed Com 131H - 134H

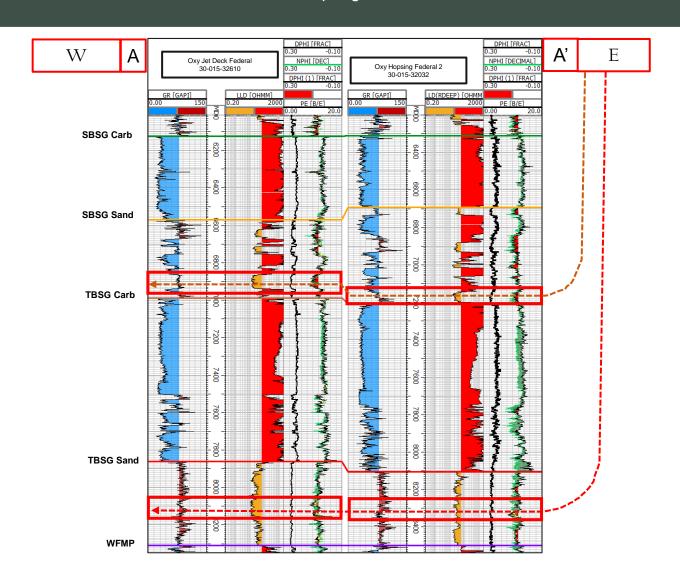


Permian Resources



## Exhibit B-5 Page 33\_of 58 R

### Stratigraphic Cross-Section A-A' Bonneville 14 Fed Com Second and Third Bone Spring



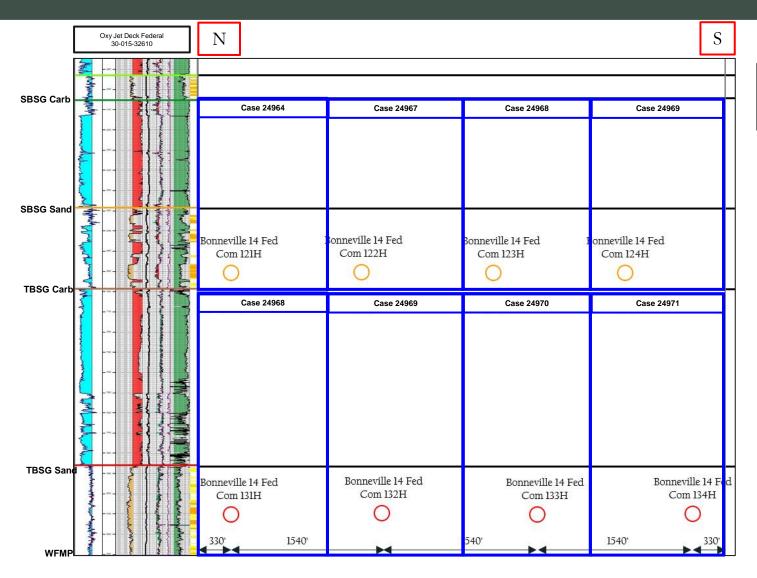
Target Interval

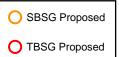
SBSG Target

TBSG Target

### Page 34 of 58

### Gun Barrel Development Plan Bonneville 14 Fed Com Bone Spring





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

APPLICATION OF PERMIAN RESOURCES OPERATING, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

**CASE NO. 24967** 

### 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 C-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 C-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 C-3** as supporting documentation for proof of mailing and the information provided on **Exhibit C-2**.
- 5. On November 14, 2024, I caused a notice to be published 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 C-4.**
- 6. I understand this Self-Affirmed Statement will be used as written testimony in the subject case. I affirm that my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

/s/ Dana S. Hardy
Dana S. Hardy

November 24, 2024
Date

a S. Hardy

Permian Resources Operating, LLC Case No. 24967 Exhibit C



### 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

November 12, 2024

### <u>VIA CERTIFIED MAIL</u> RETURN RECEIPT REQUESTED

#### TO ALL PARTIES ENTITLED TO NOTICE

Re: Case Nos. 24967, 24968, 24969, 24970, & 24971 – Applications of Permian Resources Operating, LLC For Compulsory Pooling, Eddy County, New Mexico.

1,10,11001

To whom it may concern:

This letter is to advise you that the enclosed applications were filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **December 5, 2024**, beginning at 9:00 a.m.

