

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

**APPLICATION OF PERMIAN RESOURCES  
OPERATING, LLC FOR COMPULSORY  
POOLING AND OVERLAPPING SPACING  
UNIT, LEA COUNTY, NEW MEXICO.**

**CASE NO. 25158**

**EXHIBIT INDEX**

**Compulsory Pooling Checklist**

<b>Exhibit A</b>	<b>Self-Affirmed Statement of Reagan Armstrong</b>
A-1	Resume of Reagan Armstrong
A-2	Application & Proposed Notice of Hearing
A-3	C-102
A-4	Plat of Tracts, Tract Ownership, Applicable Lease Numbers, Unit Recapitulation, Pooled Parties
A-5	Sample Well Proposal Letter & AFE
A-6	Chronology of Contact
<b>Exhibit B</b>	<b>Self-Affirmed Statement of Chris Reudelhuber</b>
B-1	Regional Locator Map
B-2	Cross-Section Location Map
B-3	Subsea Structure Map
B-4	Stratigraphic Cross-Section
B-5	Gun Barrel Development Plan
<b>Exhibit C</b>	<b>Self-Affirmed Statement of Dana S. Hardy</b>
C-1	Notice Letter to All Interested Parties Sent January 16, 2025
C-2	Chart of Notice to All Interested Parties
C-3	Copies of Certified Mail Receipts and Returns
C-4	Affidavit of Publication for January 22, 2025

<b>COMPULSORY POOLING APPLICATION CHECKLIST</b>	
<b>ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS</b>	
<b>Case: 25158</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date: March 13, 2025</b>	
Applicant	Permian Resources Operating, LLC
Designated Operator & OGRID (affiliation if applicable)	Permian Resources Operating, LLC (OGRID No. 372165)
Applicant's Counsel:	Hardy McLean LLC
Case Title:	Application of Permian Resources Operating, LLC for Compulsory Pooling and Overlapping Spacing Unit, Lea County, New Mexico.
Entries of Appearance/Intervenors:	XTO Energy, Inc.
Well Family	Casa Bonita
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	First Bone Spring Interval of the Bone Spring Formation
Pool Name and Pool Code:	WC-025 G-07 S223505N; Bone Spring (98136)
Well Location Setback Rules:	Statewide
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	482.11
Building Blocks:	quarter-quarter
Orientation:	North to South
Description: TRS/County	W/2 E/2 of irregular Section 5 and the W/2 E/2 of Sections 8 and 17, Township 22 South, Range 35 East, Lea County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes.
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	Yes. Applicant seeks to pool uncommitted interests from the top of the Bone Spring formation to the base of the First Bone Spring interval at a stratigraphic equivalent of approximately 9,522' TVD as observed on the San Simon 5 State #002 well log (API No. 30-025-28480).
Proximity Tracts: If yes, description	No.
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit A-3
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Casa Bonita 5 State Com 303H (API # pending) SHL: 598' FNL & 1,365' FEL (Lot 2), Section 5, T22S-R35E BHL: 100' FSL & 1,980' FEL (Unit O), Section 17, T22S-R35E Completion Target: First Bone Spring (Approx. 9,340' TVD)
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$10,000
Production Supervision/Month \$	\$1,000
Justification for Supervision Costs	Exhibit A-5
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit A-2
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibits C-1, C-2, C-3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-4
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit A-4

Tract List (including lease numbers and owners)	Exhibit A-4
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-4
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	Exhibit A-4
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit A-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-4
Chronology of Contact with Non-Joined Working Interests	Exhibit A-6
Overhead Rates In Proposal Letter	Exhibit A-5
Cost Estimate to Drill and Complete	Exhibit A-5
Cost Estimate to Equip Well	Exhibit A-5
Cost Estimate for Production Facilities	Exhibit A-5
<b>Geology</b>	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-5
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-2
Depth Severance Discussion	Exhibit A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit A-3
Tracts	Exhibit A-4
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-4
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-4
<b>Additional Information</b>	
Special Provisions/Stipulations	N/A
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Dana S. Hardy
<b>Signed Name</b> (Attorney or Party Representative):	/s/ Dana S. Hardy
<b>Date:</b>	3/3/2025

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

**APPLICATION OF PERMIAN RESOURCES  
OPERATING, LLC FOR COMPULSORY  
POOLING AND OVERLAPPING SPACING  
UNIT, LEA COUNTY, NEW MEXICO.**

**CASE NO. 25158\_\_\_\_\_**

**SELF-AFFIRMED STATEMENT  
OF REAGAN ARMSTRONG**

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 not previously testified before the New Mexico Oil Conservation Division (“Division”). I have a bachelor’s degree from Texas Tech University. I have been working as a landman since May 2023. A copy of my resume is attached as **Exhibit A-1**.

2. Copies of Permian Resources’ application and proposed hearing notice are attached as **Exhibit A-2**.

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 in the First Bone Spring interval of the Bone Spring formation underlying a 480-acre, more or less, standard, overlapping, horizontal spacing unit comprised of the W/2 E/2 of irregular Section 5 and the W/2 E/2 of Sections 8 and 17, Township 22 South, Range 35 East, Lea County, New Mexico (“Unit”).

5. The Unit will be dedicated to the **Casa Bonita 5-17 State Com 303H** well (“Well”), which will produce from a first take point in the NW/4 NE/4 (Unit B) of Section 5 to a last take point in the SW/4 SE/4 (Unit O) of Section 17.

**Permian Resources Operating, LLC  
Case No. 25158  
Exhibit A**



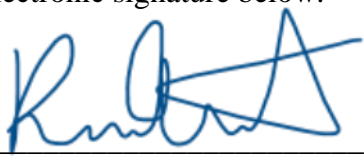
6. The completed interval of the Well will be orthodox.
7. Due to a depth severance in the Bone Spring formation within the Unit, Applicant seeks to pool uncommitted interests from the top of the Bone Spring formation to the base of the First Bone Spring interval at a stratigraphic equivalent of approximately 9,522' TVD as observed on the San Simon 5 State #002 well log (API No. 30-025-28480).
8. The Unit will partially overlap with the spacing units for the Casa Bonita 8 State Com #123H (API No. 30-025-52486) and the Butter Stoch 8 State Com #123H (API No. 30-025-52484) wells, which produce from the WC-025 G-07 S223505N pool (Code 98136).
9. **Exhibit A-3** contains the C-102 for the Well.
10. **Exhibit A-4** 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. Exhibit A-3 also depicts the overlapping spacing units.
12. 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.
13. **Exhibit A-5** 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.
14. 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-6**.

15. 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.

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

17. 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.

18. 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.

  
\_\_\_\_\_  
Reagan Armstrong

01/30/2025  
Date

**Reagan Armstrong**

Midland, TX | (806)-407-4595 | Reagan.armstrong@permianres.com

**Professional Experience****Permian Resources****Contract Landman** | November 2024 – Present

- Draft well proposals, land-related contracts, and state and federal regulatory forms to support compliance and operational requirements.
- Evaluated title opinions and collaborated with attorneys and brokers to establish working interest ownership in three drilling units, ensuring accurate and efficient title management.
- Assist Senior landman with approval of pertinent documents such as plats, pooling applications, and JIB summaries.

**Endeavor Energy Resources, L.P.****Associate Landman** | June 2023-September 2024

- Prepared in-depth analysis of leasehold status to provide the asset team with an accurate depiction of company ownership, potential critical dates, and lease obligations prior to spud – *final analyses involved 3<sup>rd</sup> party broker/title attorney management and included the Land Summary Sheet, Title Clearance Memos, and Adjacent Offset Tracker.*
- Assisted with Working Interest acquisition in Reagan County – *confirmed title ownership associated with targeted depths in 16 sections and worked to complete curative items to ensure parties' ownership.*
- Supported in review of Endeavor's ability to plug poorly producing vertical wells while leveraging various data sources such as the TX-RRC website, Enverus, internal cessation of production reports, leases, and further contracts – *successfully approved plugging for 43 wells.*
- Advised land administration department on acquisitions and ensure the obligations/critical provisions were accurately setup in Enertia for maintenance, reporting, and accounting purposes.
- Actively initiate AFE routing processes, as well as track partner ballots for P&A's and workovers.

**Optima Land Services****Intern** | May 2022-August 2022

- Completed run sheets and ran title in local abstract and county clerk's offices for three sections in Pecos County.
- Conducted research on the Federal Leasing process and presented said research to company executives.
- Participated in weekly training sessions led by Senior Landman, which included topics such as, but not limited to, NRI calculations, Texas Oil and Gas Law, locating complex gaps in title, and lease negotiation.

**Core Competencies***Project Management | Cross-Department Collaboration | Workflow Optimization | Data Analysis | Communication***Proficiencies***Spotfire | QuickBase | Microsoft Office Suite | ArcGIS | Document Intelligence | Enertia | Execute***Education****Texas Tech University****Bachelor of Business Administration, Energy Commerce** | August 2019-May 2023

- TTU Scholastic Success Scholarship Recipient
- Frankie & Kassandra Barela Scholarship from the Center of Energy Commerce

**Permian Resources Operating, LLC**  
**Case No. 25158**  
**Exhibit A-1**

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

**APPLICATION OF PERMIAN RESOURCES  
OPERATING, LLC FOR COMPULSORY  
POOLING AND OVERLAPPING SPACING  
UNIT, LEA COUNTY, NEW MEXICO.**

**CASE NO. 25158**

**APPLICATION**

Pursuant to NMSA § 70-2-17, Permian Resources Operating, LLC (“Applicant”) (OGRID No. 372165) applies for an order pooling all uncommitted interests in the First Bone Spring interval of the Bone Spring formation underlying a 480-acre, more or less, standard, overlapping horizontal spacing unit comprised of the W/2 E/2 of irregular Section 5 and the W/2 E/2 of Sections 8 and 17, Township 22 South, Range 35 East, Lea 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 **Casa Bonita 5-17 State Com 303H** well (“Well”), which will produce from a first take point in the NW/4 NE/4 (Unit B) of Section 5 to a last take point in the SW/4 SE/4 (Unit O) of Section 17.
3. The completed interval of the Well will be orthodox.
4. A depth severance exists in the Bone Spring Formation within the Unit. Accordingly, Applicant seeks to pool uncommitted interests from the top of the Bone Spring formation to the base of the First Bone Spring interval at a stratigraphic equivalent of approximately 9,522’ TVD as observed on the San Simon 5 State #002 well log (API No. 30-025-28480).

**Permian Resources Operating, LLC  
Case No. 25158  
Exhibit A-2**

5. The Unit will partially overlap with the spacing units for the Casa Bonita 8 State Com #123H (API No. 30-025-52486) and the Butter Stoch 8 State Com #123H (API No. 30-025-52484) wells, which produce from the WC-025 G-07 S223505N Pool (Code 98136).

