

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

**APPLICATION OF POWDERHORN OPERATING, LLC
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

CASE NO. 25610

EXHIBIT AMENDMENTS

Powderhorn Operating, LLC (“Powderhorn”) provides the following amended exhibits requested by the Division for Case No. 25610, which case was heard at contested hearing on March 10 and 11, 2026. This Amended Exhibit Packet includes the following edits:

1. Compulsory Pooling Checklist has been amended as follows:
 - a. Well Locations Setback Rules: Special Pool Rules, Order R-14262.
 - b. Depth Severance: N.
 - c. Proximity Tracts: S/2 of Section 2 and SE/4 of Section 3, T24S, R26E.
 - d. Description: TRS/County now includes SE/4 of Section 3.
 - e. Confirmed that original surface locations were correct on both the C-102s and CPAC.
2. Exhibit A-9: Updated to remove reference to Non-Standard Locations and to provide an additional chart depicting the parties that Powderhorn seeks to pool.
3. Exhibits A-18 and 19: Removed.

I have conferred with opposing counsel for Marathon Oil Permian, LLC, regarding the above changes and have provided said Amended Exhibit Packet for their review. No objection has been raised in our discussions.

Respectfully submitted,

HOLLIDAY ENERGY LAW GROUP, PC

/s/ Benjamin B. Holliday

Benjamin B. Holliday
107 Katherine Court, Suite 100
San Antonio, Texas 78209
Phone: (210) 469-3197
ben@helg.law
Counsel for Powderhorn Operating, LLC

SERVICE

I hereby certify that on March 18, 2026, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

Kaitlyn A. Luck
P.O. Box 483
Taos, NM 87570
(361) 648-1973
kaitlyn.luck@outlook.com
Attorney for Avant Operating II, LLC

Dana S. Hardy
Jaclyn M. McLean
Yarithza Peña
HARDY MCLEAN LLC
125 Lincoln Ave., Suite 223
Santa Fe, NM 87505
(505) 230-4410
dhardy@hardymclean.com
jmclean@hardymclean.com
ypena@hardymclean.com
Attorneys for Permian Resources Operating, LLC

Adam G. Rankin
Paula M. Vance
A. Raylee Starnes
HOLLAND & HART, LLP
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988-4421
agrarkin@hollandhart.com
pmvance@hollandhart.com
arstarnes@hollandhart.com
Attorneys for Marathon Oil Permian, LLC

James P. Parrot
Miguel A. Suazo
Jacob L. Everhart
Ryan McKee
Beatty & Wozniak, P.C.
500 Don Gaspar Ave.
Santa Fe, NM 87505
(505) 946-2090
jparrot@bwenergylaw.com
msuazo@bwenergylaw.com
jeverhart@bwenergylaw.com
rmckee@bwenergylaw.com
Attorneys for Magnum Hunter Production, Cimarex Energy of Colorado, And Coterra Energy Operating Co.

James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
505-982-2043
jamesbruc@aol.com
Attorney for Kaiser-Francis Oil Company

/s/ Benjamin B. Holliday
Benjamin B. Holliday

Super Hornet State Com Unit **Before the Oil Conservation Division** **March 10, 2026**

Case No. 25610

959.60 acres

All Sect. 2, E/2 Sect. 3, T24S, R26E, NMPM

Wolfcamp Formation

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

**APPLICATIONS OF POWDERHORN OPERATING, LLC
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NOS. 25610

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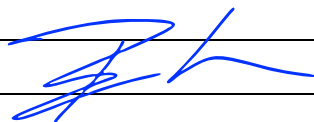
***Super Hornet State Com Unit
Case No. 25610
Compulsory Pooling Checklist***

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 25610	APPLICANT'S RESPONSE
Date: March 10, 2026	
Applicant	Powderhorn Operating, LLC
Designated Operator & OGRID (affiliation if applicable)	Powderhorn Operating, LLC (332857)
Applicant's Counsel:	Holliday Energy Law Group
Case Title:	Application of Powderhorn Operating, LLC for Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors:	Marathon Oil Permian, LLC, Avant Operating II, LLC, Coterra Energy Operating Company, Magnum Hunter Production, Inc., Cimarex Energy Co. of Colorado, Permian Resources Operating, LLC, Kaiser Francis Oil Company
Well Family	Super Hornet
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Gas
Pooling this vertical extent:	Wolfcamp
Pool Name and Pool Code:	Purple Sage, Wolfcamp (Gas) pool (Code 98220)
Well Location Setback Rules:	Special Pool Rules, Order R-14262
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	959.6
Building Blocks:	half-section
Orientation:	E/W
Description: TRS/County	Section 3: Lots 1-2, S/2NE/4, SE/4; Section 2: Lots 1-4, S/2N/2, S/2, Township 24 South, Range 26 East
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Y
Other Situations	
Depth Severance: Y/N. If yes, description	N
Proximity Tracts: If yes, description	Yes. Section 3: SE/4, Section 2: S/2, T24S, R26E
Proximity Defining Well: if yes, description	Super Hornet State Com 402H within 330' of center section line
Applicant's Ownership in Each Tract	Exhibit A-10
Well(s)	

Name & AP# (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Super Hornet State Com 401H SHL: 2,550' FEL & 1,380' FNL or at a legal location in unit G of section 3 BHL: 100' FEL & 990' FNL of Section 2 TVD: 8,690' Targeted Interval: Wolfcamp XY Orientation: E/W
Well #2	Super Hornet State Com 402H - Defining Well SHL: 2,550' FEL & 1,410' FNL or at a legal location in unit G of section 3 BHL: 100' FEL & 2,330' FNL of Section 2 TVD: 8,690' Targeted Interval: Wolfcamp XY Orientation: E/W
Well #3	Super Hornet State Com 403H SHL: 2,535' FEL & 1,380' FSL or at a legal location in unit J of section 3 BHL: 100' FEL & 1,650' FSL of Section 2 TVD: 8,690' Targeted Interval: Wolfcamp XY Orientation: E/W
Well #4	Super Hornet State Com 404H SHL: 2,535' FEL & 1,350' FSL or at a legal location in unit J of section 3 BHL: 100' FEL & 330' FSL of Section 2 TVD: 8,690' Targeted Interval: Wolfcamp XY Orientation: E/W
Horizontal Well First and Last Take Points	Exhibit A-16
Completion Target (Formation, TVD and MD)	TVD: 8,690' TMD: 16,790' Targeted Interval: Wolfcamp XY
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$10,000
Production Supervision/Month \$	\$1,000
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibits D-1, D-2, D-3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D-4
Ownership Determination	6
Land and Ownership Schematic of the Spacing Unit	Exhibit A-3

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-10
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-16
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-9
Chronology of Contact with Non-Joined Working Interests	Exhibit A-15
Overhead Rates In Proposal Letter	\$10,000/\$1,000
Cost Estimate to Drill and Complete	Exhibit A-16
Cost Estimate to Equip Well	Exhibit A-16
Cost Estimate for Production Facilities	Exhibit A-16
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-4
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-3
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit A-4
Tracts	Exhibit A-3 & A-10
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-10
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibit B-4
Structure Contour Map - Subsea Depth	Exhibit B-2
Cross Section Location Map (including wells)	Exhibit B-3
Cross Section (including Landing Zone)	Exhibit B-3
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Ben Holliday 
Signed Name (Attorney or Party Representative):	
Date:	7/3/26

***Super Hornet State Com Unit
Case No. 25610
Land Exhibits
Exhibit A***

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

**APPLICATION OF POWDERHORN
OPERATING, LLC
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

CASE NO. 25610

SELF-AFFIRMED STATEMENT OF TRAVIS MACHA

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

1. I am over the age of 18, and I have personal knowledge of the matters stated herein.
2. I am employed as the Vice President of Land (Landman) for Powderhorn Energy Partners, and its subsidiaries, including but not limited to, Powderhorn Operating, LLC and Powderhorn Assets, LLC (collectively “Powderhorn”). My work includes the Permian Basin and Eddy County, and I am familiar with the subject applications and the land involved.
3. I have testified previously before the Oil Conservation Division (“Division”) as an expert petroleum landman; my credentials have been made a matter of record, and I have been qualified as an expert by the Division.
4. I have been directly involved in the development of the horizontal spacing units that are the subject of Powderhorn’s applications, and I am familiar with the objection filed by Marathon Oil Permian LLC / ConocoPhillips Company (referred to throughout as “COP”). Copies of Powderhorn’s’ applications and proposed notices are attached as **Powderhorn Exhibit A-1**.
5. A general status update and reference to high level information pertaining to the Super Hornet Unit, its spacing unit, target formation, pertinent expiration, APDs, C-102s, committed parties, and interest control is attached as **Powderhorn Exhibit A-2**.
6. A general location map that depicts the Super Hornet Project Area as well as a depiction of the lease breakout is attached as **Powderhorn Exhibit A-3**.

Self-Affirmed Statement of Petroleum Landman, Travis Macha (Case No. 25610)

7. In Case No. 25610, Powderhorn seeks to pool all uncommitted interests in the Wolfcamp formation underlying a 959.60-acre, more or less, standard horizontal spacing unit comprised of Lots 1-2, S/2NE/4, SE/4 (E/2 equivalent) of irregular Section 3, and Lots 1-4, S/2N/2, S/2 (All) of irregular Section 2, Township 24 South, Range 26 East, Eddy County, New Mexico. This unit will be dedicated to the Super Hornet State Com 401H-404H (collectively the “Super Hornet Wells”) with the defining well of the unit being the 402H, which has been proposed to be drilled from a surface hole location in the SW/4NE/4 or the NW/4NE/4 (Unit G or B) of Section 3 to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 2.

8. The C-102s for the Super Hornet Wells are attached as **Powderhorn Exhibit A-4**.

9. The Super Hornet Wells will be completed in the Purple Sage; Wolfcamp (Gas) Pool (Code 98220).

10. Powderhorn proposes to fully develop the Wolfcamp formation underlying the E/2 of Section 3 and all of Section 2 by drilling four (4) 1.5-mile laterals as initial wells and subsequently infilling additional Wolfcamp targets.

11. COP initially proposed a competing 1.5-mile development plan traversing the N/2 of Section 2 and the NE of Section 3 via undated proposals in December of 2025. A copy of these proposals is attached as **Powderhorn Exhibit A-5**. These proposals were rescinded via undated letter received by Powderhorn on February 20, 2026, attached as **Powderhorn Exhibit A-6**. COP then proposed on March 2, 2026, its final competing 1-mile development plan traversing strictly the N/2 of Section 2 attached here as **Powderhorn Exhibit A-7**. Powderhorn is extremely concerned with COP’s newly communicated intention of stranding the NE of Section 3. A general plat showing COP’s intended project area along with other operator’s existing developments and planned units is attached as **Exhibit A-8**.

12. Identification of the commitment status as well as the pooled party list is included here as **Powderhorn Exhibit A-9**. COP & Permian Resources/Earthstone Permian LLC are the only parties Powderhorn is seeking to pool. Included here as well are tracking numbers for the original well proposals.

13. Identification of ownership in each tract is depicted in **Powderhorn Exhibit A-10**. As shown in this exhibit Powderhorn 1) currently has the right to drill the Super Hornet Wells, owning or having a committed interest in each tract 2) currently holds a 33.698% working interest in the proposed spacing unit and 3) further has obtained 78.415% commitment in the proposed development.

14. **Powderhorn Exhibit A-11** is an “Apples to Apples” view for general perspective purposes only showing the interest breakout as to the northern 479.60 acres of the proposed 959.60 Super Hornet unit. COP is the only party in opposition to Powderhorn’s plan still holding a minority interest in the proposed development from this perspective. COP is reliant upon a 1976 Joint Operating Agreement (the “JOA”) it has inherited as operator via its acquisition of Marathon Oil Permian. Only one well was ever drilled under this JOA which was spud more than fifty (50) years ago. No operations have been conducted since this time. The current COP proposal under this JOA still strands the NE of Section 3. Powderhorn has a commitment of 159.12 net acres subject to the COP JOA in the N2 of Section 2, being 49.675%.

15. Reference is made here to NMOCD Order No. R-14140 and R-23869, The Division has settled the argument over legacy JOAs and compulsory pooling over such.

16. The denial of Powderhorn’s application would result in waste and severe impairment of correlative rights because of COP’s new March 2, 2026, plan to strand the NE of Section 3 as well as open up opportunity for additional and unnecessary parent-child effects as noted in Brendan

Tippens testimony and Exhibits. COP does not hold an interest in the NE of section 3 and would be negatively impacting the working interest and royalty owners inclusive of the New Mexico State Land Office.

17. Furthermore, as depicted in **Powderhorn Exhibit A-12**, Powderhorn has a term assignment that has been communicated and made of record having an expiration of March 1, 2027, that would require operations to commence in the next 12 months. Given this expiration that only impacts Powderhorn any delays in drilling could result in Powderhorn's loss of interest in the subject acreage.

18. While COP has proposed its 1-mile plans in the N/2 of Section 2, as referenced in **Powderhorn Exhibit A-13**, COP has been primarily inactive in terms of operations in the area for the last 8 years. This is further exhibited in Brendan Tippens testimony and Exhibit C-5. Additionally referenced attached as **Powderhorn Exhibit A-14** is the transcript from COP's Q4 2025 earnings call referencing its goal and strategy of drilling longer lateral developments (greater than 1-mile). The full transcript is attached for transparency, but reference is made to the highlighted statements on page 4 and 13 that seem to align with COPs recent activity:

- a. "2025, we improved our drilling and completion efficiencies by more than 15%. We expect our capital efficiency improvements to continue in 2026, again driven by strong well productivity, ongoing D&C excellence and further increases in our longer lateral developments."
- b. "Yes. Exactly. If I go back to Shell, I mean one of the key things as you look out in that area, as we continue to core up in strategic trades all the time, to increase our lateral lengths in that area. That drives our capital efficiency as we extend the laterals in there, and we continue to do that on an ongoing basis."

- c. “And in fact, you look at the 2026 program, 90% of those wells are 2 miles or greater. So we continue to do that with our BD and land teams coring it up, and that drives the capital efficiency. When you look at that core up opportunities. If we go from a 1 mile to a 2-mile lateral. We improved the cost of supply about 25%. But if we go to 3 or 4 miles, we add another 10% to 15% cost of supply reduction.”

Failure to approve Powderhorn’s applications would result in waste.

19. A general log of actions and good faith communications demonstrates Powderhorn’s diligence in taking steps forward towards development and joinder is attached as **Powderhorn Exhibit A-15.**

20. Powderhorn made its initial entry into the Super Hornet development area on July 23, 2025. The very next day, communication attempts were made to COP offering collaboration on development with intent of well proposals and commercial offers to be made.

21. Powderhorn initially proposed the Super Hornet wells on July 30, 2025, and in fact stayed its initial docket date to pool the proposed unit until November 13, 2025, with the goal of reaching a mutual agreement prior to. A copy of the well proposal letter and AFEs are attached as **Powderhorn Exhibit A-16.**

22. Powderhorn achieved preliminary approval from the NMSLO for its communitization agreement on February 4, 2026.

23. On February 20, 2026, COP made Powderhorn aware it was no longer pursuing a mutual agreement and rather attempt independent development of its interest.

24. On February 23, 2026, it appears from OCD filings COP submitted APDs on its proposed 1-mile development, which per the dates were approved in two (2) days. For reference these are attached as **Powderhorn Exhibit A-17.**

25. Due to the severe risk of stranding of acreage in the NE of Section 3, Powderhorn respectfully requests the NMOCD stay COP's permits until an order is reached.

26. Powderhorn remains prepared for forthcoming APD submission, but it remains cognizant APDs are not a time constraint in for development in this unit.

27. Powderhorn has negotiated with COP and all other parties in good faith.

28. While a mutual agreement is the goal of Powderhorn it cannot risk the stranding of the NE of Section 3.

29. It is my opinion that while the recent APD filings and the March 2, 2026, change of plans to 1-mile after the decision to terminate negotiations are an oddity, COP did generally negotiate in good faith.

30. The estimated costs of Powderhorn's proposed Super Hornet wells are fair and reasonable and are comparable to the cost of other wells of similar depth and length drilled in Eddy County.

31. Powderhorn requests overhead and administrative rates of \$10,000 per month while the Wells are being drilled and \$1,000 per month while the Wells are producing these rates are fair and are comparable to the rates charged by other operators in the vicinity. Powderhorn further requests that the rates be adjusted periodically in accordance with the COPAS Accounting Procedure.

32. Powderhorn requests that a 200% risk charge be assessed against uncommitted interest if they are non-consenting working interest owners.

33. For the reasons set out above, it is my opinion that granting Powderhorn's application would best prevent waste, protect correlative rights, and allow for prudent and timely development of the Super Hornet wells. Powderhorn should be permitted to proceed with its development plan.

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

35. 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 next to my signature below.



Travis Macha

3/3/2026

Date

Super Hornet Application & Proposed Notice

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

APPLICATION OF POWDERHORN OPERATING, LLC
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO

CASE NO. _____

APPLICATION

Pursuant to NMSA § 70-2-17, Powderhorn Operating, LLC (OGRID No. 332857) (“Applicant”), through its undersigned attorney, hereby files this Application with the Oil Conservation Division of the State of New Mexico (“Division”) for an order (1) creating a 959.60-acre, more or less, standard horizontal well spacing unit comprised of the E/2 Section 3 and all of Section 2, located in Township 24 South, Range 26 East, NMPM, Eddy County, New Mexico (“Unit”), and (2) pooling all uncommitted interest within the Wolfcamp formation, designated as a gas pool (Purple Sage Wolfcamp, [Gas] Pool Code 98220), underlying said 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 thereon.
2. Applicant seeks to dedicate the above-referenced Unit to the following wells, referred to collectively as the Wells:
 - a. **Super Hornet State Com 401H**, which is gas well that will be horizontally drilled from a surface hole location 2550’ FEL & 1,380’ FNL of Section 3, to a bottom hole location 100’ FEL & 990’ FNL of Section 2, Township 24 South, Range 26 East;
 - b. **Super Hornet State Com 402H**, which is gas well that will be horizontally drilled from a surface hole location 2550’ FEL & 1,1410’ FNL of Section 3, to a bottom hole location 100’ FEL & 2,330’ FNL of Section 2, Township 24 South, Range 26 East;
 - c. **Super Hornet State Com 403H**, which is gas well that will be horizontally drilled from a surface hole location 2535’ FEL & 1,380’ FSL of Section 3, to a bottom hole location 100’ FEL & 1,650’ FSL of Section 2, Township 24 South, Range 26 East;

- d. **Super Hornet State Com 404H**, which is gas well that will be horizontally drilled from a surface hole location 2535' FEL & 1,350' FSL of Section 3, to a bottom hole location 100' FEL & 330' FSL of Section 2, Township 24 South, Range 26 East;
3. The Wells will be horizontally drilled, and the producing areas for the Wells are expected to be orthodox.
4. The completed interval of the Wells will be orthodox and remain within 330-feet of the adjoining half section (or equivalent) tracts to allow inclusion of these proximity tracts within the proposed Unit under NMAC 19.15.16.15(B)(4).
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.
6. The approval of this Unit and pooling of uncommitted interests within the Unit 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 Wells and Unit.

WHEREFORE, Applicant requests this Application be set for hearing November 13, 2025, and that after notice and hearing, the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the Wells in the Unit;
- C. Designating Applicant as operator of the Unit and the Wells
- D. Authorizing Applicant to recover its costs of drilling, equipping and completing the Wells;
- 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% penalty for the risk assumed by Applicant in drilling and completing the Wells against any working interest owner who does not voluntarily participate in the drilling of the Wells.

Respectfully submitted,

HOLLIDAY ENERGY LAW GROUP, PC

/s/ Benjamin B. Holliday

Benjamin B. Holliday

107 Katherine Court, Suite 100

San Antonio, Texas 78209

Phone: (210) 469-3197

ben@helg.law

Counsel for Powderhorn Operating, LLC

Application of Powderhorn Operating, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks an order pooling all uncommitted interest within the Wolfcamp formation, designated as a gas pool (Purple Sage Wolfcamp [Gas] Pool Code 98220), underlying a 959.60-acre, more or less, standard horizontal well spacing unit comprised of the E/2 of Section 3 and all of Section 2, located in Township 24 South, Range 26 East, NMPM, Eddy County, New Mexico (the "Unit"). The Unit will be dedicated to the following wells: Super Hornet State Com 401H, a gas well that will be horizontally drilled from a surface hole location 2550' FEL & 1,380' FNL of Section 3, to a bottom hole location 100' FEL & 990' FNL of Section 2, Township 24 South, Range 26 East; Super Hornet State Com 402H, a gas well that will be horizontally drilled from a surface hole location 2550' FEL & 1,410' FNL of Section 3, to a bottom hole location 100' FEL & 2,330' FNL of Section 2, Township 24 South, Range 26 East; Super Hornet State Com 403H, a gas well that will be horizontally drilled from a surface hole location 2535' FEL & 1,380' FSL of Section 3, to a bottom hole location 100' FEL & 1,650' FSL of Section 2, Township 24 South, Range 26 East; Super Hornet State Com 404H, a gas well that will be horizontally drilled from a surface hole location 2535' FEL & 1,350' FSL of Section 3, to a bottom hole location 100' FEL & 330' FSL of Section 2, Township 24 South, Range 26 East. The wells will be horizontally drilled and located within the Purple Sage Wolfcamp Gas Pool (Code 98220). This pool is subject to special pool rules that establish 330-foot setback requirements, and the Wells will have non-standard first and last take points. The completed interval of the Wells will remain within 330 feet of the adjoining half-section tracts, allowing inclusion of these proximity tracts within the proposed Unit under NMAC 19.15.16.15(B)(4). Also, to be considered will be the cost of drilling and completing the Wells and the allocation of the cost, the designation of Applicant as the operator of the Wells and Unit, and a 200% charge for the risk involved in drilling and completing the Wells against any working interest owner who does not voluntarily participate. The Wells are located approximately 8.9 miles south of Carlsbad, New Mexico.

Summary / General Overview

Powderhorn Land Update & C102 Reference

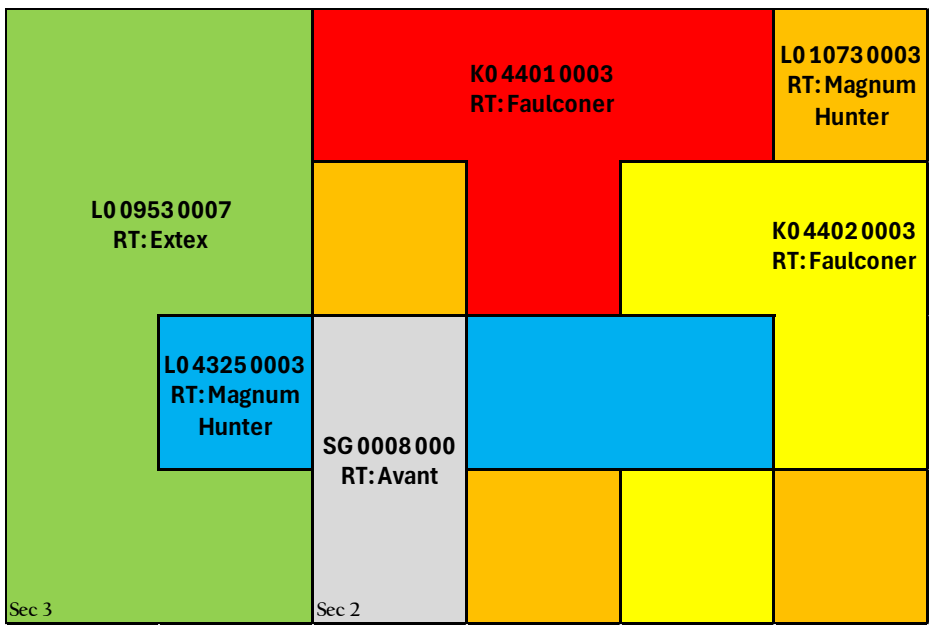
Powderhorn Operating, LLC
Case No. 25610
Exhibit A-2

Brief Status Update/General Info

- Anticipated spud date: September 2026
- Spacing Unit: E2 of Section 3 & All of Section 2, T24S-R26E (Standard Spacing)
- Gross Acres: 959.60
- Defining Well: Super Hornet State Com 402H (withing 330' of center section line)
- Depths Pooled: Wolfcamp Formation only
- Pool/Code: Purple Sage Wolfcamp [98220]
- Expirations: March 2027 (Powderhorn only)
- *APD Status: Pending submission - Pads staked, Communitization Agreement preliminarily approved by NMSLO
- Est. APD approval timeline: 30 days or less (APD timing is not a constraint)
- C-102s: All available, supplemented as Exhibit A-4
- Committed Parties: Kaiser Francis Oil Company & Avant
- Powderhorn Control: 78.4% of full 959.60 gross acres
- Interest in every Tract?: Yes, via owned interest & committed parties
- Depth Severances?: None inside Wolfcamp formation/pool

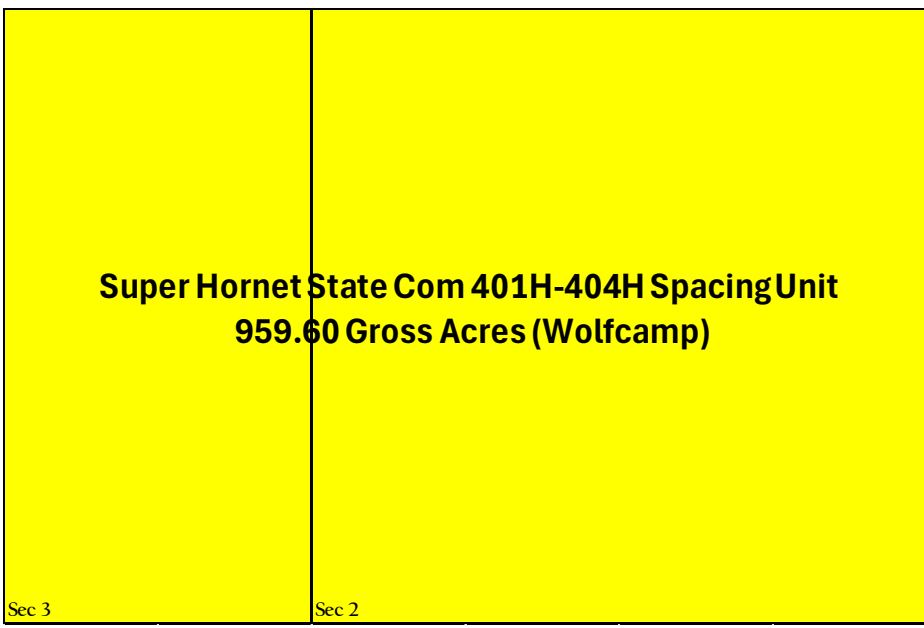
General Location Map – Super Hornet HSU

Pertaining to the Wolfcamp Formation (Case 25610)



Lease Map

- 100% NMSLO lands (Minerals & Surface)
- PEP interest in every tract obtained via actual PEP ownership or committed parties



Unit Summary

- Super Hornet State Com 402H – defining well within 330’ of center section line
- Singular spacing unit prevents multiple facilities or unnecessary commingling applications
- Initial wells: Wolfcamp A, 401H-404H

Super Hornet C102s

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C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	Revised July 9, 2024 Submittal Type: <input checked="" type="checkbox"/> Initial Submittal <input type="checkbox"/> Amended Report <input type="checkbox"/> As Drilled
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WELL LOCATION INFORMATION

API Number 30-015-PENDING	Pool Code 98220	Pool Name Purple Sage Wolfcamp Gas
Property Code	Property Name SUPER HORNET STATE COM	Well Number 401H
OGRID No. 332857	Operator Name POWDERHORN OPERATING, LLC	Ground Level Elevation 3,623'
Surface Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal		Mineral Owner: <input 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
G	3	24 S	26 E		1,380' FNL	2,550' FEL	32.249674°	-104.280570°	EDDY

Bottom Hole Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
	2	24 S	26 E	LOT 1	990' FNL	100' FEL	32.250874°	-104.255508°	EDDY

Dedicated Acres 959.60	Infill or Defining Well Infill Well	Defining Well API	Overlapping Spacing Unit (Y/N)	Consolidation Code
Order Numbers.			Well setbacks are under Common Ownership: <input 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
G	3	24 S	26 E		1,380' FNL	2,550' FEL	32.249674°	-104.280570°	EDDY

First Take Point (FTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
	3	24 S	26 E	LOT 2	990' FNL	2,540' FEL	32.250747°	-104.280551°	EDDY

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
	2	24 S	26 E	LOT 1	990' FNL	100' FEL	32.250874°	-104.255508°	EDDY

Unitized Area or Area of Uniform Interest	Spacing Unit Type <input type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation:
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<p>OPERATOR CERTIFICATIONS</p> <p>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.</p> <p>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.</p>	<p>SURVEYOR CERTIFICATIONS</p> <p>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.</p> <p style="text-align: center; color: red; font-weight: bold; font-size: 1.2em;">PRELIMINARY</p> <p style="text-align: center; color: red; font-weight: bold; font-size: 0.8em;">THIS DOCUMENT SHALL NOT BE RECORDED FOR ANY PURPOSE AND SHALL NOT BE USED OR VIEWED OR RELIED UPON AS A FINAL SURVEY DOCUMENT.</p>
Signature _____ Date _____	Signature and Seal of Professional Surveyor _____
Printed Name _____	Certificate Number _____ Date of Survey 8/5/2025
Email Address _____	

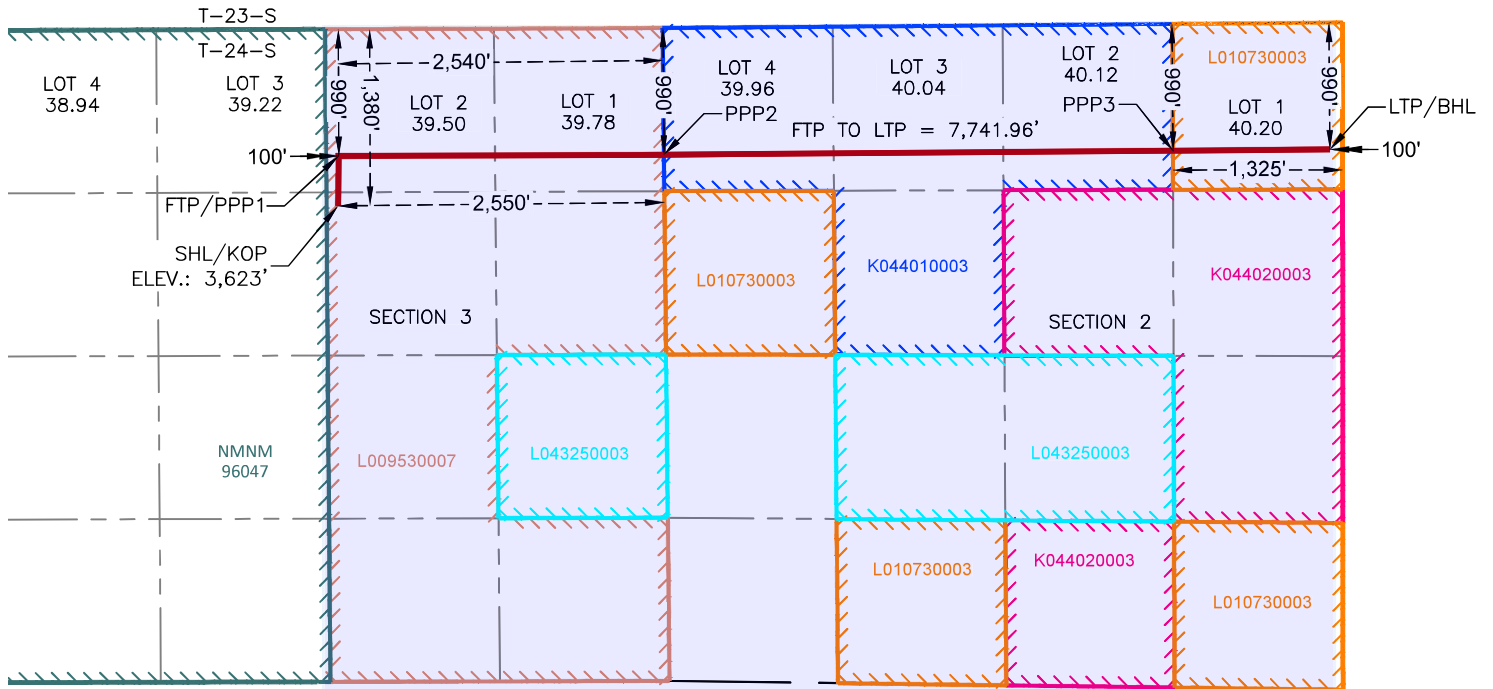
Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

ACREAGE DEDICATION PLATS

27

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.



SUPER HORNET STATE COM 401H

**SURFACE HOLE LOCATION
& KICK-OFF POINT**
 1,380' FNL & 2,550' FEL
 ELEV. = 3,623'
 NAD 83 X = 557,648.96'
 NAD 83 Y = 454,568.92'
 NAD 83 LAT = 32.249674°
 NAD 83 LONG = -104.280570°

**FIRST TAKE POINT &
PENETRATION POINT 1**
 990' FNL & 2,540' FEL
 NAD 83 X = 557,654.76'
 NAD 83 Y = 454,958.94'
 NAD 83 LAT = 32.250747°
 NAD 83 LONG = -104.280551°

PENETRATION POINT 2
 990' FNL & 0' FEL
 NAD 83 X = 560,194.81'
 NAD 83 Y = 454,968.34'
 NAD 83 LAT = 32.250769°
 NAD 83 LONG = -104.272334°

PENETRATION POINT 3
 990' FNL & 1,325' FEL
 NAD 83 X = 564,171.06'
 NAD 83 Y = 455,000.17'
 NAD 83 LAT = 32.250849°
 NAD 83 LONG = -104.259472°

**LAST TAKE POINT &
BOTTOM HOLE LOCATION**
 990' FNL & 100' FEL
 NAD 83 X = 565,396.54'
 NAD 83 Y = 455,009.98'
 NAD 83 LAT = 32.250874°
 NAD 83 LONG = -104.255508°

28

C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	Revised July 9, 2024
		<input checked="" type="checkbox"/> Initial Submittal
	Submittal Type:	<input type="checkbox"/> Amended Report <input type="checkbox"/> As Drilled

WELL LOCATION INFORMATION

API Number 30-015-PENDING	Pool Code 98220	Pool Name Purple Sage Wolfcamp Gas
Property Code	Property Name SUPER HORNET STATE COM	Well Number 402H
OGRID No. 332857	Operator Name POWDERHORN OPERATING, LLC	Ground Level Elevation 3,623'
Surface Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal		Mineral Owner: <input 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
G	3	24 S	26 E		1,410' FNL	2,550' FEL	32.249592°	-104.280569°	EDDY

Bottom Hole Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
H	2	24 S	26 E		2,330' FNL	100' FEL	32.247190°	-104.255508°	EDDY

Dedicated Acres 959.60	Infill or Defining Well Defining Well	Defining Well API	Overlapping Spacing Unit (Y/N)	Consolidation Code
Order Numbers.			Well setbacks are under Common Ownership: <input 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
G	3	24 S	26 E		1,410' FNL	2,550' FEL	32.249592°	-104.280569°	EDDY

First Take Point (FTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
G	3	24 S	26 E		2,330' FNL	2,540' FEL	32.247063°	-104.280506°	EDDY

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
H	2	24 S	26 E		2,330' FNL	100' FEL	32.247190°	-104.255508°	EDDY

Unitized Area or Area of Uniform Interest	Spacing Unit Type <input type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation:
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<p>OPERATOR CERTIFICATIONS</p> <p>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.</p> <p>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.</p>	<p>SURVEYOR CERTIFICATIONS</p> <p>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.</p> <p style="text-align: center; color: red; font-weight: bold; font-size: 1.2em;">PRELIMINARY</p> <p style="text-align: center; color: red; font-weight: bold; font-size: 0.8em;">THIS DOCUMENT SHALL NOT BE RECORDED FOR ANY PURPOSE AND SHALL NOT BE USED OR VIEWED OR RELIED UPON AS A FINAL SURVEY DOCUMENT.</p>
Signature _____ Date _____	Signature and Seal of Professional Surveyor _____
Printed Name _____	Certificate Number _____ Date of Survey _____
Email Address _____	8/5/2025

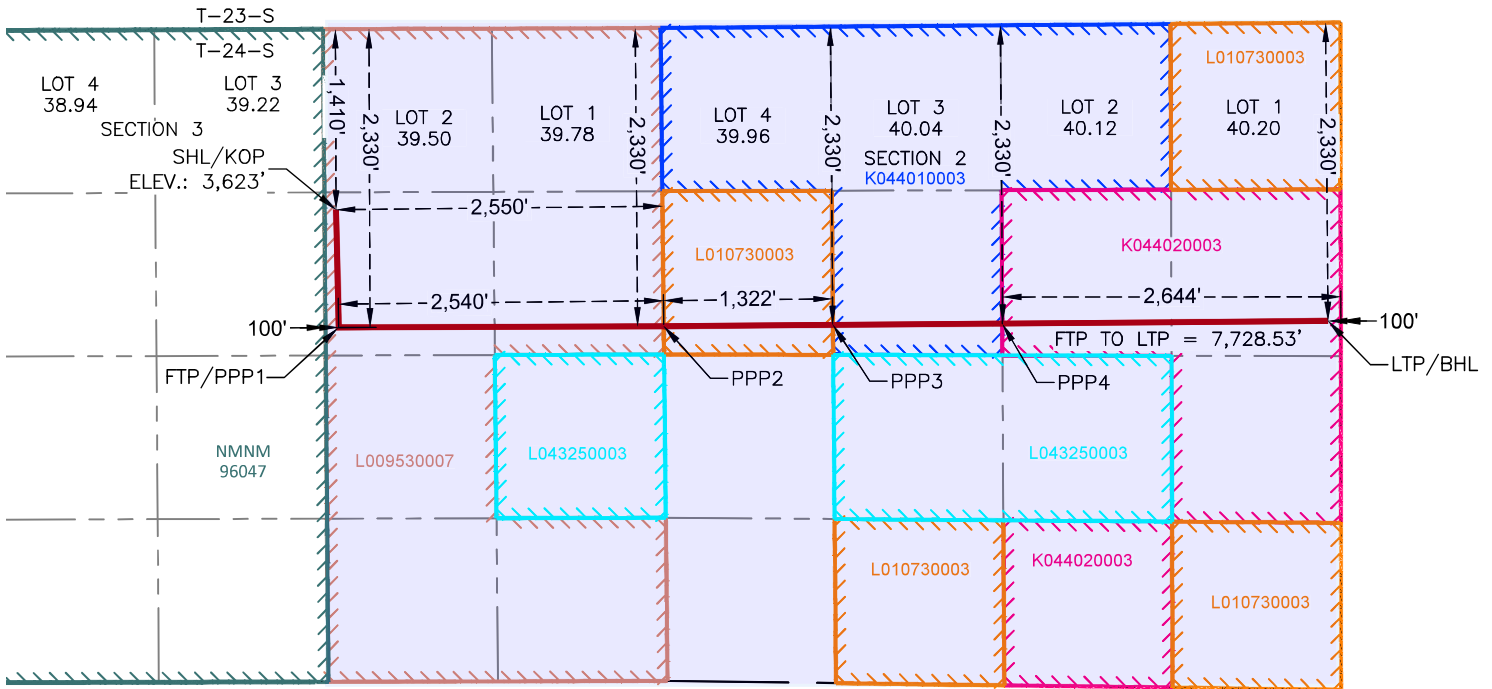
Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

ACREAGE DEDICATION PLATS

29

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.