The hearing will be conducted in a hybrid fashion, both virtually and in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505. To participate virtually, see the instructions posted on the OCD Hearings website: <a href="https://www.emnrd.nm.gov/ocd/hearing-info/">https://www.emnrd.nm.gov/ocd/hearing-info/</a>. 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 (<a href="https://www.apps.emnrd.nm.gov/ocd/ocdpermitting/">https://www.apps.emnrd.nm.gov/ocd/ocdpermitting/</a>) or via e-mail 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, via e-mail at Ryan.Curry@permianres.com if you have any questions regarding this matter.

Sincerely,

/s/ Dana S. Hardy Dana S. Hardy

Permian Resources Operating, LLC Case No. 24967 Exhibit C-1

PO BOX 10 ROSWELL, NEW MEXICO 88202 (575) 622-6510 FAX (575) 623-9332 7601 JEFFERSON ST NE · SUITE 180 ALBUQUERQUE, NEW MEXICO 87109 505-858-8320 (FAX) 505-858-8321 PO BOX 2068 SANTA FE, NEW MEXICO 87504 (505) 982-4554 FAX (505) 982-8623

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

APPLICATION OF PERMIAN RESOURCES OPERATING, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NOS. 24967, 24968, 24970, & 24971

#### NOTICE LETTER CHART

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
Brooks Oil and Gas Interests Ltd.	11/12/2024	11-20-2024
6101 Holiday Hill Road	9589071052702159748656	
Midland, TX 79707		
Murphey Minerals Corp.	11/12/2024	11-22-2024
PO Box 2164	9589071052702159748663	
Roswell, NM 88202-2164		
Harvard & Lemay Exploration	11/12/2024	11-20-2024
Ltd.	9589071052702159748670	
PO Box 936		
Roswell, NM 88202-0936		
Harvard & Lemay Exploration	11/12/2024	11-20-2024
LtdSeries 1977-A	9589071052702159748687	
PO Box 936		
Roswell, NM 88202-0936		
Harvard & Lemay Exploration	11/12/2024	11-20-2024
LtdSeries 1978-A	9589071052702159748694	
PO Box 936		
Roswell, NM 88202-0936		
Tom Boyd Drilling Co.	11/12/2024	Per USPS Tracking: Item in
PO Box 1756	9589071052702159748700	transit
Roswell, NM 88202-1756		
Tascosa Energy Partners, LLC	11/12/2024	Per USPS Tracking: Item
901 W. Missouri Avenue	9589071052702159748717	delivered 11-18-2024
Midland, TX 79701		
Harvard Energy Partners, L.P.	11/12/2024	11-20-2024
PO Box 936	9589071052702159748724	
Roswell, NM 88202		
Murphy Petroleum Corporation	11/12/2024	11-20-2024
PO Box 2545	9589071052702159748731	
Roswell, NM 88202		
Lemor LLC	11/12/2024	11-22-2024
PO Box 2164	9589071052702159748748	
Roswell, NM 88202		
Centaur Resources Corporation	11/12/2024	11-22-2024
PO Box 2648	9589071052702159748793	
Roswell, NM 88202		

Permian Resources Operating, LLC Case No. 24967 Exhibit C-2

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

APPLICATION OF PERMIAN RESOURCES OPERATING, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NOS. 24967, 24968,

24970, & 24971

#### NOTICE LETTER CHART

Integrated Petroleum LLC	11/12/2024	11-22-2024
PO Box 1561	9589071052702159748755	
Roswell, NM 88202		
Promontory Exploration LP	11/12/2024	11-20-2024
400 W. Wall Street Suite 300	9589071052702159748762	
Midland, TX 79701		
Brooks Oil and Gas Interests Ltd.	11/12/2024	Per USPS Tracking 11-24-
5515 Cedar Valley Drive	9589071052702159748779	2024: Item in transit
Loveland, CO 80537		
NMNO 2023, LP	11/12/2024	11-21-2024
400 W. Wall Street Suite 300	9589071052702159748786	
Midland, TX 79701		