6. 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.

7. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

8. 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 February 13, 2025, 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. Villescascas

P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554

dhardy@hinklelawfirm.com

jmclean@hinklelawfirm.com

dvillescascas@hinklelawfirm.com

*Counsel for Permian Resources Operating,  
LLC*

is located in the E/2 W/2 of Section 22, Township 19 South, Range 33 East, and produces from the Tonto; Bone Spring Pool (Code 59475); and Lowell Federal #001 (API No. 30-025-31008), which is located in the NE/4 SW/4 of Section 15, Township 19 South, Range 33 East, and produces from the Tonto; Bone Spring Pool (Code 59475). Due to a depth severance within the Unit, Applicant seeks to pool uncommitted interests in the First Bone Spring interval of the Bone Spring formation, at depths lying between the stratigraphic equivalent of 9,115' and 9,244' TVD, as shown on the Lowell Federal #001 (API No. 30-025-31008) well log. Also to be considered 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 29.8 miles west of Hobbs, New Mexico.

**35. Case No. 25156: Application of Permian Resources Operating, LLC for Compulsory Pooling, Lea County, New Mexico.** Applicant applies for an order pooling all uncommitted interests in the First Bone Spring interval of the Bone Spring formation underlying a 480-acre, more or less, standard, horizontal spacing unit comprised of the W/2 W/2 of irregular Section 5 and the W/2 W/2 of Sections 8 and 17, Township 22 South, Range 35 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the Casa Bonita 5-17 State Com 301H well ("Well"), which will produce from a first take point in Lot 4 (NW/4 NW/4 equivalent) of Section 5 to a last take point in the SW/4 SW/4 (Unit M) of Section 17. The completed interval of the Well will be orthodox. Due to a depth severance in the Bone Spring Formation within the Unit, Applicant seeks to pool uncommitted interests from the top of the Bone Spring formation to the base of the First Bone Spring interval at a stratigraphic equivalent of approximately 9,522' TVD as observed on the San Simon 5 State #002 well log (API No. 30-025-28480). The Unit will partially overlap with the spacing unit for the Casa Bonita 32 State Com #121H (API No. 30-025-52199), which produces from the WC-025 G-07 S223505N; Bone Spring pool (Code 98136), and the spacing units for the Antler 17 State 1BS #002H (API No. 30-025-44142) and Antler 17 State 2BS #003H (API No. 30-025-44143), which produce from the Rock Lake; Bone Spring pool (Code 52766). 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 13.3 miles southwest of Eunice, New Mexico.

**36. Case No. 25157: Application of Permian Resources Operating, LLC for Compulsory Pooling and Overlapping Spacing Unit, Lea County, New Mexico.** Applicant applies for an order pooling all uncommitted interests in the in the First Bone Spring interval of the Bone Spring formation underlying a 320-acre, more or less, standard, overlapping, horizontal spacing unit comprised of the E/2 W/2 of irregular Section 5 and the W/2 W/2 of Section 8, Township 22 South, Range 35 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the Casa Bonita 5-8 State Com 302H well ("Well"), which will produce from a first take point in the NE/4 NW/4 (Unit C) of Section 5 to a last take point in the SE/4 SW/4 (Unit N) of Section 8. The completed interval of the Well will be orthodox. Due to a depth severance in the Bone Spring Formation within the Unit, Applicant seeks to pool uncommitted interests from the top of the Bone Spring formation to the base of the First Bone Spring interval at a stratigraphic equivalent of approximately 9,522' TVD as observed on the San Simon 5 State #002 well log (API No. 30-025-28480). The Unit will partially overlap with the spacing units for the Butter Stoch 17 State Com #122H well (API No. 30-025-52196), which produces from the WC-025 G-07 S223505N, Bone Spring (Code 98136) and Rock Lake; Bone Spring (Code 52766) pools. 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 13.3 miles southwest of Eunice, New Mexico.

**37. Case No. 25158: Application of Permian Resources Operating, LLC for Compulsory Pooling and Overlapping Spacing Unit, Lea County, New Mexico.** Applicant applies for an order pooling all uncommitted interests in the in the First Bone Spring interval of the Bone Spring formation underlying a 480-acre, more or less, standard, overlapping horizontal spacing unit comprised of the W/2 E/2 of irregular Section 5 and the W/2 E/2 of Sections 8 and 17, Township 22 South, Range 35 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the Casa Bonita 5-17 State Com 303H well ("Well"), which will produce from a first take point in the NW/4 NE/4 (Unit B) of Section 5 to a last take point in the SW/4 SE/4 (Unit O) of Section 17. The completed interval of the Well will be orthodox. Due to a depth severance in the Bone Spring Formation within the Unit, Applicant seeks to pool uncommitted interests from the top of the Bone Spring formation to the base of the First Bone Spring interval at a stratigraphic equivalent of approximately 9,522' TVD as observed on the San Simon 5 State #002 well log (API No. 30-025-28480). The Unit will partially overlap with the spacing units for the Casa Bonita 8 State Com #123H (API No. 30-025-52486) and the Butter Stoch 8 State Com #123H (API No. 30-025-52484) wells, which produce from the WC-025 G-07 S223505N Pool (Code 98136). 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 13.3 miles southwest of Eunice, New Mexico.



<b>C-102</b>  Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department <b>OIL CONSERVATION DIVISION</b>	<b>Exhibit A-3</b>	
		Submittal Type:	<input checked="" type="checkbox"/> Initial Submittal
			<input type="checkbox"/> Amended Report
			<input type="checkbox"/> As Drilled

## WELL LOCATION INFORMATION

API Number <b>30-025-54262</b>	Pool Code <b>98136</b>	Pool Name <b>WC-025 G-07 S223505N; Bone Spring</b>
Property Code <b>336595</b>	Property Name <b>CASA BONITA 5 STATE COM</b>	Well Number <b>303H</b>
OGRID No. <b>372165</b>	Operator Name <b>PERMIAN RESOURCES OPERATING, LLC</b>	Ground Level Elevation <b>3,628.00'</b>
Surface Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal		Mineral Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal

## Surface Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
<b>LOT 2</b>	<b>5</b>	<b>22S</b>	<b>35E</b>		<b>598' FNL</b>	<b>1,365' FEL</b>	<b>32.426580°</b>	<b>-103.385447°</b>	<b>LEA</b>

## Bottom Hole Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
<b>O</b>	<b>17</b>	<b>22S</b>	<b>35E</b>		<b>100' FSL</b>	<b>1,980' FEL</b>	<b>32.384760°</b>	<b>-103.387508°</b>	<b>LEA</b>

Dedicated Acres <b>482.11</b>	Infill or Defining Well <b>Defining</b>	Defining Well API	Overlapping Spacing Unit (Y/N) <b>N</b>	Consolidation Code
Order Numbers.			Well setbacks are under Common Ownership: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

## Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
<b>LOT 2</b>	<b>5</b>	<b>22S</b>	<b>35E</b>		<b>598' FNL</b>	<b>1,365' FEL</b>	<b>32.426580°</b>	<b>-103.385447°</b>	<b>LEA</b>

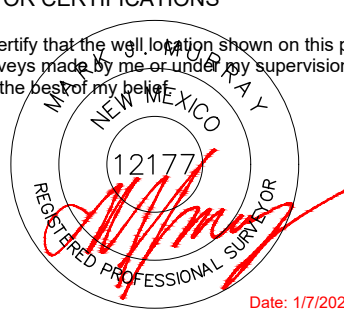

## First Take Point (FTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
<b>LOT 2</b>	<b>5</b>	<b>22S</b>	<b>35E</b>		<b>100' FNL</b>	<b>1,980' FEL</b>	<b>32.427947°</b>	<b>-103.387432°</b>	<b>LEA</b>

## Last Take Point (LTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
<b>O</b>	<b>17</b>	<b>22S</b>	<b>35E</b>		<b>100' FSL</b>	<b>1,980' FEL</b>	<b>32.384760°</b>	<b>-103.387508°</b>	<b>LEA</b>

Unitized Area or Area of Uniform Interest	Spacing Unit Type <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation:
-------------------------------------------	----------------------------------------------------------------------------------------------------	-------------------------

<b>OPERATOR CERTIFICATIONS</b>  I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.  If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.		<b>SURVEYOR CERTIFICATIONS</b>  I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.   Date: 1/7/2025	
Signature  Date <b>1/24/25</b>		Signature and Seal of Professional Surveyor	
Printed Name <b>Cassie Evans</b>		Certificate Number <b>12177</b>	Date of Survey <b>1/7/2025</b>
Email Address <b>Cassie.Evans@permianres.com</b>			

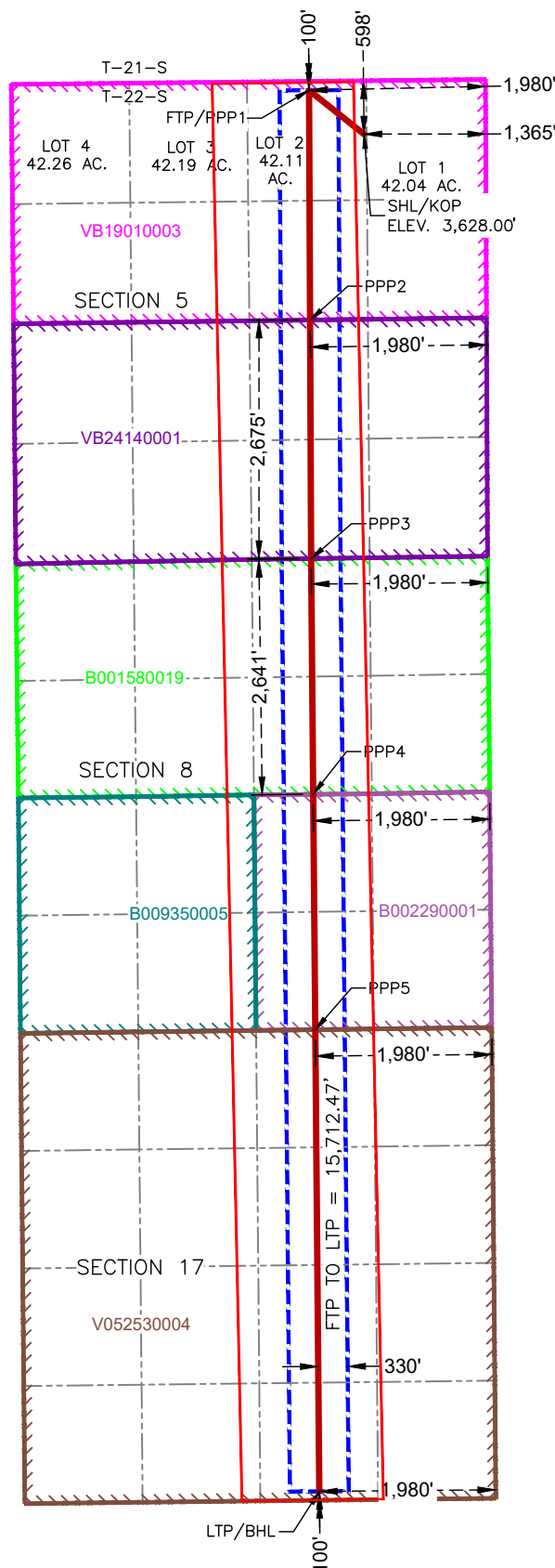
Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