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SUPER HORNET STATE COM 402H

SURFACE HOLE LOCATION & KICK-OFF POINT
 1,410' FNL & 2,550' FEL
 ELEV. = 3,623'
 NAD 83 X = 557,649.28'
 NAD 83 Y = 454,538.92'
 NAD 83 LAT = 32.249592°
 NAD 83 LONG = -104.280569°

FIRST TAKE POINT & PENETRATION POINT 1
 2,330' FNL & 2,540' FEL
 NAD 83 X = 557,669.19'
 NAD 83 Y = 453,618.99'
 NAD 83 LAT = 32.247063°
 NAD 83 LONG = -104.280506°

PENETRATION POINT 2
 2,330' FNL & 0' FEL
 NAD 83 X = 560,209.24'
 NAD 83 Y = 453,628.42'
 NAD 83 LAT = 32.247085°
 NAD 83 LONG = -104.272290°

PENETRATION POINT 3
 2,330' FNL & 1,322' FNL
 NAD 83 X = 561,531.22'
 NAD 83 Y = 453,639.00'
 NAD 83 LAT = 32.247112°
 NAD 83 LONG = -104.268014°

PENETRATION POINT 4
 2,330' FNL & 2,644' FEL
 NAD 83 X = 562,853.26'
 NAD 83 Y = 453,649.58'
 NAD 83 LAT = 32.247139°
 NAD 83 LONG = -104.263738°

LAST TAKE POINT & BOTTOM HOLE LOCATION
 2,330' FNL & 100' FEL
 NAD 83 X = 565,397.54'
 NAD 83 Y = 453,669.94'
 NAD 83 LAT = 32.247190°
 NAD 83 LONG = -104.255508°

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C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	Revised July 9, 2024 Submittal Type: <input checked="" type="checkbox"/> Initial Submittal <input type="checkbox"/> Amended Report <input type="checkbox"/> As Drilled
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WELL LOCATION INFORMATION

API Number 30-015-PENDING	Pool Code 98220	Pool Name Purple Sage Wolfcamp Gas
Property Code	Property Name SUPER HORNET STATE COM	Well Number 403H
OGRID No. 332857	Operator Name POWDERHORN OPERATING, LLC	Ground Level Elevation 3,329'
Surface Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal		Mineral Owner: <input 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
J	3	24 S	26 E		1,380' FSL	2,535' FEL	32.243246°	-104.280444°	EDDY

Bottom Hole Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
I	2	24 S	26 E		1,650' FSL	100' FEL	32.243809°	-104.255508°	EDDY

Dedicated Acres 959.60	Infill or Defining Well Infill Well	Defining Well API	Overlapping Spacing Unit (Y/N)	Consolidation Code
Order Numbers.			Well setbacks are under Common Ownership: <input 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
J	3	24 S	26 E		1,380' FSL	2,535' FEL	32.243246°	-104.280444°	EDDY

First Take Point (FTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
J	3	24 S	26 E		1,650' FSL	2,540' FEL	32.243988°	-104.280469°	EDDY

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
I	2	24 S	26 E		1,650' FSL	100' FEL	32.243809°	-104.255508°	EDDY

Unitized Area or Area of Uniform Interest	Spacing Unit Type <input type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation:
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Signature _____ Date _____	Signature and Seal of Professional Surveyor _____
Printed Name _____	Certificate Number _____ Date of Survey 8/5/2025
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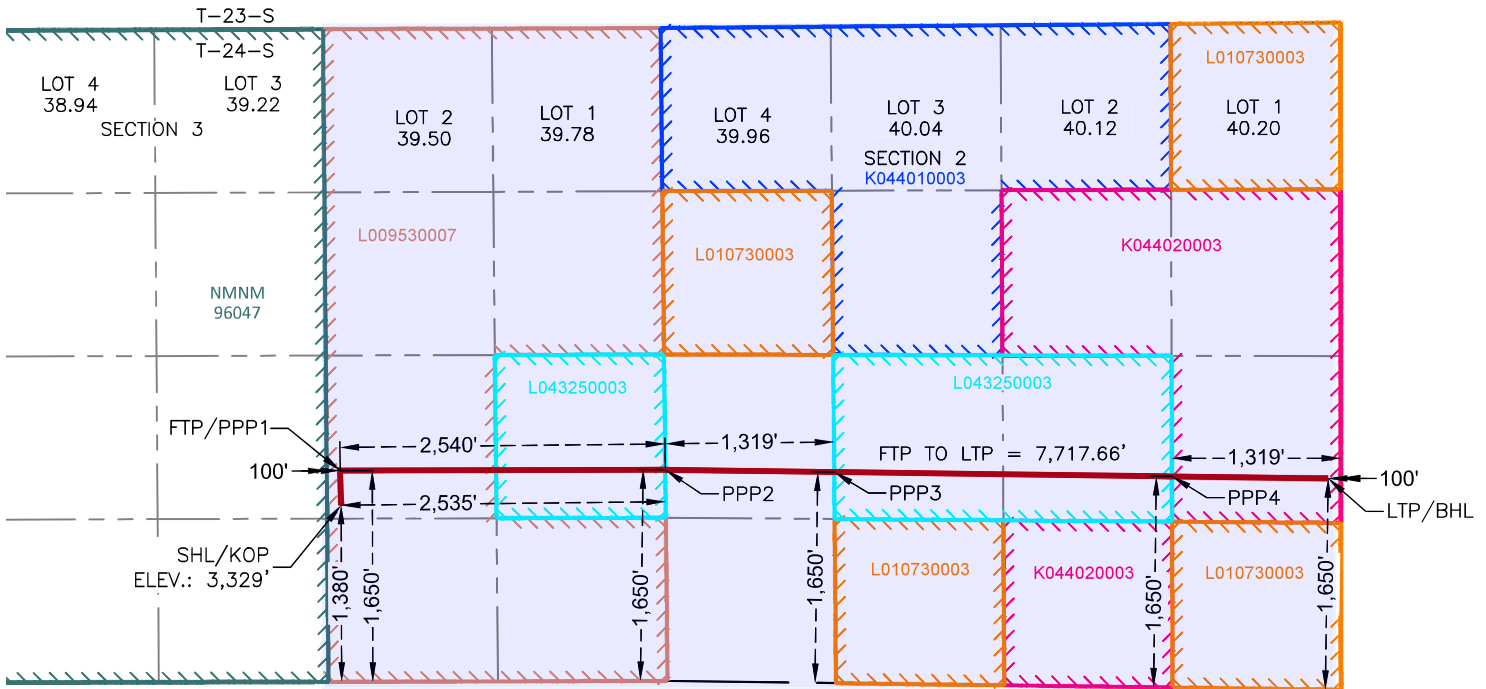
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ACREAGE DEDICATION PLATS

31

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SUPER HORNET STATE COM 403H

SURFACE HOLE LOCATION & KICK-OFF POINT
 1,380' FSL & 2,535' FEL
 ELEV. = 3,329'
 NAD 83 X = 557,689.15'
 NAD 83 Y = 452,230.48'
 NAD 83 LAT = 32.243246°
 NAD 83 LONG = -104.280444°

FIRST TAKE POINT & PENETRATION POINT 1
 1,650' FSL & 2,540' FEL
 NAD 83 X = 557,681.24'
 NAD 83 Y = 452,500.46'
 NAD 83 LAT = 32.243988°
 NAD 83 LONG = -104.280469°

PENETRATION POINT 2
 1,650' FSL & 0' FEL
 NAD 83 X = 560,221.32'
 NAD 83 Y = 452,506.96'
 NAD 83 LAT = 32.244003°
 NAD 83 LONG = -104.272253°

PENETRATION POINT 3
 1,650' FSL & 1,319' FWL
 NAD 83 X = 561,540.67'
 NAD 83 Y = 452,489.91'
 NAD 83 LAT = 32.243954°
 NAD 83 LONG = -104.267986°

PENETRATION POINT 4
 1,650' FSL & 1,319' FEL
 NAD 83 X = 564,179.24'
 NAD 83 Y = 452,455.81'
 NAD 83 LAT = 32.243855°
 NAD 83 LONG = -104.259451°

LAST TAKE POINT & BOTTOM HOLE LOCATION
 1,650' FSL & 100' FEL
 NAD 83 X = 565,398.46'
 NAD 83 Y = 452,440.05'
 NAD 83 LAT = 32.243809°
 NAD 83 LONG = -104.255508°

32

<p>C-102</p> <p>Submit Electronically Via OCD Permitting</p>	<p>State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION</p>	<p>Revised July 9, 2024</p>		
		<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:15%; text-align: right;">Submittal Type:</td> <td> <input checked="" type="checkbox"/> Initial Submittal <input type="checkbox"/> Amended Report <input type="checkbox"/> As Drilled </td> </tr> </table>	Submittal Type:	<input checked="" type="checkbox"/> Initial Submittal <input type="checkbox"/> Amended Report <input type="checkbox"/> As Drilled
Submittal Type:	<input checked="" type="checkbox"/> Initial Submittal <input type="checkbox"/> Amended Report <input type="checkbox"/> As Drilled			

WELL LOCATION INFORMATION

API Number 30-015-PENDING	Pool Code 98220	Pool Name Purple Sage Wolfcamp Gas
Property Code	Property Name SUPER HORNET STATE COM	Well Number 404H
OGRID No. 332857	Operator Name POWDERHORN OPERATING, LLC	Ground Level Elevation 3,329'
Surface Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal		Mineral Owner: <input 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
J	3	24 S	26 E		1,350' FSL	2,535' FEL	32.243164°	-104.280443°	EDDY

Bottom Hole Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
P	2	24 S	26 E		330' FSL	100' FEL	32.240181°	-104.255508°	EDDY

Dedicated Acres 959.60	Infill or Defining Well Infill Well	Defining Well API	Overlapping Spacing Unit (Y/N)	Consolidation Code
Order Numbers.			Well setbacks are under Common Ownership: <input 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
J	3	24 S	26 E		1,350' FSL	2,535' FEL	32.243164°	-104.280443°	EDDY

First Take Point (FTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
O	3	24 S	26 E		330' FSL	2,540' FEL	32.240360°	-104.280425°	EDDY

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
P	2	24 S	26 E		330' FSL	100' FEL	32.240181°	-104.255508°	EDDY

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

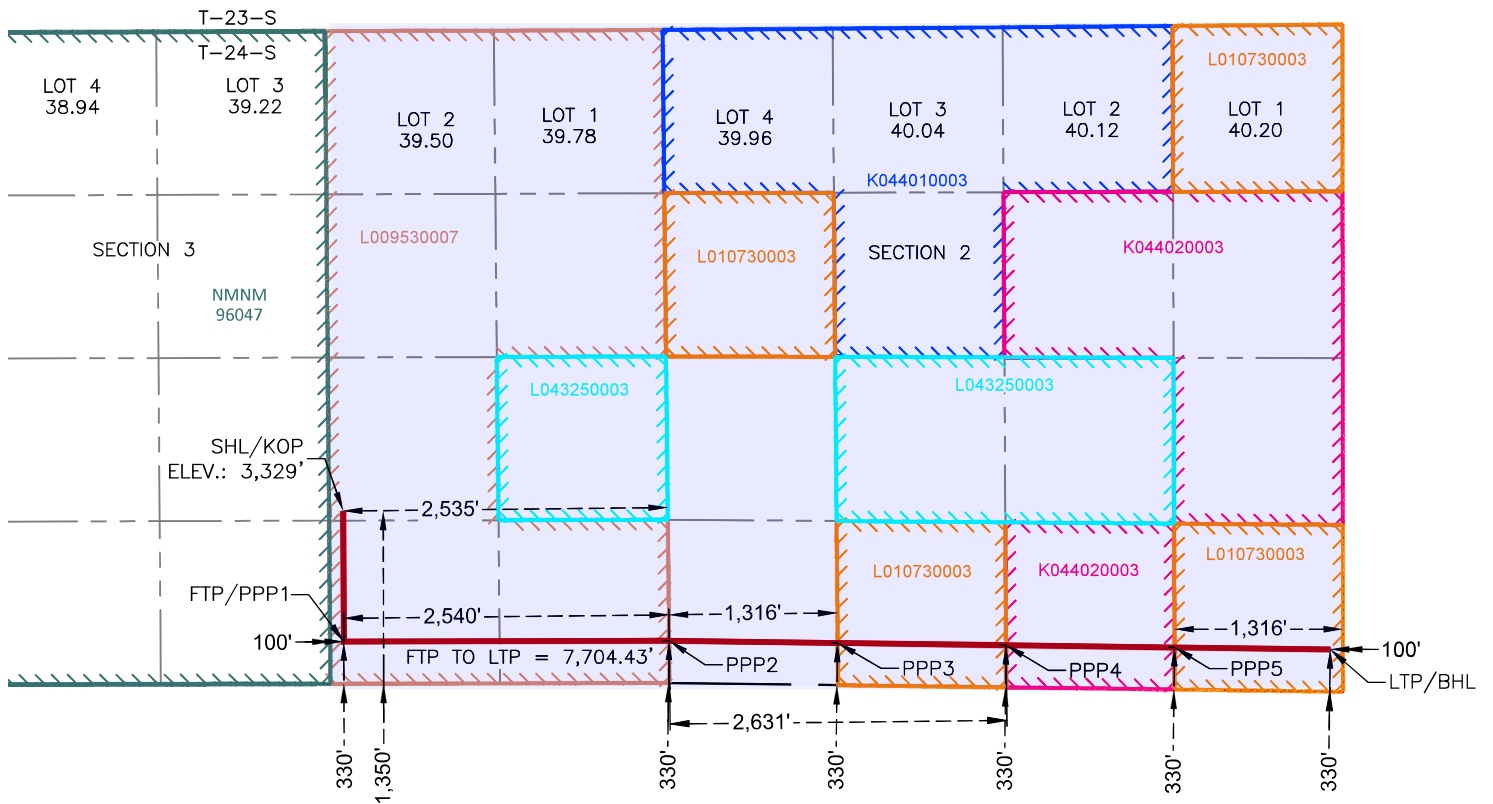
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ACREAGE DEDICATION PLATS

33

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SUPER HORNET STATE COM 404H

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 1,350' FSL & 2,535' FEL
 ELEV. = 3,329'
 NAD 83 X = 557,689.47'
 NAD 83 Y = 452,200.48'
 NAD 83 LAT = 32.2403164°
 NAD 83 LONG = -104.280443°

FIRST TAKE POINT & PENETRATION POINT 1
 330' FSL & 2,540' FEL
 NAD 83 X = 557,695.46'
 NAD 83 Y = 451,180.50'
 NAD 83 LAT = 32.240360°
 NAD 83 LONG = -104.280425°

PENETRATION POINT 2
 330' FSL & 0' FEL
 NAD 83 X = 560,235.54'
 NAD 83 Y = 451,187.03'
 NAD 83 LAT = 32.240374°
 NAD 83 LONG = -104.272210°

PENETRATION POINT 3
 330' FSL & 1,316' FWL
 NAD 83 X = 561,551.53'
 NAD 83 Y = 451,169.93'
 NAD 83 LAT = 32.240325°
 NAD 83 LONG = -104.267953°

PENETRATION POINT 4
 330' FSL & 2,631' FWL
 NAD 83 X = 562,867.51'
 NAD 83 Y = 451,152.83'
 NAD 83 LAT = 32.240276°
 NAD 83 LONG = -104.263697°

PENETRATION POINT 5
 330' FSL & 1,316' FEL
 NAD 83 X = 564,183.48'
 NAD 83 Y = 451,135.73'
 NAD 83 LAT = 32.240226°
 NAD 83 LONG = -104.259440°

LAST TAKE POINT & BOTTOM HOLE LOCATION
 330' FSL & 100' FEL
 NAD 83 X = 565,399.45'
 NAD 83 Y = 451,119.92'
 NAD 83 LAT = 32.240181°
 NAD 83 LONG = -104.255508°

Original COP/MRO Proposals (1.5-mile Development)

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Campana State Com

Powderhorn Operating, LLC
Case No. 25610
Exhibit A-5



Shelley C. Klingler
Staff Land Negotiator
600 W. Illinois Ave
Midland, TX 79701
O: 432-688-9027
F: 432-221-0470

Shelley.c.klingler@conocophillips.com

Via FedEx

POWDERHORN ASSETS, LLC

600 N. Marienfeld St, Suite 1000
Midland, TX 79701

Re: **Campana State Com 501H, 502H, 701H, 702H, 901H, 902H**
NE Section 3, T24S-R26E and N2 Section 2, T24S-R26E
Eddy County, New Mexico

Dear Sir or Madam:

Marathon Oil Permian, LLC ("Marathon"), as Operator, proposes the drilling of the following horizontal wells with productive laterals located in NE Section 3, T24S-R26E and N2 Section 2, T24S-R26E, Eddy County, New Mexico (collectively, the "Operation"). The surface pad(s) will be located in Unit H of Section 2, T24S-R26E (subject to change).

- **CAMPANA STATE COM 501H**, to be drilled to a depth sufficient to test the Bone Spring formation at an approximate total vertical depth of 6,800'. The surface location for this well is proposed at a legal location in Unit H of Section 2, T24S-R26E, and a bottom hole location at a legal location in Lot 2 of Section 3, T24S-R26E. The dedicated horizontal non-standard spacing unit will be NE Section 3, T24S-R26E and N2 Section 2, T24S-R26E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$8,684,663, as shown on the attached Authority for Expenditure ("AFE").

CAMPANA STATE COM 502H, to be drilled to a depth sufficient to test the Bone Spring formation at an approximate total vertical depth of 6,800'. The surface location for this well is proposed at a legal location in Unit H of Section 2, T24S-R26E, and a bottom hole location at a legal location in Unit G of Section 3, T24S-R26E. The dedicated horizontal non-standard spacing unit will be NE Section 3, T24S-R26E and N2 Section 2, T24S-R26E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$8,684,663, as shown on the attached Authority for Expenditure ("AFE").

- **CAMPANA STATE COM 701H**, to be drilled to a depth sufficient to test the Wolfcamp formation at an approximate total vertical depth of 8,800'. The surface location for this well is proposed at a legal location in Unit H of Section 2, T24S-R26E, and a bottom hole location at a legal location in Lot 2 of Section 3, T24S-R26E. The dedicated horizontal standard spacing unit will be NE Section 3, T24S-R26E and N2 Section 2, T24S-R26E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$8,891,341, as shown on the attached Authority for Expenditure ("AFE").

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Campana State Com

- **CAMPANA STATE COM 702H**, to be drilled to a depth sufficient to test the Wolfcamp formation at an approximate total vertical depth of 8,800'. The surface location for this well is proposed at a legal location in Unit H of Section 2, T24S-R26E, and a bottom hole location at a legal location in Unit G of Section 3, T24S-R26E. The dedicated horizontal standard spacing unit will be NE Section 3, T24S-R26E and N2 Section 2, T24S-R26E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$8,891,341, as shown on the attached Authority for Expenditure ("AFE").
- **CAMPANA STATE COM 901H**, to be drilled to a depth sufficient to test the Wolfcamp formation at an approximate total vertical depth of 9,400'. The surface location for this well is proposed at a legal location in Unit H of Section 2, T24S-R26E, and a bottom hole location at a legal location in Lot 2 of Section 3, T24S-R26E. The dedicated horizontal standard spacing unit will be NE Section 3, T24S-R26E and N2 Section 2, T24S-R26E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$9,484,909.60, as shown on the attached Authority for Expenditure ("AFE").
- **CAMPANA STATE COM 902H**, to be drilled to a depth sufficient to test the Wolfcamp formation at an approximate total vertical depth of 9,400'. The surface location for this well is proposed at a legal location in Unit H of Section 2, T24S-R26E, and a bottom hole location at a legal location in Unit G of Section 3, T24S-R26E. The dedicated horizontal standard spacing unit will be NE Section 3, T24S-R26E and N2 Section 2, T24S-R26E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$9,484,909.60, as shown on the attached Authority for Expenditure ("AFE").

Marathon is proposing to drill these wells under the terms of Operating Agreement dated January 1, 2026. This agreement has been enclosed for your review and execution.

In the interest of time, if we are unable to reach an agreement with all interest owners in the Campana State Com drilling spacing unit for the above-mentioned wells within 30 days of the date of this letter, Marathon will apply to the NMOCD for compulsory pooling of any non-committed interest into a horizontal spacing unit for the proposed wells.

Please indicate your participation elections in the space provided below, sign and return this letter, along with a signed copy of the enclosed AFEs and a copy of your geologic requirements, to my attention at the letterhead address or by email to shelley.c.klingler@conocophillips.com. Should you have any questions, please do not hesitate to contact me.

Sincerely,

COG Operating LLC



Shelley C. Klingler
Staff Land Negotiator

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Campana State Com

Please Indicate your election below:

PARTICIPATE Elect to participate in drilling & completion of well	DO NOT PARTICIPATE Elect NOT to participate in drilling & completion of well	WELL NAME
		CAMPANA STATE COM 501H
		CAMPANA STATE COM 502H
		CAMPANA STATE COM 701H
		CAMPANA STATE COM 702H
		CAMPANA STATE COM 901H
		CAMPANA STATE COM 902H

POWDERHORN ASSETS, LLC

By: _____

Name: _____

Title: _____

Date: _____

COP/MRO Notice of Rescinded Proposal (1.5-mile Development)

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Shelley C. Klingler
Staff Land Negotiator
600 W. Illinois Ave
Midland, TX 79701
O: 432-688-9027
F: 432-221-0470
Shelley.c.klingler@conocophillips.com

Via FedEx

POWDERHORN ASSETS, LLC
600 N. Marienfeld St, Suite 1000
Midland, TX 79701

Re: **Rescinding Campana State Com 501H, 502H, 701H, 702H, 901H, 902H**
NE Section 3, T24S-R26E and N2 Section 2, T24S-R26E
Eddy County, New Mexico

Dear Sir or Madam:

Marathon Oil Permian, LLC ("Marathon"), as Operator, proposed the drilling of the following horizontal wells with productive laterals located in NE Section 3, T24S-R26E and N2 Section 2, T24S-R26E, Eddy County, New Mexico (collectively, the "Operation"). We are officially rescinding the proposals listed below.

- **CAMPANA STATE COM 501H**, to be drilled to a depth sufficient to test the Bone Spring formation at an approximate total vertical depth of 6,800'. The surface location for this well is proposed at a legal location in Unit H of Section 2, T24S-R26E, and a bottom hole location at a legal location in Lot 2 of Section 3, T24S-R26E. The dedicated horizontal non-standard spacing unit will be NE Section 3, T24S-R26E and N2 Section 2, T24S-R26E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$8,684,663, as shown on the attached Authority for Expenditure ("AFE").
- **CAMPANA STATE COM 502H**, to be drilled to a depth sufficient to test the Bone Spring formation at an approximate total vertical depth of 6,800'. The surface location for this well is proposed at a legal location in Unit H of Section 2, T24S-R26E, and a bottom hole location at a legal location in Unit G of Section 3, T24S-R26E. The dedicated horizontal non-standard spacing unit will be NE Section 3, T24S-R26E and N2 Section 2, T24S-R26E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$8,684,663, as shown on the attached Authority for Expenditure ("AFE").
- **CAMPANA STATE COM 701H**, to be drilled to a depth sufficient to test the Wolfcamp formation at an approximate total vertical depth of 8,800'. The surface location for this well is proposed at a legal location in Unit H of Section 2, T24S-R26E, and a bottom hole location at a legal location in Lot 2 of Section 3, T24S-R26E. The dedicated horizontal standard spacing unit will be NE Section 3, T24S-R26E and N2 Section 2, T24S-R26E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$8,891,341, as shown on the attached Authority for Expenditure ("AFE").

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- **CAMPANA STATE COM 702H**, to be drilled to a depth sufficient to test the Wolfcamp formation at an approximate total vertical depth of 8,800'. The surface location for this well is proposed at a legal location in Unit H of Section 2, T24S-R26E, and a bottom hole location at a legal location in Unit G of Section 3, T24S-R26E. The dedicated horizontal standard spacing unit will be NE Section 3, T24S-R26E and N2 Section 2, T24S-R26E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$8,891,341, as shown on the attached Authority for Expenditure ("AFE").
- **CAMPANA STATE COM 901H**, to be drilled to a depth sufficient to test the Wolfcamp formation at an approximate total vertical depth of 9,400'. The surface location for this well is proposed at a legal location in Unit H of Section 2, T24S-R26E, and a bottom hole location at a legal location in Lot 2 of Section 3, T24S-R26E. The dedicated horizontal standard spacing unit will be NE Section 3, T24S-R26E and N2 Section 2, T24S-R26E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$9,484,909.60, as shown on the attached Authority for Expenditure ("AFE").
- **CAMPANA STATE COM 902H**, to be drilled to a depth sufficient to test the Wolfcamp formation at an approximate total vertical depth of 9,400'. The surface location for this well is proposed at a legal location in Unit H of Section 2, T24S-R26E, and a bottom hole location at a legal location in Unit G of Section 3, T24S-R26E. The dedicated horizontal standard spacing unit will be NE Section 3, T24S-R26E and N2 Section 2, T24S-R26E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$9,484,909.60, as shown on the attached Authority for Expenditure ("AFE").

Please let me know if you have any questions. Shelley.C.Klingler@conocophillips.com or 432.688.9027.

Sincerely,

COG Operating LLC



Shelley C. Klingler
Staff Land Negotiator

COP/MRO Proposal (1-mile Development)

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Campana State Com

Powderhorn Operating, LLC
Case No. 25610
Exhibit A-7



Shelley C. Klingler
Staff Land Negotiator
600 W. Illinois Ave
Midland, TX 79701
O: 432-688-9027
F: 432-221-0470

Shelley.c.klingler@conocophillips.com

March 2, 2026

Via FedEx

Powderhorn Assets, LLC
600 Marienfeld St, Ste 1000
Midland, TX 76107

Re: **Campana State Com 701H, 702H, 901H, 902H**
N2 Section 2, T24S-R26E, Wolfcamp
Eddy County, New Mexico

Dear Sir:

Marathon Oil Permian, LLC (“Marathon”), as Operator, proposes the drilling of the following horizontal wells with productive laterals located in N2 Section 2, T24S-R26E, Eddy County, New Mexico (collectively, the “Operation”). The surface pad(s) will be located in Unit H and Lot 1 of Section 2, T24S-R26E (subject to change).

- **CAMPANA STATE COM 701H**, to be drilled to a depth sufficient to test the Wolfcamp formation at an approximate total vertical depth of 8,800’. The surface location for this well is proposed at a legal location in Unit H of Section 2, T24S-R26E, and a bottom hole location at a legal location in Lot 4 of Section 2, T24S-R26E. The dedicated horizontal standard spacing unit will be N2 Section 2, T24S-R26E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$7,557,639.85, as shown on the attached Authority for Expenditure (“AFE”).
- **CAMPANA STATE COM 702H**, to be drilled to a depth sufficient to test the Wolfcamp formation at an approximate total vertical depth of 8,800’. The surface location for this well is proposed at a legal location in Unit H of Section 2, T24S-R26E, and a bottom hole location at a legal location in Unit E of Section 2, T24S-R26E. The dedicated horizontal standard spacing unit will be N2 Section 2, T24S-R26E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$7,557,639.85, as shown on the attached Authority for Expenditure (“AFE”).
- **CAMPANA STATE COM 901H**, to be drilled to a depth sufficient to test the Wolfcamp formation at an approximate total vertical depth of 9,400’. The surface location for this well is proposed at a legal location in Lot 1 of Section 2, T24S-R26E, and a bottom hole location at a legal location in Lot 4 of Section 2, T24S-R26E. The dedicated horizontal standard spacing unit will be N2 Section 2, T24S-R26E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$8,062,173.16, as shown on the attached Authority for Expenditure (“AFE”).
- **CAMPANA STATE COM 902H**, to be drilled to a depth sufficient to test the Wolfcamp formation at an approximate total vertical depth of 9,400’. The surface location for this well is proposed at

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Campana State Com

a legal location in Unit H of Section 2, T24S-R26E, and a bottom hole location at a legal location in Unit E of Section 2, T24S-R26E. The dedicated horizontal standard spacing unit will be N2 Section 2, T24S-R26E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$8,062,173.16, as shown on the attached Authority for Expenditure ("AFE").

Marathon is proposing to drill these wells as successor operator under the terms of Operating Agreement dated January 1, 1976, covering the N2 of Section 2, T24S-R26E, which your interest is subject to.

Please indicate your participation elections in the space provided below, sign and return this letter, along with a signed copy of the enclosed AFEs and a copy of your geologic requirements, to my attention at the letterhead address or by email to shelley.c.klingler@conocophillips.com. Should you have any questions, please do not hesitate to contact me.

Sincerely,

COG Operating LLC



Shelley C. Klingler
Staff Land Negotiator

Please Indicate your election below:

PARTICIPATE Elect to participate in drilling & completion of well	DO NOT PARTICIPATE Elect NOT to participate in drilling & completion of well	WELL NAME
		CAMPANA STATE COM 701H
		CAMPANA STATE COM 702H
		CAMPANA STATE COM 901H
		CAMPANA STATE COM 902H

POWDERHORN ASSETS, LLC

By: _____

Name: _____

Title: _____

Date: _____

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
Drill & Complete**

Well Name Campana Fed Com 701H	Prospect HELLFIRE 2426
SHL 440' FEL 1322 FNL SECTION 2-24S-26E	State & County Eddy NM
BHL 200' FWL & 660' FNL SECTION 2-24S-26E	Objective D&C
Formation WCA	Depth 8800'
Legal N2 2-24S-26E	MD 13780'
AFE Numbers TBD	

Cost Description	Code	PreSpud (PS)	Pre-Set Casing(PC)	Drilling (DR)	Completions (C)	Tank Btty Constrcn(TB)	Pmpq Equip (PEQ)	Revision	Total
Intangible Costs									
D-Bit and Mill	M620			\$ 82,025.00				\$ -	\$ 82,025.00
D-Lost in Hole (DBR DP WBM)	M690			\$ -				\$ -	\$ -
D-Fuel & Lubricant	M710			\$ 62,974.80				\$ -	\$ 62,974.80
D-Water	M720			\$ 64,235.35				\$ -	\$ 64,235.35
D-Mud & Chemicals	M741			\$ 174,338.40				\$ -	\$ 174,338.40
D-Drilling Overhead	O110			\$ 25,585.00				\$ -	\$ 25,585.00
D-Daywork Contract	O120			\$ 44,030.00				\$ -	\$ 44,030.00
D-Field Office and Trailer	O320			\$ 26,180.00				\$ -	\$ 26,180.00
D-Permit, Fee and License	O400			\$ 36,125.00				\$ -	\$ 36,125.00
D-Environmental, Health and Safety Service	S160			\$ 107,058.35				\$ -	\$ 107,058.35
D-Drilling Rig	S210			\$ 558,845.25				\$ -	\$ 558,845.25
D-Drilling Rig Mob/Demob	S211			\$ 231,200.00				\$ -	\$ 231,200.00
D-Pipe, Tubing, Casing Running and Handling	S220			\$ 38,250.00				\$ -	\$ 38,250.00
D-Directional Drilling, MWD/LWD, Motor	S230			\$ 177,437.50				\$ -	\$ 177,437.50
D-Solid Control	S250			\$ 38,318.00				\$ -	\$ 38,318.00
D-Mud Logging, GeoSteering, PVT	S272			\$ 28,050.00				\$ -	\$ 28,050.00
D-Cementing Service	S281			\$ 131,529.00				\$ -	\$ 131,529.00
D-Cementing & Casing Eqpt and Accessories	S283			\$ 59,500.00				\$ -	\$ 59,500.00
D-Other Specialized Service	S470			\$ 54,400.00				\$ -	\$ 54,400.00
D-Site Preparation and Road Work	S511			\$ 197,200.00				\$ -	\$ 197,200.00
D-Land Freight	S710			\$ 61,176.20				\$ -	\$ 61,176.20
D-Downhole Drilling Tools and Eqipt Rental	S820			\$ 53,550.00				\$ -	\$ 53,550.00
D-Surface Drilling Tools and Eqipt Rental	S830			\$ 68,782.00				\$ -	\$ 68,782.00
D-Wellhead and Tree Rental Services	S860			\$ 17,000.00				\$ -	\$ 17,000.00
C-Completions Fluids & Other Chemicals	304			\$ -	\$ 24,427.71			\$ -	\$ 24,427.71
C-Lctn/Pits/Roads	305			\$ -	\$ 7,270.15			\$ -	\$ 7,270.15
C-DST & Production Testing	306			\$ -	\$ 8,724.18			\$ -	\$ 8,724.18
C-Frac Equipment	307			\$ -	\$ 657,803.30			\$ -	\$ 657,803.30
C-Frac Chemicals	308			\$ -	\$ 182,626.20			\$ -	\$ 182,626.20
C-Frac Proppant	309			\$ -	\$ 524,614.13			\$ -	\$ 524,614.13
C-Land Based Transport	310			\$ -	\$ 26,172.55			\$ -	\$ 26,172.55
C-Fuel Delivery & Services	311			\$ -	\$ 167,504.29			\$ -	\$ 167,504.29
C-Water	312			\$ -	\$ 236,716.13			\$ -	\$ 236,716.13
C-Drilling / Compl Surface Equip Rental w/ Oper	315			\$ -	\$ 151,219.15			\$ -	\$ 151,219.15
C-Drilling / Compl Surface Equip Rental w/o Oper	325			\$ -	\$ 151,219.15			\$ -	\$ 151,219.15
C-Bits & Mills	326			\$ -	\$ 2,326.45			\$ -	\$ 2,326.45
C-Wellhead & Tree Service (Labor Only)	327			\$ -	\$ 8,724.18			\$ -	\$ 8,724.18
C-Coiled Tubing Services	329			\$ -	\$ 99,455.67			\$ -	\$ 99,455.67
C-Perf/Wireline Svc	331			\$ -	\$ 168,667.51			\$ -	\$ 168,667.51
C-Fishing, Milling Services	337			\$ -	\$ 33,151.89			\$ -	\$ 33,151.89
C-Other Miscellaneous Services & Consumables	339			\$ -	\$ 14,540.30			\$ -	\$ 14,540.30
C-Pump / Kill Truck	343			\$ -	\$ 12,795.47			\$ -	\$ 12,795.47
C-Wellsite Contract Labor & Supervisor	345			\$ -	\$ 66,303.78			\$ -	\$ 66,303.78
C-Permits, Fees, Surface Damages	346			\$ -	\$ 2,908.06			\$ -	\$ 2,908.06
C-Company and Consultant Supervision	347			\$ -	\$ 12,795.47			\$ -	\$ 12,795.47
TB-Damages/Right of Way	351			\$ -	\$ -	\$ 1,229.41		\$ -	\$ 1,229.41
TB-Location/Pits/Roads	353			\$ -	\$ -	\$ 40,570.69		\$ -	\$ 40,570.69
TB-Contract Labor	356			\$ -	\$ -	\$ 223,753.52		\$ -	\$ 223,753.52
PEQ-Contract Labor	374			\$ -	\$ -	\$ -	\$ 65,716.86	\$ -	\$ 65,716.86
PEQ-Water Disposal	387			\$ -	\$ -	\$ -	\$ 303,805.81	\$ -	\$ 303,805.81
PEQ-HRZ Well Offset Frac	391			\$ -	\$ -	\$ -	\$ 31,242.44	\$ -	\$ 31,242.44
Total Intangible Costs		\$ -	\$ -	\$ 2,337,789.85	\$ 2,559,965.73	\$ 265,553.63	\$ 400,765.12	\$ -	\$ 5,564,074.33

Tangible Costs									
PEQ-Flowback Crews & Equip	392						\$ 182,068.02	\$ -	\$ 182,068.02
D-Surface Casing	M521			\$ 23,800.00				\$ -	\$ 23,800.00
D-Intermed Csg	M523			\$ 254,150.00				\$ -	\$ 254,150.00
D-Production Casing/Liner	M531			\$ 325,550.00				\$ -	\$ 325,550.00
D-Wellhead Equip, X-Mas Tree and Associated Eq	E100			\$ 36,550.00				\$ -	\$ 36,550.00
D-Telecommunication Equipment	E600			\$ 23,800.00				\$ -	\$ 23,800.00
D-Conductor	M510			\$ 27,200.00				\$ -	\$ 27,200.00
C-Tubing	504			\$ 55,253.15				\$ -	\$ 55,253.15
C-Wellhead Equip	505			\$ 34,896.73				\$ -	\$ 34,896.73
TB-Tanks	510				\$ 72,535.48			\$ -	\$ 72,535.48
TB-Flowlines/Pipelines	511				\$ 31,964.79			\$ -	\$ 31,964.79
TB-Htr Trtr/Seprtr	512				\$ 229,900.60			\$ -	\$ 229,900.60
TB-Electrical System/Equipment	513				\$ 141,382.72			\$ -	\$ 141,382.72
C-Pckrs/Anchors/Hgrs	514			\$ 68,630.23				\$ -	\$ 68,630.23
TB-Couplings/Fittings/Valves	515				\$ 240,965.33			\$ -	\$ 240,965.33
TB-Pumps-Surface	521				\$ 31,964.79			\$ -	\$ 31,964.79
TB-Instrumentation/SCADA/POC	522				\$ 24,588.30			\$ -	\$ 24,588.30
TB-Miscellaneous	523				\$ 24,588.30			\$ -	\$ 24,588.30
TB-Meters/Lacts	525				\$ 31,964.79			\$ -	\$ 31,964.79
TB-Flares/Combusters/Emission	526				\$ 39,341.28			\$ -	\$ 39,341.28
C-Gas Lift/Compression	527			\$ 26,754.16				\$ -	\$ 26,754.16
PEQ-Wellhead Equipment	531						\$ 65,716.86	\$ -	\$ 65,716.86
Total Tangible Costs		\$ -	\$ -	\$ 691,050.00	\$ 185,534.27	\$ 869,196.37	\$ 247,784.88	\$ -	\$ 1,993,565.52

Total Gross Cost \$ - \$ - \$ 3,028,839.85 \$ 2,745,500.00 \$ 1,134,750.00 \$ 648,550.00 \$ - \$ 7,557,639.85

Note: The above costs are estimates only. Actual costs will be billed as incurred.

COG Operating LLC

By: _____

Date Prepared: _____

We approve:

% Working Interest

COG Operating LLC
By: _____

Company:
By: _____

Printed Name: _____
Title: _____
Date: _____

This AFE is only an estimate. By signing you agree to pay your share of the actual costs incurred.