COMPLETE THIS SECTION ON DELIVERY	
A. Signature  A. Signature  Agent  Addressee  B. Received by (Printed Name)  C. Date of Delivery  Addressee	
D. Is delivery address different from item 1? Yes If YES, enter delivery address below: No	
RECEIVED NOV 2 0 2024	
3. Service Type ☐ Priority Mail Express® ☐ Adult Signature ☐ Adult Signature Restricted Delivery ☐ Registered Mail Restricted Delivery ☐ Certified Mail® ☐ Delivery ☐ Signature Confirmation™ ☐ Signature Confirmation™ ☐ Signature Confirmation ☐ ☐ Signature Confirmation ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐	
□ Collect on Delivery Restricted Delivery □ Insured Mail  Mail Restricted Delivery  ON  ON	

Permian Resources Operating, LLC Case No. 24967 Exhibit C-3





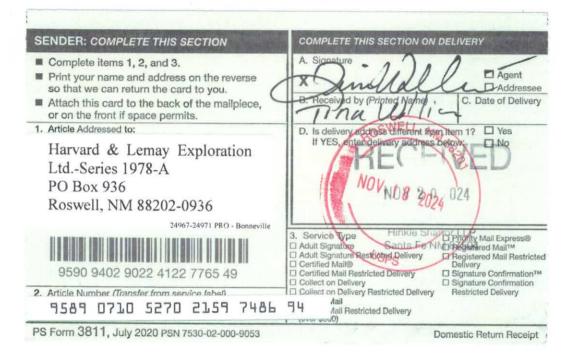




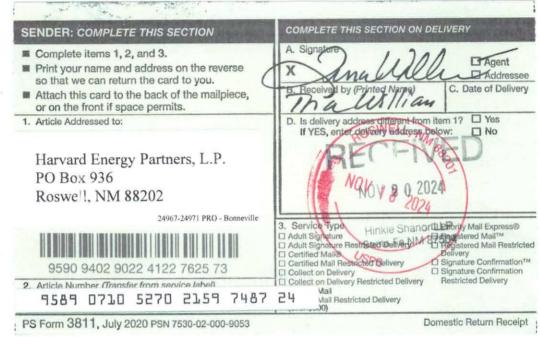












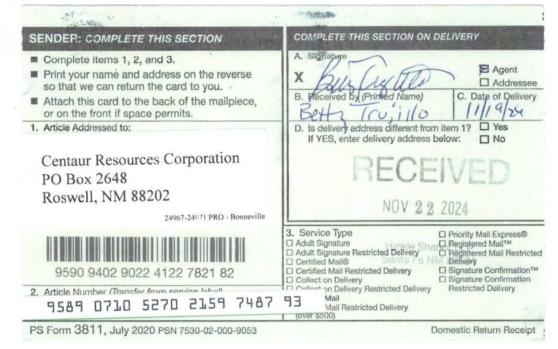




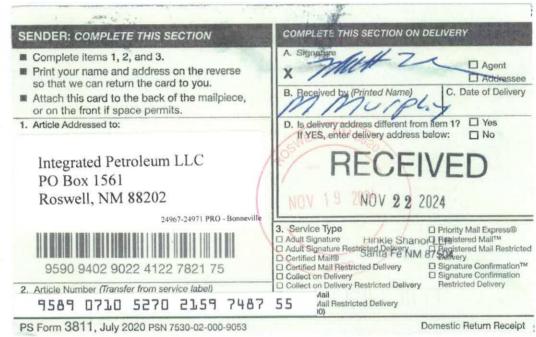




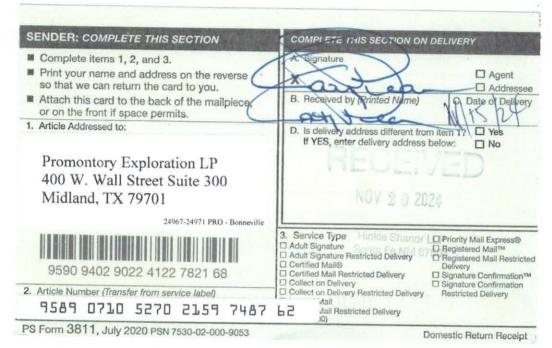


















# **USPS Tracking®**

FAQs >

Remove X

#### **Tracking Number:**

# 9589071052702159748700

Copy Add to Informed Delivery (https://informeddelivery.usps.com/)

### **Latest Update**

Your package is moving within the USPS network and is on track to be delivered to its final destination. It is currently in transit to the next facility.