## ACREAGE DEDICATION PLATS

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

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



**SURFACE HOLE LOCATION  
& KICK-OFF POINT**  
598' FNL & 1,365' FEL  
ELEV. = 3,628.00'

NAD 83 X = 833,808.20'  
NAD 83 Y = 520,218.29'  
NAD 83 LAT = 32.426580°  
NAD 83 LONG = -103.385447°  
NAD 27 X = 792,624.71'  
NAD 27 Y = 520,157.14'  
NAD 27 LAT = 32.426455°  
NAD 27 LONG = -103.384969°

**FIRST TAKE POINT &  
PENETRATION POINT 1**  
100' FNL & 1,980' FEL

NAD 83 X = 833,191.33'  
NAD 83 Y = 520,710.09'  
NAD 83 LAT = 32.427947°  
NAD 83 LONG = -103.387432°  
NAD 27 X = 792,007.87'  
NAD 27 Y = 520,648.93'  
NAD 27 LAT = 32.427822°  
NAD 27 LONG = -103.386954°

**PENETRATION POINT 2**  
2,675' FSL & 1,980' FEL

NAD 83 X = 833,202.68'  
NAD 83 Y = 518,133.14'  
NAD 83 LAT = 32.420864°  
NAD 83 LONG = -103.387469°  
NAD 27 X = 792,019.17'  
NAD 27 Y = 518,072.05'  
NAD 27 LAT = 32.420739°  
NAD 27 LONG = -103.386991°

**PENETRATION POINT 3**  
0' FSL & 1,980' FEL

NAD 83 X = 833,214.46'  
NAD 83 Y = 515,458.27'  
NAD 83 LAT = 32.413512°  
NAD 83 LONG = -103.387507°  
NAD 27 X = 792,030.90'  
NAD 27 Y = 515,397.26'  
NAD 27 LAT = 32.413387°  
NAD 27 LONG = -103.387030°

**PENETRATION POINT 4**  
2,641' FNL & 1,980' FEL

NAD 83 X = 833,237.81'  
NAD 83 Y = 512,817.04'  
NAD 83 LAT = 32.406252°  
NAD 83 LONG = -103.387507°  
NAD 27 X = 792,054.20'  
NAD 27 Y = 512,756.10'  
NAD 27 LAT = 32.406127°  
NAD 27 LONG = -103.387031°

**PENETRATION POINT 5**  
0' FSL & 1,980' FEL

NAD 83 X = 833,261.16'  
NAD 83 Y = 510,175.51'  
NAD 83 LAT = 32.398991°  
NAD 83 LONG = -103.387507°  
NAD 27 X = 792,077.49'  
NAD 27 Y = 510,114.63'  
NAD 27 LAT = 32.398867°  
NAD 27 LONG = -103.387031°

**LAST TAKE POINT &  
BOTTOM HOLE LOCATION**  
100' FSL & 1,980' FEL

NAD 83 X = 833,306.74'  
NAD 83 Y = 504,998.08'  
NAD 83 LAT = 32.384760°  
NAD 83 LONG = -103.387508°  
NAD 27 X = 792,122.97'  
NAD 27 Y = 504,937.34'  
NAD 27 LAT = 32.384635°  
NAD 27 LONG = -103.387032°

Land Exhibit: W2E2 – Casa Bonita 5 State Com 303H  
Section 5, 8, and 17: W2E2, T22S-R35E, Lea Co., NM

Lot 4	Lot 3	Section 5	Lot 2	Lot 1
VB-1901-3 RT-Permian Resources Operating, LLC				
VB-2414-1 RT-Permian Resources Operating, LLC				
Section 8  B0-0158-19 RT-Apache Corporation				
B0-935-5 RT-XTO Holdings, LLC		B0-229-1 RT-Chevron USA, Inc.		
Section 17  V0-5253-5 RT-Permian Resources Operating, LLC				

Casa Bonita State Com 301H	Casa Bonita State Com 302H	Casa Bonita State Com 303H	Casa Bonita State Com 304H

Documents Sent					
Owner	Pooling?	Proposal	JOA	Com Agmt	Notes
Oxy Y-1 Company	N	Y	Y	N/A	Executed All Docs
Hilcorp	N	Y	Y	N/A	Executed All Docs
Apache Corporation	N	Y	Y	Y	Executed all Docs (RT Only)
CL&F Operating, LLC	N	Y	Y	N/A	Executed All Docs
FR Energy, LLC	N	Y	Y	N/A	Executed All Docs
Timothy R. Macdonald	Y	Y	N/A	N/A	Did not elect
Permian Resources Operating, LLC	N/A	N/A	N/A	N/A	
Earthstone Permian, LLC	N/A	N/A	N/A	N/A	
Chevron	N	N	N	Y	Executed all Docs (RT Only)

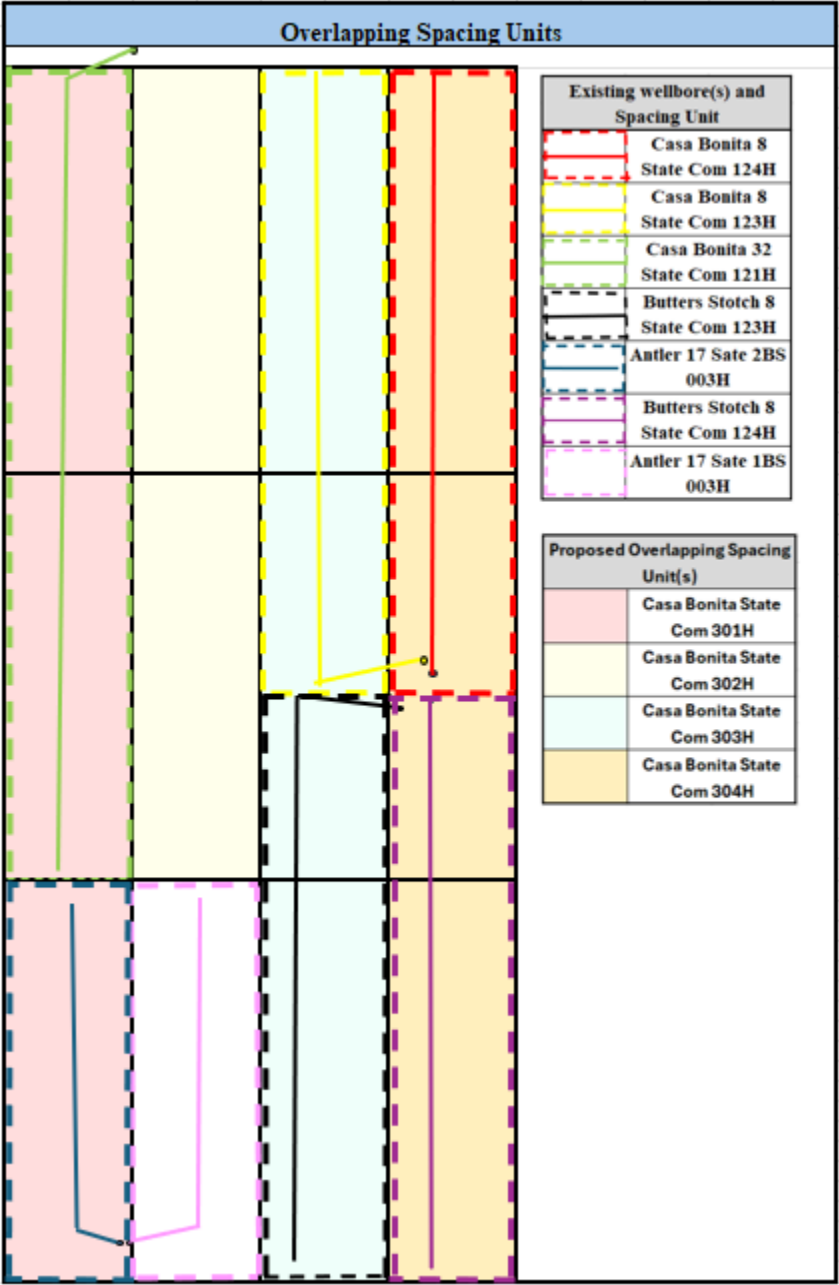
Leasehold Ownership						
Owner	Section 5: Lot 2 & SW4 NE4	Section 5: W2 SE4	Section 8: W2 NE4	Section 8: W2 SE	Section 17: W2NE	Section 17: W2 SE4
Oxy Y-1 Company	6.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
Permian Resources Operating, LLC	94.000000%	100.000000%	0.000000%	100.000000%	74.958333%	37.500000%
Hilcorp	0.000000%	0.000000%	100.000000%	0.000000%	0.000000%	0.000000%
CL&F Operating, LLC	0.000000%	0.000000%	0.000000%	0.000000%	12.500000%	6.250000%
FR Energy, LLC	0.000000%	0.000000%	0.000000%	0.000000%	12.500000%	6.250000%
Timothy R. MacDonald	0.000000%	0.000000%	0.000000%	0.000000%	0.041667%	0.000000%
Earthstone Permian, LLC	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	50.000000%
Totals	100.000000%	100.000000%	100.000000%	100.000000%	100.000000%	100.000000%

Unit Capitation	
Owner	Working Interest
Oxy Y-1 Company	1.021882972765550%
Hilcorp	16.59372342411480%
CL&F Operating, LLC	3.111323142021530%
FR Energy, LLC	3.111323142021530%
Permian Resources Operating, LLC	67.857971500280%
Timothy R. MacDonald	0.006914106739%
Earthstone Permian, LLC	8.296861712057410%
Totals	100.000000000000000%

Overlapping Spacing Units	
Well Name	API
Casa Bonita 8 State Com #123H	30-025-52486
Butter Stotch 8 State Com #123H	30-025-52484

Permian Resources Operating, LLC  
Case No. 25158  
Exhibit A-4

**Land Exhibit: W2E2 – Casa 5 Bonita State Com 303H**  
Section 5, 8, and 17: W2E2, T22S-R35E, Lea Co., NM





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

OFFICE 432.695.4222  
FAX 432.695.4063

November 27, 2024

Apache Corporation  
2000 W. Sam Houston Pkwy S, Ste. 200,  
Houston, Texas 77042