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
Drill & Complete**

Well Name Campana Fed Com 702H	Prospect HELLFIRE 2426
SHL 440' FEL 1362' FNL SECTION 2-24S-26E	State & County Eddy NM
BHL 200' FWL & 2180' FNL SECTION 2-24S-26E	Objective D&C
Formation WCA	Depth 8800'
Legal N2 2-24S-26E	MD 13780'
AFE Numbers TBD	

Cost Description	Code	PreSpud (PS)	Pre-Set Casing(PC)	Drilling (DR)	Completions (C)	Tank Btty Constrcn(TB)	Pmpq Equip (PEQ)	Revision	Total
Intangible Costs									
D-Bit and Mill	M620			\$ 82,025.00				\$ -	\$ 82,025.00
D-Lost in Hole (DBR DP WBM)	M690			\$ -				\$ -	\$ -
D-Fuel & Lubricant	M710			\$ 62,974.80				\$ -	\$ 62,974.80
D-Water	M720			\$ 64,235.35				\$ -	\$ 64,235.35
D-Mud & Chemicals	M741			\$ 174,338.40				\$ -	\$ 174,338.40
D-Drilling Overhead	O110			\$ 25,585.00				\$ -	\$ 25,585.00
D-Daywork Contract	O120			\$ 44,030.00				\$ -	\$ 44,030.00
D-Field Office and Trailer	O320			\$ 26,180.00				\$ -	\$ 26,180.00
D-Permit, Fee and License	O400			\$ 36,125.00				\$ -	\$ 36,125.00
D-Environmental, Health and Safety Service	S160			\$ 107,058.35				\$ -	\$ 107,058.35
D-Drilling Rtg	S210			\$ 558,845.25				\$ -	\$ 558,845.25
D-Drilling Rtg Mob/Demob	S211			\$ 231,200.00				\$ -	\$ 231,200.00
D-Pipe, Tubing, Casing Running and Handling	S220			\$ 38,250.00				\$ -	\$ 38,250.00
D-Directional Drilling, MWD/LWD, Motor	S230			\$ 177,437.50				\$ -	\$ 177,437.50
D-Solid Control	S250			\$ 38,318.00				\$ -	\$ 38,318.00
D-Mud Logging, GeoSteering, PVT	S272			\$ 28,050.00				\$ -	\$ 28,050.00
D-Cementing Service	S281			\$ 131,529.00				\$ -	\$ 131,529.00
D-Cementing & Casing Eqpt and Accessories	S283			\$ 59,500.00				\$ -	\$ 59,500.00
D-Other Specialized Service	S470			\$ 54,400.00				\$ -	\$ 54,400.00
D-Site Preparation and Road Work	S511			\$ 197,200.00				\$ -	\$ 197,200.00
D-Land Freight	S710			\$ 61,176.20				\$ -	\$ 61,176.20
D-Downhole Drilling Tools and Eqpt Rental	S820			\$ 53,550.00				\$ -	\$ 53,550.00
D-Surface Drilling Tools and Eqpt Rental	S830			\$ 68,782.00				\$ -	\$ 68,782.00
D-Wellhead and Tree Rental Services	S860			\$ 17,000.00				\$ -	\$ 17,000.00
C-Completions Fluids & Other Chemicals	304			\$ -	\$ 24,427.71			\$ -	\$ 24,427.71
C-Lctn/Pits/Roads	305			\$ -	\$ 7,270.15			\$ -	\$ 7,270.15
C-DST & Production Testing	306			\$ -	\$ 8,724.18			\$ -	\$ 8,724.18
C-Frac Equipment	307			\$ -	\$ 657,803.30			\$ -	\$ 657,803.30
C-Frac Chemicals	308			\$ -	\$ 182,626.20			\$ -	\$ 182,626.20
C-Frac Proppant	309			\$ -	\$ 524,614.13			\$ -	\$ 524,614.13
C-Land Based Transport	310			\$ -	\$ 26,172.55			\$ -	\$ 26,172.55
C-Fuel Delivery & Services	311			\$ -	\$ 167,504.29			\$ -	\$ 167,504.29
C-Water	312			\$ -	\$ 236,716.13			\$ -	\$ 236,716.13
C-Drilling / Compl Surface Equip Rental w/ Oper	315			\$ -	\$ 151,219.15			\$ -	\$ 151,219.15
C-Drilling / Compl Surface Equip Rental w/o Oper	325			\$ -	\$ 151,219.15			\$ -	\$ 151,219.15
C-Bits & Mills	326			\$ -	\$ 2,326.45			\$ -	\$ 2,326.45
C-Wellhead & Tree Service (Labor Only)	327			\$ -	\$ 8,724.18			\$ -	\$ 8,724.18
C-Coiled Tubing Services	329			\$ -	\$ 99,455.67			\$ -	\$ 99,455.67
C-Perf/Wireline Svc	331			\$ -	\$ 168,667.51			\$ -	\$ 168,667.51
C-Fishing, Milling Services	337			\$ -	\$ 33,151.89			\$ -	\$ 33,151.89
C-Other Miscellaneous Services & Consumables	339			\$ -	\$ 14,540.30			\$ -	\$ 14,540.30
C-Pump / Kill Truck	343			\$ -	\$ 12,795.47			\$ -	\$ 12,795.47
C-Wellsite Contract Labor & Supervisor	345			\$ -	\$ 66,303.78			\$ -	\$ 66,303.78
C-Permits, Fees, Surface Damages	346			\$ -	\$ 2,908.06			\$ -	\$ 2,908.06
C-Company and Consultant Supervision	347			\$ -	\$ 12,795.47			\$ -	\$ 12,795.47
TB-Damages/Right of Way	351			\$ -	\$ -	\$ 1,229.41		\$ -	\$ 1,229.41
TB-Location/Pits/Roads	353			\$ -	\$ -	\$ 40,570.69		\$ -	\$ 40,570.69
TB-Contract Labor	356			\$ -	\$ -	\$ 223,753.52		\$ -	\$ 223,753.52
PEQ-Contract Labor	374			\$ -	\$ -	\$ -	\$ 65,716.86	\$ -	\$ 65,716.86
PEQ-Water Disposal	387			\$ -	\$ -	\$ -	\$ 303,805.81	\$ -	\$ 303,805.81
PEQ-HRZ Well Offset Frac	391			\$ -	\$ -	\$ -	\$ 31,242.44	\$ -	\$ 31,242.44
Total Intangible Costs		\$ -	\$ -	\$ 2,337,789.85	\$ 2,559,965.73	\$ 265,553.63	\$ 400,765.12	\$ -	\$ 5,564,074.33

Tangible Costs									
PEQ-Flowback Crews & Equip	392						\$ 182,068.02	\$ -	\$ 182,068.02
D-Surface Casing	M521			\$ 23,800.00				\$ -	\$ 23,800.00
D-Intermed Csg	M523			\$ 254,150.00				\$ -	\$ 254,150.00
D-Production Casing/Liner	M531			\$ 325,550.00				\$ -	\$ 325,550.00
D-Wellhead Equip, X-Mas Tree and Associated Eq	E100			\$ 36,550.00				\$ -	\$ 36,550.00
D-Telecommunication Equipment	E600			\$ 23,800.00				\$ -	\$ 23,800.00
D-Conductor	M510			\$ 27,200.00				\$ -	\$ 27,200.00
C-Tubing	504			\$ 55,253.15				\$ -	\$ 55,253.15
C-Wellhead Equip	505			\$ 34,896.73				\$ -	\$ 34,896.73
TB-Tanks	510				\$ 72,535.48			\$ -	\$ 72,535.48
TB-Flowlines/Pipelines	511				\$ 31,964.79			\$ -	\$ 31,964.79
TB-Htr Trtr/Seprtr	512				\$ 229,900.60			\$ -	\$ 229,900.60
TB-Electrical System/Equipment	513				\$ 141,382.72			\$ -	\$ 141,382.72
C-Pckrs/Anchors/Hgrs	514			\$ 68,630.23				\$ -	\$ 68,630.23
TB-Couplings/Fittings/Valves	515				\$ 240,965.33			\$ -	\$ 240,965.33
TB-Pumps-Surface	521				\$ 31,964.79			\$ -	\$ 31,964.79
TB-Instrumentation/SCADA/POC	522				\$ 24,588.30			\$ -	\$ 24,588.30
TB-Miscellaneous	523				\$ 24,588.30			\$ -	\$ 24,588.30
TB-Meters/Lacts	525				\$ 31,964.79			\$ -	\$ 31,964.79
TB-Flares/Combusters/Emission	526				\$ 39,341.28			\$ -	\$ 39,341.28
C-Gas Lift/Compression	527			\$ 26,754.16				\$ -	\$ 26,754.16
PEQ-Wellhead Equipment	531						\$ 65,716.86	\$ -	\$ 65,716.86
Total Tangible Costs		\$ -	\$ -	\$ 691,050.00	\$ 185,534.27	\$ 869,196.37	\$ 247,784.88	\$ -	\$ 1,993,565.52

Total Gross Cost	\$ -	\$ -	\$ 3,028,839.85	\$ 2,745,500.00	\$ 1,134,750.00	\$ 648,550.00	\$ -	\$ 7,557,639.85
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Note: The above costs are estimates only. Actual costs will be billed as incurred.

COG Operating LLC

By: _____

Date Prepared: _____

We approve:

% Working Interest

COG Operating LLC
By: _____

Company: _____
By: _____
Printed Name: _____
Title: _____
Date: _____

This AFE is only an estimate. By signing you agree to pay your share of the actual costs incurred.

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
Drill & Complete**

Well Name Campana Fed Com 901H	Prospect HELLFIRE 2426
SHL 440' FEL 1302' FNL SECTION 2-24S-26E	State & County Eddy NM
BHL 200' FWL & 380' FNL SECTION 2-24S-26E	Objective D&C
Formation WCC	Depth 9400'
Legal N2 2-24S-26E AND NE 3-24S-26E	MD 14380'
AFE Numbers TBD	

Cost Description	Code	PreSpud (PS)	Pre-Set Casing(PC)	Drilling (DR)	Completions (C)	Tank Btty Constrcn(TB)	Pmpq Equip (PEQ)	Revision	Total
Intangible Costs									
D-Bit and Mill	M620			\$ 111,006.82				\$ -	\$ 111,006.82
D-Lost in Hole (DBR DP WBM)	M690			\$ -				\$ -	\$ -
D-Fuel & Lubricant	M710			\$ 62,974.80				\$ -	\$ 62,974.80
D-Water	M720			\$ 104,350.51				\$ -	\$ 104,350.51
D-Mud & Chemicals	M741			\$ 358,585.63				\$ -	\$ 358,585.63
D-Drilling Overhead	O110			\$ 25,585.00				\$ -	\$ 25,585.00
D-Daywork Contract	O120			\$ 44,030.00				\$ -	\$ 44,030.00
D-Field Office and Trailer	O320			\$ 26,180.00				\$ -	\$ 26,180.00
D-Permit, Fee and License	O400			\$ 36,125.00				\$ -	\$ 36,125.00
D-Environmental, Health and Safety Service	S160			\$ 166,833.63				\$ -	\$ 166,833.63
D-Drilling Rtg	S210			\$ 558,845.25				\$ -	\$ 558,845.25
D-Drilling Rtg Mob/Demob	S211			\$ 231,200.00				\$ -	\$ 231,200.00
D-Pipe, Tubing, Casing Running and Handling	S220			\$ 38,250.00				\$ -	\$ 38,250.00
D-Directional Drilling, MWD/LWD, Motor	S230			\$ 196,327.42				\$ -	\$ 196,327.42
D-Solid Control	S250			\$ 38,318.00				\$ -	\$ 38,318.00
D-Mud Logging, GeoSteering, PVT	S272			\$ 28,050.00				\$ -	\$ 28,050.00
D-Cementing Service	S281			\$ 171,452.91				\$ -	\$ 171,452.91
D-Cementing & Casing Eqpt and Accessories	S283			\$ 59,500.00				\$ -	\$ 59,500.00
D-Other Specialized Service	S470			\$ 54,400.00				\$ -	\$ 54,400.00
D-Site Preparation and Road Work	S511			\$ 197,200.00				\$ -	\$ 197,200.00
D-Land Freight	S710			\$ 78,176.20				\$ -	\$ 78,176.20
D-Downhole Drilling Tools and Eqipt Rental	S820			\$ 53,550.00				\$ -	\$ 53,550.00
D-Surface Drilling Tools and Eqipt Rental	S830			\$ 68,782.00				\$ -	\$ 68,782.00
D-Wellhead and Tree Rental Services	S860			\$ 17,000.00				\$ -	\$ 17,000.00
C-Completions Fluids & Other Chemicals	304			\$ -	\$ 24,427.71			\$ -	\$ 24,427.71
C-Lctn/Pits/Roads	305			\$ -	\$ 7,270.15			\$ -	\$ 7,270.15
C-DST & Production Testing	306			\$ -	\$ 8,724.18			\$ -	\$ 8,724.18
C-Frac Equipment	307			\$ -	\$ 657,803.30			\$ -	\$ 657,803.30
C-Frac Chemicals	308			\$ -	\$ 182,626.20			\$ -	\$ 182,626.20
C-Frac Proppant	309			\$ -	\$ 524,614.13			\$ -	\$ 524,614.13
C-Land Based Transport	310			\$ -	\$ 26,172.55			\$ -	\$ 26,172.55
C-Fuel Delivery & Services	311			\$ -	\$ 167,504.29			\$ -	\$ 167,504.29
C-Water	312			\$ -	\$ 236,716.13			\$ -	\$ 236,716.13
C-Drilling / Compl Surface Equip Rental w/ Oper	315			\$ -	\$ 151,219.15			\$ -	\$ 151,219.15
C-Drilling / Compl Surface Equip Rental w/o Oper	325			\$ -	\$ 151,219.15			\$ -	\$ 151,219.15
C-Bits & Mills	326			\$ -	\$ 2,326.45			\$ -	\$ 2,326.45
C-Wellhead & Tree Service (Labor Only)	327			\$ -	\$ 8,724.18			\$ -	\$ 8,724.18
C-Coiled Tubing Services	329			\$ -	\$ 99,455.67			\$ -	\$ 99,455.67
C-Perf/Wireline Svc	331			\$ -	\$ 168,667.51			\$ -	\$ 168,667.51
C-Fishing, Milling Services	337			\$ -	\$ 33,151.89			\$ -	\$ 33,151.89
C-Other Miscellaneous Services & Consumables	339			\$ -	\$ 14,540.30			\$ -	\$ 14,540.30
C-Pump / Kill Truck	343			\$ -	\$ 12,795.47			\$ -	\$ 12,795.47
C-Wellsite Contract Labor & Supervisor	345			\$ -	\$ 66,303.78			\$ -	\$ 66,303.78
C-Permits, Fees, Surface Damages	346			\$ -	\$ 2,908.06			\$ -	\$ 2,908.06
C-Company and Consultant Supervision	347			\$ -	\$ 12,795.47			\$ -	\$ 12,795.47
TB-Damages/Right of Way	351			\$ -	\$ -	\$ 1,229.41		\$ -	\$ 1,229.41
TB-Location/Pits/Roads	353			\$ -	\$ -	\$ 40,570.69		\$ -	\$ 40,570.69
TB-Contract Labor	356			\$ -	\$ -	\$ 223,753.52		\$ -	\$ 223,753.52
PEQ-Contract Labor	374			\$ -	\$ -	\$ -	\$ 65,716.86	\$ -	\$ 65,716.86
PEQ-Water Disposal	387			\$ -	\$ -	\$ -	\$ 303,805.81	\$ -	\$ 303,805.81
PEQ-HRZ Well Offset Frac	391			\$ -	\$ -	\$ -	\$ 31,242.44	\$ -	\$ 31,242.44
Total Intangible Costs		\$ -	\$ -	\$ 2,726,723.16	\$ 2,559,965.73	\$ 265,553.63	\$ 400,765.12	\$ -	\$ 5,953,007.64
Tangible Costs									
PEQ-Flowback Crews & Equip	392						\$ 182,068.02	\$ -	\$ 182,068.02
D-Surface Casing	M521			\$ 23,800.00				\$ -	\$ 23,800.00
D-Intermed Csg	M523			\$ 289,000.00				\$ -	\$ 289,000.00
D-Production Casing/Liner	M531			\$ 406,300.00				\$ -	\$ 406,300.00
D-Wellhead Equip, X-Mas Tree and Associated Eq	E100			\$ 36,550.00				\$ -	\$ 36,550.00
D-Telecommunication Equipment	E600			\$ 23,800.00				\$ -	\$ 23,800.00
D-Conductor	M510			\$ 27,200.00				\$ -	\$ 27,200.00
C-Tubing	504			\$ 55,253.15				\$ -	\$ 55,253.15
C-Wellhead Equip	505			\$ 34,896.73				\$ -	\$ 34,896.73
TB-Tanks	510				\$ 72,535.48			\$ -	\$ 72,535.48
TB-Flowlines/Pipelines	511				\$ 31,964.79			\$ -	\$ 31,964.79
TB-Htr Trtr/Seprtr	512				\$ 229,900.60			\$ -	\$ 229,900.60
TB-Electrical System/Equipment	513				\$ 141,382.72			\$ -	\$ 141,382.72
C-Pckrs/Anchors/Hgrs	514			\$ 68,630.23				\$ -	\$ 68,630.23
TB-Couplings/Fittings/Valves	515				\$ 240,965.33			\$ -	\$ 240,965.33
TB-Pumps-Surface	521				\$ 31,964.79			\$ -	\$ 31,964.79
TB-Instrumentation/SCADA/POC	522				\$ 24,588.30			\$ -	\$ 24,588.30
TB-Miscellaneous	523				\$ 24,588.30			\$ -	\$ 24,588.30
TB-Meters/Lacts	525				\$ 31,964.79			\$ -	\$ 31,964.79
TB-Flares/Combusters/Emission	526				\$ 39,341.28			\$ -	\$ 39,341.28
C-Gas Lift/Compression	527			\$ 26,754.16				\$ -	\$ 26,754.16
PEQ-Wellhead Equipment	531						\$ 65,716.86	\$ -	\$ 65,716.86
Total Tangible Costs		\$ -	\$ -	\$ 806,650.00	\$ 185,534.27	\$ 869,196.37	\$ 247,784.88	\$ -	\$ 2,109,165.52
Total Gross Cost		\$ -	\$ -	\$ 3,533,373.16	\$ 2,745,500.00	\$ 1,134,750.00	\$ 648,550.00	\$ -	\$ 8,062,173.16

Note: The above costs are estimates only. Actual costs will be billed as incurred.

COG Operating LLC

By: _____

Date Prepared: _____

We approve:

% Working Interest

COG Operating LLC
By: _____

Company:
By: _____

Printed Name: _____
Title: _____
Date: _____

This AFE is only an estimate. By signing you agree to pay your share of the actual costs incurred.

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
Drill & Complete**

Well Name Campana Fed Com 902H
SHL 440' FEL 1342' FNL SECTION 2-24S-26E
BHL 200' FWL & 1700' FNL SECTION 2-24S-26E
Formation WCC
Legal N2 2-24S-26E AND NE 3-24S-26E
AFE Numbers TBD

Prospect HELLFIRE 2426
State & County Eddy NM
Objective D&C
Depth 9400'
MD 14380'

Cost Description	Code	PreSpud (PS)	Pre-Set Casing(PC)	Drilling (DR)	Completions (C)	Tank Btty Constrcn(TB)	Pmpq Equip (PEQ)	Revision	Total
Intangible Costs									
D-Bit and Mill	M620			\$ 111,006.82				\$ -	\$ 111,006.82
D-Lost in Hole (DBR DP WBM)	M690			\$ -				\$ -	\$ -
D-Fuel & Lubricant	M710			\$ 62,974.80				\$ -	\$ 62,974.80
D-Water	M720			\$ 104,350.51				\$ -	\$ 104,350.51
D-Mud & Chemicals	M741			\$ 358,585.63				\$ -	\$ 358,585.63
D-Drilling Overhead	O110			\$ 25,585.00				\$ -	\$ 25,585.00
D-Daywork Contract	O120			\$ 44,030.00				\$ -	\$ 44,030.00
D-Field Office and Trailer	O320			\$ 26,180.00				\$ -	\$ 26,180.00
D-Permit, Fee and License	O400			\$ 36,125.00				\$ -	\$ 36,125.00
D-Environmental, Health and Safety Service	S160			\$ 166,833.63				\$ -	\$ 166,833.63
D-Drilling Rig	S210			\$ 558,845.25				\$ -	\$ 558,845.25
D-Drilling Rig Mob/Demob	S211			\$ 231,200.00				\$ -	\$ 231,200.00
D-Pipe, Tubing, Casing Running and Handling	S220			\$ 38,250.00				\$ -	\$ 38,250.00
D-Directional Drilling, MWD/LWD, Motor	S230			\$ 196,327.42				\$ -	\$ 196,327.42
D-Solid Control	S250			\$ 38,318.00				\$ -	\$ 38,318.00
D-Mud Logging, GeoSteering, PVT	S272			\$ 28,050.00				\$ -	\$ 28,050.00
D-Cementing Service	S281			\$ 171,452.91				\$ -	\$ 171,452.91
D-Cementing & Casing Eqpt and Accessories	S283			\$ 59,500.00				\$ -	\$ 59,500.00
D-Other Specialized Service	S470			\$ 54,400.00				\$ -	\$ 54,400.00
D-Site Preparation and Road Work	S511			\$ 197,200.00				\$ -	\$ 197,200.00
D-Land Freight	S710			\$ 78,176.20				\$ -	\$ 78,176.20
D-Downhole Drilling Tools and Eqipt Rental	S820			\$ 53,550.00				\$ -	\$ 53,550.00
D-Surface Drilling Tools and Eqipt Rental	S830			\$ 68,782.00				\$ -	\$ 68,782.00
D-Wellhead and Tree Rental Services	S860			\$ 17,000.00				\$ -	\$ 17,000.00
C-Completions Fluids & Other Chemicals	304			\$ -	\$ 24,427.71			\$ -	\$ 24,427.71
C-Lctn/Pits/Roads	305			\$ -	\$ 7,270.15			\$ -	\$ 7,270.15
C-DST & Production Testing	306			\$ -	\$ 8,724.18			\$ -	\$ 8,724.18
C-Frac Equipment	307			\$ -	\$ 657,803.30			\$ -	\$ 657,803.30
C-Frac Chemicals	308			\$ -	\$ 182,626.20			\$ -	\$ 182,626.20
C-Frac Proppant	309			\$ -	\$ 524,614.13			\$ -	\$ 524,614.13
C-Land Based Transport	310			\$ -	\$ 26,172.55			\$ -	\$ 26,172.55
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C-Bits & Mills	326			\$ -	\$ 2,326.45			\$ -	\$ 2,326.45
C-Wellhead & Tree Service (Labor Only)	327			\$ -	\$ 8,724.18			\$ -	\$ 8,724.18
C-Coiled Tubing Services	329			\$ -	\$ 99,455.67			\$ -	\$ 99,455.67
C-Perf/Wireline Svc	331			\$ -	\$ 168,667.51			\$ -	\$ 168,667.51
C-Fishing, Milling Services	337			\$ -	\$ 33,151.89			\$ -	\$ 33,151.89
C-Other Miscellaneous Services & Consumables	339			\$ -	\$ 14,540.30			\$ -	\$ 14,540.30
C-Pump / Kill Truck	343			\$ -	\$ 12,795.47			\$ -	\$ 12,795.47
C-Wellsite Contract Labor & Supervisor	345			\$ -	\$ 66,303.78			\$ -	\$ 66,303.78
C-Permits, Fees, Surface Damages	346			\$ -	\$ 2,908.06			\$ -	\$ 2,908.06
C-Company and Consultant Supervision	347			\$ -	\$ 12,795.47			\$ -	\$ 12,795.47
TB-Damages/Right of Way	351				\$ -	\$ 1,229.41		\$ -	\$ 1,229.41
TB-Location/Pits/Roads	353				\$ -	\$ 40,570.69		\$ -	\$ 40,570.69
TB-Contract Labor	356				\$ -	\$ 223,753.52		\$ -	\$ 223,753.52
PEQ-Contract Labor	374					\$ -	\$ 65,716.86	\$ -	\$ 65,716.86
PEQ-Water Disposal	387					\$ -	\$ 303,805.81	\$ -	\$ 303,805.81
PEQ-HRZ Well Offset Frac	391					\$ -	\$ 31,242.44	\$ -	\$ 31,242.44
Total Intangible Costs		\$ -	\$ -	\$ 2,726,723.16	\$ 2,559,965.73	\$ 265,553.63	\$ 400,765.12	\$ -	\$ 5,953,007.64

Tangible Costs									
PEQ-Flowback Crews & Equip	392						\$ 182,068.02	\$ -	\$ 182,068.02
D-Surface Casing	M521			\$ 23,800.00				\$ -	\$ 23,800.00
D-Intermed Csg	M523			\$ 289,000.00				\$ -	\$ 289,000.00
D-Production Casing/Liner	M531			\$ 406,300.00				\$ -	\$ 406,300.00
D-Wellhead Equip, X-Mas Tree and Associated Eq	E100			\$ 36,550.00				\$ -	\$ 36,550.00
D-Telecommunication Equipment	E600			\$ 23,800.00				\$ -	\$ 23,800.00
D-Conductor	M510			\$ 27,200.00				\$ -	\$ 27,200.00
C-Tubing	504			\$ 55,253.15				\$ -	\$ 55,253.15
C-Wellhead Equip	505			\$ 34,896.73				\$ -	\$ 34,896.73
TB-Tanks	510				\$ 72,535.48			\$ -	\$ 72,535.48
TB-Flowlines/Pipelines	511				\$ 31,964.79			\$ -	\$ 31,964.79
TB-Htr Trtr/Seprtr	512				\$ 229,900.60			\$ -	\$ 229,900.60
TB-Electrical System/Equipment	513				\$ 141,382.72			\$ -	\$ 141,382.72
C-Pckrs/Anchors/Hgrs	514			\$ 68,630.23				\$ -	\$ 68,630.23
TB-Couplings/Fittings/Valves	515				\$ 240,965.33			\$ -	\$ 240,965.33
TB-Pumps-Surface	521				\$ 31,964.79			\$ -	\$ 31,964.79
TB-Instrumentation/SCADA/POC	522				\$ 24,588.30			\$ -	\$ 24,588.30
TB-Miscellaneous	523				\$ 24,588.30			\$ -	\$ 24,588.30
TB-Meters/Lacts	525				\$ 31,964.79			\$ -	\$ 31,964.79
TB-Flares/Combusters/Emission	526				\$ 39,341.28			\$ -	\$ 39,341.28
C-Gas Lift/Compression	527			\$ 26,754.16				\$ -	\$ 26,754.16
PEQ-Wellhead Equipment	531					\$ 65,716.86		\$ -	\$ 65,716.86
Total Tangible Costs		\$ -	\$ -	\$ 806,650.00	\$ 185,534.27	\$ 869,196.37	\$ 247,784.88	\$ -	\$ 2,109,165.52

Total Gross Cost	\$ -	\$ -	\$ 3,533,373.16	\$ 2,745,500.00	\$ 1,134,750.00	\$ 648,550.00	\$ -	\$ 8,062,173.16
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Note: The above costs are estimates only. Actual costs will be billed as incurred.

COG Operating LLC

By: _____

Date Prepared: _____

We approve:

% Working Interest

COG Operating LLC
By: _____

Company: _____
By: _____
Printed Name: _____
Title: _____
Date: _____

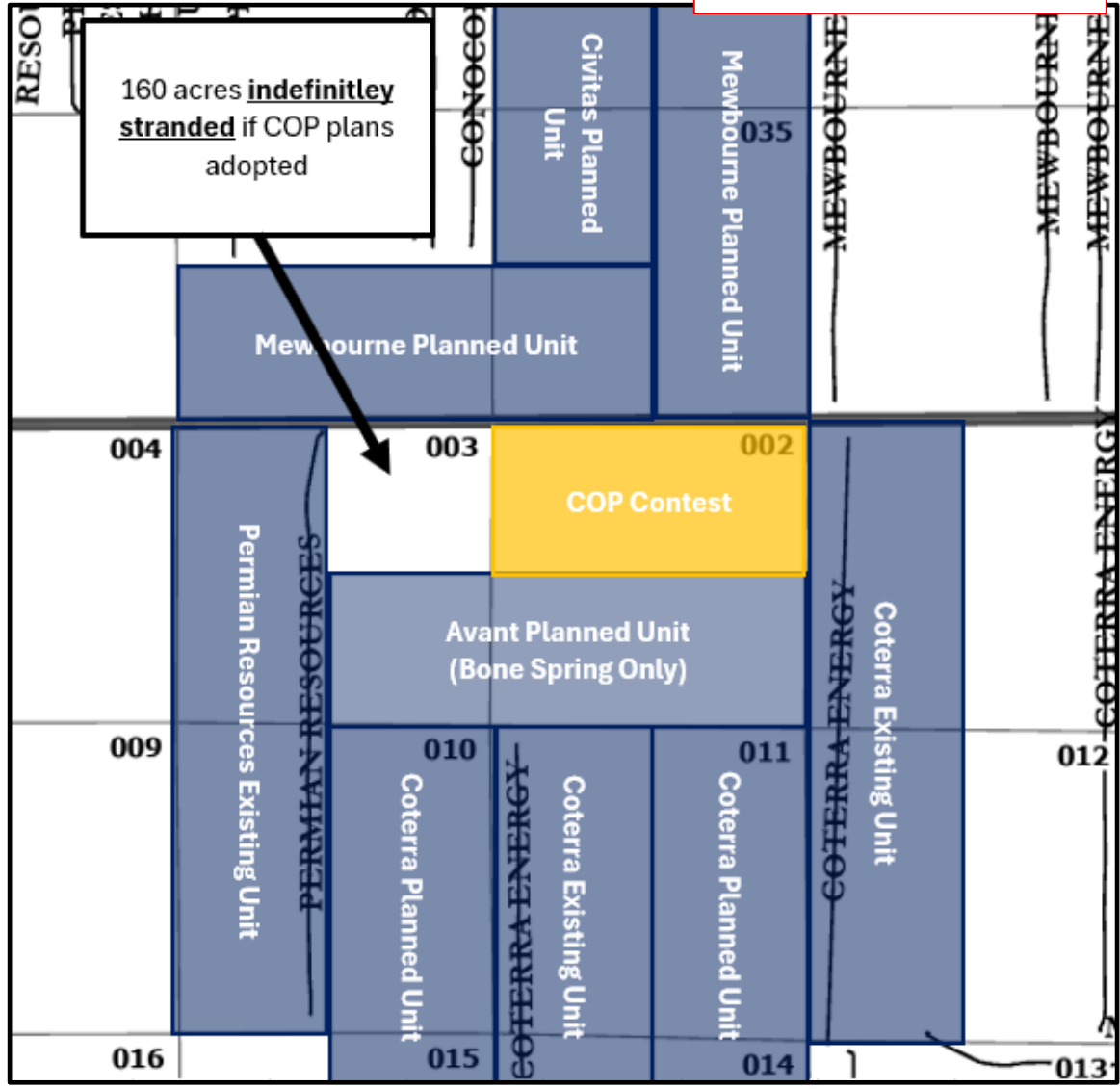
This AFE is only an estimate. By signing you agree to pay your share of the actual costs incurred.

Area Development Plat COP/MRO Proposed Development

Spacing Unit Overview – Competing Plans

General Information

- COP Plan:
 - Relying on existing JOA 1-mile that has been superseded by Powderhorn & Kaiser Francis.
 - Last (and only) well drilled under JOA spud February of 1974 per OCD record (operated by 5 owners prior to COP).
 - Based on general knowledge of COP's operational strategies, proposed plan seems inconsistent with area activity.
- Avant Plan:
 - Agreement reached with Avant, Avant proceeding to pool and operate Case 25873 (Bone Spring Formation). Powderhorn to operate Wolfcamp via Case 25610.
- Offsetting Development:
 - All surrounding lands included in 3rd party operator plans or existing spacing units
- Stranding Risk:
 - Adoption of COP plan will indefinitely strand the NE/4 of Section 3.



Pooled Parties List & Commitment Status

Pooled Parties (Case 25610 – Wolfcamp)

Owner Name	Pooled Party?	Owner Type	Ownership Status	Proposal Date Mailed	Proposal Certified Tracking Number	Owner Interest (Case 25610)	Notes for OCD (3.16.2026)
Powderhorn	N/A	WI	Committed	N/A	N/A	33.698%	Committed
Kaiser Francis Oil Company	No	WI	Committed	7/31/2025	9589 0710 5270 2936 4338 12	22.938%	Committed
Cimarex Energy Company/Coterra Energy, Inc/Magnum Hunter Production Inc.	No	WI/RT	Committed	7/31/2025	9589 0710 5270 2936 4378 41	0.000%	Powderhorn Interest (Acquired February 2026)
Permian Resources/Earthstone Permian LLC	Yes	WI	Not committed	7/31/2025	9589 0710 5270 2936 4378 89	3.327%	Pooled Party
Conocophillips/Marathon Oil Permian	Yes	WI	Not committed	7/31/2025	9589 0710 5270 2936 4378 34	16.798%	Pooled Party
AO II Permian/AO II Permian F3 LL/Avant Operating II LLC	No	WI/RT	Committed	7/31/2025	9589 0710 5270 2936 4378 72	21.780%	Committed
PBX, LLC	No	N/A	N/A	7/31/2025	9589 0710 5270 1833 8398 19 9589 0710 5270 1833 8398 26 9589 0710 5270 1833 8396 42 9589 0710 5270 1833 8396 59 9589 0710 5270 1833 8398 02	1.459%	No Interest - Interest assigned to Avant but minor title hair exists. Interest was assigned into PBX after July proposals from sister entities. Purpose of listing is for transparency.
Working Interest Recap Total						100.000%	
Extex Operating Company	No	RT	N/A	N/A	Voluntary Communitization Agreement Signature		
Faulconer 1996 LP	No	RT	N/A	N/A	Voluntary Communitization Agreement Signature		
Jerry B. Elger	No	ORRI	N/A	N/A	Voluntary Communitization Agreement Ratification Signature		
Wallace H. Scott, III	No	ORRI	N/A	N/A			
William Winfield Scott	No	ORRI	N/A	N/A			
McElroy Minerals, LLC	No	ORRI	N/A	N/A			
Cathedral Royalties, LLC	No	ORRI	N/A	N/A			
Black Hills Gas Resources, Inc.	No	ORRI	N/A	N/A			
R.L. Spears	No	ORRI	N/A	N/A			
GBK Corporation	No	ORRI	N/A	N/A			
Finwing Oil & Gas, LLC	No	ORRI	N/A	N/A			
S.E.S. Resources, LLC	No	ORRI	N/A	N/A			
Andrew C. Elliott, Jr.	No	ORRI	N/A	N/A			
Jacqueline Elliott Holleman	No	ORRI	N/A	N/A			
Virginia Elliott Wenger	No	ORRI	N/A	N/A			
Shannon Elliott Harvey	No	ORRI	N/A	N/A			
PBX, LLC	No	ORRI	N/A	N/A			
VATEX Holdings, LLC	No	ORRI	N/A	N/A			
Loro Corporation	No	ORRI	N/A	N/A			

- ConocoPhillips/Marathon and Permian Resources/Earthstone are the only party Powderhorn is seeking to pool
- Voluntary joinder from RT & ORRIs in process
- **Edits for Exhibit A-9 as per 3.16.2026, per OCD Request:**
 - Non-standard location notice info removed per OCD request
 - Unit Recap added per OCD request (Farthest right 2 columns). Total Pooled interest: 20.125%, Total Committed Interest: 78.416%
 - Note: All RT & ORRIs included in single 959.60-acre unit

Powderhorn Operating, LLC
Case No. 25610
Exhibit A-9 – OCD Amended

Party Commitment Summary

Delaware Basin — Wolfcamp Formation

#	Party	Commitment Type	Notes
1	Kaiser	Joint Operating Agreement (JOA)	Committed via existing JOA provisions
2	Coterra	Interest Acquisition	Committed via interest acquisition; COP may still reflect Coterra in title records
3	Avant	Letter Agreement	Mutual Agreement Reached: Each party supporting each other's separate pool applications.