#### **Get More Out of USPS Tracking:**

**USPS Tracking Plus®** 

# **Moving Through Network**

In Transit to Next Facility

November 23, 2024

#### **Arrived at USPS Facility**

ALBUQUERQUE, NM 87101 November 22, 2024, 3:39 pm

#### **Departed USPS Regional Facility**

OKLAHOMA CITY OK DISTRIBUTION CENTER November 20, 2024, 7:50 am

#### **Arrived at USPS Regional Facility**

OKLAHOMA CITY OK DISTRIBUTION CENTER November 19, 2024, 10:33 am

#### **Vacant**

ROSWELL, NM 88201 November 16, 2024, 1:17 pm

**Available for Pickup** 

Released to Imaging: 11/27/2024 4:40:07 PM



# **USPS Tracking®**

FAQs >

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#### **Tracking Number:**

# 9589071052702159748717

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### **Latest Update**

Your item was delivered to an individual at the address at 1:25 pm on November 18, 2024 in MIDLAND, TX 79701.

#### **Get More Out of USPS Tracking:**

**USPS Tracking Plus®** 

#### **Delivered**

Delivered, Left with Individual

MIDLAND, TX 79701 November 18, 2024, 1:25 pm

#### In Transit to Next Facility

November 15, 2024

#### **Departed USPS Facility**

ALBUQUERQUE, NM 87101 November 12, 2024, 9:48 pm

#### **Arrived at USPS Facility**

ALBUQUERQUE, NM 87101 November 12, 2024, 9:39 pm

**Hide Tracking History** 

What Do USPS Tracking Statuses Mean? (https://faq.usps.com/s/article/Where-is-my-package)

Feedbac



# **USPS Tracking®**

FAQs >

Remove X

#### **Tracking Number:**

# 9589071052702159748779

Copy Add to Informed Delivery (https://informeddelivery.usps.com/)

### **Latest Update**

Your package is moving within the USPS network and is on track to be delivered to its final destination. It is currently in transit to the next facility.

#### **Get More Out of USPS Tracking:**

**USPS Tracking Plus®** 

# **Moving Through Network**

In Transit to Next Facility

November 23, 2024

#### **Arrived at USPS Regional Facility**

COLORADO SPRINGS CO DISTRIBUTION CENTER November 18, 2024, 10:45 pm

#### **Forwarded**

LOVELAND, CO November 15, 2024, 8:41 am

#### **Departed USPS Facility**

ALBUQUERQUE, NM 87101 November 12, 2024, 9:48 pm

#### **Arrived at USPS Facility**

ALBUQUERQUE, NM 87101 November 12, 2024, 9:39 pm Foodback

#### AFFIDAVIT OF PUBLICATION

CARLSBAD CURRENT-ARGUS PO BOX 507 HUTCHINSON, KS 67504-0507

STATE OF NEW MEXICO } SS COUNTY OF EDDY }

Account Number: 94

Ad Number: 22020

Description:

24959-24962, 249764-24971

Ad Cost:

\$0.00

Sherry Groves, 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:

November 14, 2024

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

SIGNED:

Sherry Danes

Agent

Subscribed to and sworn to me this 14<sup>th</sup> day of November 2024.

Leanne Kaufenberg, Notary Public, Redwood County

Minnesota

CARA DOUGLAS HINKLE SHANOR, LLP PO BOX 2068 Santa Fe, NM 87504 cdouglas@hinklelawfirm.com



Permian Resources Operating, LLC Case No. 24967 Exhibit C-4

#### PUBLIC NOTICE

This is to notify all interested parties, including: Murphy Minerals Corp.; Harvard & Lemay Exploration Ltd.; Harvard & Lemay Exploration Ltd.-Series 1977-A; Harvard & Lemay Exploration Ltd.-Series 1978-A; Tom Boyd Drilling Co.; Tascosa Energy Partners, LLC; Harvard Energy Partners, L.P.; Murphy Petroleum Corporation; Lemor LLC; Centaur Resources Corporation; Integrated Petroleum LLC; Promontory Exploration LP; Brooks Oil and Gas Interests Ltd.; NMNO 2023, LP; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on applications submitted by Permian Resources Operating, LLC, in Case Nos. 24967, 24968, 24969, 24970, and 24971. The hearing will be conducted on December 5, 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: <a href="https://www.emnrd.nm.gov/ocd/hearing-info/">https://www.emnrd.nm.gov/ocd/hearing-info/</a>.