**RE: Casa Bonita 5-17 State Com – Well Proposals**  
All of Sections 5, 8, and 17, T22S-R35E  
Lea County, New Mexico

To Whom It May Concern:

Permian Resources Operating, LLC ("Permian"), hereby proposes the drilling and completion of the following four (4) wells, the Casa Bonita State Com wells at the following approximate location within Township 22 South, Range 35 East:

**1. Casa Bonita 5-17 State Com 301H**

SHL: 1,500' FWL, 330' FNL of Section 5, or at a legal location in the NW/4  
BHL: 660' FWL & 100' FSL of Section 17  
FTP: 660' FWL & 100' FNL of Section 5  
LTP: 660' FWL & 100' FSL of Section 17  
TVD: Approximately 9,340'  
TMD: Approximately 25,090'  
Proration Unit: W2W2 of Sections 5, 8, and 17, T22S-R35E  
Targeted Interval: 1<sup>st</sup> Bone Spring  
Total Cost: See attached AFE

**2. Casa Bonita 5-8 State Com 302H**

SHL: 1,500' FWL, 300' FNL of Section 5, or at a legal location in the NW/4  
BHL: 1,980' FWL & 100' FSL of Section 8  
FTP: 1,980' FWL & 100' FNL of Section 5  
LTP: 1,980' FWL & 100' FSL of Section 8  
TVD: Approximately 9,340'  
TMD: Approximately 20,090'  
Proration Unit: E2W2 of Sections 5 and 8, T22S-R35E  
Targeted Interval: 1<sup>st</sup> Bone Spring  
Total Cost: See attached AFE

**Permian Resources Operating, LLC**  
**Case No. 25158**  
**Exhibit A-5**

**3. Casa Bonita 5-17 State Com 303H**

SHL: 1,450' FEL, 275' FNL of Section 5, or at a legal location in the NE/4

BHL: 1980' FEL & 100' FSL Section 17

FTP: 1980' FEL & 100' FNL of Section 5

LTP: 1980' FEL & 100' FSL Section 17

TVD: Approximately 9,340'

TMD: Approximately 25,090'

Proration Unit: W2E2 of Sections 5, 8, and 17 T22S-R35E

Targeted Interval: 1<sup>st</sup> Bone Spring

Total Cost: See attached AFE

**4. Casa Bonita 5-17 State Com 304H**

SHL: 1,450' FEL, 305' FNL of Section 5, or at a legal location in the NE/4

BHL: 660' FEL & 100' FSL of Section 17

FTP: 660' FEL & 100' FNL of Section 5

LTP: 660' FEL & 100' FSL of Section 17

TVD: Approximately 9,340'

TMD: Approximately 25,090'

Proration Unit: E2E2 of Sections 5, 8, and 17, T22S-R35E

Targeted Interval: 1<sup>st</sup> Bone Spring

Total Cost: See attached AFE

The locations, TVDs, and targets are approximate and subject to change dependent on surface or subsurface issues encountered. These locations do fall within an approved potash drill island, so any surface changes remain subject to BLM approval. 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 enclosed. The Operating Agreement has the following general provisions:

- 100%/300%/300% non-consent provisions
- \$8,000/\$800 drilling and producing rates
- Permian Resources Operating, LLC named as Operator

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

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

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

Respectfully,



Reagan Armstrong  
Landman

*Enclosures*

**Casa Bonita 23-26 State Com Elections:**

<b>Well Elections :</b> (Please Indicate your responses in the spaces below)		
<b>Well(s)</b>	<b>Elect to Participate</b>	<b>Elect to <u>NOT</u> Participate</b>
<b>Casa Bonita 5-17 State Com 301H</b>		
<b>Casa Bonita 5-17 State Com 302H</b>		
<b>Casa Bonita 5-17 State Com 303H</b>		
<b>Casa Bonita 5-17 State Com 304H</b>		

Company Name (If Applicable):

\_\_\_\_\_

By: \_\_\_\_\_

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

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

**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.

Agreed this \_\_\_\_\_ day of \_\_\_\_\_, 2024 by:

*Company Name (If Applicable)*

By: \_\_\_\_\_

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

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

# Cost Estimate

Printed Date: Nov 25, 2024

<b>AFE Number:</b>	500329	<b>Description:</b>	1st Bone Spring Formation
<b>AFE Name:</b>	Casa Bonita 5 State Com 303H	<b>AFE TYPE:</b>	Drill and Complete
<b>Well Operator:</b>	PERMIAN RESOURCES		
<b>Operator AFE #:</b>			

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
<b>Facilities</b>		
8035.3200	FAC - VALVES FITTINGS & PIPE	\$1,208.00
8035.1700	FAC - RENTAL EQUIPMENT	\$5,000.00
8035.2000	FAC - WASTE DISPOSAL	\$333.00
8035.1310	FAC - PERMANENT EASEMENT/ROW	\$6,667.00
8035.1600	FAC - TRANSPORTATION TRUCKING	\$6,667.00
8035.1400	FAC - ROAD LOCATIONS PITS	\$33,333.00
8035.3500	FAC - COMPRESSOR	\$5,333.00
8035.3800	FAC - FLARE/COMBUSTER	\$15,833.00
8035.1500	FAC - MATERIALS & SUPPLIES	\$333.00
8035.1900	FAC - WATER DISPOSAL / SWD	\$333.00
8035.3700	FAC - AUTOMATION MATERIAL	\$41,667.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB	\$85,167.00
8035.2100	FAC - INSPECTION & TESTING	\$333.00
8035.3300	FAC - CIRCULATING TRNSFER PUMP	\$13,333.00
8035.2400	FAC - SUPERVISION	\$4,167.00
8035.2900	FAC - TANK BATTERY	\$68,333.00
8035.3600	FAC - ELECTRICAL	\$55,000.00
8035.2500	FAC - CONSULTING SERVICES	\$1,167.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL	\$667.00
8035.4500	FAC - CONTINGENCY	\$25,960.00
8035.3000	FAC - HEATER TREATER/SEPARATOR	\$143,167.00
8035.3400	FAC - METERS	\$31,167.00
	<b>Sub-total</b>	<b>\$545,168.00</b>
<b>Drilling Intangible</b>		
8015.2300	IDC - FUEL / POWER	\$134,250.00
8015.2150	IDC - DRILL BIT	\$100,000.00
8015.1000	IDC - PERMITS,LICENSES,ETC	\$15,000.00
8015.5200	IDC - CONTINGENCY	\$170,949.53
8015.2200	IDC - BITS, TOOLS, STABILIZERS	\$100,000.00
8015.4300	IDC - WELLSITE SUPERVISION	\$110,000.00
8015.2100	IDC - WIRELINE SVCS CASED&OPEN	\$15,000.00
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	\$20,000.00
8015.1400	IDC - ROAD, LOCATIONS, PITS	\$80,000.00
8015.1600	IDC - RIG MOB / STANDBY RATE	\$30,000.00
8015.1200	IDC - LEGAL, TITLE SERVICES	\$13,000.00
8015.2400	IDC - RIG WATER	\$11,710.00
8015.3100	IDC - CASING CREW & TOOLS	\$65,000.00
8015.3700	IDC - DISPOSAL	\$140,000.00
8015.2350	IDC - FUEL/MUD	\$108,500.00
8015.1700	IDC - DAYWORK CONTRACT	\$722,000.00



# Cost Estimate

Printed Date: Nov 25, 2024

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
8015.4600	IDC - SAFETY / ENVIRONMENTAL	\$16,400.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	\$264,310.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	\$26,000.00
8015.1300	IDC - SURFACE DAMAGE / ROW	\$35,000.00
8015.5000	IDC - WELL CONTROL INSURANCE	\$14,988.89
8015.4100	IDC - RENTAL EQUIPMENT	\$47,000.00
8015.4200	IDC - MANCAMP	\$44,000.00
8015.2700	IDC - INSPECTION, TESTING & REPAIR	\$55,000.00
8015.1310	IDC - PERMANENT EASEMENT	\$12,000.00
8015.1500	IDC - RIG MOB / TRUCKING	\$75,000.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR	\$30,500.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY	\$288,000.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING	\$174,000.00
8015.1100	IDC - STAKING & SURVEYING	\$15,000.00
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$55,000.00
8015.3400	IDC - MATERIALS & SUPPLIES	\$5,000.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE	\$27,500.00
<b>Sub-total</b>		<b>\$3,020,108.42</b>
<b>Completion Intangible</b>		
8025.3500	ICC - WELLSITE SUPERVISION	\$70,200.00
8025.3000	ICC - WATER HANDLING	\$184,524.00
8025.3600	ICC - SUPERVISION/ENGINEERING	\$5,000.00
8025.3400	ICC - RENTAL EQUIPMENT	\$239,400.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT	\$15,000.00
8025.2300	ICC - COMPLETION FLUIDS	\$10,000.00
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK	\$21,525.00
8025.3100	ICC - WELLHEAD/FRACTREE REPAIR	\$40,000.00
8025.3800	ICC - OVERHEAD	\$10,000.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING	\$570,658.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL	\$15,000.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE	\$40,000.00
8025.3050	ICC - SOURCE WATER	\$387,500.00
8025.1500	ICC - FUEL / POWER	\$902,381.00
8025.2500	ICC - WELL STIMULATION/FRACTUR	\$3,282,600.00
8025.1600	ICC - COILED TUBING	\$253,090.00
8025.1100	ICC - ROAD, LOCATIONS, PITS	\$10,500.00
8025.2000	ICC - TRUCKING	\$14,375.00
<b>Sub-total</b>		<b>\$6,071,753.00</b>
<b>Artificial Lift Intangible</b>		
8060.3500	IAL - WELLSITE SUPERVISION	\$15,000.00
8060.1200	IAL - WORKOVER RIG	\$30,000.00
8060.3400	IAL - RENTAL EQUIPMENT	\$15,000.00
8060.3810	IAL - ACID	\$30,000.00
8060.3420	IAL - REVERSE UNIT RENTAL	\$4,000.00
8060.2010	IAL - KILL TRUCK	\$5,000.00
8060.1400	IAL - WIRELINE OPEN/CASED HOLE	\$7,500.00