WI Ownership – Super Hornet HSU

Working Interest Breakout – Case 25610

Tract Level Breakout													
Tracts	Gross Acres	Powderhorn		Avant		COP/Marathon		Kaiser		Permian		*PBX, LLC	
		WI %	Net Acres	WI %	Net Acres	WI %	Net Acres	WI %	Net Acres	WI %	Net Acres	WI %	Net Acres
Section 3: Lots 1-2, S2NE, SE	319.28	90.000%	287.35	0.000%	0.00	0.000%	0.00	0.000%	0.00	10.000%	31.93	0.000%	0.00
Section 2: Lot 1, SWNW	80.2	6.250%	5.01	0.000%	0.00	68.750%	55.14	25.000%	20.05	0.000%	0.00	0.000%	0.00
Section 2: Lots 2-4, SENW	160.12	0.000%	0.00	0.000%	0.00	50.000%	80.06	50.000%	80.06	0.000%	0.00	0.000%	0.00
Section 2: SENE	40	0.000%	0.00	35.000%	14.00	15.000%	6.00	50.000%	20.00	0.000%	0.00	0.000%	0.00
Section 2: SWNE	40	0.000%	0.00	0.000%	0.00	50.000%	20.00	50.000%	20.00	0.000%	0.00	0.000%	0.00
Section 2: W2SW	80	0.000%	0.00	100.000%	80.00	0.000%	0.00	0.000%	0.00	0.000%	0.00	0.000%	0.00
Section 2: E2SW, NWSE, SESE	160	11.875%	19.00	63.125%	101.00	0.000%	0.00	25.000%	40.00	0.000%	0.00	0.000%	0.00
Section 2: NESE	40	15.000%	6.00	35.000%	14.00	0.000%	0.00	50.000%	20.00	0.000%	0.00	0.000%	0.00
*Section 2: SWSE	40	15.000%	6.00	0.000%	0.00	0.000%	0.00	50.000%	20.00	0.000%	0.00	35.000%	14.00
Unit Totals:	959.6	33.698%	323.36	21.780%	209.00	16.798%	161.20	22.938%	220.11	3.327%	31.93	1.459%	14.00
Status:		Committed		Committed		Opposed		Committed		Pooled Party		Title Issue	
Total Powderhorn Committed:	78.415%	*Purasant to title diligence PBX, LLC (not seeking to be pooled) appears to have retained 14 nma as to the SWSE of Section 2. However, in dialogue with PBX, LLC it was their intent to transfer all interest to Avant via ABOS dated effective November 1, 2025 (1203/676). For the purposes of this hearing their interest has been listed as uncommitted but not being sought to be pooled.											
Total COP/Marathon:	16.798%												

WI Commentary

- Powderhorn case 25610 opposed by COP with their intent of development on a 320 Acre basis (no application)
- Powderhorn interest in every tract achieved via owned or committed interest
- Adoption of COP position will leave the NE of Section 3 indefinitely stranded. See Exhibit A-8
- No COP ownership in the NE of Section 3 where it is proposing to strand acreage
- Powderhorn has reached a deal or voluntary joinder with three (3) parties that were previously opposed.
- “Apples to Apples” view of COP opposition viewed on next slide

Powderhorn Operating, LLC
Case No. 25610
Exhibit A-10

Section 3

Section 2

Add-ins		Tract 1			Tract 3		Tract 2
				Tract 2		Tract 5	Tract 5
				Tract 6	Tract 7		Tract 8
						Tract 9	Tract 7

WI Ownership Comparison Super Hornet HSU v. COP/MRO Dev. Plan

"Apples to Apples" View – Case 25610

Tract Level Breakout - N2 COP Opposition												
Tracts	Competing Operator	Gross Acres	Powderhorn		Avant		COP/Marathon		Kaiser		Permian	
			WI %	Net Acres	WI %	Net Acres	WI %	Net Acres	WI %	Net Acres	WI %	Net Acres
Section 3: Lots 1-2, S2NE	Stranding	159.28	90.000%	143.35	0.000%	0.00	0.000%	0.00	0.000%	0.00	10.000%	15.93
Section 2: Lot 1, SWNW	COP	80.2	6.250%	5.01	0.000%	0.00	68.750%	55.14	25.000%	20.05	0.000%	0.00
Section 2: Lots 2-4, SENW	COP	160.12	0.000%	0.00	0.000%	0.00	50.000%	80.06	50.000%	80.06	0.000%	0.00
Section 2: SENE	COP	40	0.000%	0.00	35.000%	14.00	15.000%	6.00	50.000%	20.00	0.000%	0.00
Section 2: SWNE	COP	40	0.000%	0.00	0.000%	0.00	50.000%	20.00	50.000%	20.00	0.000%	0.00
Unit Totals:		479.6	30.935%	148.36	2.919%	14.00	33.611%	161.20	29.214%	140.11	3.321%	15.93
Status:			Committed		N/A		Opposed		Committed		Pooled Party	
Total Powderhorn Committed:		63.068%	View point depicted is of working interest owners strictly in the N/2 of Section 2 & NE of Section 3 rather than a view of the Powderhorn proposed 959.60 acre spacing unit. Look at these interests is for perspective only and not the interest breakout of Case 25610.									
Total COP/Marathon:		33.611%										

WI Commentary

- Powderhorn case 25610 opposed by COP with their intent of development on a 320 Acre basis (no application)
- COP relying upon 320-acre JOA dated January 1, 1976. Only well drilled under said JOA drilled fifty (50) years ago. (State K 4401 #1 30-015-21056)
- COP seeking to “defend operated position” rather than protect interests of themselves and all other parties via prevention of waste, protection of correlative rights, and enhancement of project economics.
- Adoption of COP position will leave the NE of Section 3 indefinitely stranded. See Exhibit A-8.
- No COP ownership in the NE of Section 3 where it is proposing to strand acreage

Powderhorn Operating, LLC
Case No. 25610
Exhibit A-II

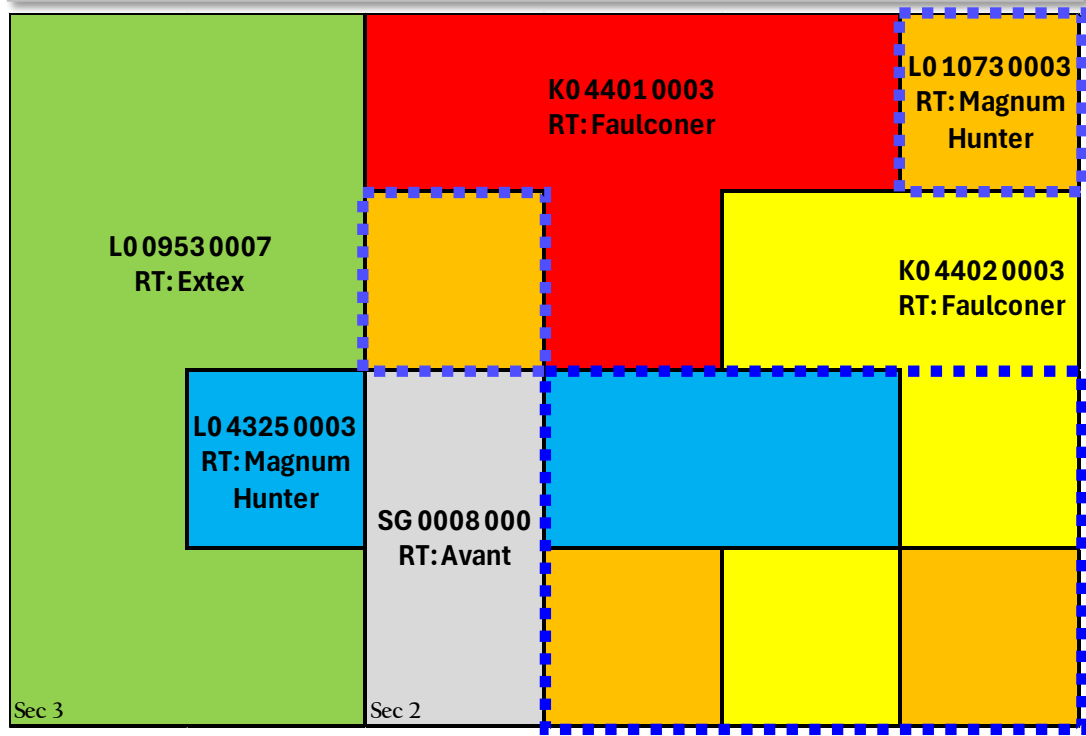
WI Expiration Concerns

Powderhorn Expiration Summary

Commentary

- **Term Assignment:**
 - Effective September 1, 2025
 - From VATEX (successor in interest to Rhombus as well as Stephen & Marilyn Price) to Powderhorn
- **Expiration Date:**
 - March 1, 2027
- **Lands Covered:**
 - Legal: Section 2: Lot 1, SWNW, E2SW, SE
 - Gross Acres: 320.20
 - Net Acres: 30.00625
 - Leases: L0 1073, L0 4402, L0 4325
- **Risk to Powderhorn:**
 - Powderhorn only party subject to expiration
 - Conoco/Marathon has owned its position in the N/2 of Section 2 for nine (9) years with zero (0) activity.
 - In addition to stranding risk of the NE of Section 3, Any preference given to COP (N2) still risks partial stranding of Powderhorn term assignment which falls in both the N2 & S2.

Lease Map



 Term Assignment Coverage

Powderhorn Operating, LLC
Case No. 25610
Exhibit A-12

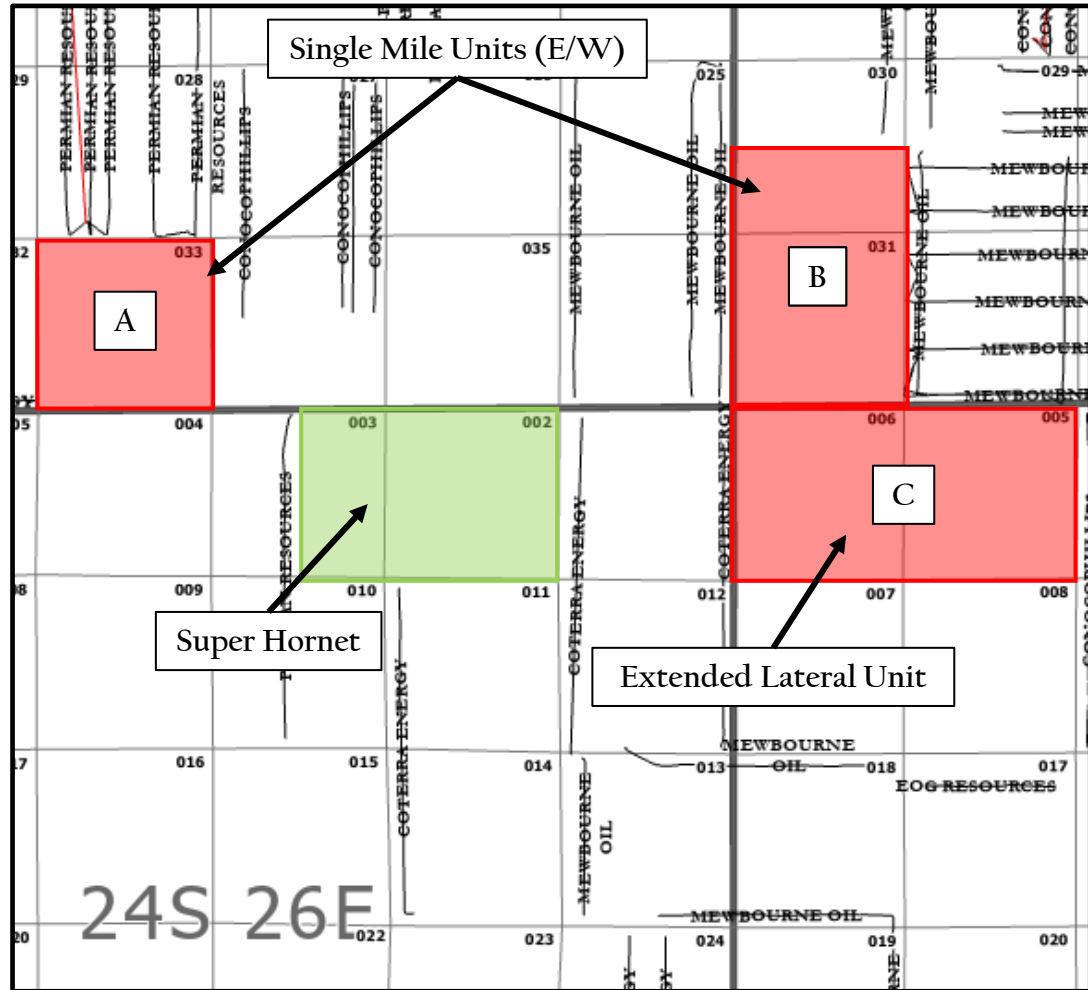
COP/MRO Area Activity

COP Area Activity

Commentary

- Inactive operations the area:
 - Marathon/COP has actively divested of similar acreage in recent 18 months
 - Majority of divestments subject to similar <2-mile project areas
 - COP "defense" of "operated" position in this case seems atypical to recent actions
 - As further referenced in the engineering exhibits, COP has not spud a single 1-mile Hz. Well in a 6 mile radius of Super Hornet since February of 2018 (8 years).
 - Of the four 1-mile Hz. Wells COP operates in the same 6-mile radius, all were drilled by COP predecessors prior to COP acquisition (Marathon & COG Operating)
- Active Seller:
 - COP divestments depicted on map as referenced in Units A, B, and C.
 - Powderhorn in good faith has offered to its knowledge similar deal terms to COP.
 - Divestment A: (1-Mile)
 - Term Assignment dated 10/1/2024
 - Section 33: SE, W2, NENE, W2NE
 - Divestment B:
 - Development Agreement (Farmout) dated 4/8/2025
 - Section 6: Lots 5, 6, 7, E2SW, S2NE, SENW, & SE
 - Section 5: All
 - Divestment C:
 - Development Agreement (Farmout) dated 8/1/2025
 - Section 31: W2 & NE
 - Section 30: Lot 4, SESW, S2SE, NESE

Area Map



Powderhorn Operating, LLC
 Case No. 25610
 Exhibit A-13

COP Q4 2025 Earnings Call

LSEG STREETEVENTS

EDITED TRANSCRIPT

COP.N - Q4 2025 ConocoPhillips Earnings Call

EVENT DATE/TIME: FEBRUARY 05, 2026 / 5:00PM GMT

OVERVIEW:

Company Summary

Powderhorn Operating, LLC
Case No. 25610
Exhibit A-14

FEBRUARY 05, 2026 / 5:00PM, COP.N - Q4 2025 ConocoPhillips Earnings Call

CORPORATE PARTICIPANTS

Guy Baber *ConocoPhillips - Vice President of Investor Relations*

Ryan Lance *ConocoPhillips - Chairman and Chief Executive Officer*

Andy O'Brien *ConocoPhillips - Chief Financial Officer and Executive Vice President, Strategy and Commercial*

Kirk Johnson *ConocoPhillips - Executive Vice President, Global Operations and Technical Functions*

Nick Olds *ConocoPhillips - Executive Vice President, Lower 48 and HSE*

CONFERENCE CALL PARTICIPANTS

Neil Mehta *Goldman Sachs - Analyst*

Lloyd Byrne *Jefferies - Analyst*

Stephen Richardson *Evercore Partners Inc - Analyst*

Betty Jiang *Barclays - Analyst*

Arun Jayaram *JPMorgan Securities LLC - Analyst*

Doug Leggett *Wolfe Research - Analyst*

Devin McDermott *Morgan Stanley - Analyst*

Ryan Todd *Piper Sandler - Analyst*

Nitin Kumar *Mizuho Securities USA Inc - Analyst*

Scott Hanold *RBC Capital Markets - Analyst*

Sam Margolin *Wells Fargo - Analyst*

Philip Jungwirth *BMO Capital Markets - Analyst*

James West *Melius Research - Analyst*

Paul Cheng *Scotia Howard Weil - Analyst*

Charles Meade *Johnson Rice - Analyst*

Kevin MacCurdy *Pickering Energy Partners - Analyst*

PRESENTATION

Operator

Welcome to the Fourth Quarter 2025 ConocoPhillips Earnings Conference Call. My name is Liz, and I will be your operator for today's call. (Operator Instructions)

I will now turn the call over to Guy Baber, Vice President, Investor Relations. Sir, you may begin.

Guy Baber - ConocoPhillips - Vice President of Investor Relations

Thank you, Liz, and welcome, everyone, to our fourth quarter 2025 earnings conference call. On the call today are several members of the ConocoPhillips leadership team, including Ryan Lance, Chairman and CEO; Andy O'Brien, Chief Financial Officer and Executive Vice President of Strategy and Commercial; Nick Olds, Executive Vice President of Lower 48 and Global HSE; and Kirk Johnson, Executive Vice President

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of Global Operations and Technical Functions. Ryan and Andy will kick off the call today with opening remarks, after which the team will be available for your questions. For the Q&A, we will be taking one question per caller.

A few quick reminders. First, along with today's release, we published supplemental financial materials and a slide presentation, which you can find on the Investor Relations website. Second, during this call, we will make forward-looking statements based on current expectations. Actual results may differ due to factors noted in today's release and in our periodic SEC filings. We will make reference to some non-GAAP financial measures. Reconciliations to the nearest corresponding GAAP measure can be found in today's release and on our website.

With that, I'll turn the call over to Ryan.

Ryan Lance - ConocoPhillips - Chairman and Chief Executive Officer

Thanks, Guy, and thank you to everyone for joining our fourth quarter 2025 earnings conference call. 2025 was another very strong year for ConocoPhillips, marked by consistent financial and operational execution and a number of important strategic accomplishments for our company. First, we outperformed all our major guidance drivers from the beginning of the year -- CapEx, operating costs and production -- demonstrating the strength of our team's quarter-to-quarter execution. On a pro forma basis, we grew production by 2.5% in 2025, while driving significant reductions to both our capital and costs.

On return of capital, we met our objective to return 45% of our CFO to shareholders, consistent with our long-term track record, while again increasing our base dividend at a top quartile S&P 500 growth rate. And we did so while further strengthening our investment-grade balance sheet, certainly a differentiated accomplishment. Our cash balances are higher today than a year ago, and our net debt is lower, putting us in a very strong financial position to start the year.

We successfully integrated Marathon Oil, outperforming our acquisition case on the most important metrics. We added more high-quality, low-cost of supply resource, doubled our synergy capture, realized a further \$1 billion of onetime benefits and completely eliminated the Marathon capital program while still delivering pro forma production growth. And as part of our drive for continuous improvement, we launched and have already made great progress on our incremental \$1 billion cost reduction and margin enhancement initiative.

We progressed our commercial LNG strategy, growing our offtake portfolio to approximately 10 million tonnes per annum. And finally, we improved our Lower 48 drilling and completion efficiencies and advanced our differentiated major projects, which we expect to drive peer-leading free cash flow growth through the end of the decade. So 2025 was a great year for the company. While these are significant achievements, we're not stopping there. We will build on this success.

Turning to 2026. Our primary focus is on delivering \$1 billion combined reduction across our capital spending and operating costs while growing our production on an underlying basis. On shareholder returns, we once again expect to return about 45% of our CFO to shareholders while continuing to grow our base dividend at a top quarterly S&P 500 rate. Top quartile dividend growth is sustainable as we expect our free cash flow breakeven to decline into the low \$30 per barrel WTI range by the end of this decade.

Looking beyond 2026, I believe ConocoPhillips continues to offer a compelling value proposition that is differentiated both within our sector and relative to the broader S&P 500. As I've said before, I believe we have the highest quality asset base in our peer space, a distinguishing competitive advantage, especially in the context of a U.S. shale industry that continues to mature.

We are resource rich in a world that is looking increasingly resource scarce. We have the deepest, most capital-efficient Lower 48 inventory in the sector. And outside the Lower 48, we have an abundance of high-quality, low-cost of supply legacy assets, and we are uniquely investing in our diverse major projects to transform the free cash flow generation profile of our company.

As a reminder, the four major projects we have underway, combined with our cost reduction and margin enhancement initiatives are expected to drive a \$7 billion free cash flow inflection by 2029 that will double our 2025 free cash flow generation. And that free cash flow inflection

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is now underway. We anticipate realizing approximately \$1 billion of incremental free cash flow in each year from '26 through '28, with another \$4 billion from Willow coming online in 2029. And that's a growth profile that's unmatched in our industry.

Now with that, let me turn over the call to Andy to cover the fourth quarter performance and 2026 guidance in more detail.

Andy O'Brien - ConocoPhillips - Chief Financial Officer and Executive Vice President, Strategy and Commercial

Thanks, Ryan. Starting with our fourth quarter performance, we reported another quarter of strong execution across the portfolio. We produced 2,320,000 barrels of oil equivalent per day, consistent with the midpoint of our production guidance. We generated \$1.02 per share in adjusted earnings and \$4.3 billion of CFO. Capital expenditures were \$3 billion, which brought our full year capital spend to \$12.6 billion.

We returned \$2.1 billion to our shareholders during the fourth quarter, including just over \$1 billion in buybacks and \$1 billion in ordinary dividends, bringing the full year return of capital to \$9 billion or 45% of our CFO, consistent with our guidance and our long-term track record.

We closed over \$3 billion of asset sales during 2025, demonstrating strong progress against our recently upsized \$5 billion divestiture target with \$1.6 billion of proceeds received in the fourth quarter. For the full year, we paid down \$900 million of debt and cash balances were up \$1 billion resulting in net debt reductions of nearly \$2 billion, highlighting our commitment to both returning cash to shareholders and our investment-grade balance sheet. Cash and short-term investments finished at \$7.4 billion, along with \$1.1 billion in long-term liquid investments. On reserves, 2025 was another solid year. Our organic reserve replacement ratio was just under 100% while our trailing 3 years was 106%.

Turning now to our guidance for 2026. As Ryan said, we continue to expect a significant reduction in both our capital spend and our operating costs, combining to drive a year-on-year improvement of about \$1 billion. 2026 capital spend guidance of about \$12 billion is consistent with the preliminary outlook provided last quarter down about \$600 million year-on-year due to significant capital efficiency gains in the Lower 48 and a decline in our major project spending. 2026 operating cost guidance of about \$10.2 billion is also consistent with the preliminary outlook, down about \$400 million compared to 2025.

The improvement in 2026 is driven by a combination of our cost reduction program and a full year of Marathon Oil synergies. 2026 production guidance is 2,330,000 to 2,360,000 barrels of oil equivalent per day providing modest growth for the year. First quarter production is expected to be in the range of 2,300,000 to 2,340,000 barrels of oil equivalent per day, including the estimated impacts of weather-related downtime from Winter Storm Fern.

In the Lower 48, once again, we expect to deliver more production for less capital as we continue to benefit from the highest quality asset base in the sector. We are a clear leader in inventory depth with over two decades of low cost of supply inventory across the Permian, Eagle Ford and Bakken. We're also the clear leader when it comes to bottom line results, capital efficiency, the amount of oil we recover for every dollar of capital we invest. We have the best rock in the best part of the best plays, and our team continues to execute really well.

In 2025, we improved our drilling and completion efficiencies by more than 15%. We expect our capital efficiency improvements to continue in 2026, again driven by strong well productivity, ongoing D&C excellence and further increases in our longer lateral developments.

Now turning to Alaska and International. A few important themes stand out for 2026. First, we continue to progress our advantaged major projects, consistent with the comprehensive update we provided last quarter. Our LNG projects are more than 80% complete with NFE expected to start up in the second half of this year, while Willow is nearing 50% complete and on track for first oil in early 2029.

Second, we remain focused on infrastructure-led exploration and are shifting our focus this year to Alaska, where we have four wells fully permitted and are looking to unlock additional resources near to our infrastructure hubs building on our decades of disciplined exploration and appraisal spend in Alaska. And third, we'll continue to leverage our diverse low cost of supply legacy assets for ongoing capital efficient

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development, including at Surmont, where we delivered our most recent pad ahead of schedule and on budget, with another pad expected online early next year.

To wrap up, 2025 was a very strong year for ConocoPhillips and we're looking to build on this success in 2026, starting with a \$1 billion improvement in our CapEx and costs as the multiyear free cash flow growth profile we've discussed is now well underway. And we'll continue to find ways to enhance our differentiated investment thesis, unmatched portfolio quality, including leading Lower 48 inventory depth, attractive long-cycle investments, strong returns on and off capital and a sector-leading free cash flow growth profile through the end of the decade.

That concludes our prepared remarks. I'll now turn it over to the operator to start the Q&A.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Our first question comes from Neil Mehta from Goldman Sachs.

Neil Mehta - Goldman Sachs - Analyst

Ryan, you talked about depth of inventory, strong reserve replacement and you've got some great projects coming on here in the next couple of years. Just your perspective, as the industry is now set to accelerate consolidation potentially of whether Conoco is really more of an organic story on the go-forward given those characteristics? Or do you see a role that Conoco is playing in consolidation?

Ryan Lance - ConocoPhillips - Chairman and Chief Executive Officer

Yes. Thanks. Yes, I appreciate the question. Look, we've done our heavy lifting on the M&A side over the last 4 years to 5 years. And I think I've never seen the portfolio in a better shape and really no strategic gaps that we can identify.

We're globally diverse. We like our combination of a leading resource position in the Lower 48 combined with what we've got going on around the world and the LNG projects that we're leaning into the Willow development and then what Andy talked about in some of our other projects going on around the world.

So our pivot has been to the organic side of the portfolio. I can see the rationale for some of the M&A activity in terms of capturing the synergy, but we've been there, done that. We've got that behind us, and our focus is on the organic opportunity set that we have inside the portfolio, which we think is significant. As I said in my opening remarks, I think where we've gotten ourselves to is pretty resource rich and what we believe is becoming a more constrained world on the resource side. But we like where we're at.

We like the portfolio, and we're pretty focused on the organic side of the business.

Operator

Our next question comes from Lloyd Byrne from Jefferies.

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Lloyd Byrne - *Jefferies - Analyst*

Can you -- you've been pretty clear in the past, Ryan, about what it would take to go back into Venezuela. And I was just wondering if there's any update there? And if I may, do the recent events impact the Citgo sale at all?

Ryan Lance - *ConocoPhillips - Chairman and Chief Executive Officer*

The Venezuela question right off the top, Lloyd. Yes, look, I get it, seeing the news and look, our -- we're pretty focused on what we've talked about in the past, and that's the focus on the pathway to get some recovery on what's owed us in Venezuela. And that's our first priority right now is making sure they owe us a significant amount of money, we've been after that. So we know where all the assets are and that's the basis of our focus as well.

We're trying to be helpful with the current administration and provide them with our sense of what's happening on the ground. A lot has to happen. Obviously, security needs to improve, fiscals. We need a constructive relationship with local governments and the local people that actually want U.S. companies there.

And then you need durability on the policy side. You need durability both in Venezuela and clearly here on the U.S. side. But we're helping the administration kind of think through the short, medium and long term, but our focus remains on trying to get the recovery that has owed us from the two judgments that we have in place.

With respect to Citgo, we see no change at this point, encouraged by the administration's comments regarding wanting to get the asset in American hands or U.S. hands, that's constructive. And obviously, if there's still an appeal process to work through in that judgment from the courts. And then an OFAC license is required ultimately to satisfy that, but we would stand to collect some of our judgment through that process, but we see no change -- no reason to believe that it isn't going forward as it's been described to us.

Operator

Our next question comes from Steve Richardson from Evercore ISI. Your line is now open.

Stephen Richardson - *Evercore Partners Inc - Analyst*

Maybe we can step back a little bit from the Venezuela question, Ryan. I was wondering if you extended the concession in Libya this quarter. And this seems to be part of a broader trend where there's a lot of opportunities arising internationally for your company and others. And so I was wondering if you could just talk more broadly about how you evaluate those options versus your current portfolio? And is it just a question of kind of risk-adjusted cost of supply? Or -- there's obviously other opportunity costs there, but I was wondering if you can just talk about that more broadly and how you're evaluating those opportunities?

Ryan Lance - *ConocoPhillips - Chairman and Chief Executive Officer*

Yes. Thanks, Steve. So I'd draw a little bit of a distinction. I mean, we've been we've been trying to improve fiscals in Libya for nearly a decade. So we finally got to that point with here a couple of weeks ago was signing the agreement with the Libyan government and our partner there. But it's something -- it's an asset inside the portfolio that we're trying to improve every day. And so this just is another organic opportunity inside the portfolio, specifically to Libya.

And the improvement in the fiscals are just going to make it more competitive as we think about it. But we've been investing money in Libya, and this just makes those investments even more profitable and more competitive in the portfolio as we go forward as a result of what we've done. I think more broadly, what you're getting at, yes, there are some opportunities. And as the world becomes a little bit more resource constrained, there's opportunities in around. We look at those as well.

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We had a new one come into the portfolio through the Marathon acquisition of Equatorial Guinea. And so that's one we're focused on as well, trying to figure out how we can grow that LNG plant on the island and make it a long-term asset for the company, but that kind of fits into that organic side of the business, just trying to make that asset better over the long term for the company, doing similar things in Malaysia.

But there are new country entries that are happening, and we see that with new wildcat exploration maybe around the world from other competitors in new countries. We look at those and look for opportunities that might benefit the company and be additive to our plans and be consistent within our financial framework. And so it's exactly what you did. It's a risk-adjusted cost of supply of that opportunity and would it compete for capital inside the company? And could we slot it in with what we're doing inside the company over the long term, the next 10 years and 20 years.

So the uniqueness about our company is we have that muscle inside the company. We're already a pretty diverse company. We've got a BD organization that looks around the world, not just in the Lower 48 in the unconventional space, but also conventionally around the world, but it's got to compete inside the portfolio, just like everything does in the organic side of the business. So I think we're really well positioned to look at that and see what can be additive to the company.

Operator

Our next question comes from Betty Jiang from Barclays. Your line is now open.

Betty Jiang - Barclays - Analyst

I want to ask about the Alaska exploration program. So we just started this year, the first of a multiyear program. Can you speak to the objective of that exploration program? What's the risk; how big is the scale of the resource being targeted? And if successful, are we talking about extending the plateau for Willow? Or is it more upside to the ultimate production capacity of that project?

Kirk Johnson - ConocoPhillips - Executive Vice President, Global Operations and Technical Functions

Great question, Betty, good morning, thanks for that. Yes, certainly pleased to report that we're out in front of this winter season here. We got an early start just based on weather under ice road activity. And of course, we have all of the permits required for both the wells as well as the seismic that we have planned up there here this year. And even to that end, we were able to spud the first of those four wells just within the last couple of days.

So strong progress that we're seeing on those four. But again, to your question around intent and objectives here, we're out there exploring to the west of Willow and actually to the south. And so as you've certainly heard from us before, our objective is to continue to find what we might describe even though it's onshore as tieback opportunities into both Willow and actually into our WNS Alpine asset as well. So to your point, this is an opportunity for us to identify continued volumes, continued resource plays to bring into this existing infrastructure and Willow being the next hub, if you will.

And when we look back on our performance history there in Alaska, we have and continue to project or expect we'll produce well over double the volumes through those existing facilities through that existing infrastructure over double what we originally premised when we took FID on those. And so naturally, then that's our same objective here for Willow specifically as we explore to the west, we'll be looking for those resource opportunities to just keep that infrastructure full.

Obviously, a bit early to start making a call on total resource size, et cetera. But naturally, we have some pretty high aspirations and targets that we're pursuing, and we'll be going after this for several years here now. We've got four wells here premised this year but we've got a multiyear plan that we intend to carry out again, so that we can maximize as we do globally the infrastructure that we have and our ability to bring new volumes into that, that creates this advantaged cost of supply for us using the existing kit.

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Operator

Our next question comes from Arun Jayaram from JPMorgan. Your line is now open.

Arun Jayaram - JPMorgan Securities LLC - Analyst

Hi, Ryan and team. Gentlemen, trends in well productivity, increasing recovery rates have become a pretty hot button topic in U.S. shale. I wanted to talk a little bit about ConocoPhillips' Lower 48 business, looking at the data, the Enverus data in '25, you guys had a really good year in terms of productivity in the Bakken, Eagle Ford and the Permian. And I know it starts with good rock, but I was wondering if you could talk about some of the levers you may be pulling from a technology standpoint that may be contributing to the attractive trends in well productivity that we're observing today.

Nick Olds - ConocoPhillips - Executive Vice President, Lower 48 and HSE

All right, Arun. Yes, we certainly did have a strong productivity year in 2025 across that entire portfolio, as you mentioned. It was definitely consistent with our type curve expectations and consistent with the high quality of inventory, as you mentioned, One of the things we continue to do is we benchmark ourselves in each of our basins. And I'm pleased to say, on an oil productivity per foot, we're amongst the best in every basin we operate.

Now specifically, I want to call out a couple of areas that you mentioned in the Delaware Basin and Eagle Ford, we saw impressive year-on-year improvements. In the Delaware, our oil productivity per foot in 2025 is up about 8% year-on-year, and that's even with a notable increase in our average lateral length of 9% year-on-year. Now a couple of components to dive in on the Delaware side. Again, we know the depth and quality of our acreage position out in the Delaware, but the teams are continuously optimizing our development strategies and adjusting spacing and stacking. And then, of course, depending on where you're drilling in North Delaware, Southern Delaware, you have a little bit of mix driving that, just due to the vast deep broad portfolio.

Now pivoting to the Eagle Ford, our 2025 oil productivity per foot was up another 7% and that's off a very strong program in 2024. And again, we're a clear leader in the Eagle Ford, and we have the lion's share of remaining Tier 1 inventory and have had strong well results of any operator. Now in the Eagle Ford, we brought in the Marathon assets. We've integrated that together. Teams continue to optimize completion designs using diverters to improve recovery, and we're seeing those in the results that you had mentioned.

If you look ahead to 2026, we expect consistent strong performance across all of our basins like we've demonstrated over the past several years. And this is a key driver in our ability to deliver low single-digit growth in the Lower 48 alongside a reduction of more than 5% in capital compared to 2025.

Operator

Our next question comes from Doug Leggett from Wolfe Research. Your line is now open.

Doug Leggett - Wolfe Research - Analyst

Good morning. I think it's good afternoon, everybody, I should say apologize. I'm in Europe, so I don't know what the heck time is. Guys, I wanted to go back to Ryan's comment about the breakeven trajectory getting to the low 30s by 2030. I'm trying to understand a little bit about what the moving parts are.

Where is it today? And what is the assumption in where CapEx is from the \$12 billion this year in 2030 that gets you to that number, please?

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Andy O'Brien - ConocoPhillips - Chief Financial Officer and Executive Vice President, Strategy and Commercial

Good morning Doug or afternoon, Doug or evening Doug, depending on where you are in Europe. Yes, I can step through that one. So where we are right now, sort of our pre-dividend free cash flow breakeven right now is in the mid-40s. And you'd add about \$10 for that with the dividend. So that's kind of your starting point.

And then as you say, as a reminder, we have our preproductive capital spend. It's down from where it was in 2025. We still have the preproductive CapEx between now and Willow coming online, and that works off that. If you do the math on what we said on that, that's about \$6 basically just on that simple preproductive capital. And then as we've talked about sort of in our prepared remarks, you kind of got the free cash flow.

It's already starting to improve today, and it's going to continue to improve and we're effectively going to almost double our preproductive CapEx -- cash flow, sorry, by the time that Willow comes online. And when you put all of that together, that's basically how we take our free cash flow all the way down into the low 30s by the time that Willow is coming online and then you add the dividend back on top of that. So we're going to be down right in the low 30s when we have Willow and then adding another \$8 to \$10 for the dividend as we -- remember, we're buying back shares as well. So that sort of reduces the dividend burden over time as well. So that's kind of the trajectory we're on, and we're pretty excited about it.

And I think we think it's part of the story we have here in terms of that free cash flow trajectory we're on, we think is second to none, and it's going to drive sort of a breakeven that comes down, I think, faster than anybody else can come close to matching.

Operator

Our next question comes from Devin McDermott from Morgan Stanley. Your line is now open.

Devin McDermott - Morgan Stanley - Analyst

Hey, thanks for taking my question. Ryan, I wanted to come back to one of the international growth assets that you listed in response to a prior question, and that's Equatorial Guinea. I know you've been evaluating potential backfill projects for the LNG facility there. And I believe just over the last few days, there was an agreement reached between Equatorial Guinea and Cameroon for the unitization of the Yoyo-Yolanda fields. I know it wasn't Conoco-operated asset, but it's one of the potential tie back resources into that LNG plant. So kind of a broader question since you listed as a growth potential area.

Just talk about how you're seeing the opportunity set there and where we stand on projects to backfill and keep that LNG plant full?

Ryan Lance - ConocoPhillips - Chairman and Chief Executive Officer

Yes, I can provide some over comments and maybe have Kirk come in behind. I think we were encouraged by the Cameroon conversations and then here recently, Chevron's conversations at Aseng. So we're working hard to try to make the asset that we acquired from Marathon something more than a 5-year asset, how do we make it a 10-, 15-, 20-year asset. So we've been busy with some HOAs with the Equatorial Guinean country and doing exactly that. We're encouraged by the opportunities that we see out there.

We're encouraged with the cross-border cooperation because that just leads to more opportunity to bring more volumes across the island. Maybe Kirk can describe some of the more specifics that we're looking at today.

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Kirk Johnson - ConocoPhillips - Executive Vice President, Global Operations and Technical Functions

Yes. Certainly, Ryan. And Devin, as Ryan has been describing, we've been in discussions, certainly having taken on this asset through the Marathon acquisition. As we've taken it into the company, we've been actively in contact with a number of other operators in and around our LNG facility and upstream assets, thinking about how do we leverage that infrastructure, specifically the liquefaction facility that's using our technology there on the island. Certainly, discussions have progressed very well, really pleased with that, specifically with Chevron.

They've made some notable progress in a few of their projects. A couple of both new fields as well as continued development of some existing fields that create some upside for that. And then naturally, we are, as Ryan said, we're in some HOA -- confidential discussions with the government and a few others around continued infill opportunities, especially gas in and around Malabo and our operation there. So again, this is a continuation here of the theme of what we've been able to do so well, whether it's internationally in Alaska, which is continued to find resources that exist to create this advantaged cost of supply to use existing infrastructure. So expect us to continue to make some progress in that way there in EG.

Operator

Our next question comes from Ryan Todd from Piper Sandler. Your line is now open.

Ryan Todd - Piper Sandler - Analyst

Thanks. Maybe can you talk about how you think about Lower 48 activity levels and commodity price. As you highlighted in your presentation, you clearly have a tremendous amount of high-quality drilling inventory. You've moderated your pace of growth in the Lower 48 of late given kind of current global crude supply balances and a weaker crude price. But as you look over the next 1 to 2 years, what would you need to see to step up activity levels and grow a little faster in the Lower 48. And maybe with that, could you maybe elaborate on what you've said a couple of times is the pretty constructive maybe crude oil view in the medium to longer term?

Ryan Lance - ConocoPhillips - Chairman and Chief Executive Officer

Yes. Thanks, Ryan. Yes, we have our own sort of macro view on supply and demand and I'd say, consistent with a lot of what people were saying, we see some -- saw some softness coming into the year. So we set our plans and our budgets in '26 based on that. Obviously, we've seen a little bit of tailwinds with the current geopolitical things that are going on around the world.

But generally, thought 2026 would be a little bit more tougher year on the commodity price. We set our plans accordingly. And Nick's team, as he's described, has been doing a great job capturing the efficiencies, and we've been able to grow that business without adding more capital to it. And that's kind of our starting place. So I would say our scope is kind of set for 2026 with what we're trying to execute.

We don't like to whipsaw these programs up or down, and we'll use the balance sheet in the downside case if we need to. And we're comfortable with where we're at in '26. If prices were even to increase, would just give us more flexibility to -- in the company. We are constructive going forward over the next number of years. As we think about later down the road in this decade, we think we're going to have LNG and Willow coming on at the right time when the world needs this oil.

So we're pretty constructive as we go forward. And over time, we'll see what our view of the macro is. We'll see what we think about the cost. And if we want to start ramping up in the Lower 48, we can do that. If there's a call on more unconventional crude.

But today, I think, we're pretty comfortable with our plans. There's a lot of volatility in the market, but we're built for this. We're built to handle it with the balance sheet that we have and the programs that I know the teams are executing there, trying to get as much as they can for every precious capital dollar that we are spending. So we're trying to balance our returns of our capital back to our shareholders with the returns we're getting on the capital that we're putting back into the company. So this year, we should see some modest production growth

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and executing the plans to start delivering the free cash flow inflection that we see over the course of this decade, starting this year with \$1 billion and next couple of years with \$1 billion and then another \$4 billion coming with Willow.

And we think that's hugely differential relative to our competitors in this space.

Operator

Our next question comes from Nitin Kumar from Mizuho. Your line is now open.

Nitin Kumar - Mizuho Securities USA Inc - Analyst

Ryan, I'm sorry, I'm going to take you back a little bit to the direction of Venezuela, but it's not really about Venezuela. The expectation is the Venezuelan heavy crude might back up some of the Canadian production. What's your view of WCS spreads given that you're seeing some of the other heavier crude from other parts of the world hitting the Gulf Coast?

Andy O'Brien - ConocoPhillips - Chief Financial Officer and Executive Vice President, Strategy and Commercial

This is Andy. I can jump in and take that one. Yes, I think the short answer is sort of in the short and medium term, we're not really expecting to see that much of an impact. As most people know, that if you start with sort of the PADD 2 refiners, they're structurally reliant on the Canadian heavy and have minimum alternative options to displace those barrels. And as you say, the Gulf Coast refiners can process the heavy barrels and we're starting to see some of those refiners express interest in purchasing some of those Venezuelan barrels.

But our view is the incremental Venezuelan barrels will likely get absorbed. The market will rebalance the global flows and we kind of -- will you see a thing from month to month where there's maybe crude being backed out or being moved in different directions, possibly. But take a step back and look at the bigger picture. The way we are thinking about it is that the annual global demand is growing basically 1 million barrels a day. And we're going to need incremental sources of supply to help meet that demand growth.

So our modeling isn't really sort of showing that the Venezuelan crude coming in is going to have a particularly material impact on Canadian heavy.

Operator

Our next question comes from Scott Hanold with RBC Capital Markets. Your line is now open.

Scott Hanold - RBC Capital Markets - Analyst

My question is on your balance sheet. Obviously, you've got a very strong cash position and investments. I think there is some investor kind of concern over there, at least in the short term where your shareholder return strategy, at least at that 45% rate does dip into it. Could you just give us your context on how you think about your cash balance, how much is reserved for utilizing at this as you ramp to that free cash flow inflection point?