In Case No. 24967, Permian Resources Operating, LLC ("Applicant"), applies for an order pooling all uncommitted interests from the top of the Bone Spring formation to the base of the Second Bone Spring interval underlying a 240-acre, more or less, standard horizontal spacing unit comprised of the S/2 SW/4 of Section 14 and the S/2 S/2 of Section 15, Township 20 South, Range 27 East, Eddy County, New Mexico. The Unit will be dedicated to the Bonneville 14 Fed Com #124H well, which will be drilled from a surface hole location in the NE/4 SW/4 (Unit K) of Section 14 to a bottom hole location in the SW/4 (Unit M) of Section 15. The completed interval of the well will be orthodox. Applicant seeks to pool interests in from the top of the Bone Spring formation to the base of the Second Bone Spring interval at a stratigraphic equivalent of approximately 6,990' TVD as shown on the Oxy Jet Deck Federal #1 (API No. 30-015-32610) well log.

In Case No. 24968, Applicant applies for an order pooling all uncommitted interests in the Third Bone Spring interval of the Bone Spring formation underlying a 240-acre, more or less, standard horizontal spacing unit comprised of the N/2 NW/4 of Section 14 and the N/2 N/2 of Section 15, Township 20 South, Range 27 East, Eddy County, New Mexico. The Unit will be dedicated to the Bonneville 14 Fed Com #131H well, which will be drilled from a surface hole location in the NW/4 NE/4 (Unit B) of Section 14 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 15. The completed interval of the well will be orthodox. Applicant seeks to pool interests from the top of the Third Bone Spring interval at a stratigraphic equivalent of approximately 6.990' TVD as shown on the Oxy Jet Deck Federal #1 (API No. 30-015-32610) well log to the base of the Bone Spring formation.

In Case No. 24969, Applicant applies for an order pooling all uncommitted interests in the Third Bone Spring interval of the Bone Spring formation underlying a 240-acre, more or less, standard horizontal spacing unit comprised of the S/2 NW/4 of Section 14 and the S/2 N/2 of Section 15, Township 20 South, Range 27 East, Eddy County, New Mexico. The Unit will be dedicated to the Bonneville 14 Fed Com #132H well, which will be drilled from a surface hole location in the SE/4 NW/4 (Unit F) of Section 14 to a bottom hole location in the SW/4 NW/4 (Unit E) of Section 15. The completed interval of the well will be orthodox. Applicant seeks to pool interests from the top of the Third Bone Spring interval at a stratigraphic equivalent of approximately 6,990' TVD as shown on the Oxy Jet Deck Federal #1 (API No. 30-015-32610) well log to the base of the Bone Spring formation.

In Case No 24970, Applicant applies for an order pooling all uncommitted interests in the Third Bone Spring interval of the Bone Spring formation underlying a 240-acre, more or less, standard horizontal spacing unit comprised of the N/2 SW/4 of Section 14 and the N/2 S/2 of Section 15, Township 20 South, Range 27 East, Eddy County, New Mexico. The Unit will be dedicated to the

Bonneville 14 Fed Com #133 well, which will be drilled from a surface hole location in the NE/4 SW/4 (Unit K) of Section 14 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 15. The completed interval of the well will be orthodox. Applicant seeks to pool interests from the top of the Third Bone Spring interval at a stratigraphic equivalent of approximately 6,990' TVD as shown on the Oxy Jet Deck Federal #1 (API No. 30-015-32610) well log to the base of the Bone Spring formation.

In Case No 24971, Applicant applies for an order pooling all uncommitted interests in the Third Bone Spring interval of the Bone Spring formation underlying a 240-acre, more or less, standard horizontal spacing unit comprised of the S/2 SW/4 of Section 14 and the S/2 S/2 of Section 15, Township 20 South, Range 27 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the Bonneville 14 Fed Com #134 well, which will be drilled from a surface hole location in the NE/4 SW/4 (Unit K) of Section 14 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 15. The completed interval of the well will be orthodox. Applicant seeks to pool interests from the top of the Third Bone Spring interval at a stratigraphic equivalent of approximately 6,990' TVD as shown on the Oxy Jet Deck Federal #1 (API No. 30-015-32610) well log to the base of the Bone Spring formation.

Also to be considered in Case Nos. 24967, 24968, 24969, 24970, and 24971 will be the cost of drilling and completing the wells and the allocation of the costs, the designation of Applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The wells are located approximately 10 miles North of Carlsbad, New Mexico.

Published in the Carlsbad Current-Argus November 14, 2024. #22020