# Cost Estimate

Printed Date: Nov 25, 2024

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
8060.3700	IAL - HEALTH & SAFETY	\$2,000.00
8060.2600	IAL - CONTRACT LABOR/ROUSTABOUT	\$15,000.00
8060.3100	IAL - WELLHEAD/FRACTURE REPAIR	\$5,000.00
8060.3410	IAL - LAYDOWN MACHINE	\$4,000.00
8060.2000	IAL - TRUCKING/VACUUM/TRANSP	\$5,000.00
	<b>Sub-total</b>	<b>\$137,500.00</b>
<b>Drilling Tangible</b>		
8020.1400	TDC - CASING - PRODUCTION	\$967,969.38
8020.1200	TDC - CASING - INTERMEDIATE - 1	\$594,110.16
8020.1500	TDC - WELLHEAD EQUIPMENT	\$65,875.00
8020.1100	TDC - CASING - SURFACE	\$86,870.00
	<b>Sub-total</b>	<b>\$1,714,824.54</b>
<b>Pipeline</b>		
8036.3610	PLN - POWER DISTRIBUTION MATERIAL	\$35,833.00
8036.3200	PLN - VALVES FITTINGS & PIPE	\$10,000.00
8036.1300	PLN - SURFACE DAMAGE / ROW	\$2,500.00
8036.3620	PLN - POWER DISTRIBUTION LABOR	\$19,167.00
8036.1310	PLN - PERMANENT EASEMENT	\$9,375.00
8036.2200	PLN - CONTRACT LABOR	\$12,000.00
8036.2800	PLN - FLOWLINE MATERIAL	\$14,000.00
	<b>Sub-total</b>	<b>\$102,875.00</b>
<b>Artificial Lift Tangible</b>		
8065.1100	TAL - TUBING	\$125,000.00
8065.3100	TAL - MEASUREMENT EQUIPMENT	\$7,500.00
8065.1310	TAL - ESP EQUIPMENT/INSTALL	\$102,500.00
8065.2100	TAL - WELL SITE POWER EQUIPMENT/INSTALL	\$150,000.00
8065.2000	TAL - WELLHEAD EQUIPMENT	\$60,000.00
8065.2500	TAL - VALVES/CONNECTIONS/FTGS	\$15,000.00
	<b>Sub-total</b>	<b>\$460,000.00</b>
<b>Flowback Intangible</b>		
8040.2900	IFC - WELL TESTING / FLOWBACK	\$200,000.00
8040.1899	IFC - FRAC WATER RECOVERY	\$271,778.76
	<b>Sub-total</b>	<b>\$471,778.76</b>
<b>Completion Tangible</b>		
8030.2000	TCC - WELLHEAD EQUIPMENT	\$47,250.00
	<b>Sub-total</b>	<b>\$47,250.00</b>
<b>Grand Total</b>		<b>\$12,571,257.72</b>

Contact Chronology		
Owner	Date	Description
Oxy Y-1 Company	11/27/2024	Well proposals sent via certified mail
	12/10/2024	Sent JOA, title snippets, and projected spud date
	12/11/2024	Discussed approaching spud date and requested a waiver
	1/28/2024	Updated an article of the JOA and created a side letter
	1/29/2025	Emailed to check status of Com signatures
Apache Corporation	11/25/2024	Discussed plans for the unit and informed them of their
	11/27/2024	Well proposals sent via certified mail
	12/10/2024	Sent JOA via email
	1/29/2025	Discussed status of Com Agreement
Hilcorp	1/7/2025	Inform Hilcorp of our their working interest in the unit
	1/13/2025	PR's engineer answered technical questions to help
	1/17/2020	Edits to the JOA were requested and made
	1/27/2025	Hilcorp sent executed JOA via email
XTO Holdings, LLC	11/25/2024	Provided footage calls and informed them of their working
	11/27/2024	Well proposals sent via certified mail
	12/4/2024	Answered questions regarding JOA depth severnace.
		Emailed a copy of JOA for 301H and 302H
CL&F Operating, LLC	11/27/2024	Well proposals sent via certified mail
	12/5/2024	Sent well proposals via email, provided an update on the
FR Energy, LLC	11/27/2024	Well proposals sent via certified mail.
	12/3/2024	Answered questions reagarding Spud, Completion, Pop
	12/10/2024	Sent title snippets for section 17
	12/10/2024	Sent JOA via email
Timothy R. Macdonald	11/27/2024	Well proposals sent via certified mail
	1/30/2024	Sent letter to alert of overlapping spacing units
Earthstone Permian, LLC		N/A
Chevron	12/11/2024	Com agreement sent via certified mail

Permian Resources Operating, LLC  
Case No. 25158  
Exhibit A-6

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,  
LEA COUNTY, NEW MEXICO.

CASE NOS. 25156, 25157,  
25158, 25159

SELF-AFFIRMED STATEMENT  
OF CHRIS REUDELHUBER

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 cases.
3. **Exhibit B-1** is a regional locator map that identifies the Casa Bonita 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 units within the Bone Spring formation. The approximate wellbore paths for the proposed **Casa Bonita 5-17 State Com 301H, Casa Bonita 5-8 State Com 302H, Casa Bonita 5-17 State Com 303H, and Casa Bonita 5-17 State Com 304H** wells ("Wells") are represented by dashed green lines. Existing producing wells in the targeted interval are represented by solid green 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.

Permian Resources Operating, LLC  
Case No. 25158  
Exhibit B

5. **Exhibit B-3** is a Subsea Structure map of the Bone Spring formation in TVD subsea with a contour interval of 100 ft. The map identifies the approximate wellbore paths for the proposed Wells with a dashed green 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 triangles. 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** identifies two wells penetrating the targeted interval, which 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 north to south and is hung on the top of the Second Bone Spring 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 green line to be drilled from north to south across the units. This cross-section demonstrates the target interval is continuous across the Unit.

7. **Exhibit B-5** 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.

8. In my opinion, a stand-up orientation for the Wells is appropriate to properly develop the subject acreage because of consistent rock properties throughout the Unit and the preferred fracture orientation in this portion of the trend.

9. 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.

10. 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.

11. The exhibits attached hereto were either prepared by me or under my supervision or were compiled from company business records.

12. 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.



CHRIS REUDELHUBER

1/31/2025

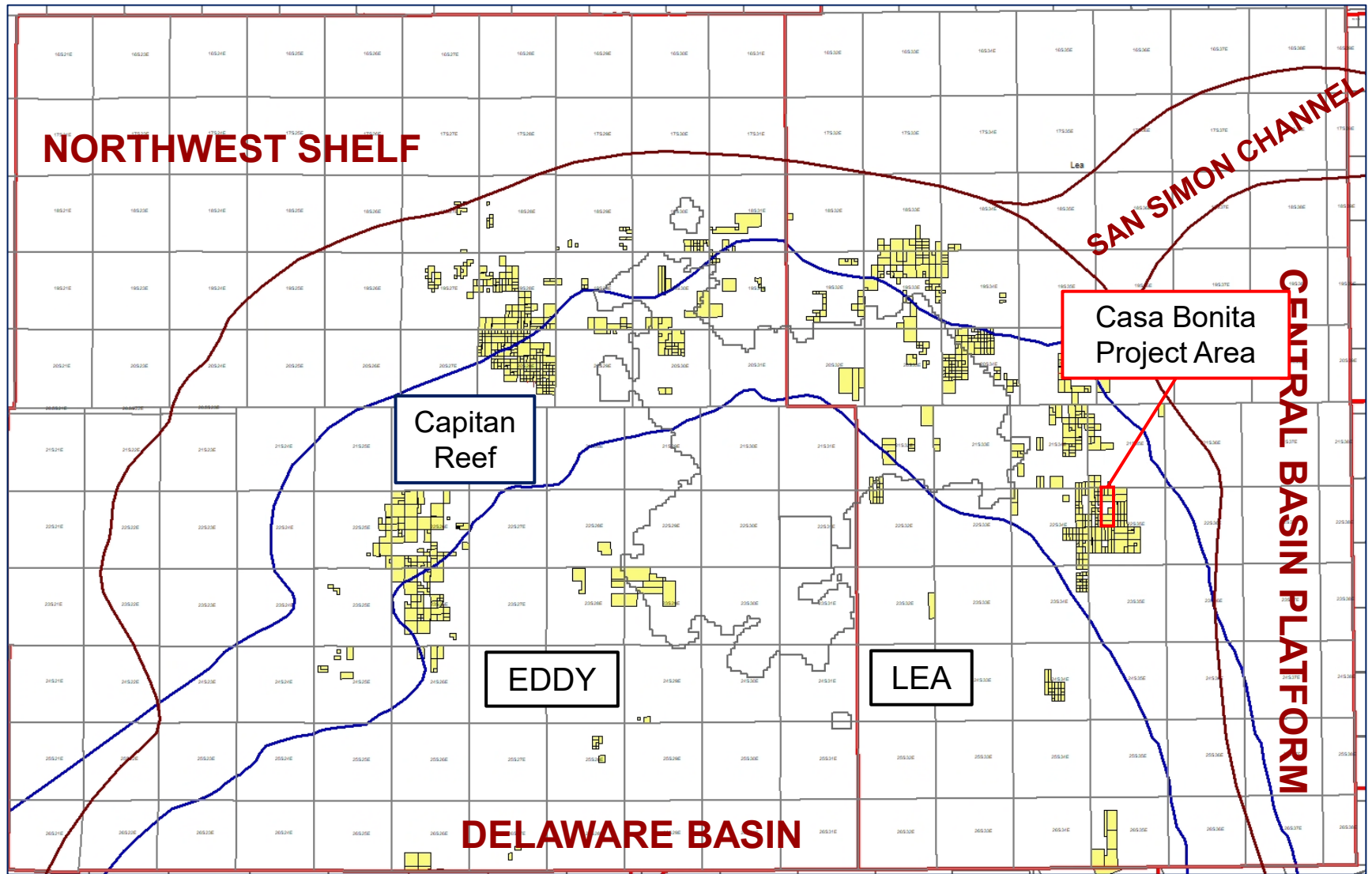
Date



**Exhibit B-1**

# Regional Locator Map

Casa Bonita 5-17 State Com 301H, Casa Bonita 5-8 State Com 302H, Casa Bonita 5-17 State Com 303H, and Casa Bonita 5-17 State Com 304H