Andy O'Brien - ConocoPhillips - Chief Financial Officer and Executive Vice President, Strategy and Commercial

Yes, I can take that one, Scott. I think in the prepared remarks, I stepped through sort of just how strong our cash balances are starting this year and the fact that we actually reduced our net debt by \$2 billion. So we're starting with a balance sheet that is in a really, really, really

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solid position. I think we look at it across a range of prices. And I think we've been pretty clear that 45% of our CFO basically works across basically a range of prices in terms of our distributions and that's kind of what you could expect.

And there's a reason we have a strong balance sheet is if there were a period where sort of a quarter here and a quarter there you're needing to drop into the balance sheet to sort of help fund that. That's what we would do. That's what it's there for. So I think given where we're starting with cash, I don't really see sort of any real concerns basically around sort of headwinds to being able to fund distributions or maintaining a strong balance sheet.

Operator

Our next question comes from Sam Margolin from Wells Fargo. Your line is now open.

Sam Margolin - Wells Fargo - Analyst

This question is about the progression of the free cash flow contribution in '27 and '28 before Willow and in the context of NFE coming on in the visible horizon here. Could we ask you to decompose that progression a little bit and maybe at least frame where the range of LNG contribution, both on the cash flow side and on the spending roll off are coming in? And then I guess the market context is that European gas inventories are pretty low and you have some European regas exposure that looks like it will be full over the next season. So if we could get some color on that, it would be great.

Andy O'Brien - ConocoPhillips - Chief Financial Officer and Executive Vice President, Strategy and Commercial

Okay. Kind of touching a few different topics there. I'll try and sort of -- try and cover them. The first part of it is we've been very clear that sort of basically, we're seeing \$1 billion per year, '26, '27, '28 of free cash flow improvement. And I think you're starting to allude to this, that '26 basically is essentially being driven by the OpEx and CapEx guidance that we've given driving that.

But as we get into '27 and '28, a significant part of that is being driven by the LNG where we have NFE coming on, Port Arthur coming on and NFS coming on. So we're seeing that basically drive the next \$2 billion after the one we have now, then the next two comes from those LNG projects. And remember, it's a combination of the revenues coming on, but the CapEx is going away as well. So that's \$2 billion. A big chunk of that is coming in '27 and '28 from the LNG projects.

We've -- when we've given that sensitivity on the \$7 billion of free cash flow inflection, we've put prices out there basically for that. And I think where we basically placed the first 5 million tonnes that we have out of Port Arthur Phase 1 into Europe and Asia. So we feel pretty good about that. And our view, I think, is that we're feeling pretty confident basically around sort of LNG prices basically holding up over the rest of this decade. So it's kind of -- that's what's built into our sensitivities.

And we're also in a situation where between now and 2030, where we're actually much longer Henry Hub natural gas than we are LNG. So if you think about it in Nick's area, in the Lower 48, we produce of 2 bcf a day of gas, that's about 15 Mtpa. And for every dollar we see move on the price on Henry Hub, that's over \$400 million of sensitivity to us, whereas the first 5 million tonnes that we have coming out of Port Arthur between now and the 2030 time frame, every dollar movement on that is about a \$200 million movement that we have. So we're actually much more exposed to higher gas prices than we are compressing LNG margins in the -- between now and the end of the decade. So I think I touched on most of what you're asking there.

Operator

Our next question comes from Phillip Jungwirth from BMO Capital Markets. Your line is now open.

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Philip Jungwirth - BMO Capital Markets - Analyst

You reached an agreement with Western Gas during the quarter to restructure Delaware gas contracts. The question is more around -- you have over 200,000 net acres in the core that you picked up from Shell couple of years ago. Maybe it's a little less optimal in terms of operatorship, working interest or acreage configuration. But with the midstream getting more ironed out, does this at all advance the ability to do a larger acreage swap here? And if so, how meaningful could that be for Conoco's capital efficiency and developing this asset going forward?

Nick Olds - ConocoPhillips - Executive Vice President, Lower 48 and HSE

Yes. Exactly. If I go back to Shell, I mean one of the key things as you look out in that area, as we continue to core up in strategic trades all the time, to increase our lateral lengths in that area. That drives our capital efficiency as we extend the laterals in there, and we continue to do that on an ongoing basis. As you mentioned, for the Western Midstream we did directly contract that through WES, and that's one of the key drivers that Andy had mentioned that achieves that \$1 billion of cost savings run rate by year-end 2026.

But on the strategic trades, we continue to do that on an ongoing basis. And if you look at long lateral inventory in that area you mentioned, if I step back to 2023, about 60% of our Permian future well inventory was 2 miles or greater. But today, that's at 80% due to the strategic trades and core ups. And in fact, you look at the 2026 program, 90% of those wells are 2 miles or greater. So we continue to do that with our BD and land teams coring it up, and that drives the capital efficiency.

When you look at that core up opportunities. If we go from a 1 mile to a 2-mile lateral. We improved the cost of supply about 25%. But if we go to 3 or 4 miles, we add another 10% to 15% cost of supply reduction.

Operator

Our next question comes from James West from Melius Research. Your line is now open.

James West - Melius Research - Analyst

One thing that came up that I noticed in the slide deck this morning that stood out to me was your reserve replacement ratio. It's been very impressive over the last 3 years, well above your peer group and the big oils. Curious what's been driving that. And curious how you see that going forward.

Andy O'Brien - ConocoPhillips - Chief Financial Officer and Executive Vice President, Strategy and Commercial

This is Andy. I'll take the question. Actually, thank you for the question. So asking about reserves. We think reserves remains an important and very relevant metric, especially the organic reserve replacement.

As you know, that's basically essentially what we're replacing with the drill bit. As you said, 1 year performance is important. We do also focus on our multiyear track record, especially when you think about some of the longer cycle projects. So just to quickly step through the numbers, our 3-year organic reserve replacement is 106% and our 5-year organic reserve replacement is 133%. And what's particularly pleasing about that is across that time frame, we've got strong contributions across our entire global portfolio, Lower 48, Alaska and International is another example that Ryan was pointing to earlier the power of our diversified portfolio.

And '25 was no different. It was another solid year of organic reserve replacement. So we effectively maintained the reserves technically 99%. And that -- if you then take that and basically exclude the impacts of revisions there to the lower oil prices, the organic reserve ratio, when you're not taking price provisions into account, we've been 110%. So again, it was a really good year for us.

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And I think where you alluded to, we think our track record, we'll put it up against anybody in terms of the majors or the E&Ps over the short, the medium and the long time frame. And just in terms of how we think about it, we really do think reserves continue to be an important barometer for our industry. And no matter how you slice it, it continues to be another proof point, just on the quality of our portfolio. And it was a really good year for us again, where we had additions yes from the Lower 48. We had additions coming from Coyote up in Alaska, great performance out of our Australian business unit where we increased some reserves there.

And then just some of the commercial negotiations we do across Asia and that is to add some reserves there as well. So important for us reserves to keep a really close eye on it. And I think it's a good litmus test of sort of how well basically we're doing and we couldn't be happier with it.

Ryan Lance - ConocoPhillips - Chairman and Chief Executive Officer

And I would add just one thing, James, as well. I mean people ask us, when we talk about our sub-\$40 resource -- sub-\$40 cost of supply resource that we have inside the company. And is it real or how real is it? I think this is the proof point is we're converting those resources into reserves, you ought to feel comfortable, and we've been doing this over the long haul, both in our history and we given Andy's comments, that's what we expect to happen going forward because of that the resource that we've got captured inside the company and our focus on the organic investments in the company to turn that resource into reserves.

Operator

Our next question comes from Paul Cheng from Scotiabank. Your line is now open.

Paul Cheng - Scotia Howard Weil - Analyst

Ryan, just curious, you still have a lot of runway in the Lower 48. But I think no matter how we look at it, shale oil is getting mature. And as that happened, how over the next 5 years, your capital allocation is going to shift or that is going to make any changes to position the company post 2030. I mean we clearly that you have a very, I think, visible path for the next 5 years. But post 2030 that with that major asset is going to be maturing.

How are you going to position given you are a very large company, so to turn a big ship is going to take time?

Ryan Lance - ConocoPhillips - Chairman and Chief Executive Officer

Yes. Thanks, Paul. Look, we -- our view inside the Lower 48, just in particular, is over 2 decades of low cost of supply inventory. So we're going to be in this business for 20-plus years. It's not going to roll over in 5 years in our portfolio.

But I take your point, I think, broadly in the industry, we're at these kinds of prices seeing sort of plateau-ish production in the shale, North American or U.S. shale, but that is not the case inside our company. So we will see sort of major project capital spend, the preproductive capital that Andy talked about, that will start to roll off through the end of this decade. We continue to -- we'll see growth in our unconventional investments as we continue to capture efficiencies and look at that business, but we've got multiple decades of growth opportunity there. And then Kirk talked about the rest of the business.

We see opportunities in Alaska. We see them in Canada. We see them in -- we talked about Equatorial Guinea, the signing of the new agreement in Libya. So I think we're just in a completely different place than a lot of our competitors, and we've got a lot of optionality for investment in the portfolio to continue sort of modest growth depending on what the commodity price environment ends up being. And again, we're pretty constructive long term as we see demand growth continuing to grow.

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So that's going to give us the opportunity to continue to invest organically in the portfolio across a broad set of assets that have already captured to develop that resource potential that we have. And it doesn't stop by the next decade in the Lower 48, it continues for quite a period of time. And I think all the data -- third-party data supports that. We're just not talking our book here.

Operator

Our next question comes from Charles Meade from Johnson Rice. Your line is now open.

Charles Meade - Johnson Rice - Analyst

If I could, I'd like to go back to Alaska. And can you give us an update on how this season's costs at Willow are tracking versus the updated assumptions you guys gave us last quarter and perhaps fitting in that or maybe tacking on to that, if -- how the loss of this rig 26, whether it's going to affect you either on your development or exploration side?

Kirk Johnson - ConocoPhillips - Executive Vice President, Global Operations and Technical Functions

Charles, thanks for the question. We certainly had a number of inbounds especially on the latter part of your question around the rig incident. So I might start there, and then, of course, I'll address your question on Willow. Certainly, a very unfortunate event there with that rig D26. Of course, naturally top of mind for us were the folks that -- the individuals that were around the rig and the few that were piloting that rig.

Fortunately, no injuries. And of course, the owner, the operator of that rig are ultimately accountable and they are leading both the investigation and the response. We're naturally in support of that company. And working with them as they coordinate and manage in and around that. That rig was 1 rig of 2 rigs that we had planned for the exploration program here this year.

We roughly assigned two wells for each one of those rigs. And of course, we have multiple rigs up there running. And so we were able to just simply backfill that D26 rig with one of the active rigs that we have operating within our existing units. And so the exploration program continues, and we'll be able to pivot those rigs back after the exploration season into our ongoing development. So no change to either exploration.

And to your point around Willow, we have two rigs premised for the predrill on Willow leading up to start up in early 2029. And D26 was one of those rigs. Now again, because we have multiple rigs deploying, no impact. And again, pre-drill starts for Willow next year in 2027. So ultimately, what you're hearing from me is after that unfortunate event, no impact on our exploration and no impact on Willow.

On Willow, you heard certainly earlier in my comments that we were able to get out early due to an early start to the winter season and some cold weather with ice, the same goes for Willow. And so that winter construction season for us started early. It's on track and proceeding really quite well. When we think about the work scope that we have planned here for this year, it really revolves around some of the earlier points you've heard from me. We're trying to knock out the bulk of the gravel work here this year, roads, pads, the airstrip.

So that we have full year-round access into Willow in a more efficient way than we have in the past. We'll be continuing pipeline work, bridges, et cetera. And then, of course, all the work here out of the state on prefab of the process modules continues, and we're seeing some strong progress from our business partners on that front as well. And then back to your point, yes, we're seeing costs come in as we guided. We're seeing that cascade down largely because last year's winter construction season was our largest.

And then we've been able to knock out some pretty important milestones up there on the North Slope. Our permanent camp there in Willow is open. And that's pivotal because it allows us to start moving away from a turning away a lot of these temporary camps that we've had to rely on. And so this is part of the story about our ability to wind capital down from previous levels in the last few years. So we'll be coming in on pretty major milestone here within the next couple of months of being 50% complete on the project.

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And so naturally, both cost and schedule are looking good for us for an early 2029 first oil.

Operator

Our last question will come from Kevin MacCurdy from Pickering Energy Partners. Your line is now open.

Kevin MacCurdy - *Pickering Energy Partners - Analyst*

Hey, good afternoon. I wanted to ask about Canada. You highlighted that the 104 WA Surmont pad was ahead of schedule. I wonder if you can talk about the financial and operational impacts and the timing of that pad was CapEx and production brought forward? And do you think this could be like an ongoing trend for your operations there?

Kirk Johnson - *ConocoPhillips - Executive Vice President, Global Operations and Technical Functions*

Yes. Appreciate the question on Canada. It's a place the Surmont asset specifically is one where we just continue to see really strong performance. And ultimately, we have positioned ourselves for first oil -- first steam late last year and then first oil early this year. That came in about a month early.

And that was on PAD 104W-A. And so ultimately, that activity is cascading through. It's, in essence, rolling through as we have started work on the next PAD 104W-B. And as you've heard from me in the past, we're expecting to bring on a new pad roughly every 12 months to 18 months, and we are expecting this next pad to come on in about 12 months from now for a first steam and first oil. And so that activity is really quite level loaded.

Certainly, as you can imagine, with that kind of pace. And so we're not seeing necessarily a material change in certainly how we think about capital or even our production profile, other than it derisks certainly the growth that we've started to see. And when we think about -- when I talk about growth in Surmont, it's really quite moderate and disciplined with this pace of capital deployment. So again, we took a bit of a cut last year with having reached payout on the full Surmont project last year. Net royalty has changed on us.

And yet when I back up a little bit and I think about the health of the asset and how it's performing, gross volumes continue to be climbing and to be up. So we're -- the performance of these pads is offsetting decline. And again, just really pleased with how the overall asset is performing and how our capital and production is coming in on trend.

Operator

Thank you, ladies and gentlemen. This concludes today's conference. Thank you for participating. You may now disconnect.

FEBRUARY 05, 2026 / 5:00PM, COP.N - Q4 2025 ConocoPhillips Earnings Call

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Communications Log

Communication Summary & Timeline

Powderhorn began conversations with all WI owners in proposed unit immediately after initial development proposals.

JULY 2025

- Jul 23: Powderhorn closes initial acquisition in Super Hornet Unit
- Jul 24: Email to COP re: acquisition, proposals, intent to offer on COP interest (No response)
- Jul 30: SH Wolfcamp proposals sent to all parties; Email to COP non-op supervisor/NM land mgr requesting meeting (No response)
- Jul 31: Initial carry offer sent to COP (acknowledged); Coterra/Magnum Hunter trade discussions begin; Email to Kaiser Francis re: proposals

AUGUST 2025

- Aug 1: JOA conversations with Kaiser
- Aug 4-5: Answered questions for Kaiser
- Aug 13: Responded to COP on lateral length question
- Aug 18: Initial deal conversations with Kaiser
- Aug 27: Responded re: interest detail on SH wells
- Aug 28: Additional emails with Kaiser re: deal
- Aug 30: Decision to stay pooling applications to continue collaboration attempts

SEPTEMBER 2025

- Sep 3: Close of additional Powderhorn interest in section 2
- Sep 5: Follow-up to COP on collaboration (No response); Notice to Kaiser – filed for Nov. docket rather than October to allow for good faith negotiations
- Sep 10: Additional emails with Kaiser re: deal
- Sep 11: Follow-up to COP on collaboration (Response given)
- Sep 15: Email with COP re: dev
- Sep 17: Emails with PR regarding PR interest and JOA
- Sep 18: Meeting setup with Kaiser
- Sep 23: In-person meetings with COP and Kaiser re: dev plans
- Sep 30: Correspondence with Permian Resources on interest/trade

OCTOBER 2025

- Oct 17: Email to COP on possible trade currency
- Oct 22: JOA conversations with Permian Resources
- Oct 29: In-person meeting with COP; COP self-developing possibility mentioned

NOVEMBER 2025

- Nov 18: LOI sent to COP offering deal terms in writing

DECEMBER 2025

- Dec 2: Emails with Kaiser re: deal
- Dec 4: Email from PR noting JOA is on desk for signatures

JANUARY 2026

- Jan 8: Emails with Kaiser re: deal
- Jan 12: Email to COP on additional deal conversations
- Jan 15: In-Person meeting with COP landman
- Jan 20: Call with Extex re: RT interest
- Jan 22: Call with COP re: possible deal
- Jan 26: Emails with COP re: possible deal

FEBRUARY 2026

- Feb 2: Emails with COP re: possible deal structures
- Feb 4: Emails re: possible deal structures / NMSLO grants Powderhorn Preliminary approval on Com Agreement
- Feb 6: Call with COP re: deal
- Feb 10: Emails re: deal structure and regulatory items / Call with Kaiser
- Feb 13: Call with COP re: possible deal
- Feb 16: Phone call with Kaiser re: deal/JOA
- Feb 19: Meeting with Avant to discuss competing plans
- Feb 20: COP informed Powderhorn it was no longer pursuing a deal
- Feb 23: COP APD applications submitted / Call with Avant to discuss potential deal / Call with COP to reaffirm decision
- Feb 24: Close of Coterra trade/acquisition
- Feb 25-26: Kaiser JOA negotiation
- Feb 27: Kaiser committed to Powderhorn JOA / Offer sent to Avant

MARCH 2026

- Mar 2: Email from COP sending Powderhorn its 1-mile plans / Communication to PR on preference for being under OA or to be pooled
- Mar 3: Deal struck with Avant. Avant committed to Powderhorn Wolfcamp plans, Powderhorn committed to Avant Bone Spring plans

Well Proposals & AFEs – Super Hornet

Powderhorn Operating, LLC
Case No. 25610
Exhibit A-16



July 30, 2025

Kaiser-Francis Oil Company
P.O. Box 21468
Tulsa, OK 74121

Via Certified Mail

RE: Well Proposal – Super Hornet State Com
Section 3: E/2, Section 2: All, T24S-R26E
Eddy County, New Mexico

To Whom it May Concern:

Powderhorn Operating, LLC, as Operator for Powderhorn Assets LLC (“Powderhorn”), hereby proposes the drilling and completion of the following eight (8) wells, the Super Hornet State Com Wells at the following approximate locations within Sections 2 & 3, Township 24 South, Range 26 East, Eddy County, NM:

1. Super Hornet State Com 401H – North Pad

SHL: 2,550’ FEL & 1,380’ FNL or at a legal location in units B or G of section 3
FTP: 2,540’ FEL & 990’ FNL of Section 3
LTP: 100’ FEL & 990’ FNL of Section 2
BHL: 100’ FEL & 990’ FNL of Section 2
TVD: 8,690’
TMD: 16,790’
Spacing: E/2 of Section 3, All of Section 2
Targeted Interval: Wolfcamp XY
Total Cost: See attached AFE

2. Super Hornet State Com 501H – North Pad

SHL: 2,600’ FEL & 1,380’ FNL or at a legal location in units B or G of section 3
FTP: 2,540’ FEL & 660’ FNL of Section 3
LTP: 100’ FEL & 660’ FNL of Section 2
BHL: 100’ FEL & 660’ FNL of Section 2
TVD: 9,300’
TMD: 17,400’
Spacing: E/2 of Section 3, All of Section 2
Targeted Interval: Wolfcamp B
Total Cost: See attached AFE

[Continued on Next Page]

- 3. Super Hornet State Com 402H – North Pad –Defining Well**
SHL: 2,550' FEL & 1,410' FNL or at a legal location in units B or G of section 3
FTP: 2,540' FEL & 2,330' FNL of Section 3
LTP: 100' FEL & 2,330' FNL of Section 2
BHL: 100' FEL & 2,330' FNL of Section 2
TVD: 8,690'
TMD: 16,790'
Spacing: E/2 of Section 3, All of Section 2
Targeted Interval: Wolfcamp XY
Total Cost: See attached AFE
- 4. Super Hornet State Com 502H – North Pad**
SHL: 2,600' FEL & 1,410' FNL or at a legal location in units B or G of section 3
FTP: 2,540' FEL & 1,980' FNL of Section 3
LTP: 100' FEL & 1,980' FNL of Section 2
BHL: 100' FEL & 1,980' FNL of Section 2
TVD: 9,300'
TMD: 17,400'
Spacing: E/2 of Section 3, All of Section 2
Targeted Interval: Wolfcamp B
Total Cost: See attached AFE
- 5. Super Hornet State Com 403H – South Pad**
SHL: 2,535' FEL & 1,380' FSL or at a legal location in units J or O of section 3
FTP: 2,540' FEL & 1,650' FSL of Section 3
LTP: 100' FEL & 1,650' FSL of Section 2
BHL: 100' FEL & 1,650' FSL of Section 2
TVD: 8,690'
TMD: 16,790'
Spacing: E/2 of Section 3, All of Section 2
Targeted Interval: Wolfcamp XY
Total Cost: See attached AFE
- 6. Super Hornet State Com 503H – South Pad**
SHL: 2,585' FEL & 1,380' FSL or at a legal location in units J or O of section 3
FTP: 2,540' FEL & 1,980' FSL of Section 3
LTP: 100' FEL & 1,980' FSL of Section 2
BHL: 100' FEL & 1,980' FSL of Section 2
TVD: 9,300'
TMD: 17,400'
Spacing: E/2 of Section 3, All of Section 2
Targeted Interval: Wolfcamp B
Total Cost: See attached AFE

7. Super Hornet State Com 404H – South Pad

SHL: 2,535' FEL & 1,350' FSL or at a legal location in units J or O of section 3

FTP: 2,540' FEL & 330' FSL of Section 3

LTP: 100' FEL & 330' FSL of Section 2

BHL: 100' FEL & 330' FSL of Section 2

TVD: 8,690'

TMD: 16,790'

Spacing: E/2 of Section 3, All of Section 2

Targeted Interval: Wolfcamp XY

Total Cost: See attached AFE

8. Super Hornet State Com 504H – South Pad

SHL: 2,585' FEL & 1,350' FSL or at a legal location in units J or O of section 3

FTP: 2,540' FEL & 660' FSL of Section 3

LTP: 100' FEL & 660' FSL of Section 2

BHL: 100' FEL & 660' FSL of Section 2

TVD: 9,300'

TMD: 17,400'

Spacing: E/2 of Section 3, All of Section 2

Targeted Interval: Wolfcamp B

Total Cost: See attached AFE

Please note, the Super Hornet State Com 402H, as the defining well, will be traversing within 330' of the center section line. Pursuant to Purple Sage spacing this will form a standard 959.60 horizontal spacing unit.

All the locations, TVD, and target are approximate and subject to change dependent on surface or subsurface issues encountered. Powderhorn is proposing to drill these Wells under the modified terms of the 1989 AAPL Operating Agreement and a form of said Operating Agreement will be provided upon request. The Operating Agreement will include the following general provisions:

- 100%/300%/300% non-consent provisions
- \$10,000/\$1,000 drilling and producing rates
- Powderhorn 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, Powderhorn will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a spacing unit for the proposed well or wells. Please note that regardless of pooling proceedings, voluntary joinder under the proposed Operating Agreement will remain open until spud.

If you do not wish to participate, or would like to sell down, Powderhorn would be interested in acquiring your interest in the subject lands which is subject to further mutually agreeable negotiations.

Thank you for your time and consideration, if you have any questions at all, please don't hesitate to contact me at 325.514.0211 or by email at mmaxwell@powderhornep.com

Respectfully,

Powderhorn Operating, LLC



Mason Maxwell
Landman

Enclosures

Well Elections: (Please indicate your responses in the spaces below)		
Well(s)	Elect to Participate	Elect to <u>NOT</u> Participate
Super Hornet State Com 401H		
Super Hornet State Com 501H		
Super Hornet State Com 402H		
Super Hornet State Com 502H		
Super Hornet State Com 403H		
Super Hornet State Com 503H		
Super Hornet State Com 404H		
Super Hornet State Com 504H		

By: _____

Printed Name: _____

Title: _____

Date: _____

POWDERHORN ENERGY PARTNERS

Table with 6 columns: WELL NAME, LATERAL LOCATION, SURFACE LOCATION, BOTTOM-HOLE LOCATION, AFE TYPE, FIELD, FORMATION, COUNTY, Development, Northern Delaware, Wolfcamp XY Sand, Eddy, AFE NUMBER, PROPERTY NUMBER, DRILLING DAYS, DEPTH (TVD/TMD), 10072, 16, 8690 / 16790', STATE, NM

PROJECT DESCRIPTION: Drilling, Completion & Facilities costs for 1.5-mile lateral

Main expenditure table with columns: ACCT. CODE (IDC, ICC, TDC, TCC), DESCRIPTION OF EXPENDITURE, COST ESTIMATE (DRILLING, COMPLETIONS, FACILITIES, TOTAL). Includes rows for WELL INTANGIBLE COSTS and TOTAL WELL INTANGIBLE COSTS.

Table for WELL TANGIBLE COSTS with columns: ACCT. CODE, DESCRIPTION OF EXPENDITURE, COST ESTIMATE (DRILLING, COMPLETIONS, FACILITIES, TOTAL). Includes rows for CASING, SUBSURFACE EQUIPMENT, and TANGIBLE EQUIP. ACQUISITIONS.

TOTAL ESTIMATED WELL COST summary row: DRILLING \$3,466,691.04, COMPLETIONS \$4,122,925.94, FACILITIES \$838,565.40, TOTAL \$8,428,182.37

PREPARED BY: Brendan Tippen DATE: 7/28/2025
OPERATOR APPROVAL: DATE:
PARTNER COMPANY NAME: DATE:
PARTNER APPROVAL:
TITLE:

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

POWDERHORN ENERGY PARTNERS

WELL NAME	Super Hornet State com 402H	AFE TYPE	Development	AFE NUMBER	10073
LATERAL LOCATION	E2 of Section 3, All of Section 2	FIELD	Northern Delaware	PROPERTY NUMBER	
SURFACE LOCATION	2,600' FEL & 1,410' FNL or at a legal location in units B or G of section 3	FORMATION	Wolfcamp XY Sand	DRILLING DAYS	16
BOTTOM-HOLE LOCATION	100' FEL & 1,980' FNL of Section 2	COUNTY	Eddy	DEPTH (TVD/TMD)	8690 / 16790'
PROJECT DESCRIPTION	Drilling, Completion & Facilities costs for 1.5-mile lateral				
				STATE	NM

ACCT. CODE				DESCRIPTION OF EXPENDITURE	COST ESTIMATE			
IDC	ICC	TDC	TCC		DRILLING	COMPLETIONS	FACILITIES	TOTAL
PREFIX 300	500	PREFIX 400	600	WELL INTANGIBLE COSTS				
301	501			SURVEY/PERMITS/DAMAGES	\$26,750.00			\$26,750.00
302	502			LOCATION & ROAD	\$109,675.00	\$32,100.00		\$141,775.00
303				RIG MOVE	\$188,129.33			\$188,129.33
304				DRILLING - FOOTAGE				\$0.00
305	505			DRILLING - DAYWORK	\$595,722.50			\$595,722.50
	506			COMPLETION/WORKOVER RIG				\$0.00
	507			COIL TUBING/SNUBBING UNIT		\$230,718.75		\$230,718.75
	508			SLICKLINE/SWABBING				\$0.00
309	509			BITS	\$115,560.00			\$115,560.00
310	510			DIRECTIONAL SERVICES	\$243,425.00			\$243,425.00
311	511			CASING CREW	\$42,800.00			\$42,800.00
312	512			TOOL & EQUIPMENT RENTAL	\$43,870.00	\$369,150.00		\$413,020.00
313	513			FUEL & POWER	\$109,833.33	\$461,437.50		\$571,290.83
314				DIESEL - BASE FOR MUD	\$87,740.00			\$87,740.00
315	515			MUD LOGGING & GEOLOGIST	\$21,935.00			\$21,935.00
316	516			DISPOSAL, RESTORATION & BACKFILL	\$96,300.00	\$153,812.50		\$250,112.50
317	517			TRUCKING	\$21,400.00	\$61,525.00		\$82,925.00
	518			TESTING				\$0.00
319	519			CEMENTING	\$122,920.47			\$122,920.47
320	520			PERFORATING		\$200,625.00		\$200,625.00
	521			CASED HOLE LOGS				\$0.00
322	522			DOWNHOLE TOOLS & SERVICE	\$42,800.00	\$73,830.00		\$116,630.00
323	523			SCIENCE & DIAGNOSTICS				\$0.00
	524			FORMATION STIMULATION		\$784,443.75		\$784,443.75
326	526			CONSULTING SERVICES/SUPERVISION	\$163,531.67	\$110,745.00		\$274,276.67
327	527			CONTRACT LABOR / SERVICES	\$72,385.50	\$110,745.00		\$183,130.50
328	528			OTHER LABOR				\$0.00
329	529			OVERHEAD				\$0.00
330	530			WATER - FRESH	\$53,500.00	\$530,653.13		\$584,153.13
331	531			FLUIDS & CHEMICALS	\$153,545.00	\$371,457.19		\$525,002.19
332	532			CORING & ANALYSIS				\$0.00
333	533			COMMUNICATIONS	\$10,700.00	\$10,700.00		\$21,400.00
334	534			BOP TESTING	\$29,960.00	\$10,700.00		\$40,660.00
335	535			CO2/NITROGEN				\$0.00
336	536			FISHING TOOLS & SERVICES				\$0.00
337	537			INSPECTIONS	\$10,700.00			\$10,700.00
338				WIRELINE SERVICES				\$0.00
339	539			ENGINEERING & GEOLOGY - FIELD				\$0.00
340	540			ENGINEERING & GEOLOGY - OFFICE				\$0.00
341				MULTISHOT & GYRO				\$0.00
342				RE-ENTRY SERVICES				\$0.00
343	543			CAMPS & TRAILERS	\$21,935.00	\$56,603.00		\$78,538.00
344	544			SAFETY EQUIPMENT & H2S	\$5,350.00	\$7,075.38		\$12,425.38
345				CONTINGENCY				\$0.00
346	546			INSURANCE		\$2,461.00		\$2,461.00
347	547			MISCELLANEOUS	\$89,980.58			\$89,980.58
348	548			OUTSIDE OPERATED				\$0.00
349	549			SAND		\$253,790.63		\$253,790.63
350	550			SAND LOGISTICS		\$253,790.63		\$253,790.63
351	551			VACUUM TRUCK				\$0.00
352	552			WATER - BRINE				\$0.00
	560			FACILITY TRUCKING			\$12,312.50	\$12,312.50
	561			FACILITY VACUUM TRUCK				\$0.00
	562			FACILITY CONSULTING SER/SUPERVISION			\$22,702.44	\$22,702.44
	563			FACILITY CONTRACT LABOR / SER.			\$212,462.50	\$212,462.50
	564			FACILITY SURFACE RENTAL			\$2,518.50	\$2,518.50
				SIM-OPS				\$0.00
TOTAL WELL INTANGIBLE COSTS					\$2,480,468.39	\$4,086,363.44	\$249,995.94	\$6,816,827.76
				WELL TANGIBLE COSTS				
		401		CASING - CONDUCTOR	\$32,100.00			\$32,100.00
		402		CASING - SURFACE	\$17,514.90			\$17,514.90
		403		CASING - SALT STRING				\$0.00
		404	604	CASING - INTERMEDIATE	\$307,518.00			\$307,518.00
		405	605	CASING - PRODUCTION / LINER	\$556,295.51			\$556,295.51
		406	606	SUBSURFACE EQUIPMENT				\$0.00
			607	PRODUCTION TUBING		\$36,562.50		\$36,562.50
			608	SUBSURFACE PUMPING EQUIPMENT				\$0.00
		409	609	WELLHEAD EQUIPMENT	\$72,794.24			\$72,794.24
			610	FLOWLINES			\$32,000.00	\$32,000.00
			611	SURFACE PUMPING EQUIPMENT				\$0.00
		412	612	LINER HANGER & ASSOC EQUIP				\$0.00
			613	VALVES & FITTINGS			\$105,712.75	\$105,712.75
			614	INSTURMENTATION & ELECTRICAL			\$149,453.68	\$149,453.68
			615	RODS				\$0.00
		417	617	TRUCKING				\$0.00
		420		RE-ENTRY EQUIPMENT				\$0.00
			634	PRODUCTION EQUIPMENT			\$301,403.03	\$301,403.03
		447	647	MISCELLANEOUS				\$0.00
		448	648	OUTSIDE OPERATED				\$0.00
			649	TANGIBLE EQUIP ACQUISITIONS				\$0.00
TOTAL TANGIBLE COSTS					\$986,222.65	\$36,562.50	\$588,569.46	\$1,611,354.61
TOTAL ESTIMATED WELL COST					\$3,466,691.04	\$4,122,925.94	\$838,565.40	\$8,428,182.37

PREPARED BY: Brendan Tippen DATE: 7/28/2025

OPERATOR APPROVAL: _____ DATE: _____

OPERATOR APPROVAL: _____ DATE: _____

PARTNER COMPANY NAME: _____ DATE: _____

PARTNER APPROVAL: _____

TITLE: _____

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

POWDERHORN ENERGY PARTNERS

WELL NAME	Super Hornet State Com 403H	AFE TYPE	Development	AFE NUMBER	10074
LATERAL LOCATION	E2 of Section 3, All of Section 2	FIELD	Northern Delaware	PROPERTY NUMBER	
SURFACE LOCATION	2.585' FEL & 1.380' FSL or at a legal location in units J or O of section 3	FORMATION	Wolfcamp XY Sand	DRILLING DAYS	16
BOTTOM-HOLE LOCATION	100' FEL & 1.980' FSL of Section 2	COUNTY	Eddy	DEPTH (TVD/TMD)	8690 / 16790'
PROJECT DESCRIPTION	Drilling, Completion & Facilities costs for 1.5-mile lateral				
		STATE	NM		

ACCT. CODE				DESCRIPTION OF EXPENDITURE	COST ESTIMATE			
IDC	ICC	TDC	TCC		DRILLING	COMPLETIONS	FACILITIES	TOTAL
PREFIX 300	500	PREFIX 400	600	WELL INTANGIBLE COSTS				
301	501			SURVEY/PERMITS/DAMAGES	\$26,750.00			\$26,750.00
302	502			LOCATION & ROAD	\$109,675.00	\$32,100.00		\$141,775.00
303				RIG MOVE	\$188,129.33			\$188,129.33
304				DRILLING - FOOTAGE				\$0.00
305	505			DRILLING - DAYWORK	\$595,722.50			\$595,722.50
	506			COMPLETION/WORKOVER RIG				\$0.00
	507			COIL TUBING/SNUBBING UNIT		\$230,718.75		\$230,718.75
	508			SLICKLINE/SWABBING				\$0.00
309	509			BITS	\$115,560.00			\$115,560.00
310	510			DIRECTIONAL SERVICES	\$243,425.00			\$243,425.00
311	511			CASING CREW	\$42,800.00			\$42,800.00
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313	513			FUEL & POWER	\$109,833.33	\$461,437.50		\$571,290.83
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315	515			MUD LOGGING & GEOLOGIST	\$21,935.00			\$21,935.00
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317	517			TRUCKING	\$21,400.00	\$61,525.00		\$82,925.00
	518			TESTING				\$0.00
319	519			CEMENTING	\$122,920.47			\$122,920.47
320	520			PERFORATING		\$200,625.00		\$200,625.00
	521			CASED HOLE LOGS				\$0.00
322	522			DOWNHOLE TOOLS & SERVICE	\$42,800.00	\$73,830.00		\$116,630.00
323	523			SCIENCE & DIAGNOSTICS				\$0.00
	524			FORMATION STIMULATION		\$784,443.75		\$784,443.75
326	526			CONSULTING SERVICES/SUPERVISION	\$163,531.67	\$110,745.00		\$274,276.67
327	527			CONTRACT LABOR / SERVICES	\$72,385.50	\$110,745.00		\$183,130.50
328	528			OTHER LABOR				\$0.00
329	529			OVERHEAD				\$0.00
330	530			WATER - FRESH	\$53,500.00	\$530,653.13		\$584,153.13
331	531			FLUIDS & CHEMICALS	\$153,545.00	\$371,457.19		\$525,002.19
332	532			CORING & ANALYSIS				\$0.00
333	533			COMMUNICATIONS	\$10,700.00	\$10,700.00		\$21,400.00
334	534			BOP TESTING	\$29,960.00	\$10,700.00		\$40,660.00
335	535			CO2/NITROGEN				\$0.00
336	536			FISHING TOOLS & SERVICES				\$0.00
337	537			INSPECTIONS	\$10,700.00			\$10,700.00
338				WIRELINE SERVICES				\$0.00
339	539			ENGINEERING & GEOLOGY - FIELD				\$0.00
340	540			ENGINEERING & GEOLOGY - OFFICE				\$0.00
341				MULTISHOT & GYRO				\$0.00
342				RE-ENTRY SERVICES				\$0.00
343	543			CAMPS & TRAILERS	\$21,935.00	\$56,603.00		\$78,538.00
344	544			SAFETY EQUIPMENT & H2S	\$5,350.00	\$7,075.38		\$12,425.38
345				CONTINGENCY				\$0.00
346	546			INSURANCE		\$2,461.00		\$2,461.00
347	547			MISCELLANEOUS	\$89,980.58			\$89,980.58
348	548			OUTSIDE OPERATED				\$0.00
349	549			SAND		\$253,790.63		\$253,790.63
350	550			SAND LOGISTICS		\$253,790.63		\$253,790.63
351	551			VACUUM TRUCK				\$0.00
352	552			WATER - BRINE				\$0.00
	560			FACILITY TRUCKING			\$12,312.50	\$12,312.50
	561			FACILITY VACUUM TRUCK				\$0.00
	562			FACILITY CONSULTING SER/SUPERVISION			\$22,702.44	\$22,702.44
	563			FACILITY CONTRACT LABOR / SER.			\$212,462.50	\$212,462.50
	564			FACILITY SURFACE RENTAL			\$2,518.50	\$2,518.50
				SIM-OPS				\$0.00
TOTAL WELL INTANGIBLE COSTS					\$2,480,468.39	\$4,086,363.44	\$249,995.94	\$6,816,827.76
				WELL TANGIBLE COSTS				
		401		CASING - CONDUCTOR	\$32,100.00			\$32,100.00
		402		CASING - SURFACE	\$17,514.90			\$17,514.90
		403		CASING - SALT STRING				\$0.00
		404	604	CASING - INTERMEDIATE	\$307,518.00			\$307,518.00
		405	605	CASING - PRODUCTION / LINER	\$556,295.51			\$556,295.51
		406	606	SUBSURFACE EQUIPMENT				\$0.00
			607	PRODUCTION TUBING		\$36,562.50		\$36,562.50
			608	SUBSURFACE PUMPING EQUIPMENT				\$0.00
		409	609	WELLHEAD EQUIPMENT	\$72,794.24			\$72,794.24
			610	FLOWLINES			\$32,000.00	\$32,000.00
			611	SURFACE PUMPING EQUIPMENT				\$0.00
		412	612	LINER HANGER & ASSOC EQUIP				\$0.00
			613	VALVES & FITTINGS			\$105,712.75	\$105,712.75
			614	INSTURMENTATION & ELECTRICAL			\$149,453.68	\$149,453.68
			615	RODS				\$0.00
		417	617	TRUCKING				\$0.00
		420		RE-ENTRY EQUIPMENT				\$0.00
			634	PRODUCTION EQUIPMENT			\$301,403.03	\$301,403.03
		447	647	MISCELLANEOUS				\$0.00
		448	648	OUTSIDE OPERATED				\$0.00
			649	TANGIBLE EQUIP ACQUISITIONS				\$0.00
TOTAL TANGIBLE COSTS					\$986,222.65	\$36,562.50	\$588,569.46	\$1,611,354.61
					DRILLING	COMPLETIONS	FACILITIES	TOTAL
TOTAL ESTIMATED WELL COST					\$3,466,691.04	\$4,122,925.94	\$838,565.40	\$8,428,182.37

PREPARED BY: Brendan Tippen DATE: 7/28/2025

OPERATOR APPROVAL: _____ DATE: _____

OPERATOR APPROVAL: _____ DATE: _____

PARTNER COMPANY NAME: _____ DATE: _____

PARTNER APPROVAL: _____

TITLE: _____

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

POWDERHORN ENERGY PARTNERS

WELL NAME	Super Hornet State Com 404H	AFE TYPE	Development	AFE NUMBER	10075
LATERAL LOCATION	E2 of Section 3, All of Section 2	FIELD	Northern Delaware	PROPERTY NUMBER	
SURFACE LOCATION	2,585' FEL & 1,350' FSL or at a legal location in units J or O of section 3	FORMATION	Wolfcamp XY Sand	DRILLING DAYS	16
BOTTOM-HOLE LOCATION	100' FEL & 660' FSL of Section 2	COUNTY	Eddy	DEPTH (TVD/TMD)	8690 / 16790'
PROJECT DESCRIPTION	Drilling, Completion & Facilities costs for 1.5-mile lateral				
				STATE	NM

ACCT. CODE				DESCRIPTION OF EXPENDITURE	COST ESTIMATE			
IDC	ICC	TDC	TCC		DRILLING	COMPLETIONS	FACILITIES	TOTAL
PREFIX 300	500	PREFIX 400	600	WELL INTANGIBLE COSTS				
301	501			SURVEY/PERMITS/DAMAGES	\$26,750.00			\$26,750.00
302	502			LOCATION & ROAD	\$109,675.00	\$32,100.00		\$141,775.00
303				RIG MOVE	\$188,129.33			\$188,129.33
304				DRILLING - FOOTAGE				\$0.00
305	505			DRILLING - DAYWORK	\$595,722.50			\$595,722.50
	506			COMPLETION/WORKOVER RIG				\$0.00
	507			COIL TUBING/SNUBBING UNIT		\$230,718.75		\$230,718.75
	508			SLICKLINE/SWABBING				\$0.00
309	509			BITS	\$115,560.00			\$115,560.00
310	510			DIRECTIONAL SERVICES	\$243,425.00			\$243,425.00
311	511			CASING CREW	\$42,800.00			\$42,800.00
312	512			TOOL & EQUIPMENT RENTAL	\$43,870.00	\$369,150.00		\$413,020.00
313	513			FUEL & POWER	\$109,833.33	\$461,437.50		\$571,290.83
314				DIESEL - BASE FOR MUD	\$87,740.00			\$87,740.00
315	515			MUD LOGGING & GEOLOGIST	\$21,935.00			\$21,935.00
316	516			DISPOSAL, RESTORATION & BACKFILL	\$96,300.00	\$153,812.50		\$250,112.50
317	517			TRUCKING	\$21,400.00	\$61,525.00		\$82,925.00
	518			TESTING				\$0.00
319	519			CEMENTING	\$122,920.47			\$122,920.47
320	520			PERFORATING		\$200,625.00		\$200,625.00
	521			CASED HOLE LOGS				\$0.00
322	522			DOWNHOLE TOOLS & SERVICE	\$42,800.00	\$73,830.00		\$116,630.00
323	523			SCIENCE & DIAGNOSTICS				\$0.00
	524			FORMATION STIMULATION		\$784,443.75		\$784,443.75
326	526			CONSULTING SERVICES/SUPERVISION	\$163,531.67	\$110,745.00		\$274,276.67
327	527			CONTRACT LABOR / SERVICES	\$72,385.50	\$110,745.00		\$183,130.50
328	528			OTHER LABOR				\$0.00
329	529			OVERHEAD				\$0.00
330	530			WATER - FRESH	\$53,500.00	\$530,653.13		\$584,153.13
331	531			FLUIDS & CHEMICALS	\$153,545.00	\$371,457.19		\$525,002.19
332	532			CORING & ANALYSIS				\$0.00
333	533			COMMUNICATIONS	\$10,700.00	\$10,700.00		\$21,400.00
334	534			BOP TESTING	\$29,960.00	\$10,700.00		\$40,660.00
335	535			CO2/NITROGEN				\$0.00
336	536			FISHING TOOLS & SERVICES				\$0.00
337	537			INSPECTIONS	\$10,700.00			\$10,700.00
338				WIRELINE SERVICES				\$0.00
339	539			ENGINEERING & GEOLOGY - FIELD				\$0.00
340	540			ENGINEERING & GEOLOGY - OFFICE				\$0.00
341				MULTISHOT & GYRO				\$0.00
342				RE-ENTRY SERVICES				\$0.00
343	543			CAMPS & TRAILERS	\$21,935.00	\$56,603.00		\$78,538.00
344	544			SAFETY EQUIPMENT & H2S	\$5,350.00	\$7,075.38		\$12,425.38
345				CONTINGENCY				\$0.00
346	546			INSURANCE		\$2,461.00		\$2,461.00
347	547			MISCELLANEOUS	\$89,980.58			\$89,980.58
348	548			OUTSIDE OPERATED				\$0.00
349	549			SAND		\$253,790.63		\$253,790.63
350	550			SAND LOGISTICS		\$253,790.63		\$253,790.63
351	551			VACUUM TRUCK				\$0.00
352	552			WATER - BRINE				\$0.00
	560			FACILITY TRUCKING			\$12,312.50	\$12,312.50
	561			FACILITY VACUUM TRUCK				\$0.00
	562			FACILITY CONSULTING SER/SUPERVISION			\$22,702.44	\$22,702.44
	563			FACILITY CONTRACT LABOR / SER.			\$212,462.50	\$212,462.50
	564			FACILITY SURFACE RENTAL			\$2,518.50	\$2,518.50
				SIM-OPS				\$0.00
TOTAL WELL INTANGIBLE COSTS					\$2,480,468.39	\$4,086,363.44	\$249,995.94	\$6,816,827.76
				WELL TANGIBLE COSTS				
		401		CASING - CONDUCTOR	\$32,100.00			\$32,100.00
		402		CASING - SURFACE	\$17,514.90			\$17,514.90
		403		CASING - SALT STRING				\$0.00
		404	604	CASING - INTERMEDIATE	\$307,518.00			\$307,518.00
		405	605	CASING - PRODUCTION / LINER	\$556,295.51			\$556,295.51
		406	606	SUBSURFACE EQUIPMENT				\$0.00
			607	PRODUCTION TUBING		\$36,562.50		\$36,562.50
			608	SUBSURFACE PUMPING EQUIPMENT				\$0.00
		409	609	WELLHEAD EQUIPMENT	\$72,794.24			\$72,794.24
			610	FLOWLINES			\$32,000.00	\$32,000.00
			611	SURFACE PUMPING EQUIPMENT				\$0.00
		412	612	LINER HANGER & ASSOC EQUIP				\$0.00
			613	VALVES & FITTINGS			\$105,712.75	\$105,712.75
			614	INSTURMENTATION & ELECTRICAL			\$149,453.68	\$149,453.68
			615	RODS				\$0.00
		417	617	TRUCKING				\$0.00
		420		RE-ENTRY EQUIPMENT				\$0.00
			634	PRODUCTION EQUIPMENT			\$301,403.03	\$301,403.03
		447	647	MISCELLANEOUS				\$0.00
		448	648	OUTSIDE OPERATED				\$0.00
			649	TANGIBLE EQUIP ACQUISITIONS				\$0.00
TOTAL TANGIBLE COSTS					\$986,222.65	\$36,562.50	\$588,569.46	\$1,611,354.61
					DRILLING	COMPLETIONS	FACILITIES	TOTAL
TOTAL ESTIMATED WELL COST					\$3,466,691.04	\$4,122,925.94	\$838,565.40	\$8,428,182.37

PREPARED BY: Brendan Tippen DATE: 7/28/2025

OPERATOR APPROVAL: _____ DATE: _____

OPERATOR APPROVAL: _____ DATE: _____

PARTNER COMPANY NAME: _____ DATE: _____

PARTNER APPROVAL: _____

TITLE: _____

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

POWDERHORN ENERGY PARTNERS

WELL NAME	Super Hornet State com 501H	AFE TYPE	Development	AFE NUMBER	10076
LATERAL LOCATION	E2 of Section 3, All of Section 2	FIELD	Northern Delaware	PROPERTY NUMBER	
SURFACE LOCATION	2,550' FEL & 1,380' FNL or at a legal location in units B or G of section 3	FORMATION	Wolfcamp B	DRILLING DAYS	18
BOTTOM-HOLE LOCATION	100' FEL & 990' FNL of Section 2	COUNTY	Eddy	DEPTH (TVD/TMD)	9300' / 17400'
PROJECT DESCRIPTION	Drilling, Completion & Facilities costs for 1.5-mile lateral				
		STATE	NM		

ACCT. CODE				DESCRIPTION OF EXPENDITURE	COST ESTIMATE			
IDC	ICC	TDC	TCC		DRILLING	COMPLETIONS	FACILITIES	TOTAL
PREFIX 300	500	PREFIX 400	600	WELL INTANGIBLE COSTS				
301	501			SURVEY/PERMITS/DAMAGES	\$26,750.00			\$26,750.00
302	502			LOCATION & ROAD	\$109,675.00	\$32,100.00		\$141,775.00
303				RIG MOVE	\$188,129.33			\$188,129.33
304				DRILLING - FOOTAGE				\$0.00
305	505			DRILLING - DAYWORK	\$554,688.00			\$554,688.00
	506			COMPLETION/WORKOVER RIG				\$0.00
	507			COIL TUBING/SNUBBING UNIT		\$267,500.00		\$267,500.00
	508			SLICKLINE/SWABBING				\$0.00
309	509			BITS	\$134,820.00			\$134,820.00
310	510			DIRECTIONAL SERVICES	\$200,090.00			\$200,090.00
311	511			CASING CREW	\$42,800.00			\$42,800.00
312	512			TOOL & EQUIPMENT RENTAL	\$85,600.00	\$369,150.00		\$454,750.00
313	513			FUEL & POWER	\$121,338.00	\$461,437.50		\$582,775.50
314				DIESEL - BASE FOR MUD	\$85,600.00			\$85,600.00
315	515			MUD LOGGING & GEOLOGIST	\$21,400.00			\$21,400.00
316	516			DISPOSAL, RESTORATION & BACKFILL	\$96,300.00	\$153,812.50		\$250,112.50
317	517			TRUCKING	\$53,500.00	\$61,525.00		\$115,025.00
	518			TESTING				\$0.00
319	519			CEMENTING	\$136,766.92			\$136,766.92
320	520			PERFORATING		\$212,662.50		\$212,662.50
	521			CASED HOLE LOGS				\$0.00
322	522			DOWNHOLE TOOLS & SERVICE	\$53,500.00	\$73,830.00		\$127,330.00
323	523			SCIENCE & DIAGNOSTICS				\$0.00
	524			FORMATION STIMULATION		\$784,443.75		\$784,443.75
326	526			CONSULTING SERVICES/SUPERVISION	\$163,531.67	\$110,745.00		\$274,276.67
327	527			CONTRACT LABOR / SERVICES	\$72,385.50	\$110,745.00		\$183,130.50
328	528			OTHER LABOR				\$0.00
329	529			OVERHEAD				\$0.00
330	530			WATER - FRESH	\$53,500.00	\$530,653.13		\$584,153.13
331	531			FLUIDS & CHEMICALS	\$153,545.00	\$371,457.19		\$525,002.19
332	532			CORING & ANALYSIS				\$0.00
333	533			COMMUNICATIONS	\$10,700.00	\$10,700.00		\$21,400.00
334	534			BOP TESTING	\$29,960.00	\$10,700.00		\$40,660.00
335	535			CO2/NITROGEN				\$0.00
336	536			FISHING TOOLS & SERVICES				\$0.00
337	537			INSPECTIONS	\$16,050.00			\$16,050.00
338				WIRELINE SERVICES				\$0.00
339	539			ENGINEERING & GEOLOGY - FIELD				\$0.00
340	540			ENGINEERING & GEOLOGY - OFFICE				\$0.00
341				MULTISHOT & GYRO				\$0.00
342				RE-ENTRY SERVICES				\$0.00
343	543			CAMPS & TRAILERS	\$21,935.00	\$56,603.00		\$78,538.00
344	544			SAFETY EQUIPMENT & H2S	\$5,350.00	\$7,075.38		\$12,425.38
345				CONTINGENCY				\$0.00
346	546			INSURANCE		\$2,461.00		\$2,461.00
347	547			MISCELLANEOUS	\$89,980.58			\$89,980.58
348	548			OUTSIDE OPERATED				\$0.00
349	549			SAND		\$267,500.00		\$267,500.00
350	550			SAND LOGISTICS		\$267,500.00		\$267,500.00
351	551			VACUUM TRUCK				\$0.00
352	552			WATER - BRINE				\$0.00
	560			FACILITY TRUCKING			\$12,312.50	\$12,312.50
	561			FACILITY VACUUM TRUCK				\$0.00
	562			FACILITY CONSULTING SER/SUPERVISION			\$22,702.44	\$22,702.44
	563			FACILITY CONTRACT LABOR / SER.			\$212,462.50	\$212,462.50
	564			FACILITY SURFACE RENTAL			\$2,518.50	\$2,518.50
				SIM-OPS				\$0.00
TOTAL WELL INTANGIBLE COSTS					\$2,527,895.00	\$4,162,600.94	\$249,995.94	\$6,940,491.87
				WELL TANGIBLE COSTS				
		401		CASING - CONDUCTOR	\$32,100.00			\$32,100.00
		402		CASING - SURFACE	\$22,548.18			\$22,548.18
		403		CASING - SALT STRING				\$0.00
		404	604	CASING - INTERMEDIATE	\$481,885.20			\$481,885.20
		405	605	CASING - PRODUCTION / LINER	\$576,506.37			\$576,506.37
		406	606	SUBSURFACE EQUIPMENT				\$0.00
			607	PRODUCTION TUBING		\$65,000.00		\$65,000.00
			608	SUBSURFACE PUMPING EQUIPMENT				\$0.00
		409	609	WELLHEAD EQUIPMENT	\$72,794.24			\$72,794.24
			610	FLOWLINES			\$32,000.00	\$32,000.00
			611	SURFACE PUMPING EQUIPMENT				\$0.00
		412	612	LINER HANGER & ASSOC EQUIP				\$0.00
			613	VALVES & FITTINGS			\$105,712.75	\$105,712.75
			614	INSTURMENTATION & ELECTRICAL			\$149,453.68	\$149,453.68
			615	RODS				\$0.00
		417	617	TRUCKING				\$0.00
		420		RE-ENTRY EQUIPMENT				\$0.00
			634	PRODUCTION EQUIPMENT			\$301,403.03	\$301,403.03
		447	647	MISCELLANEOUS				\$0.00
		448	648	OUTSIDE OPERATED				\$0.00
			649	TANGIBLE EQUIP ACQUISITIONS				\$0.00
TOTAL TANGIBLE COSTS					\$1,185,833.99	\$65,000.00	\$588,569.46	\$1,839,403.44
					DRILLING	COMPLETIONS	FACILITIES	TOTAL
TOTAL ESTIMATED WELL COST					\$3,713,729.0	\$4,227,600.94	\$838,565.40	\$8,779,895.32

PREPARED BY: Brendan Tippen DATE: 7/28/2025

OPERATOR APPROVAL: _____ DATE: _____

OPERATOR APPROVAL: _____ DATE: _____

PARTNER COMPANY NAME: _____ DATE: _____

PARTNER APPROVAL: _____

TITLE: _____

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

ENERGY PARTNERS

Table with 6 columns: WELL NAME, LATERAL LOCATION, SURFACE LOCATION, BOTTOM-HOLE LOCATION, AFE TYPE, FIELD, FORMATION, COUNTY, Development, Northern Delaware, Wolfcamp B, Eddy, AFE NUMBER, PROPERTY NUMBER, DRILLING DAYS, DEPTH (TVD/TMD), 10077, 18, 9300'/17400', STATE, NM

PROJECT DESCRIPTION: Drilling, Completion & Facilities costs for 1.5-mile lateral

Main expenditure table with columns: ACCT. CODE (IDC, ICC, TDC, TCC), DESCRIPTION OF EXPENDITURE, COST ESTIMATE (DRILLING, COMPLETIONS, FACILITIES, TOTAL). Includes rows for WELL INTANGIBLE COSTS and WELL TANGIBLE COSTS.

Summary table for WELL TANGIBLE COSTS with columns: DRILLING, COMPLETIONS, FACILITIES, TOTAL. Includes sub-totals for WELL INTANGIBLE COSTS and WELL TANGIBLE COSTS, and a final TOTAL ESTIMATED WELL COST.

Signature and date lines for: PREPARED BY (Brendan Tippen), OPERATOR APPROVAL, PARTNER COMPANY NAME, PARTNER APPROVAL, and TITLE.

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

POWDERHORN ENERGY PARTNERS

WELL NAME	Super Hornet State com 503H	AFE TYPE	Development	AFE NUMBER	10078
LATERAL LOCATION	E2 of Section 3, All of Section 2	FIELD	Northern Delaware	PROPERTY NUMBER	
SURFACE LOCATION	2.535' FEL & 1.380' FSL or at a legal location in units J or O of section 3	FORMATION	Wolfcamp B	DRILLING DAYS	18
BOTTOM-HOLE LOCATION	100' FEL & 1.650' FSL of Section 2	COUNTY	Eddy	DEPTH (TVD/TMD)	9300' / 17400'
				STATE	NM

PROJECT DESCRIPTION: Drilling, Completion & Facilities costs for 1.5-mile lateral

ACCT. CODE				DESCRIPTION OF EXPENDITURE	COST ESTIMATE			
IDC	ICC	TDC	TCC		DRILLING	COMPLETIONS	FACILITIES	TOTAL
PREFIX 300	500	PREFIX 400	600	WELL INTANGIBLE COSTS				
301	501			SURVEY/PERMITS/DAMAGES	\$26,750.00			\$26,750.00
302	502			LOCATION & ROAD	\$109,675.00	\$32,100.00		\$141,775.00
303				RIG MOVE	\$188,129.33			\$188,129.33
304				DRILLING - FOOTAGE				\$0.00
305	505			DRILLING - DAYWORK	\$554,688.00			\$554,688.00
	506			COMPLETION/WORKOVER RIG				\$0.00
	507			COIL TUBING/SNUBBING UNIT		\$267,500.00		\$267,500.00
	508			SLICKLINE/SWABBING				\$0.00
309	509			BITS	\$134,820.00			\$134,820.00
310	510			DIRECTIONAL SERVICES	\$200,090.00			\$200,090.00
311	511			CASING CREW	\$42,800.00			\$42,800.00
312	512			TOOL & EQUIPMENT RENTAL	\$85,600.00	\$369,150.00		\$454,750.00
313	513			FUEL & POWER	\$121,338.00	\$461,437.50		\$582,775.50
314				DIESEL - BASE FOR MUD	\$85,600.00			\$85,600.00
315	515			MUD LOGGING & GEOLOGIST	\$21,400.00			\$21,400.00
316	516			DISPOSAL, RESTORATION & BACKFILL	\$96,300.00	\$153,812.50		\$250,112.50
317	517			TRUCKING	\$53,500.00	\$61,525.00		\$115,025.00
	518			TESTING				\$0.00
319	519			CEMENTING	\$136,766.92			\$136,766.92
320	520			PERFORATING		\$212,662.50		\$212,662.50
	521			CASED HOLE LOGS				\$0.00
322	522			DOWNHOLE TOOLS & SERVICE	\$53,500.00	\$73,830.00		\$127,330.00
323	523			SCIENCE & DIAGNOSTICS				\$0.00
	524			FORMATION STIMULATION		\$784,443.75		\$784,443.75
326	526			CONSULTING SERVICES/SUPERVISION	\$163,531.67	\$110,745.00		\$274,276.67
327	527			CONTRACT LABOR / SERVICES	\$72,385.50	\$110,745.00		\$183,130.50
328	528			OTHER LABOR				\$0.00
329	529			OVERHEAD				\$0.00
330	530			WATER - FRESH	\$53,500.00	\$530,653.13		\$584,153.13
331	531			FLUIDS & CHEMICALS	\$153,545.00	\$371,457.19		\$525,002.19
332	532			CORING & ANALYSIS				\$0.00
333	533			COMMUNICATIONS	\$10,700.00	\$10,700.00		\$21,400.00
334	534			BOP TESTING	\$29,960.00	\$10,700.00		\$40,660.00
335	535			CO2/NITROGEN				\$0.00
336	536			FISHING TOOLS & SERVICES				\$0.00
337	537			INSPECTIONS	\$16,050.00			\$16,050.00
338				WIRELINE SERVICES				\$0.00
339	539			ENGINEERING & GEOLOGY - FIELD				\$0.00
340	540			ENGINEERING & GEOLOGY - OFFICE				\$0.00
341				MULTISHOT & GYRO				\$0.00
342				RE-ENTRY SERVICES				\$0.00
343	543			CAMPS & TRAILERS	\$21,935.00	\$56,603.00		\$78,538.00
344	544			SAFETY EQUIPMENT & H2S	\$5,350.00	\$7,075.38		\$12,425.38
345				CONTINGENCY				\$0.00
346	546			INSURANCE		\$2,461.00		\$2,461.00
347	547			MISCELLANEOUS	\$89,980.58			\$89,980.58
348	548			OUTSIDE OPERATED				\$0.00
349	549			SAND		\$267,500.00		\$267,500.00
350	550			SAND LOGISTICS		\$267,500.00		\$267,500.00
351	551			VACUUM TRUCK				\$0.00
352	552			WATER - BRINE				\$0.00
	560			FACILITY TRUCKING			\$12,312.50	\$12,312.50
	561			FACILITY VACUUM TRUCK				\$0.00
	562			FACILITY CONSULTING SER/SUPERVISION			\$22,702.44	\$22,702.44
	563			FACILITY CONTRACT LABOR / SER.			\$212,462.50	\$212,462.50
	564			FACILITY SURFACE RENTAL			\$2,518.50	\$2,518.50
				SIM-OPS				\$0.00
TOTAL WELL INTANGIBLE COSTS					\$2,527,895.00	\$4,162,600.94	\$249,995.94	\$6,940,491.87
				WELL TANGIBLE COSTS				
		401		CASING - CONDUCTOR	\$32,100.00			\$32,100.00
		402		CASING - SURFACE	\$22,548.18			\$22,548.18
		403		CASING - SALT STRING				\$0.00
		404	604	CASING - INTERMEDIATE	\$481,885.20			\$481,885.20
		405	605	CASING - PRODUCTION / LINER	\$576,506.37			\$576,506.37
		406	606	SUBSURFACE EQUIPMENT				\$0.00
			607	PRODUCTION TUBING		\$65,000.00		\$65,000.00
			608	SUBSURFACE PUMPING EQUIPMENT				\$0.00
		409	609	WELLHEAD EQUIPMENT	\$72,794.24			\$72,794.24
			610	FLOWLINES			\$32,000.00	\$32,000.00
			611	SURFACE PUMPING EQUIPMENT				\$0.00
		412	612	LINER HANGER & ASSOC EQUIP				\$0.00
			613	VALVES & FITTINGS			\$105,712.75	\$105,712.75
			614	INSTURMENTATION & ELECTRICAL			\$149,453.68	\$149,453.68
			615	RODS				\$0.00
		417	617	TRUCKING				\$0.00
		420		RE-ENTRY EQUIPMENT				\$0.00
			634	PRODUCTION EQUIPMENT			\$301,403.03	\$301,403.03
		447	647	MISCELLANEOUS				\$0.00
		448	648	OUTSIDE OPERATED				\$0.00
			649	TANGIBLE EQUIP ACQUISITIONS				\$0.00
TOTAL TANGIBLE COSTS					\$1,185,833.99	\$65,000.00	\$588,569.46	\$1,839,403.44
					DRILLING	COMPLETIONS	FACILITIES	TOTAL
TOTAL ESTIMATED WELL COST					\$3,713,729.0	\$4,227,600.94	\$838,565.40	\$8,779,895.32

PREPARED BY: Brendan Tippen DATE: 7/28/2025

OPERATOR APPROVAL: _____ DATE: _____

OPERATOR APPROVAL: _____ DATE: _____

PARTNER COMPANY NAME: _____ DATE: _____

PARTNER APPROVAL: _____

TITLE: _____

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

POWDERHORN ENERGY PARTNERS

WELL NAME	Super Hornet State com 504H	AFE TYPE	Development	AFE NUMBER	10079
LATERAL LOCATION	E2 of Section 3, All of Section 2	FIELD	Northern Delaware	PROPERTY NUMBER	
SURFACE LOCATION	2.535' FEL & 1.350' FSL or at a legal location in units J or O of section 3	FORMATION	Wolfcamp B	DRILLING DAYS	18
BOTTOM-HOLE LOCATION	100' FEL & 330' FSL of Section 2	COUNTY	Eddy	DEPTH (TVD/TMD)	9300' / 17400'
				STATE	NM

PROJECT DESCRIPTION: Drilling, Completion & Facilities costs for 1.5-mile lateral

ACCT. CODE				DESCRIPTION OF EXPENDITURE	COST ESTIMATE			
IDC	ICC	TDC	TCC		DRILLING	COMPLETIONS	FACILITIES	TOTAL
PREFIX 300	500	PREFIX 400	600	WELL INTANGIBLE COSTS				
301	501			SURVEY/PERMITS/DAMAGES	\$26,750.00			\$26,750.00
302	502			LOCATION & ROAD	\$109,675.00	\$32,100.00		\$141,775.00
303				RIG MOVE	\$188,129.33			\$188,129.33
304				DRILLING - FOOTAGE				\$0.00
305	505			DRILLING - DAYWORK	\$554,688.00			\$554,688.00
	506			COMPLETION/WORKOVER RIG				\$0.00
	507			COIL TUBING/SNUBBING UNIT		\$267,500.00		\$267,500.00
	508			SLICKLINE/SWABBING				\$0.00
309	509			BITS	\$134,820.00			\$134,820.00
310	510			DIRECTIONAL SERVICES	\$200,090.00			\$200,090.00
311	511			CASING CREW	\$42,800.00			\$42,800.00
312	512			TOOL & EQUIPMENT RENTAL	\$85,600.00	\$369,150.00		\$454,750.00
313	513			FUEL & POWER	\$121,338.00	\$461,437.50		\$582,775.50
314				DIESEL - BASE FOR MUD	\$85,600.00			\$85,600.00
315	515			MUD LOGGING & GEOLOGIST	\$21,400.00			\$21,400.00
316	516			DISPOSAL, RESTORATION & BACKFILL	\$96,300.00	\$153,812.50		\$250,112.50
317	517			TRUCKING	\$53,500.00	\$61,525.00		\$115,025.00
	518			TESTING				\$0.00
319	519			CEMENTING	\$136,766.92			\$136,766.92
320	520			PERFORATING		\$212,662.50		\$212,662.50
	521			CASED HOLE LOGS				\$0.00
322	522			DOWNHOLE TOOLS & SERVICE	\$53,500.00	\$73,830.00		\$127,330.00
323	523			SCIENCE & DIAGNOSTICS				\$0.00
	524			FORMATION STIMULATION		\$784,443.75		\$784,443.75
326	526			CONSULTING SERVICES/SUPERVISION	\$163,531.67	\$110,745.00		\$274,276.67
327	527			CONTRACT LABOR / SERVICES	\$72,385.50	\$110,745.00		\$183,130.50
328	528			OTHER LABOR				\$0.00
329	529			OVERHEAD				\$0.00
330	530			WATER - FRESH	\$53,500.00	\$530,653.13		\$584,153.13
331	531			FLUIDS & CHEMICALS	\$153,545.00	\$371,457.19		\$525,002.19
332	532			CORING & ANALYSIS				\$0.00
333	533			COMMUNICATIONS	\$10,700.00	\$10,700.00		\$21,400.00
334	534			BOP TESTING	\$29,960.00	\$10,700.00		\$40,660.00
335	535			CO2/NITROGEN				\$0.00
336	536			FISHING TOOLS & SERVICES				\$0.00
337	537			INSPECTIONS	\$16,050.00			\$16,050.00
338				WIRELINE SERVICES				\$0.00
339	539			ENGINEERING & GEOLOGY - FIELD				\$0.00
340	540			ENGINEERING & GEOLOGY - OFFICE				\$0.00
341				MULTISHOT & GYRO				\$0.00
342				RE-ENTRY SERVICES				\$0.00
343	543			CAMPS & TRAILERS	\$21,935.00	\$56,603.00		\$78,538.00
344	544			SAFETY EQUIPMENT & H2S	\$5,350.00	\$7,075.38		\$12,425.38
345				CONTINGENCY				\$0.00
346	546			INSURANCE		\$2,461.00		\$2,461.00
347	547			MISCELLANEOUS	\$89,980.58			\$89,980.58
348	548			OUTSIDE OPERATED				\$0.00
349	549			SAND		\$267,500.00		\$267,500.00
350	550			SAND LOGISTICS		\$267,500.00		\$267,500.00
351	551			VACUUM TRUCK				\$0.00
352	552			WATER - BRINE				\$0.00
	560			FACILITY TRUCKING			\$12,312.50	\$12,312.50
	561			FACILITY VACUUM TRUCK				\$0.00
	562			FACILITY CONSULTING SER/SUPERVISION			\$22,702.44	\$22,702.44
	563			FACILITY CONTRACT LABOR / SER.			\$212,462.50	\$212,462.50
	564			FACILITY SURFACE RENTAL			\$2,518.50	\$2,518.50
				SIM-OPS				\$0.00
TOTAL WELL INTANGIBLE COSTS					\$2,527,895.00	\$4,162,600.94	\$249,995.94	\$6,940,491.87
				WELL TANGIBLE COSTS				
		401		CASING - CONDUCTOR	\$32,100.00			\$32,100.00
		402		CASING - SURFACE	\$22,548.18			\$22,548.18
		403		CASING - SALT STRING				\$0.00
		404	604	CASING - INTERMEDIATE	\$481,885.20			\$481,885.20
		405	605	CASING - PRODUCTION / LINER	\$576,506.37			\$576,506.37
		406	606	SUBSURFACE EQUIPMENT				\$0.00
			607	PRODUCTION TUBING		\$65,000.00		\$65,000.00
			608	SUBSURFACE PUMPING EQUIPMENT				\$0.00
		409	609	WELLHEAD EQUIPMENT	\$72,794.24			\$72,794.24
			610	FLOWLINES			\$32,000.00	\$32,000.00
			611	SURFACE PUMPING EQUIPMENT				\$0.00
		412	612	LINER HANGER & ASSOC EQUIP				\$0.00
			613	VALVES & FITTINGS			\$105,712.75	\$105,712.75
			614	INSTURMENTATION & ELECTRICAL			\$149,453.68	\$149,453.68
			615	RODS				\$0.00
		417	617	TRUCKING				\$0.00
		420		RE-ENTRY EQUIPMENT				\$0.00
			634	PRODUCTION EQUIPMENT			\$301,403.03	\$301,403.03
		447	647	MISCELLANEOUS				\$0.00
		448	648	OUTSIDE OPERATED				\$0.00
			649	TANGIBLE EQUIP ACQUISITIONS				\$0.00
TOTAL TANGIBLE COSTS					\$1,185,833.99	\$65,000.00	\$588,569.46	\$1,839,403.44
					DRILLING	COMPLETIONS	FACILITIES	TOTAL
TOTAL ESTIMATED WELL COST					\$3,713,729.0	\$4,227,600.94	\$838,565.40	\$8,779,895.32

PREPARED BY: Brendan Tippen DATE: 7/28/2025

OPERATOR APPROVAL: _____ DATE: _____

OPERATOR APPROVAL: _____ DATE: _____

PARTNER COMPANY NAME: _____ DATE: _____

PARTNER APPROVAL: _____

TITLE: _____

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

COP/MRO APDs

96
Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

**State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505**

Form C-101
August 1, 2011
Permit 409631

**Powderhorn Operating, LLC
Case No. 25610
Exhibit A-17**

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address MARATHON OIL PERMIAN LLC 600 W Illinois Ave Midland, TX 79701		2. OGRID Number 372098
4. Property Code 338864		3. API Number 30-015-57891
5. Property Name Campana State Com		6. Well No. 701H

7. Surface Location

UL - Lot H	Section 2	Township 24S	Range 26E	Lot Idn h	Feet From 1322	N/S Line N	Feet From 440	E/W Line E	County Eddy
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8. Proposed Bottom Hole Location

UL - Lot D	Section 2	Township 24S	Range 26E	Lot Idn 4	Feet From 660	N/S Line N	Feet From 200	E/W Line W	County Eddy
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9. Pool Information

PURPLE SAGE;WOLFCAMP (GAS)	98220
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Additional Well Information

11. Work Type New Well	12. Well Type GAS	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3267
16. Multiple N	17. Proposed Depth 13419	18. Formation Wolfcamp	19. Contractor	20. Spud Date 3/2/2026
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	14.75	10.75	40	300	140	0
Int1	9.875	8.625	32	8271	850	0
Prod	7.875	5.5	20	13419	1150	7771

Casing/Cement Program: Additional Comments

Drill 14-3/4" hole to ~300' w/ fresh water spud mud. Run 10-3/4" 40# J55 BTC casing to TD and cement to surface in one stage. Drill 9-7/8" hole to ~8,271' with cut brine WBM. Run 8-5/8" 32# P110 W441 casing to TD and cement to surface in one stage. Drill 7-7/8" vertical hole, curve & lateral to 13,419' with OBM. Run 5-1/2" 20# P110 BTC casing to TD and cement to 7,771' in one stage.

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	5000	5000	StreamFlo

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I hereby certify that no additives containing PFAS chemicals will be added to the completion or recompletion of this well. I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> if applicable. Signature:	OIL CONSERVATION DIVISION		
	Printed Name: Electronically filed by Robyn M Russell	Approved By: Jeffrey Harrison	
	Title: Regulatory Supervisor	Title: Petroleum Specialist III	
	Email Address: Robyn.M.Russell@conocophillips.com	Approved Date: 2/25/2026	Expiration Date: 2/25/2028
	Date: 2/23/2026	Phone: 432-685-4385	Conditions of Approval Attached

C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	Revised July 9, 2024 Submittal Type: <input checked="" type="checkbox"/> Initial Submittal <input type="checkbox"/> Amended Report <input type="checkbox"/> As Drilled
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WELL LOCATION INFORMATION

API Number 30-015-57891	Pool Code 98220	Pool Name Purple Sage; Wolfcamp (Gas)
Property Code 338864	Property Name CAMPANA STATE COM	Well Number 701H
OGRID No. 372098	Operator Name MARATHON OIL PERMIAN LLC	Ground Level Elevation 3,267'
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
H	2	24S	26E		1,322' FNL	440' FEL	32.249985°	-104.256598°	EDDY

Bottom Hole Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
	2	24S	26E	LOT 4	660' FNL	200' FWL	32.251742°	-104.271721°	EDDY

Dedicated Acres 320.32	Infill or Defining Well Defining	Defining Well API Pending	Overlapping Spacing Unit (Y/N) N	Consolidation Code N/A
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
H	2	24S	26E		1,322' FNL	440' FEL	32.249985°	-104.256598°	EDDY


First Take Point (FTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
	2	24S	26E	LOT 1	660' FNL	330' FEL	32.251806°	-104.256221°	EDDY

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
	2	24S	26E	LOT 4	660' FNL	330' FWL	32.251743°	-104.271301°	EDDY

Unitized Area or Area of Uniform Interest COM	Spacing Unit Type <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation: 3,267'
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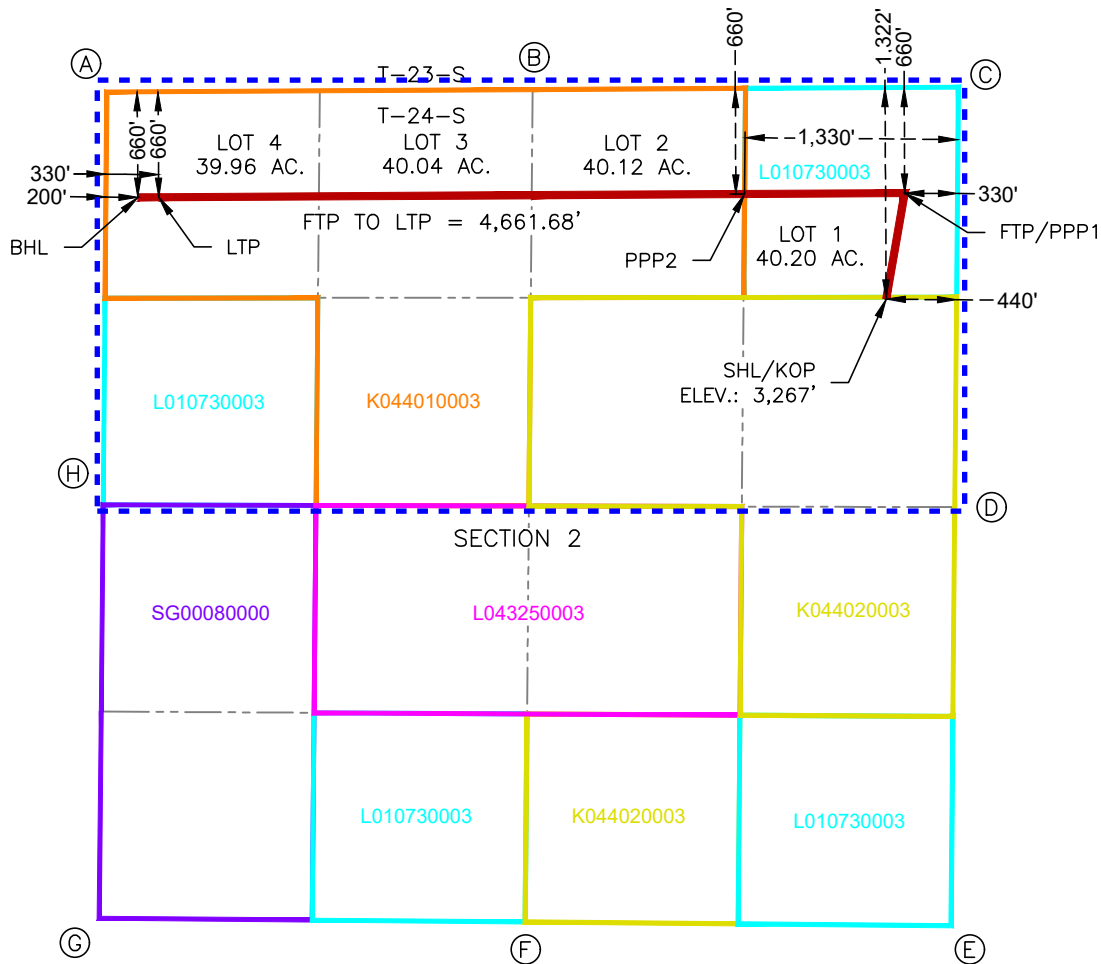
<p>OPERATOR CERTIFICATIONS</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including 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.</p> <p>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.</p>	<p>SURVEYOR CERTIFICATIONS</p> <p>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.</p> <div style="text-align: center;">  <p>Date: 2/10/2026</p> </div>		
Signature <i>Mayte Reyes</i> Date 2/19/2026	Signature and Seal of Professional Surveyor		
Printed Name Mayte Reyes	Certificate Number 12177	Date of Survey 2/10/2026	Revision Number 1
Email Address mayte.x.reyes@conocophillips.com			

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.