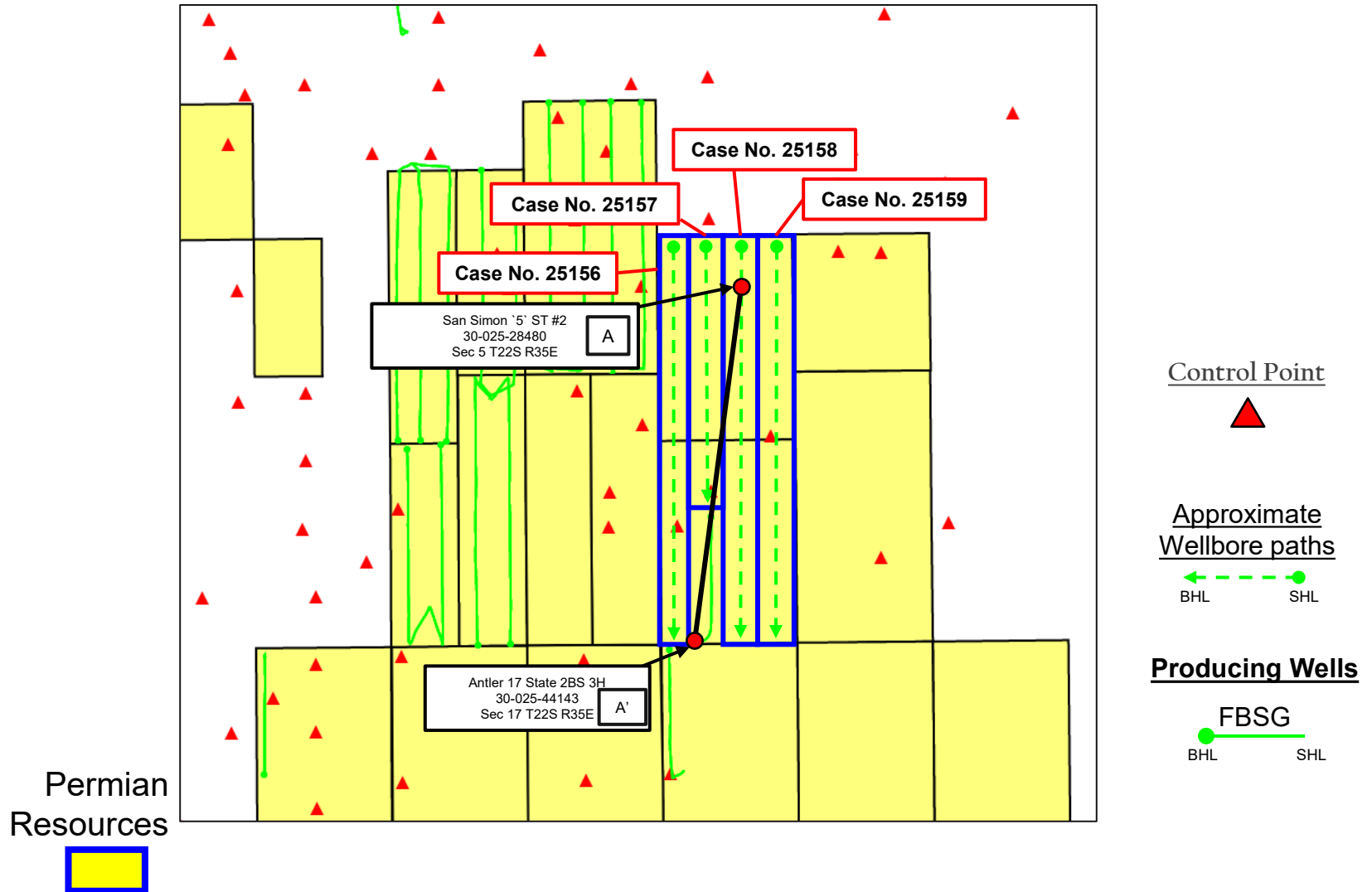


Permian Resources



# Cross-Section Locator Map

Casa Bonita 5-17 State Com 301H, Casa Bonita 5-8 State Com 302H, Casa Bonita 5-17 State Com 303H, and Casa Bonita 5-17 State Com 304H

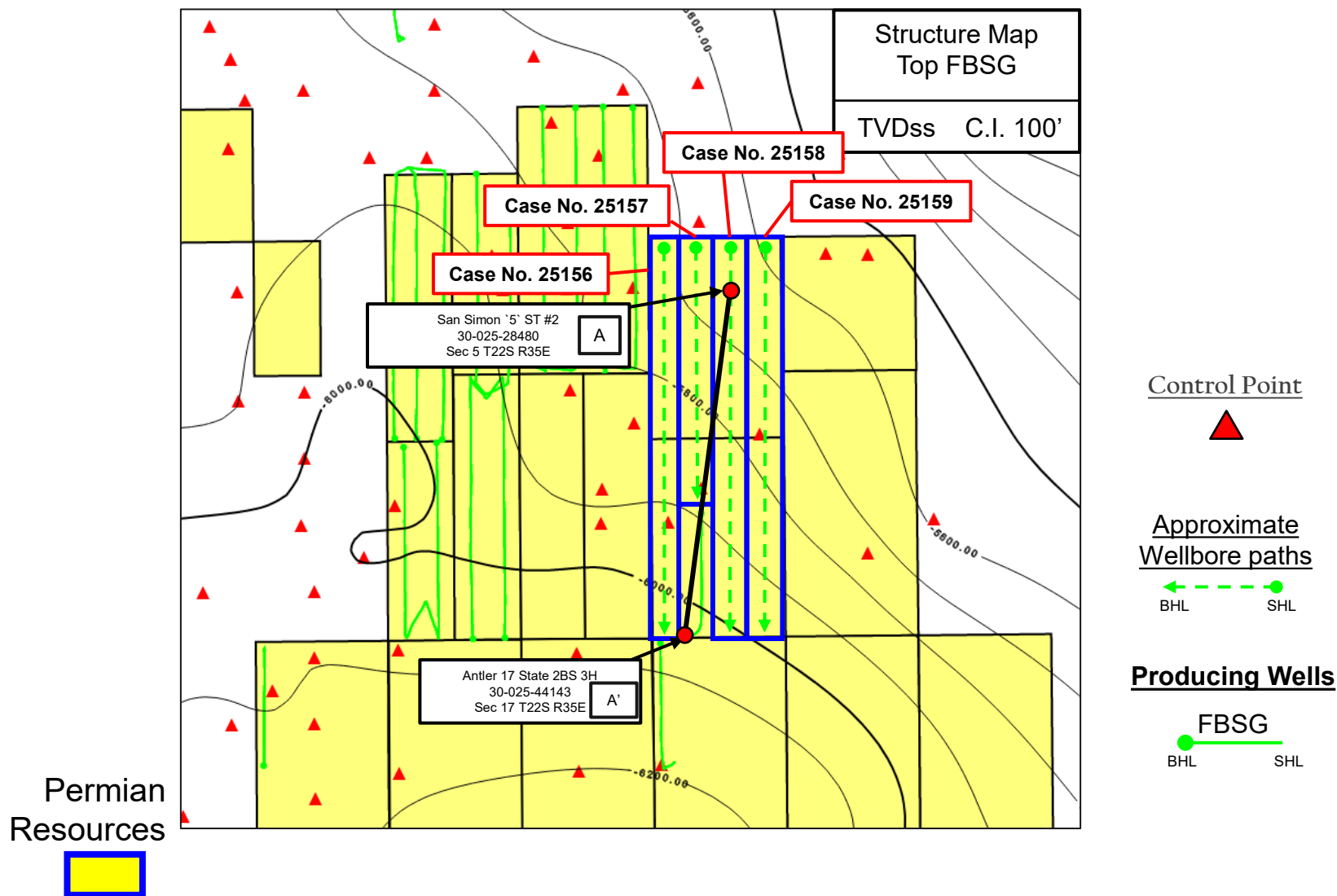






# First Bone Spring – FBSG SSTVD Structure Map

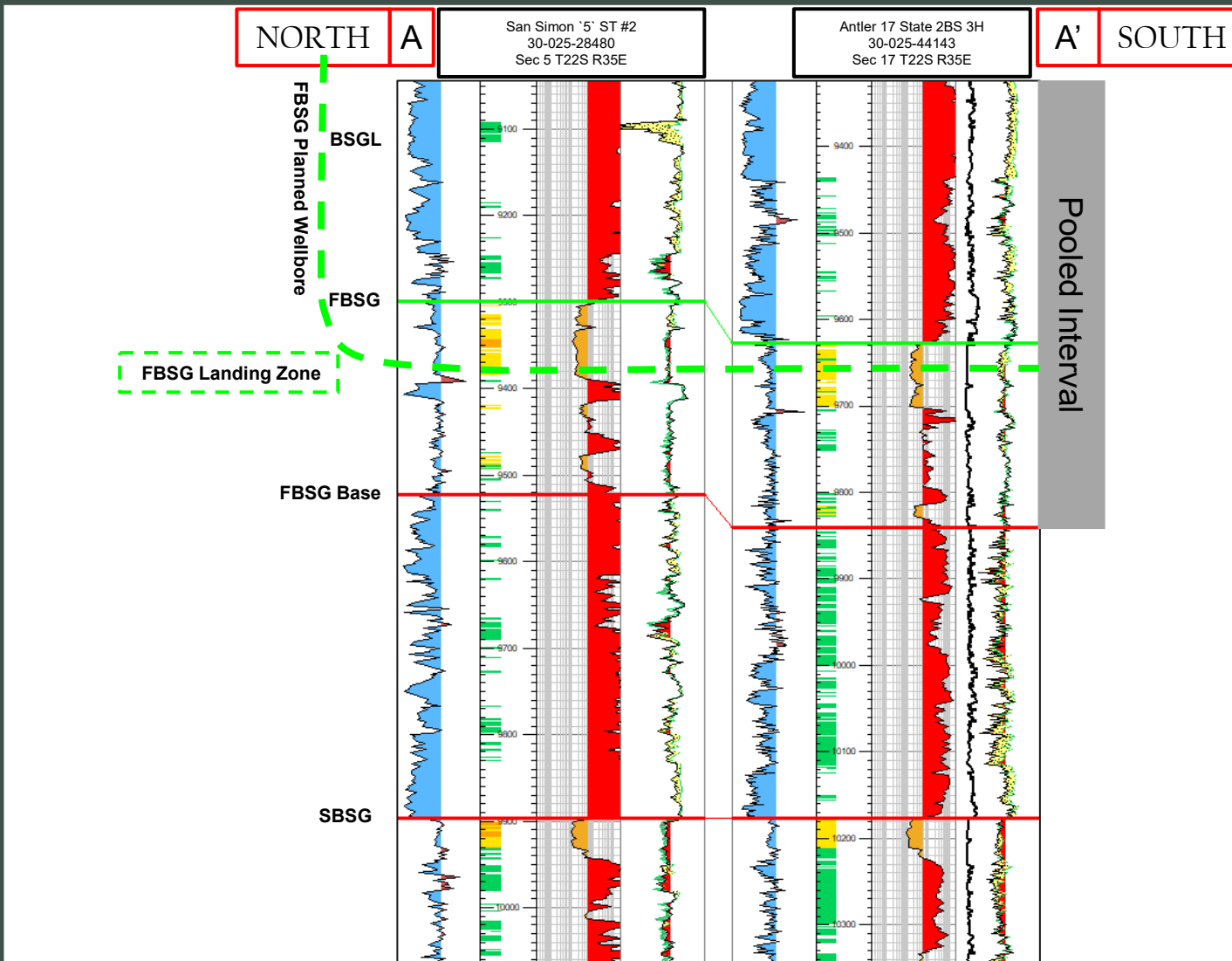
Casa Bonita 5-17 State Com 301H, Casa Bonita 5-8 State Com 302H, Casa Bonita 5-17 State Com 303H, and Casa Bonita 5-17 State Com 304H