CAMPANA STATE COM 701H

SURFACE HOLE LOCATION & KICK-OFF POINT
 1,322' FNL & 440' FEL
 ELEV. = 3,267'
 NAD 83 X = 565,059.83'
 NAD 83 Y = 454,686.33'
 NAD 83 LAT = 32.249985°
 NAD 83 LONG = -104.256598°

FIRST TAKE POINT & PENETRATION POINT 1
 660' FNL & 330' FEL
 NAD 83 X = 565,175.73'
 NAD 83 Y = 455,348.99'
 NAD 83 LAT = 32.251806°
 NAD 83 LONG = -104.256221°

PENETRATION POINT 2
 660' FNL & 1,330' FEL
 NAD 83 X = 564,175.31'
 NAD 83 Y = 455,343.45'
 NAD 83 LAT = 32.251793°
 NAD 83 LONG = -104.259458°

LAST TAKE POINT
 660' FNL & 330' FWL
 NAD 83 X = 560,514.12'
 NAD 83 Y = 455,323.14'
 NAD 83 LAT = 32.251743°
 NAD 83 LONG = -104.271301°

BOTTOM HOLE LOCATION
 660' FNL & 200' FWL
 NAD 83 X = 560,384.11'
 NAD 83 Y = 455,322.42'
 NAD 83 LAT = 32.251742°
 NAD 83 LONG = -104.271721°

CORNER COORDINATES NEW MEXICO EAST - NAD 83	
POINT	NORTHING/EASTING
A	N:455,981.28' E:560,190.11'
B	N:455,996.05' E:562,850.83'
C	N:456,010.87' E:565,511.63'
D	N:453,387.12' E:565,488.29'
E	N:450,771.40' E:565,465.11'
F	N:450,795.03' E:562,803.62'
G	N:450,818.60' E:560,142.24'
H	N:453,401.31' E:560,166.56'

99
Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-101
August 1, 2011
Permit 409632

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address MARATHON OIL PERMIAN LLC 600 W Illinois Ave Midland, TX 79701		2. OGRID Number 372098
4. Property Code 338864		3. API Number 30-015-57892
5. Property Name Campana State Com		6. Well No. 702H

7. Surface Location

UL - Lot H	Section 2	Township 24S	Range 26E	Lot Idn h	Feet From 1362	N/S Line N	Feet From 440	E/W Line E	County Eddy
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8. Proposed Bottom Hole Location

UL - Lot E	Section 2	Township 24S	Range 26E	Lot Idn E	Feet From 2180	N/S Line N	Feet From 200	E/W Line W	County Eddy
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9. Pool Information

PURPLE SAGE;WOLFCAMP (GAS)	98220
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Additional Well Information

11. Work Type New Well	12. Well Type GAS	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3267
16. Multiple N	17. Proposed Depth 13431	18. Formation Wolfcamp	19. Contractor	20. Spud Date 3/2/2026
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	14.75	10.75	40	300	140	0
Int1	9.875	8.625	32	8298	850	0
Prod	7.875	5.5	20	13431	1150	7798

Casing/Cement Program: Additional Comments

Drill 14-3/4" hole to ~300' w/ fresh water spud mud. Run 10-3/4" 40# J55 BTC casing to TD and cement to surface in one stage. Drill 9-7/8" hole to ~8,298' with cut brine WBM. Run 8-5/8" 32# P110 W441 casing to TD and cement to surface in one stage. Drill 7-7/8" vertical hole, curve & lateral to 13,431' with OBM. Run 5-1/2" 20# P110 BTC casing to TD and cement to 7,798' in one stage.

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	5000	5000	StreamFlo

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I hereby certify that no additives containing PFAS chemicals will be added to the completion or recompletion of this well. I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> if applicable. Signature:	OIL CONSERVATION DIVISION		
	Printed Name: Electronically filed by Robyn M Russell	Approved By: Jeffrey Harrison	
	Title: Regulatory Supervisor	Title: Petroleum Specialist III	
	Email Address: Robyn.M.Russell@conocophillips.com	Approved Date: 2/25/2026	Expiration Date: 2/25/2028
	Date: 2/23/2026	Phone: 432-685-4385	Conditions of Approval Attached

100

C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	Revised July 9, 2024 Submittal Type: <input checked="" type="checkbox"/> Initial Submittal <input type="checkbox"/> Amended Report <input type="checkbox"/> As Drilled
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WELL LOCATION INFORMATION

API Number 30-015-	Pool Code 98220	Pool Name Purple Sage; Wolfcamp (Gas)
Property Code 338864	Property Name CAMPANA STATE COM	Well Number 702H
OGRID No. 372098	Operator Name MARATHON OIL PERMIAN LLC	Ground Level Elevation 3,267'
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
H	2	24S	26E		1,362' FNL	440' FEL	32.249875°	-104.256599°	EDDY

Bottom Hole Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
E	2	24S	26E		2,180' FNL	200' FWL	32.247564°	-104.271769°	EDDY

Dedicated Acres 320.32	Infill or Defining Well Infill	Defining Well API Pending 701H	Overlapping Spacing Unit (Y/N) N	Consolidation Code N/A
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
H	2	24S	26E		1,362' FNL	440' FEL	32.249875°	-104.256599°	EDDY


First Take Point (FTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
H	2	24S	26E		2,180' FNL	330' FEL	32.247628°	-104.256269°	EDDY

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
E	2	24S	26E		2,180' FNL	330' FWL	32.247565°	-104.271349°	EDDY

Unitized Area or Area of Uniform Interest COM	Spacing Unit Type <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation: 3,267'
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<p>OPERATOR CERTIFICATIONS</p> <p>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.</p> <p>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.</p>	<p>SURVEYOR CERTIFICATIONS</p> <p>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.</p> <div style="text-align: center;">  <p>Date: 2/10/2026</p> </div>		
Signature <i>Mayte Reyes</i> Date 2/19/2026	Signature and Seal of Professional Surveyor		
Printed Name Mayte Reyes	Certificate Number 12177	Date of Survey 2/10/2026	Revision Number 1
Email Address mayte.x.reyes@conocophillips.com			

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.

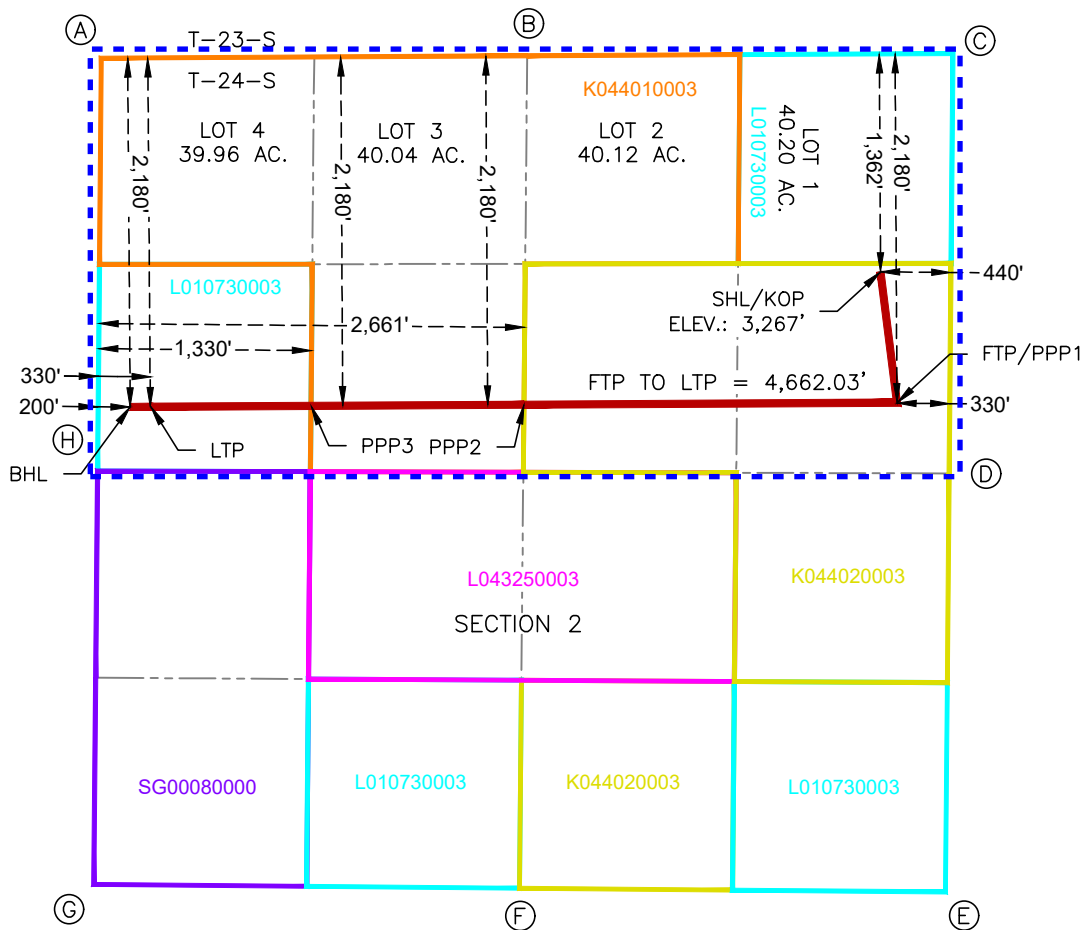
100

ACREAGE DEDICATION PLATS

101

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.



CAMPANA STATE COM 702H

SURFACE HOLE LOCATION & KICK-OFF POINT
 1,362' FNL & 440' FEL
 ELEV. = 3,267'
 NAD 83 X = 565,059.47'
 NAD 83 Y = 454,646.33'
 NAD 83 LAT = 32.249875°
 NAD 83 LONG = -104.256599°

FIRST TAKE POINT & PENETRATION POINT 1
 2,180' FNL & 330' FEL
 NAD 83 X = 565,162.21'
 NAD 83 Y = 453,828.89'
 NAD 83 LAT = 32.247628°
 NAD 83 LONG = -104.256269°

PENETRATION POINT 2
 2,180' FNL & 2,661' FWL
 NAD 83 X = 562,831.04'
 NAD 83 Y = 453,816.14'
 NAD 83 LAT = 32.247597°
 NAD 83 LONG = -104.263809°

CORNER COORDINATES NEW MEXICO EAST - NAD 83	
POINT	NORTHING/EASTING
A	N:455,981.28' E:560,190.11'
B	N:455,996.05' E:562,850.83'
C	N:456,010.87' E:565,511.63'
D	N:453,387.12' E:565,488.29'
E	N:450,771.40' E:565,465.11'
F	N:450,795.03' E:562,803.62'
G	N:450,818.60' E:560,142.24'
H	N:453,401.31' E:560,166.56'

PENETRATION POINT 3
 2,180' FNL & 1,330' FWL
 NAD 83 X = 561,500.47'
 NAD 83 Y = 453,808.75'
 NAD 83 LAT = 32.247579°
 NAD 83 LONG = -104.268113°

LAST TAKE POINT
 2,180' FNL & 330' FWL
 NAD 83 X = 560,500.25'
 NAD 83 Y = 453,803.20'
 NAD 83 LAT = 32.247565°
 NAD 83 LONG = -104.271349°

BOTTOM HOLE LOCATION
 2,180' FNL & 200' FWL
 NAD 83 X = 560,370.23'
 NAD 83 Y = 453,802.48'
 NAD 83 LAT = 32.247564°
 NAD 83 LONG = -104.271769°

102
Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-101
August 1, 2011
Permit 409633

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address MARATHON OIL PERMIAN LLC 600 W Illinois Ave Midland, TX 79701		2. OGRID Number 372098
4. Property Code 338864		3. API Number 30-015-57893
5. Property Name Campana State Com		6. Well No. 901H

7. Surface Location

UL - Lot A	Section 2	Township 24S	Range 26E	Lot Idn 1	Feet From 1302	N/S Line N	Feet From 440	E/W Line E	County Eddy
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8. Proposed Bottom Hole Location

UL - Lot D	Section 2	Township 24S	Range 26E	Lot Idn 4	Feet From 380	N/S Line N	Feet From 200	E/W Line W	County Eddy
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9. Pool Information

PURPLE SAGE;WOLFCAMP (GAS)	98220
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Additional Well Information

11. Work Type New Well	12. Well Type GAS	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3267
16. Multiple N	17. Proposed Depth 14051	18. Formation Wolfcamp	19. Contractor	20. Spud Date 3/2/2026
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	14.75	10.75	40	300	140	0
Int1	9.875	8.625	32	9180	950	0
Prod	7.875	5.5	20	14051	1100	8680

Casing/Cement Program: Additional Comments

Drill 14-3/4" hole to ~300' w/ fresh water spud mud. Run 10-3/4" 40# J55 BTC casing to TD and cement to surface in one stage. Drill 9-7/8" hole to ~9,180' with cut brine WBM. Run 8-5/8" 32# P110 W441 casing to TD and cement to surface in one stage. Drill 7-7/8" vertical hole, curve & lateral to 14,051' with OBM. Run 5-1/2" 20# P110 BTC casing to TD and cement to 8,680' in one stage.

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	5000	5000	StreamFlo

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I hereby certify that no additives containing PFAS chemicals will be added to the completion or recompletion of this well. I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> if applicable. Signature:	OIL CONSERVATION DIVISION		
	Printed Name: Electronically filed by Robyn M Russell	Approved By: Jeffrey Harrison	
	Title: Regulatory Supervisor	Title: Petroleum Specialist III	
	Email Address: Robyn.M.Russell@conocophillips.com	Approved Date: 2/25/2026	Expiration Date: 2/25/2028
	Date: 2/23/2026	Phone: 432-685-4385	Conditions of Approval Attached

103

C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	Revised July 9, 2024 Submittal Type: <input checked="" type="checkbox"/> Initial Submittal <input type="checkbox"/> Amended Report <input type="checkbox"/> As Drilled
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WELL LOCATION INFORMATION

API Number 30-015-57893	Pool Code 98220	Pool Name Purple Sage; Wolfcamp (Gas)
Property Code 338864	Property Name CAMPANA STATE COM	
OGRID No. 372098	Operator Name MARATHON OIL PERMIAN LLC	Well Number 901H
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
	2	24S	26E	LOT 1	1,302' FNL	440' FEL	32.250040°	-104.256597°	EDDY

Bottom Hole Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
	2	24S	26E	LOT 4	380' FNL	200' FWL	32.252511°	-104.271713°	EDDY

Dedicated Acres 320.32	Infill or Defining Well Infill	Defining Well API Pending 701H	Overlapping Spacing Unit (Y/N) N	Consolidation Code N/A
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
	2	24S	26E	LOT 1	1,302' FNL	440' FEL	32.250040°	-104.256597°	EDDY

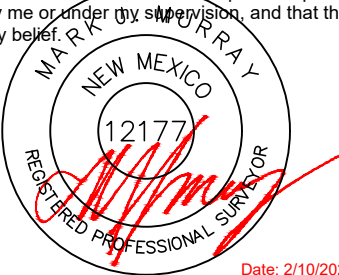
First Take Point (FTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
	2	24S	26E	LOT 1	380' FNL	330' FEL	32.252576°	-104.256213°	EDDY

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
	2	24S	26E	LOT 4	380' FNL	330' FWL	32.252513°	-104.271292°	EDDY

Unitized Area or Area of Uniform Interest COM	Spacing Unit Type <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation: 3,267'
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<p>OPERATOR CERTIFICATIONS</p> <p>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.</p> <p>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.</p>	<p>SURVEYOR CERTIFICATIONS</p> <p>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.</p> <div style="text-align: center;">  </div> <p style="text-align: right; color: red;">Date: 2/10/2026</p>		
Signature <i>Mayte Reyes</i> Date 2/19/2026	Signature and Seal of Professional Surveyor		
Printed Name Mayte Reyes	Certificate Number 12177	Date of Survey 2/10/2026	Revision Number 1
Email Address mayte.x.reyes@conocophillips.com			

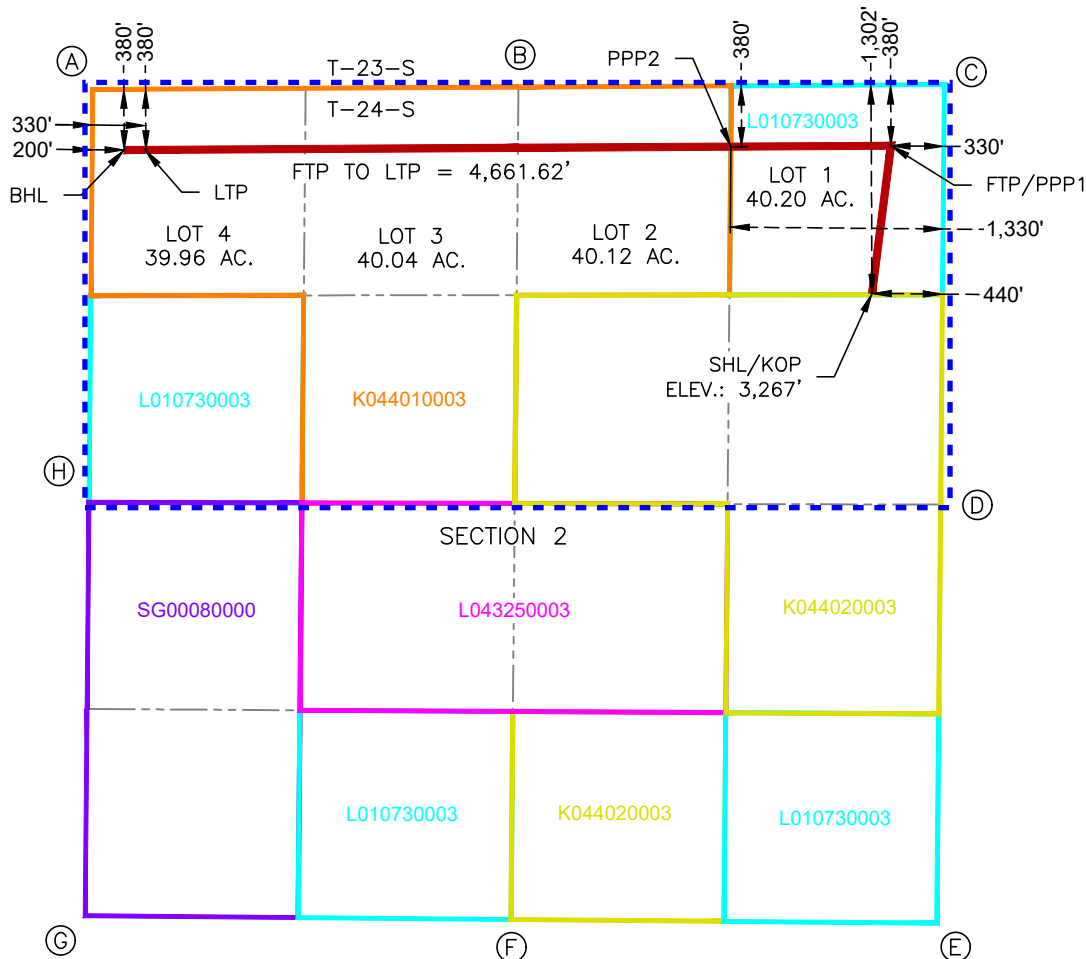
Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

ACREAGE DEDICATION PLATS

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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.



CAMPANA STATE COM 901H

SURFACE HOLE LOCATION & KICK-OFF POINT
 1,302' FNL & 440' FEL
 ELEV. = 3,267'
 NAD 83 X = 565,060.01'
 NAD 83 Y = 454,706.34'
 NAD 83 LAT = 32.250040°
 NAD 83 LONG = -104.256597°

FIRST TAKE POINT & PENETRATION POINT 1
 380' FNL & 330' FEL
 NAD 83 X = 565,178.22'
 NAD 83 Y = 455,629.01'
 NAD 83 LAT = 32.252576°
 NAD 83 LONG = -104.256213°

PENETRATION POINT 2
 380' FNL & 1,330' FEL
 NAD 83 X = 564,177.82'
 NAD 83 Y = 455,623.45'
 NAD 83 LAT = 32.252563°
 NAD 83 LONG = -104.259449°

LAST TAKE POINT
 380' FNL & 330' FWL
 NAD 83 X = 560,516.67'
 NAD 83 Y = 455,603.13'
 NAD 83 LAT = 32.252513°
 NAD 83 LONG = -104.271292°

BOTTOM HOLE LOCATION
 380' FNL & 200' FWL
 NAD 83 X = 560,386.66'
 NAD 83 Y = 455,602.40'
 NAD 83 LAT = 32.252511°
 NAD 83 LONG = -104.271713°

CORNER COORDINATES NEW MEXICO EAST - NAD 83	
POINT	NORTHING/EASTING
A	N:455,981.28' E:560,190.11'
B	N:455,996.05' E:562,850.83'
C	N:456,010.87' E:565,511.63'
D	N:453,387.12' E:565,488.29'
E	N:450,771.40' E:565,465.11'
F	N:450,795.03' E:562,803.62'
G	N:450,818.60' E:560,142.24'
H	N:453,401.31' E:560,166.58'

105
Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-101
August 1, 2011
Permit 409634

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address MARATHON OIL PERMIAN LLC 600 W Illinois Ave Midland, TX 79701		2. OGRID Number 372098
4. Property Code 338864		3. API Number 30-015-57894
5. Property Name Campana State Com		6. Well No. 902H

7. Surface Location

UL - Lot H	Section 2	Township 24S	Range 26E	Lot Idn	Feet From 1342	N/S Line N	Feet From 440	E/W Line E	County Eddy
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8. Proposed Bottom Hole Location

UL - Lot E	Section 2	Township 24S	Range 26E	Lot Idn E	Feet From 1700	N/S Line N	Feet From 200	E/W Line W	County Eddy
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9. Pool Information

PURPLE SAGE;WOLFCAMP (GAS)	98220
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Additional Well Information

11. Work Type New Well	12. Well Type GAS	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3267
16. Multiple N	17. Proposed Depth 13987	18. Formation Wolfcamp	19. Contractor	20. Spud Date 3/2/2026
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	14.75	10.75	40	300	140	0
Int1	9.875	8.625	32	9120	950	0
Prod	7.875	5.5	20	13987	1100	8620

Casing/Cement Program: Additional Comments

Drill 14-3/4" hole to ~300' w/ fresh water spud mud. Run 10-3/4" 40# J55 BTC casing to TD and cement to surface in one stage. Drill 9-7/8" hole to ~9,120' with cut brine WBM. Run 8-5/8" 32# P110 W441 casing to TD and cement to surface in one stage. Drill 7-7/8" vertical hole, curve & lateral to 13,987' with OBM. Run 5-1/2" 20# P110 BTC casing to TD and cement to 8,620' in one stage.

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	5000	5000	StreamFlo

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I hereby certify that no additives containing PFAS chemicals will be added to the completion or recompletion of this well. I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> if applicable. Signature:	OIL CONSERVATION DIVISION		
	Printed Name: Electronically filed by Robyn M Russell	Approved By: Jeffrey Harrison	
	Title: Regulatory Supervisor	Title: Petroleum Specialist III	
	Email Address: Robyn.M.Russell@conocophillips.com	Approved Date: 2/25/2026	Expiration Date: 2/25/2028
	Date: 2/23/2026	Phone: 432-685-4385	Conditions of Approval Attached

106

C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	Revised July 9, 2024
		<input checked="" type="checkbox"/> Initial Submittal <input type="checkbox"/> Amended Report <input type="checkbox"/> As Drilled
	Submittal Type:	

WELL LOCATION INFORMATION

API Number 30-015-57894	Pool Code 98220	Pool Name Purple Sage; Wolfcamp (Gas)
Property Code 338864	Property Name CAMPANA STATE COM	Well Number 902H
OGRID No. 372098	Operator Name MARATHON OIL PERMIAN LLC	Ground Level Elevation 3,267'
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
H	2	24S	26E		1,342' FNL	440' FEL	32.249930°	-104.256598°	EDDY

Bottom Hole Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
E	2	24S	26E		1,700' FNL	200' FWL	32.248883°	-104.271754°	EDDY

Dedicated Acres 320.32	Infill or Defining Well Infill	Defining Well API Pending 701H	Overlapping Spacing Unit (Y/N) N	Consolidation Code N/A
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
H	2	24S	26E		1,342' FNL	440' FEL	32.249930°	-104.256598°	EDDY

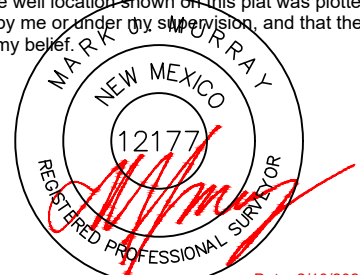
First Take Point (FTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
H	2	24S	26E		1,700' FNL	330' FEL	32.248947°	-104.256254°	EDDY

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
E	2	24S	26E		1,700' FNL	330' FWL	32.248885°	-104.271333°	EDDY

Unitized Area or Area of Uniform Interest COM	Spacing Unit Type <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation: 3,267'
---	--	--

<p>OPERATOR CERTIFICATIONS</p> <p>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.</p> <p>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.</p>	<p>SURVEYOR CERTIFICATIONS</p> <p>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.</p> <div style="text-align: center;">  <p>Date: 2/10/2026</p> </div>		
Signature <i>Mayte Reyes</i> Date 2/19/2026	Signature and Seal of Professional Surveyor		
Printed Name Mayte Reyes	Certificate Number 12177	Date of Survey 2/10/2026	Revision Number 1
Email Address mayte.x.reyes@conocophillips.com			

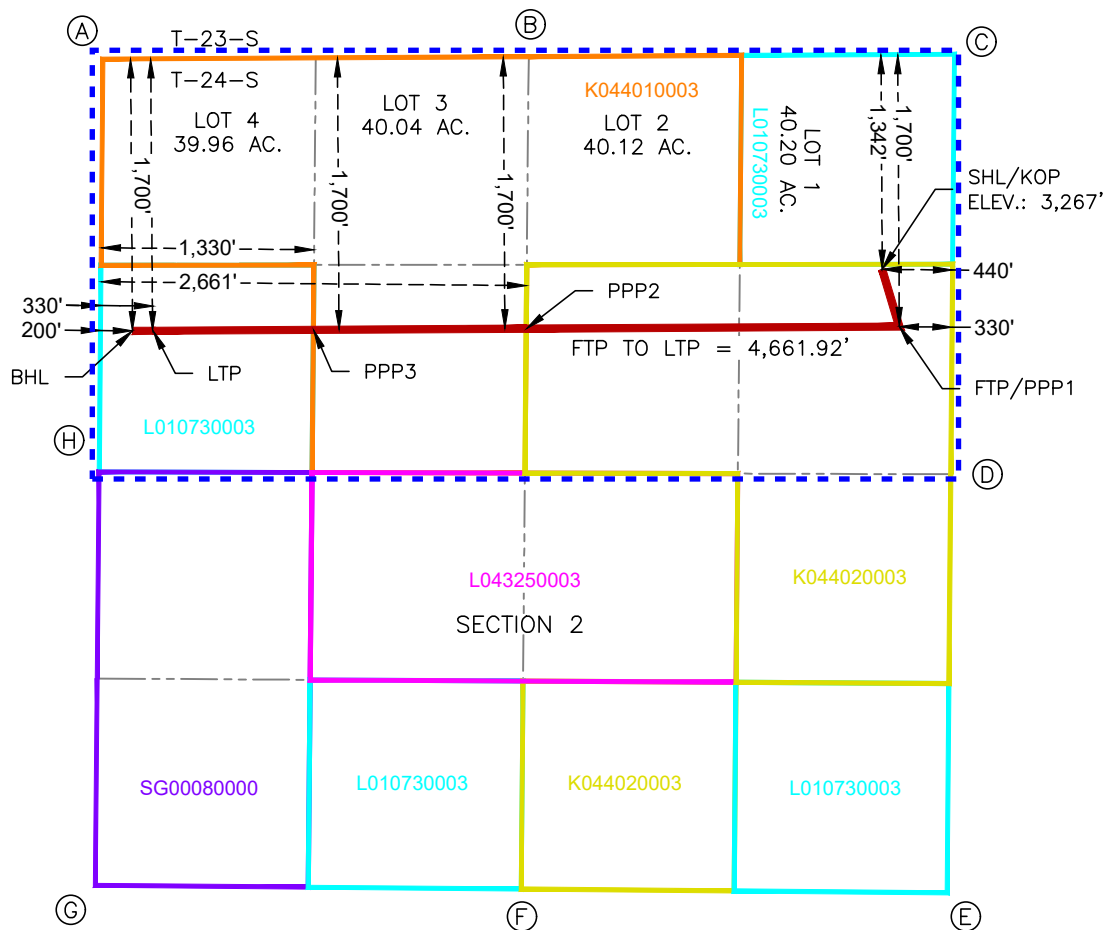
Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

ACREAGE DEDICATION PLATS

107

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.

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CAMPANA STATE COM 902H

SURFACE HOLE LOCATION & KICK-OFF POINT
 1,342' FNL & 440' FEL
 ELEV. = 3,267'
 NAD 83 X = 565,059.65'
 NAD 83 Y = 454,666.33'
 NAD 83 LAT = 32.249930°
 NAD 83 LONG = -104.256598°

FIRST TAKE POINT & PENETRATION POINT 1
 1,700' FNL & 330' FEL
 NAD 83 X = 565,166.48'
 NAD 83 Y = 454,308.92'
 NAD 83 LAT = 32.248947°
 NAD 83 LONG = -104.256254°

PENETRATION POINT 2
 1,700' FNL & 2,661' FWL
 NAD 83 X = 562,835.40'
 NAD 83 Y = 454,296.12'
 NAD 83 LAT = 32.248916°
 NAD 83 LONG = -104.263794°

PENETRATION POINT 3
 1,700' FNL & 1,330' FWL
 NAD 83 X = 561,504.88'
 NAD 83 Y = 454,288.73'
 NAD 83 LAT = 32.248898°
 NAD 83 LONG = -104.268098°

LAST TAKE POINT
 1,700' FNL & 330' FWL
 NAD 83 X = 560,504.63'
 NAD 83 Y = 454,283.18'
 NAD 83 LAT = 32.248885°
 NAD 83 LONG = -104.271333°

BOTTOM HOLE LOCATION
 1,700' FNL & 200' FWL
 NAD 83 X = 560,374.62'
 NAD 83 Y = 454,282.46'
 NAD 83 LAT = 32.248883°
 NAD 83 LONG = -104.271754°

CORNER COORDINATES NEW MEXICO EAST - NAD 83	
POINT	NORTHING/EASTING
A	N:455,981.28' E:560,190.11'
B	N:455,996.05' E:562,850.83'
C	N:456,010.87' E:565,511.63'
D	N:453,387.12' E:565,488.29'
E	N:450,771.40' E:565,465.11'
F	N:450,795.03' E:562,803.62'
G	N:450,818.60' E:560,142.24'
H	N:453,401.31' E:560,166.56'

***Super Hornet State Com Unit
Case No. 25610
Geology Exhibits
Exhibit B***

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

**APPLICATION OF POWDERHORN
OPERATING, LLC
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

CASE NO. 25610

SELF-AFFIRMED STATEMENT OF LEONARD W. WOOD

I, Leonard W. "Lenny" Wood, being duly sworn on oath, state the following:

1. I am over the age of 18, and I have personal knowledge of the matters stated herein.
2. I am employed as a petroleum geologist for Powderhorn Energy Partners ("Powderhorn"), and its subsidiaries, including but not limited to, Powderhorn Operating, LLC ("Powderhorn Operating"). My work includes the Permian Basin and Eddy County, and I am familiar with the subject applications and the geology involved.
3. I have testified previously before the Oil Conservation Division ("Division") as an expert petroleum geologist; my credentials have been made a matter of record, and I have been qualified as an expert by the Division.
4. **Powderhorn Exhibit B-1** is a locator map for the Super Hornet project. It is comprised of Section 2 and the east half (E/2) of Section 3, T24S R26E in Eddy County, New Mexico. Powderhorn's acreage in the Super Hornet project is shown in yellow. This map shows the outline of the northern Delaware Basin in New Mexico and also shows the potash area in gray and the Capitan Reef Trend in blue.
5. **Powderhorn Exhibit B-2** is a subsea TVD structure map on the top of the Wolfcamp Formation ("WFMP"), with a contour interval of 50 feet. The structure shows the Wolfcamp gently dipping to the east into the basin. The offsetting WFMP XY/A wells in the area are shown with red bubbles. Structural control points used for this map are shown with purple triangles. The

Self-Affirmed Statement of Geologist, Leonard Wood (Case No. 25610)

Wolfcamp structure appears consistent across the Powderhorn leasehold, and I do not observe any faulting or major geologic changes across the proposed unit. Powderhorn does not own any seismic across the proposed unit.

6. Powderhorn Exhibit B-3 is stratigraphic cross-section displaying open-hole logs run over the Wolfcamp formation from representative wells within and offsetting the Super Hornet project denoted from A to A' in the previous exhibit. The cross-section is flattened on the top of the Wolfcamp and runs west to east across the proposed project area. I have highlighted the planned target interval for the Super Hornet 401-404 wells in yellow and annotated with a red arrow. I believe this cross section shows the consistency of this 50 to 60-foot-thick sandstone across the unit. This sandstone is the primary target in the area and has been drilled by numerous operators. For each well in the cross-section, the exhibit shows the following logs: gamma ray, neutron porosity, density porosity, and resistivity. The easternmost well on the cross-section does not have a full suite of logs across the Wolfcamp interval. While this log is of an older vintage and is not complete, the gamma ray log provided an additional control point for correlation that we believe is valuable.

7. Powderhorn Exhibit B-4 is a gun barrel plot of Powderhorn's planned development within the Wolfcamp Formation. Our initial development plans to target the Wolfcamp XY with four wells at approximately 1,320' spacing. These wells are shown with red circles. A type section for the proposed unit is shown on the left on the plot and is also highlighted with a star on the small inset map.

8. Powderhorn Exhibit B-5 is a subsea TVD structure map on the top of the Wolfcamp B interval ("WFMP B"), with a contour interval of 50 feet. The structure shows the Wolfcamp B gently dipping to the east into the basin. The offsetting WFMP B and WFMP C wells in the area

are shown with orange and gray bubbles. Structural control points used for this map are shown with green triangles. The Wolfcamp B structure appears consistent across the Powderhorn leasehold, and I do not observe any faulting or major geologic changes across the proposed unit. Powderhorn does not own any seismic across the proposed unit. A deeper Penn Shale test is also shown on this map. Powderhorn will continue to monitor industry activity across other zones in the area.

9. Powderhorn Exhibit B-6 is a stratigraphic cross-section displaying open-hole logs run over the Wolfcamp formation from representative wells within and offsetting the Super Hornet project denoted from A to A' in the previous exhibit. The cross-section is flattened on the top of the Wolfcamp and runs west to east across the proposed project area. I have highlighted the planned target interval for the Super Hornet 501-504 wells in orange and annotated with a green arrow. I believe this cross section shows the consistency of this ~125-foot-thick high resistivity mud rock interval across the unit. This interval is the secondary target in the area and is often not co-developed with the Wolfcamp XY/A wells in the area. With over 600 feet separating the Wolfcamp XY and Wolfcamp B landing targets, Powderhorn believes these wells can be developed simultaneously or sequentially. For each well in the cross-section, the exhibit shows the following logs: gamma ray, neutron porosity, density porosity, and resistivity. The easternmost well on the cross-section does not have a full suite of logs across the Wolfcamp interval. While this log is of an older vintage and is not complete, the gamma ray log provided an additional control point for correlation that we believe is valuable.

10. Powderhorn Exhibit B-7 is a gun barrel plot of Powderhorn's planned development within the Wolfcamp Formation. The secondary development plan is to target the Wolfcamp B with four wells at approximately 1,320' spacing. These wells are shown with green circles. A type

section for the proposed unit is shown on the left on the plot and is also highlighted with a star on the small inset map.