**Exhibit B-4**

# Stratigraphic Cross-Section A-A'

Casa Bonita 5-17 State Com 301H, Casa Bonita 5-8 State Com 302H, Casa Bonita 5-17 State Com 303H, and Casa Bonita 5-17 State Com 304H



# Gun Barrel Development Plan

Casa Bonita 5-17 State Com 301H, Casa Bonita 5-8 State Com 302H, Casa Bonita 5-17 State Com 303H, and Casa Bonita 5-17 State Com 304H

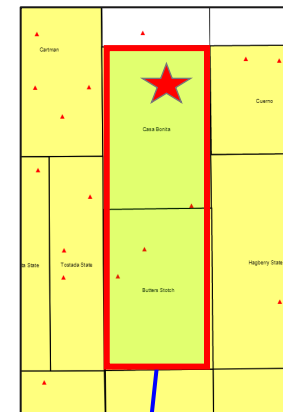
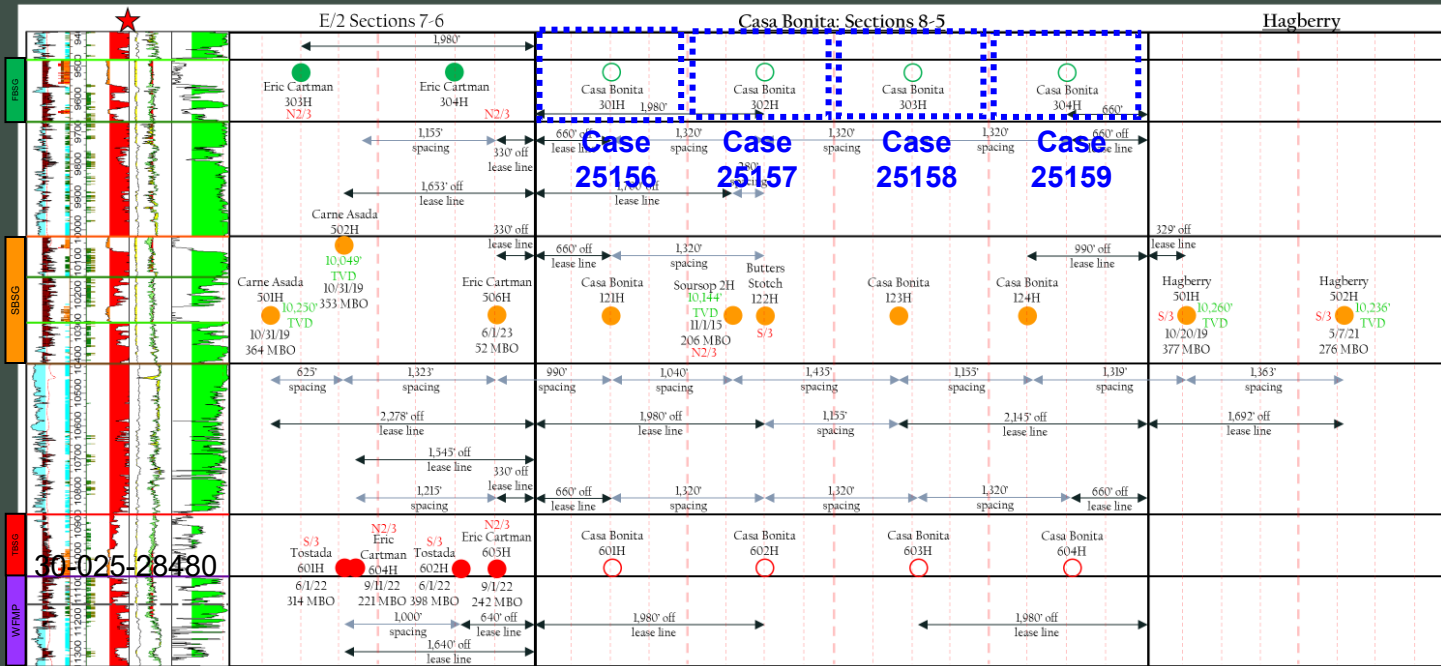
**Exhibit B-5**



## Lea: Pryor – Casa Bonita Development



- FBSG Proposed
- FBSG Producing



Casa Bonita 5-17  
Casa Bonita 5-8

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

**APPLICATION OF PERMIAN RESOURCES  
OPERATING, LLC FOR COMPULSORY  
POOLING AND OVERLAPPING SPACING  
UNIT, LEA COUNTY, NEW MEXICO.**

**CASE NO. 25158**

**SELF-AFFIRMED STATEMENT  
OF DANA S. HARDY**

1. 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 January 22, 2025, I caused a notice to be published to all interested parties in the Hobbs News - Sun. An Affidavit of Publication from the Legal Clerk of the Hobbs News – Sun 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 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.

/s/ Dana S. Hardy  
Dana S. Hardy

February 4, 2025  
Date

**Permian Resources Operating, LLC  
Case No. 25158  
Exhibit C**



hinklelawfirm.com

## 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

January 16, 2025

**VIA CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**TO ALL PARTIES ENTITLED TO NOTICE**

**Re: Case Nos. 25156, 25157, 25158, & 25159 – Applications of Permian Resources Operating, LLC for Compulsory Pooling and Overlapping Spacing Units, Lea County, New Mexico.**

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 **February 13, 2025**, 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: <https://www.emnrd.nm.gov/oed/hearing-info/>. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

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/oed/oedpermitting/>) or via e-mail to [oed.hearings@emnrd.nm.gov](mailto:oed.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 Reagan Armstrong, Landman at Permian Resources Operating, LLC, via e-mail at [Reagan.Armstrong@permianres.com](mailto:Reagan.Armstrong@permianres.com)

Sincerely,

/s/ Dana S. Hardy

Dana S. Hardy

**Permian Resources Operating, LLC**

**Case No. 25158**

**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 AND OVERLAPPING SPACING  
UNIT, LEA COUNTY, NEW MEXICO.**

**CASE NOS. 25156, 25157,  
25158, & 25159**

**NOTICE LETTER CHART**

<b>PARTY</b>	<b>NOTICE LETTER SENT</b>	<b>RETURN RECEIVED</b>
Apache Corporation 2000 W. Sam Houston Pkwy S, Ste. 200 Houston, TX 77042	1-16-2025 9589071052701502391730	2-4-2025
CL&F Operating, LLC PO Box 4438 Houston, TX 77210-4438	1-16-2025 9589071052701502391747	No forward address, return to sender
FR Energy, LLC 1106 Witte Rd, Ste 400 Houston, TX 77055	1-16-2025 9589071052701502391754	1-31-2025
Hilcorp 1111 Travis St. Houston, TX 77002	1-16-2025 9589071052701502391761	1-27-2025
Oxy Y-1 Company 5 Greenway Plaza Ste. 110 Houston, TX 77046	1-16-2025 9589071052701502391778	1-27-2025
Timothy R. McDonald 3003 Paleo Point College Station, TX 77845	1-16-2025 9589071052701502391785	1-31-2025
XTO Holdings, LLC 22777 Springwoods Village Parkway Spring, TX 77389	1-16-2025 9589071052701502391792	1-30-2025

**Permian Resources Operating, LLC  
Case No. 25158  
Exhibit C-2**



9589 0710 5270 1502 3917 30

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 JAN 16 2025  
 USPS

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Extra Services & Fees (check box, add fee as appropriate)  
☐ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$

Postage  
 \$

**Total Postage and Fees**  
 \$

Sent To  
 Apache Corporation  
 2000 W. Sam Houston Pkwy S,  
 Ste. 200  
 Houston, TX 77042  
 25156-25159 PRO - Casa Bonita

PS Form 3800, January 2023 PSN 7530-02-000-0047 See Reverse for Instructions

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
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1. Article Addressed to:

Apache Corporation  
 2000 W. Sam Houston Pkwy S,  
 Ste. 200  
 Houston, TX 77042  
 25156-25159 PRO - Casa Bonita

9590 9402 9022 4122 7759 48

2. Article Number (Transfer from service label)  
 9589 0710 5270 1502 3917 30

PS Form 3811, July 2020 PSN 7530-02-000-9053

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
 X *[Signature]* ☐ Agent  
☐ Addressee

B. Received by (Printed Name)  
 C. Date of Delivery  
 1/28

D. Is delivery address different from item 1? ☐ Yes  
 If YES, enter delivery address below: ☐ No

**RECEIVED**  
 FEB 4 2025

3. Service Type  
☐ Adult Signature  
☐ Adult Signature Restricted Delivery  
☐ Certified Mail®  
☐ Certified Mail Restricted Delivery  
☐ Collect on Delivery  
☐ Collect on Delivery Restricted Delivery  
☐ Insured Mail  
☐ Mail Restricted Delivery  
☐ Priority Mail Express®  
☐ Registered Mail™  
☐ Registered Mail Restricted Delivery  
☐ Signature Confirmation™  
☐ Signature Confirmation Restricted Delivery

Hinkle Shanon LLP  
 Santa Fe NM 87501

Domestic Return Receipt

Permian Resources Operating, LLC  
 Case No. 25158  
 Exhibit C-3

9589 0710 5270 1502 3917 54

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☐ Return Receipt (electronic) \$

☐ Certified Mail Restricted Delivery \$

☐ Adult Signature Required \$

☐ Adult Signature Restricted Delivery \$

Postage  
 \$

Total Postage and Fees  
 \$

Sent To  
 Street at  
 City, Sta

FR Energy, LLC  
 1106 Witte Rd, Ste 400  
 Houston, TX 77055  
 25156-25159 PRO - Casa Bonita

Postmark Here  
**JAN 16 2025**

**SANTA, FE, NM 87501**

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1. Article Addressed to:

FR Energy, LLC  
 1106 Witte Rd, Ste 400  
 Houston, TX 77055  
 25156-25159 PRO - Casa Bonita

2. Article Number (Transfer from service label)  
 9589 0710 5270 1502 3917 54

PS Form 3811, July 2020 PSN 7530-02-000-9053

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A. Signature  
 X 

☐ Agent  
☐ Addressee

B. Received by (Printed Name)  
 Vindi

C. Date of Delivery  
 01/27/25

D. Is delivery address different from item 1? ☐ Yes  
 If YES, enter delivery address below: ☐ No

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 Hinkie Shanor LLP  
 Santa Fe NM 87501

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☐ Adult Signature

☐ Adult Signature Restricted Delivery

☐ Certified Mail®

☐ Certified Mail Restricted Delivery

☐ Collect on Delivery

☐ Collect on Delivery Restricted Delivery

☐ Insured Mail

☐ Mail Restricted Delivery

☐ Priority Mail Express®

☐ Registered Mail™

☐ Registered Mail Restricted Delivery

☐ Signature Confirmation™

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Extra Services &amp; Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy) \$☐ Return Receipt (electronic) \$☐ Certified Mail Restricted Delivery \$☐ Adult Signature Required \$☐ Adult Signature Restricted Delivery \$

Postage

\$

Total Postage and Fees

\$

Sent To

Street and

Hilcorp

1111 Travis St.

City, State,

Houston, TX 77002

25156-25159 PRO - Casa Bonita

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1. Article Addressed to:

Hilcorp  
1111 Travis St.  
Houston, TX 77002

25156-25159 PRO - Casa Bonita



9590 9402 9022 4122 7759 17

2. Article Number (Transfer from service label)

9589 0710 5270 1502 3917 61

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A. Signature

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☐ Agent☐ Addressee

B. Received by (Printed Name)

Chin Vasquez

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- ☐
- Adult Signature
- Santa Fe NM 87501**
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- ☐
- Certified Mail®
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- ☐
- Certified Mail Restricted Delivery
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- ☐
- Collect on Delivery
- 
- ☐
- Collect on Delivery Restricted Delivery
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- ☐
- Priority Mail Express®
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- ☐
- Registered Mail™
- 
- ☐
- Registered Mail Restricted Delivery
- 
- ☐
- Signature Confirmation™
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- ☐
- Signature Confirmation Restricted Delivery

Mail

Mail Restricted Delivery

(over 500)

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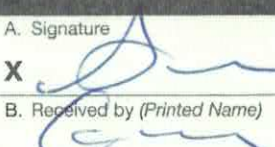
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☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$  
 Postage \$  
 Total Postage and Fees \$  
 Sent To  
 Street and City, State Oxy Y-1 Company  
 5 Greenway Plaza Ste. 110  
 Houston, TX 77046  
 25156-25159 PRO - Casa Bonita

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**JAN 16 2025**  
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☐ Return Receipt (hardcopy)  
☐ Return Receipt (electronic)  
☐ Certified Mail Restricted Delivery  
☐ Adult Signature Required  
☐ Adult Signature Restricted Delivery  
 Postage \$  
 Total Postage and Fees \$  
 Sent To  
 Street a. Timothy R. McDonald  
 3003 Paleo Point  
 College Station, TX 77845  
 City, Sta 25156-25159 PRO - Casa Bonita

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**JAN 16 2025**  
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1. Article Addressed to:

Timothy R. McDonald  
 3003 Paleo Point  
 College Station, TX 77845  
 25156-25159 PRO - Casa Bonita

9590 9402 9022 4122 7758 94

2. Article Number (Transfer from service label)  
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**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
 x *[Signature]* ☐ Agent ☒ Addressee

B. Received by (Printed Name)  
 Timothy R. McDonald

C. Date of Delivery  
 JAN 31 2025

D. Is delivery address different from item 1? ☐ Yes  
 If YES, enter delivery address below: ☐ No

3. Service Type  
☐ Adult Signature  
☐ Adult Signature Restricted Delivery  
☐ Certified Mail®  
☐ Certified Mail Restricted Delivery  
☐ Collect on Delivery  
☐ Collect on Delivery Restricted Delivery  
☒ Priority Mail Express®  
☒ Registered Mail™  
☐ Registered Mail Restricted Delivery  
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☐ Signature Confirmation Restricted Delivery

Hinkle Shanon  
 Santa Fe, NM 87505

PS Form 3811, July 2020 PSN 7530-02-000-9053 Domestic Return Receipt



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☐ Certified Mail Restricted Delivery \$

☐ Adult Signature Required \$

☐ Adult Signature Restricted Delivery \$

Postage  
 \$

Total Postage and Fees  
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Sent To  
 Street and XTO Holdings, LLC  
 22777 Springwoods Village Parkway  
 Spring, TX 77389  
 City, State 25156-25159 PRO - Casa Bonita

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

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**JAN 16 2025**  
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<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	<p>A. Signature  <b>x W. Holland</b> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery</p>
<p>1. Article Addressed to:</p> <p>XTO Holdings, LLC          22777 Springwoods Village Parkway          Spring, TX 77389          25156-25159 PRO - Casa Bonita</p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes          If YES, enter delivery address below: <input type="checkbox"/> No</p> <p><b>RECEIVED</b>  <b>JAN 30 2025</b></p>
<p>2. Article Number (Transfer from service label)</p> <p>9590 9402 9022 4122 7758 87</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery</p>
<p>9589 0710 5270 1502 3917 92</p> <p>PS Form 3811, July 2020 PSN 7530-02-000-9053 Domestic Return Receipt</p>	

9589 0710 5270 1502 3917 47

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Certified Mail Fee	\$
Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
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Arrived at USPS Regional Facility

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January 30, 2025, 12:48 pm

Moved, Left no Address

HOUSTON, TX 77210  
January 24, 2025, 12:41 pm

Arrived at Post Office

HOUSTON, TX 77002  
January 24, 2025, 12:40 pm



# Affidavit of Publication

STATE OF NEW MEXICO  
COUNTY OF LEA

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

Beginning with the issue dated  
January 22, 2025  
and ending with the issue dated  
January 22, 2025.

  
Publisher

Sworn and subscribed to before me this  
22nd day of January 2025.

  
Business Manager

My commission expires  
January 29, 2027

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

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

This is to notify all interested parties, including; Apache Corporation; CL&F Operating, LLC; FR Energy, LLC; Hilcorp; Timothy R. McDonald; Oxy Y-1 Company; XTO Holdings, LLC; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on the application submitted by Permian Resources Operating, LLC (Case Nos. 25156, 25157, 25158, and 25159). The hearing will be conducted on February 13, 2025, 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/oed/hearing-info/>.

In Case No. 25156, Permian Resources Operating, LLC ("Applicant") applies for an order pooling all uncommitted interests in the First Bone Spring interval of the Bone Spring formation underlying a 480-acre, more or less, standard, overlapping, horizontal spacing unit comprised of the W/2 W/2 of irregular Section 5 and the W/2 W/2 of Sections 8 and 17, Township 22 South, Range 35 East, Lea County, New Mexico. The Unit will be dedicated to the **Casa Bonita 5-17 State Com 301H** well, which will produce from a first take point in Lot 4 (NW/4 NW/4 equivalent) of Section 5 to a last take point in the SW/4 SW/4 (Unit M) of Section 17. The completed interval of the Well will be orthodox. The Unit will partially overlap with the spacing unit for the Casa Bonita 32 State Com #121H (API No. 30-025-52199), which produces from the WC-025 G-07 S223505N; Bone Spring pool (Code 98136), and the spacing units for the Antler 17 State 1BS #002H (API No. 30-025-44142) and Antler 17 State 2BS #003H (API No. 30-025-44143), which produce from the Rock Lake; Bone Spring pool (Code 52766).

In Case No. 25157, applicant applies for an order pooling all uncommitted interests in the in the First Bone Spring interval of the Bone Spring formation underlying a 320-acre, more or less, standard, overlapping, horizontal spacing unit comprised of the E/2 W/2 of irregular Section 5 and the W/2 W/2 of Section 8, Township 22 South, Range 35 East, Lea County, New Mexico. The Unit will be dedicated to the **Casa Bonita 5-8 State Com 302H** well, which will produce from a first take point in the NE/4 NW/4 (Unit C) of Section 5 to a last take point in the SE/4 SW/4 (Unit N) of Section 8. The completed interval of the Well will be orthodox. The Unit will partially overlap with the spacing units for the Butter Stoch 17 State Com #122H well (API No. 30-025- 52196), which produces from the WC-025 G-07 S223505N, Bone Spring (Code 98136) and Rock Lake; Bone Spring (Code 52766) pools.

In Case No. 25158, Applicant applies for an order pooling all uncommitted interests in the in the First Bone Spring interval of the Bone Spring formation underlying a 480-acre, more or less, standard, overlapping horizontal spacing unit comprised of the W/2 E/2 of irregular Section 5 and the W/2 E/2 of Sections 8 and 17, Township 22 South, Range 35 East, Lea County, New Mexico. The Unit will be dedicated to the **Casa Bonita 5-17 State Com 303H** well, which will produce from a first take point in the NW/4 NE/4 (Unit B) of Section 5 to a last take point in the SW/4 SE/4 (Unit O) of Section 17. The completed interval of the Well will be orthodox. The Unit will partially overlap with the spacing units for the Casa Bonita 8 State Com #123H (API No. 30-025- 52486) and the Butter Stoch 8 State Com #123H (API No. 30-025-52484) wells, which produce from the WC-025 G-07 S223505N Pool (Code 98136).

In Case No. 25159, applicant applies for an order pooling all uncommitted interests in the in the First Bone Spring interval of the Bone Spring formation underlying a 480-acre, more or less, standard, overlapping horizontal spacing unit comprised of the E/2 E/2 of irregular Section 5 and the E/2 E/2 of Sections 8 and 17, Township 22 South, Range 35 East, Lea County, New Mexico. The Unit will be dedicated to the **Casa Bonita 5-17 State Com 304H** well, which will produce from a first take point in the NE/4 NE/4 (Unit A) of Section 5 to a last take point in the SE/4 SE/4 (Unit P) of Section 17. The completed interval of the Well will be orthodox. The Unit will partially overlap with the spacing units for the Casa Bonita 8 State Com #124H (API No. 30-025-52487) and the Butter Stoch 8 State Com #124H (API No. 30-025-52485) wells, which produce from the WC-025 G-07 S223505N pool (Code 98136).

Due to a depth severance in the Bone Spring Formation within the Unit, Applicant seeks to pool uncommitted interests in Case Nos. 25156, 25157, 25158, and 25159 from the top of the Bone Spring formation to the base of the First Bone Spring interval only, at a stratigraphic equivalent of approximately 9,522' TVD as observed on the San Simon 5 State #002 well log (API No. 30-025- 28480). Also to be considered 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 13.3 miles southwest of Eunice, New Mexico.  
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00297665

GILBERT  
HINKLE, SHANOR LLP  
PO BOX 2068  
SANTA FE, NM 87504

Permian Resources Operating, LLC  
Case No. 25158  
Exhibit C-4