11. Powderhorn does not plan to drill the Super Hornet #203H and #204H as part of our initial development.

[s] Leonard W. "Lenny" Wood

Leonard W. "Lenny" Wood

Petroleum Geologist

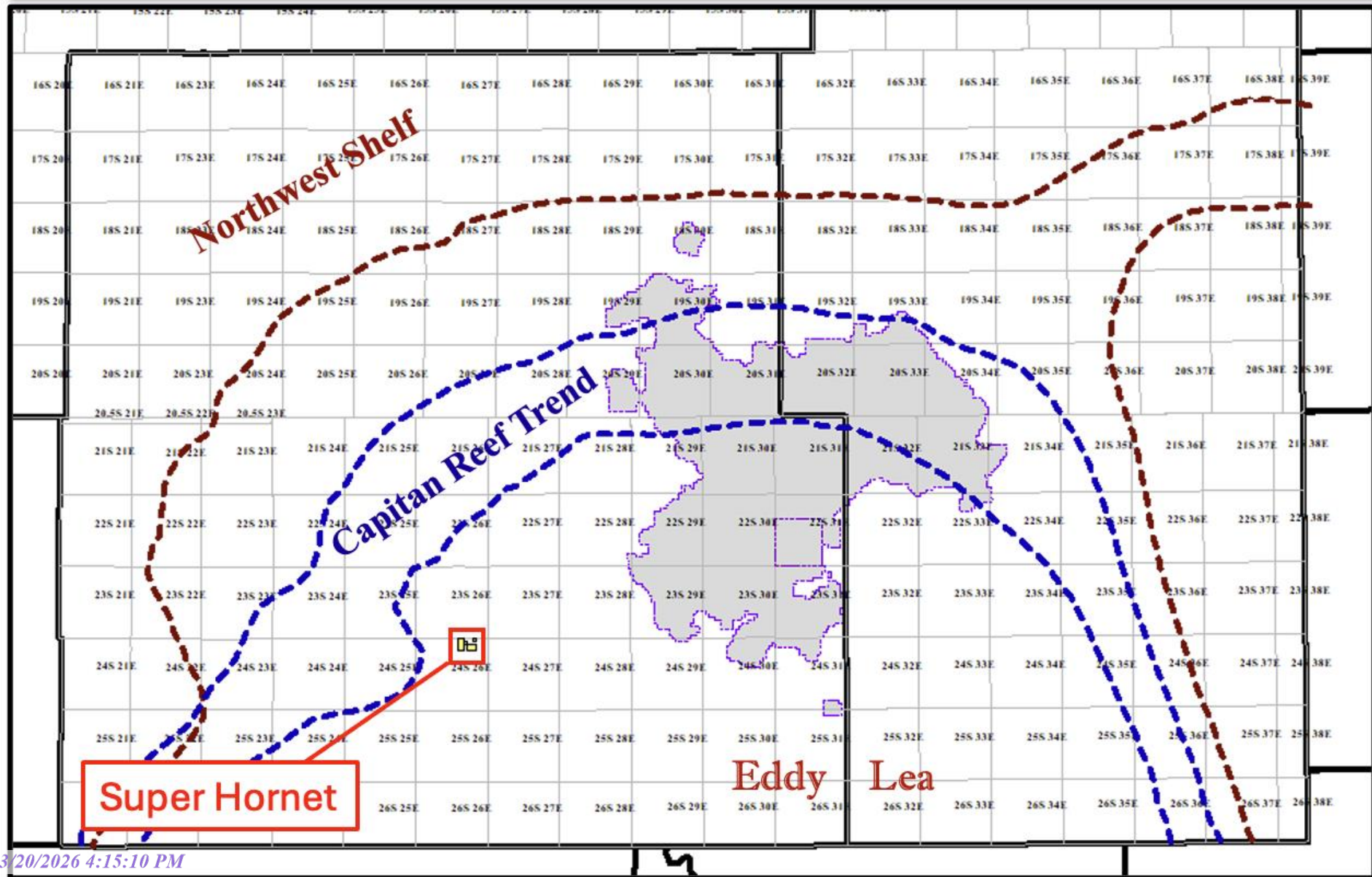
Powderhorn Operating, LLC

March 3, 2026

Date

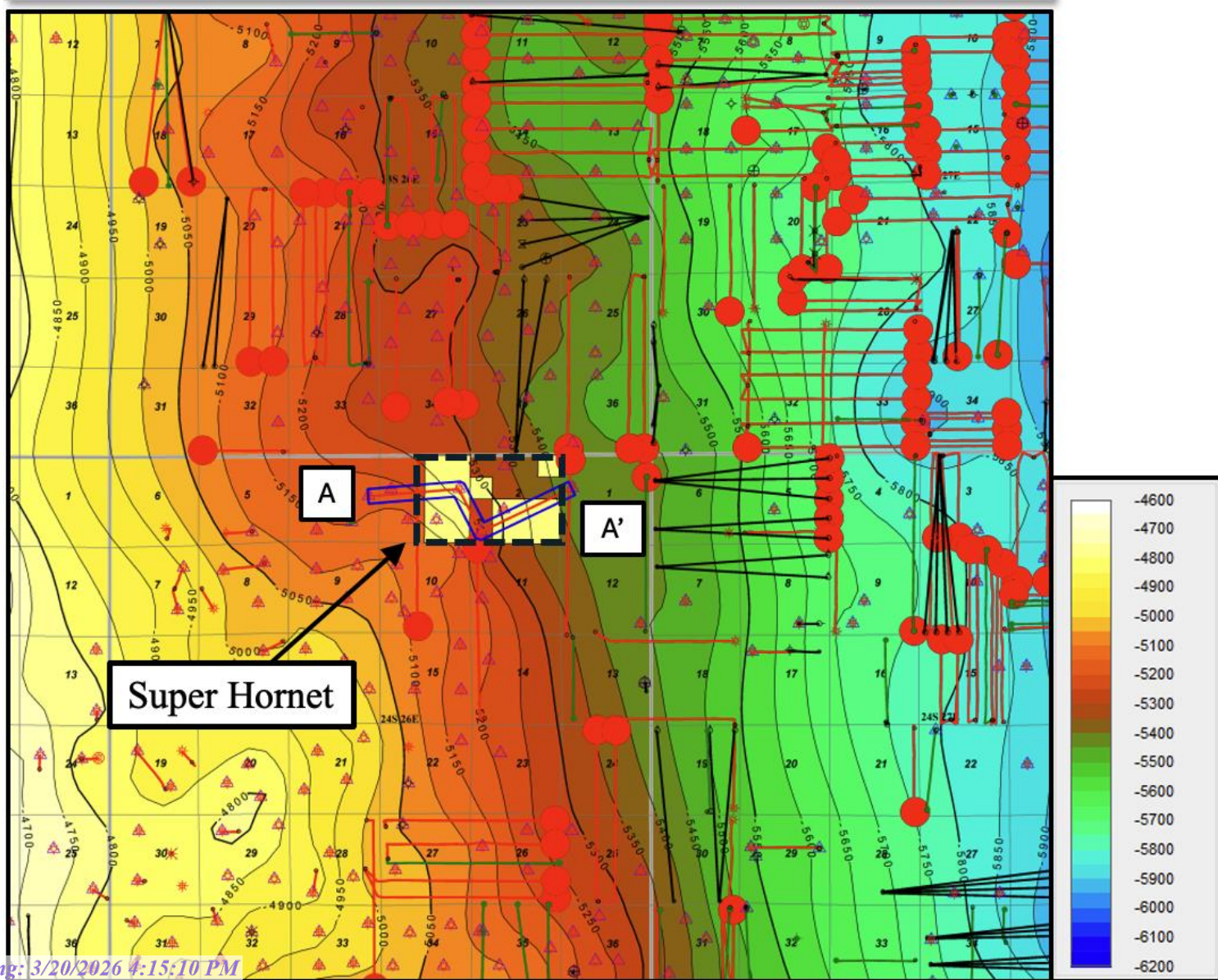
Regional Locator Map

Super Hornet Prospect Regional Locator Map



Structure Map

TVD Subsea Structure - Top Wolfcamp





LEGEND

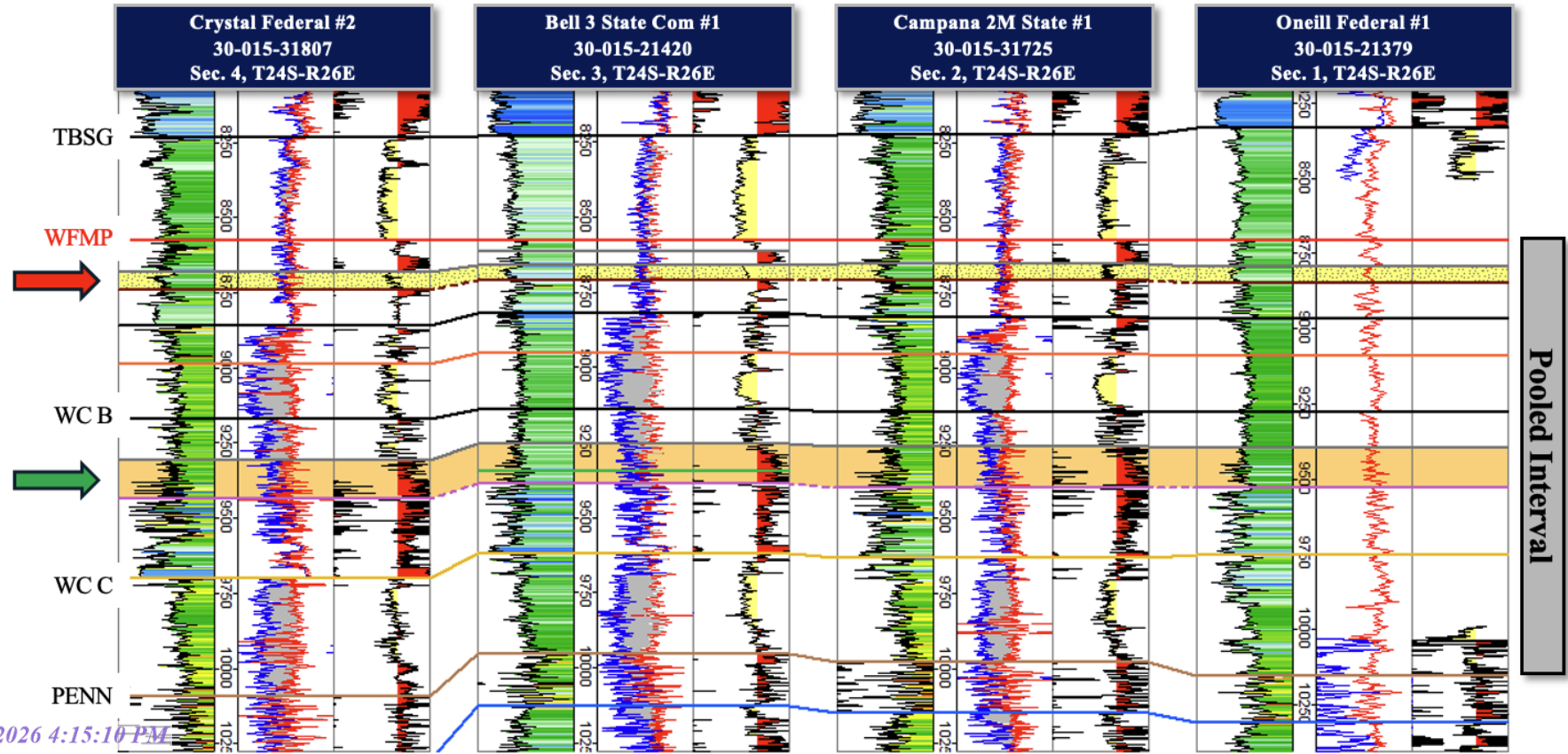
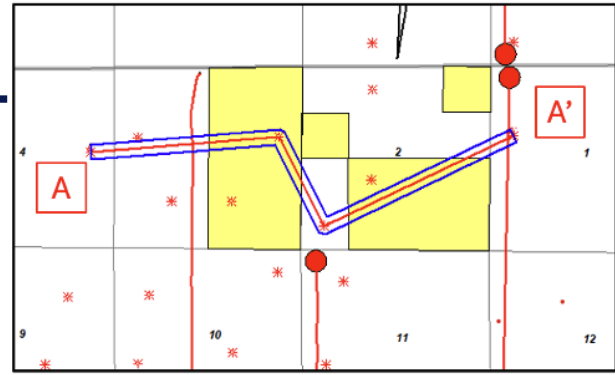
- WFMP XY/A HORZ
- Structure Control Point
- △
- Wells shown > 6,000 MD
C.I. = 50' Subsea TVD

**STRATIGRAPHIC
CROSS-SECTION
A-A'
Wolfcamp XY**

Stratigraphic Cross-Section, A-A'

 Planned Wfmp XY/A Target

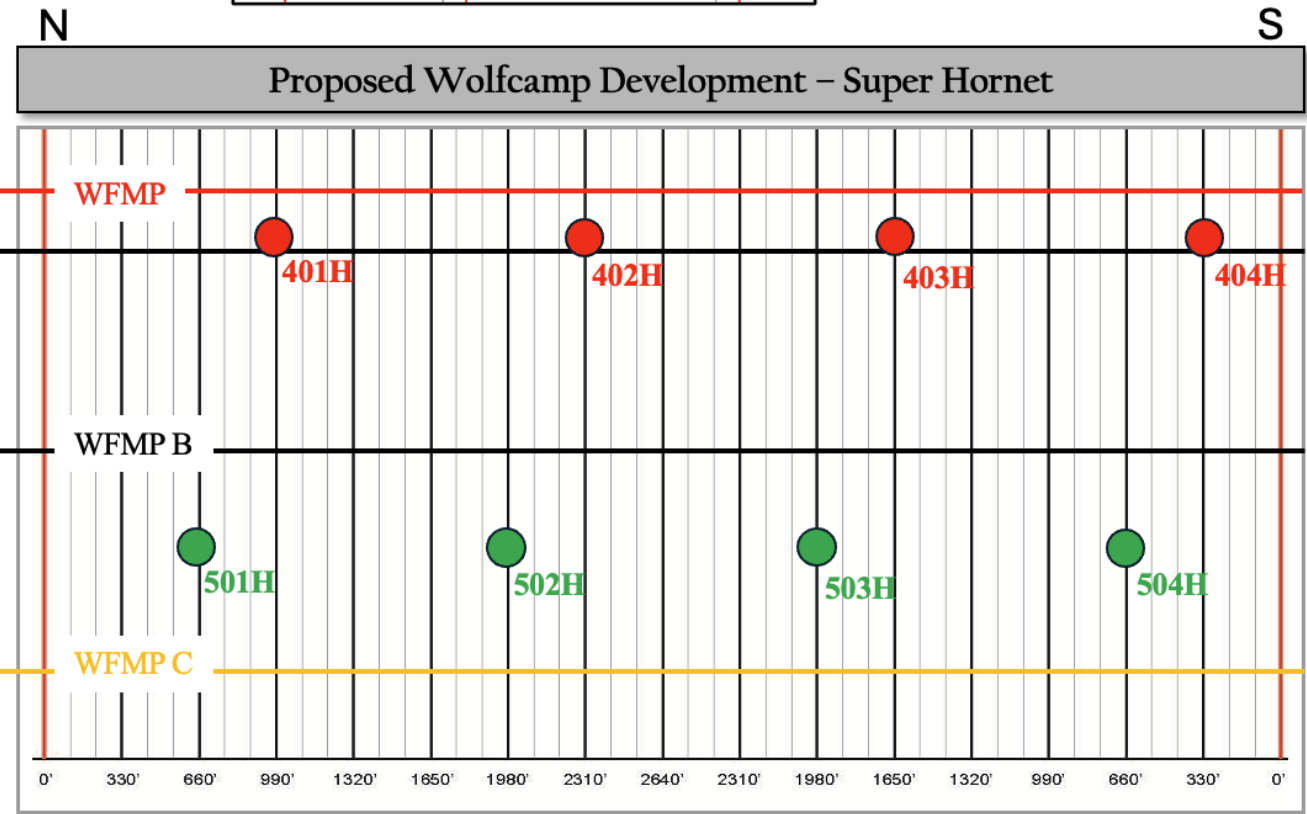
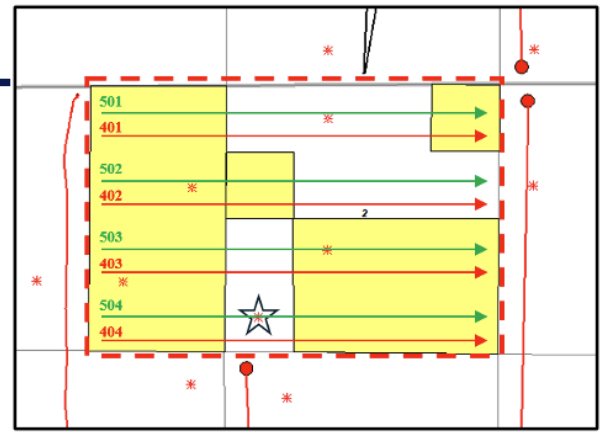
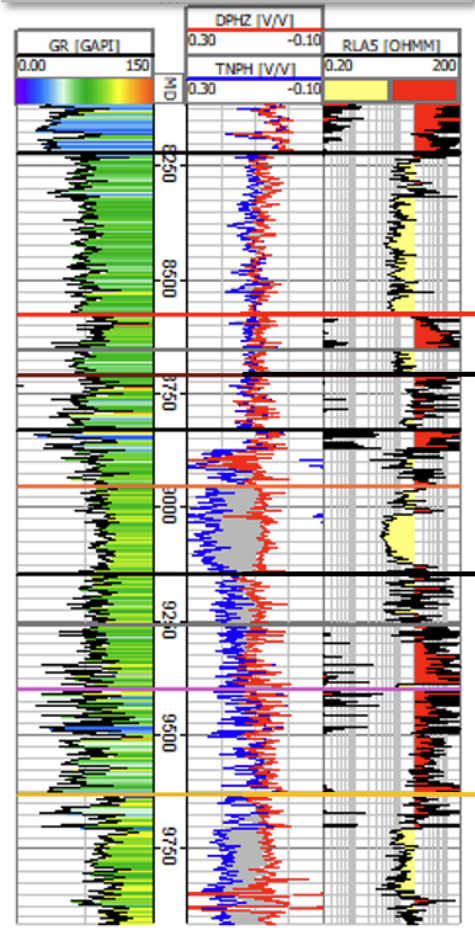
 Planned Wfmp B Target



GUN BARREL DIAGRAM

WFMP Gun Barrel

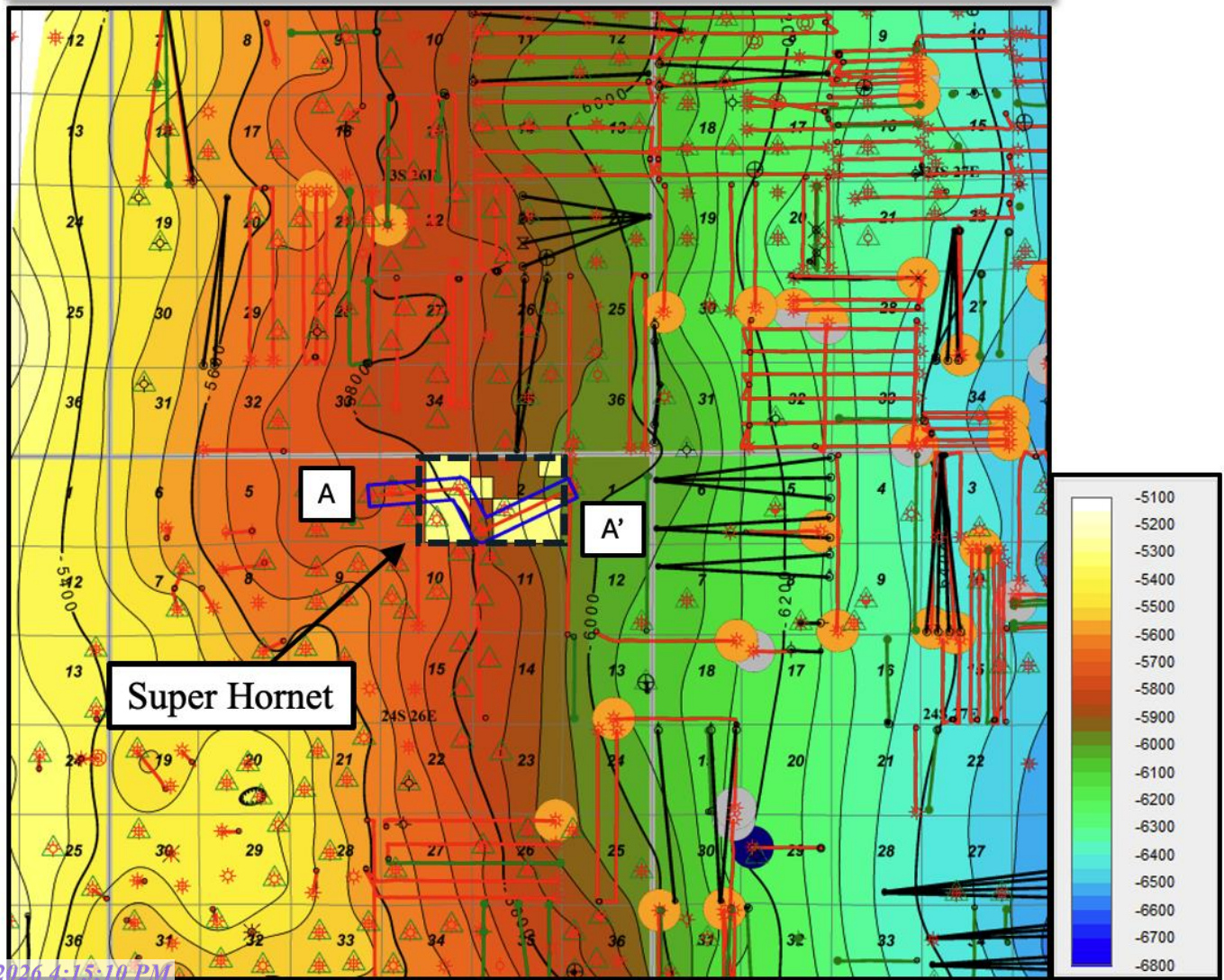
★
Campana '2M' State #1
30-015-31725
Sec. 2, T24S-R26E



Structure Map Wolfcamp B

Structure Map - Wolfcamp B

TVD Subsea Structure - Top Wolfcamp B



LEGEND

- WFMP B HORZ
- WFMP C HORZ
- PENN HORZ

Wfmp B Structure Control Point

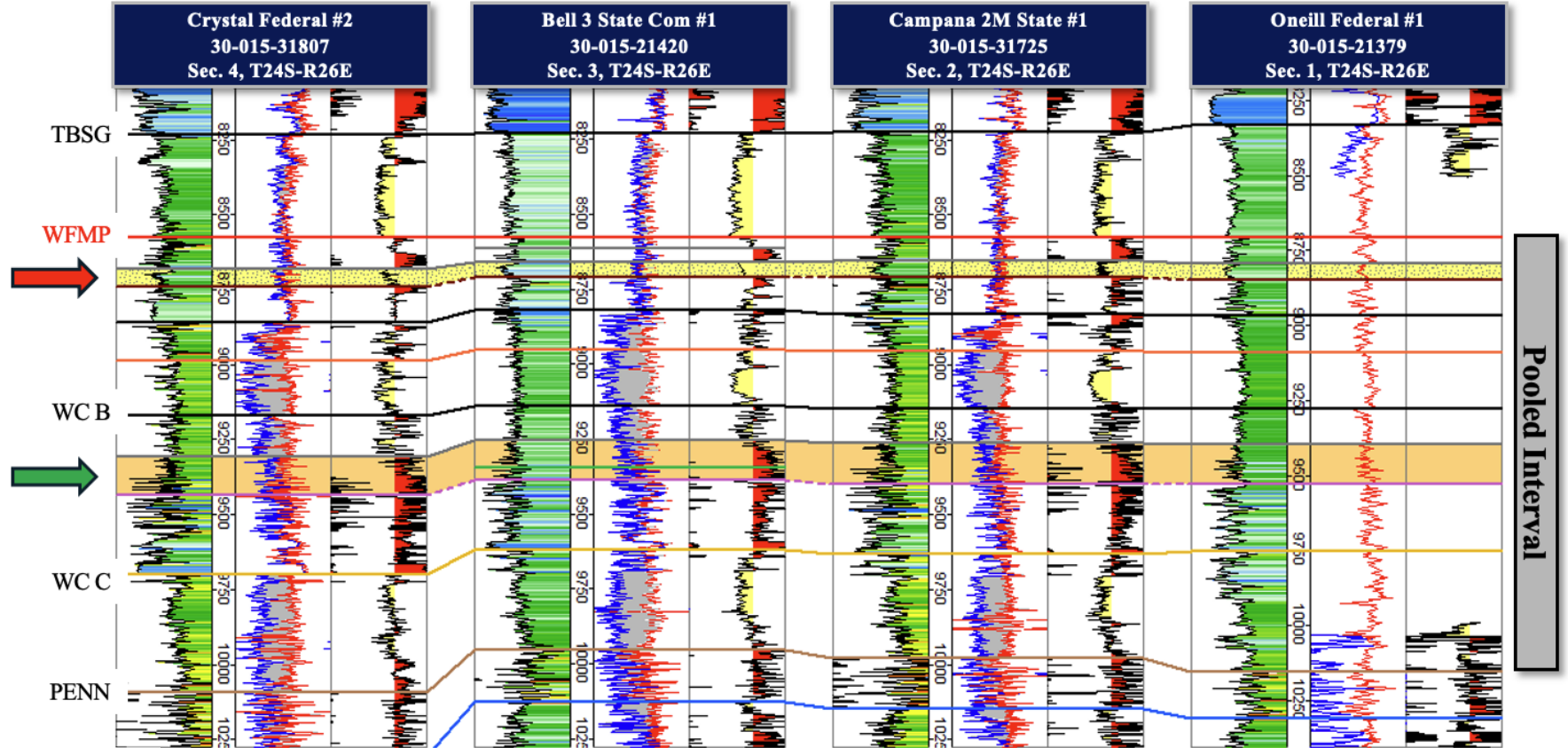
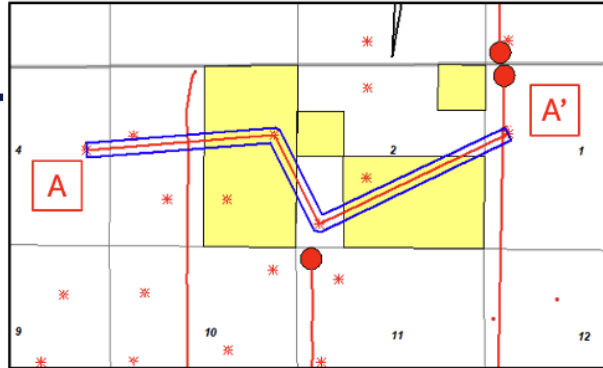
△

Wells shown > 6,000 MD
C.I. = 50' Subsea TVD

**Stratigraphic
Cross-Section
A-A'
Wolfcamp B**

Stratigraphic Cross-Section, A-A'

 Planned Wfmp XY/A Target
 Planned Wfmp B Target

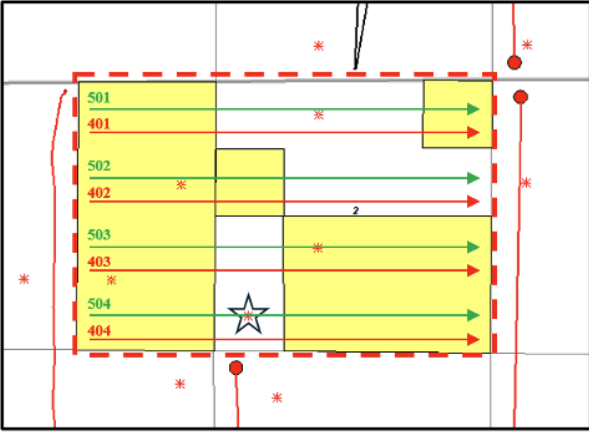
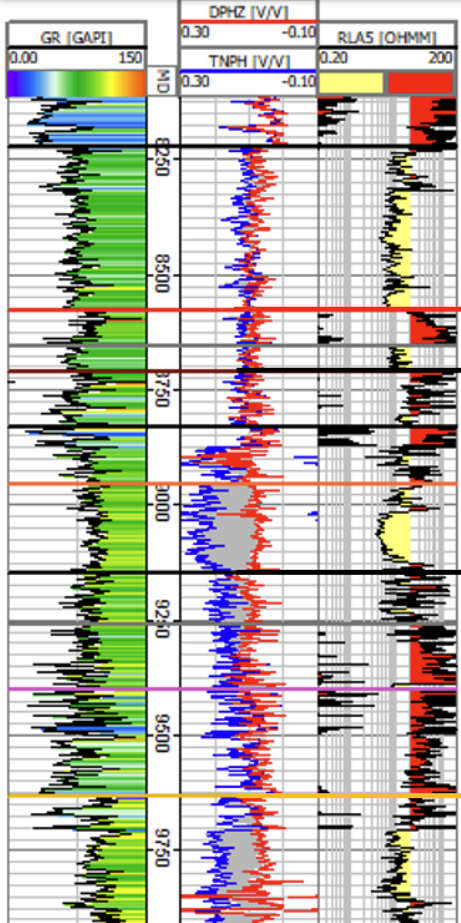


Gun Barrel Diagram Wolfcamp B

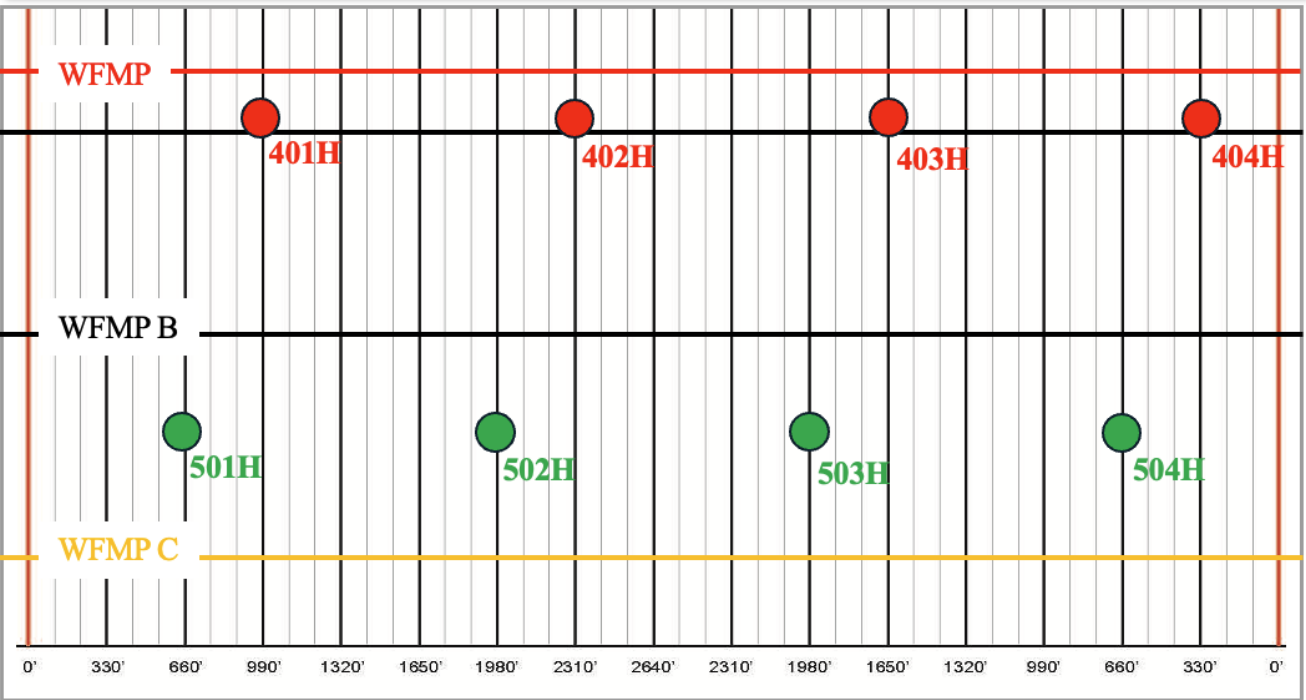
WFMP Gun Barrel



Campana '2M' State #1
30-015-31725
Sec. 2, T24S-R26E



Proposed Wolfcamp Development – Super Hornet



***Super Hornet State Com Unit
Case No. 25610
Reservoir Exhibits
Exhibit C***

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

**APPLICATION OF POWDERHORN
OPERATING, LLC
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

CASE NO. 25610

SELF-AFFIRMED STATEMENT OF JAMES BRENDAN TIPPEN

I, James Brendan Tippen, being duly sworn on oath, state the following:

1. I am over the age of 18 and have personal knowledge of the matters stated herein.
2. I am employed as a petroleum engineer for Powderhorn Energy Partners ("Powderhorn") and its subsidiaries, including but not limited to Powderhorn Operating, LLC ("Powderhorn Operating"). My work includes the Permian Basin and Eddy County, and I am familiar with the subject applications.
3. I have not previously testified before the Oil Conservation Division ("Division") as an expert petroleum reservoir engineer; my credentials are referenced by my resume in **Powderhorn Exhibit C-1**.
4. **Powderhorn Exhibit C-2** provides an overview of Powderhorn's development plan as well as Conoco's proposed development. As shown in the exhibit, Powderhorn plans to initially develop the Wolfcamp A interval with 1.5 mile laterals in Sections 2 and 3. This development will be followed by development of the Wolfcamp B with 1.5 mile laterals in Sections 2 and 3. As shown in the exhibit Conoco proposes to develop the Wolfcamp A and the Wolfcamp B with 1 mile laterals in the North half of Section 2. The table in the exhibit summarizes the capital efficiency, correlative rights, parent-child effects, production efficiency, and development coordination of each development plan.

Self-Affirmed Statement of Reservoir Engineer, James Brendan Tippen (Case No. 25610)

5. **Powderhorn Exhibit C-3** includes graphs comparing production results within the Wolfcamp A for “Child” wells and “Non-Child” wells, defined in the exhibit. The graphs and associated tables show that child wells produce less hydrocarbon and result in worse economics than co-developed wells. This phenomenon can negatively impact the correlative rights of the parties within the units if developed separately.

6. **Powderhorn Exhibit C-4** is a summary of the Wolfcamp B's expected productivity and returns. This horizon is well delineated but has more marginal economics, magnifying the impact of parent child impacts due to improper sequencing.

7. **Powderhorn's Exhibit C-5** is a summary of Conoco's drilling activity of short 1-mile laterals in 1) Eddy County and 2) a 6-mile radius of the proposed development. Public data shows while COP and acquired predecessors were active drilling 1-mile laterals from 2010 to 2019 in Eddy County, activity has dropped off significantly since 2020. Within a 6-mile radius of the proposed unit, the only 1-mile laterals were drilled by predecessors acquired by Conoco.

8. **Powderhorn Exhibit C-6** highlights the capital and operational inefficiencies associated with Conoco's proposed development compared to Powderhorn's proposed development based on DC&F/ft (Drilling, Completion and Facilities) from proposed AFE's. Laterals of different lengths require the same amount of vertical hole to be drilled and cased despite having different lengths of productive lateral. Shorter laterals require more money and time per foot of completed lateral, resulting in economic inefficiency and additional rig time per completed foot compared to longer laterals. A split unit, leading to less wells per facility, also increases facility costs per well and capital inefficiencies. The higher cost of supply for COP's shorter most recent March 2, 2026, proposals are less likely to compete in their northern Delaware portfolio for near term development. *(signature on next page)*

[s] James Brendan Tippen

March 3, 2026

James Brendan Tippen

Date

Reservoir Engineer

Powderhorn Operating, LLC

James Brendan Tippen Resume

James Brendan Tippen
Permanent Address: 1600 Ventura Ave. Midland, TX 79705
972 795-4204
btippen@powderhornep.com

Education

Bachelor of Science, May 2016

Petroleum Engineering
University of Texas, Austin, TX

Experience

Piedra Resources, Reservoir Engineer 2016-2024

Reservoir Engineer at Piedra Operating III, Piedra Operating IV

- Oversaw the reservoir engineering behind acquiring, trading, and blocking up 17,000 acres in Andrews County for horizontal drilling.
- Worked closely with geology and operations in the science and delineation phase taking full core and drilling first three test wells.
- Planned full scale development including landing zones, well optimization, development sequence and spacing.
- Worked closely with finance, land, geology, and operations, drilling 77 horizontal Spraberry and Wolfcamp wells before selling to Ovintiv in 2023

Reservoir Engineer at Rock River Minerals I, Rock River Minerals IV

- Evaluated countless mineral deals across the Midland and Delaware basins from 2016-2024
- Acquired ~25,000 Net Royalty Acres between the two companies.
- Worked closely with land, asset management, accounting and finance in managing and forecasting future growth of the companies.

Other

- Worked closely with the technical team at Encap on all major decisions and updates.
- Worked closely with various banks during our drilling program.
- Prepared year end reserve reports, audited by a third company for all four entities

Powderhorn Energy Partners, Director of Engineering 2024-Present

- Working closely with our team to oversee all reservoir engineering as it relates to acquiring, trading, blocking up and responsibly developing our assets

Skills

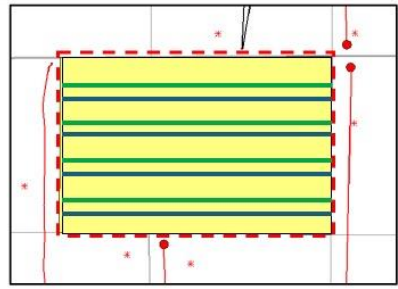
Microsoft Excel, Combocurve, PHDwin, Aries, Spotfire

Super Hornet & COP WFMP Dev. Plan Summary Reservoir Engineering

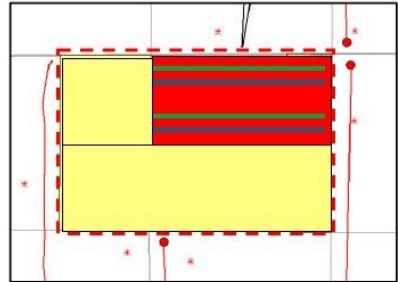
Summary- Powderhorn vs. Conoco Development

- Powderhorn plans to fully develop the Wolfcamp A interval in a -960-acre spacing unit with four 1.5-mile laterals, to be drilled and completed together
- Powderhorn plans to fully develop the Wolfcamp B interval in a -960-acre spacing unit with four 1.5-mile laterals, to be drilled and completed together
- Conoco proposed to develop the Wolfcamp A interval in a -320-acre spacing unit with two 1-mile laterals
- Conoco proposed to develop the Wolfcamp B interval in a -320-acre spacing unit with two 1-mile laterals

Powderhorn WC Development



Conoco WC Development



Development Comparison

Criteria	960-Acre Spacing Unit	1-Mile Unit
Capital Efficiency	✓ Lower cost/ft with longer laterals; fewer wells needed	✗ Higher cost/ft; more wells for same production
Correlative Rights	✓ Equitable development protects all owner interests	✗ Oil will remain in place due to stranding
Parent/Child Effects	✓ Full coordinated development minimizes interference	✗ Staggered timing causes interference; lost recovery
Production Efficiency	✓ More production per lateral	✗ Less production per lateral
Development Coordination	✓ Single operator develops full interval efficiently	✗ Multiple parties; wasted resources

Powderhorn Operating, LLC
 Case No. 25610
 Exhibit C-2

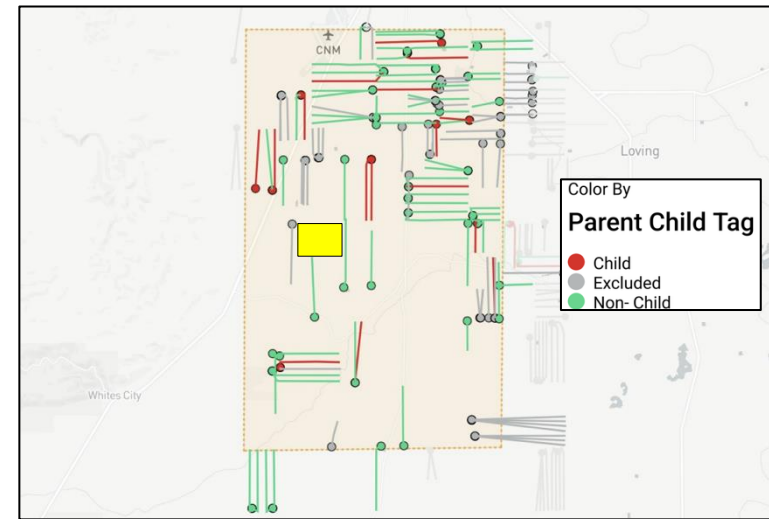
Sequencing Analysis Wolfcamp A Parent/Child Well Issues

Wolfcamp A- The Effect of Parent Child Issues

- A split unit would likely lead to parent child effects that would negatively impact correlative rights

- A "Child" Well was defined by the following criteria- At the time of completion
 - An offset well Existed <200 vertical ft
 - An offset well Existed <1760 Horizontal ft
 - An offset well had a completion >180 days prior
- A "Non-Child" Well was a well that did not meet this criteria
- Analysis limited to wells with a >40bw/ft and 1800lb/ft Frac within AOI
- Within AOI, Child wells saw a 15% degradation in EUR compared to "non-child"

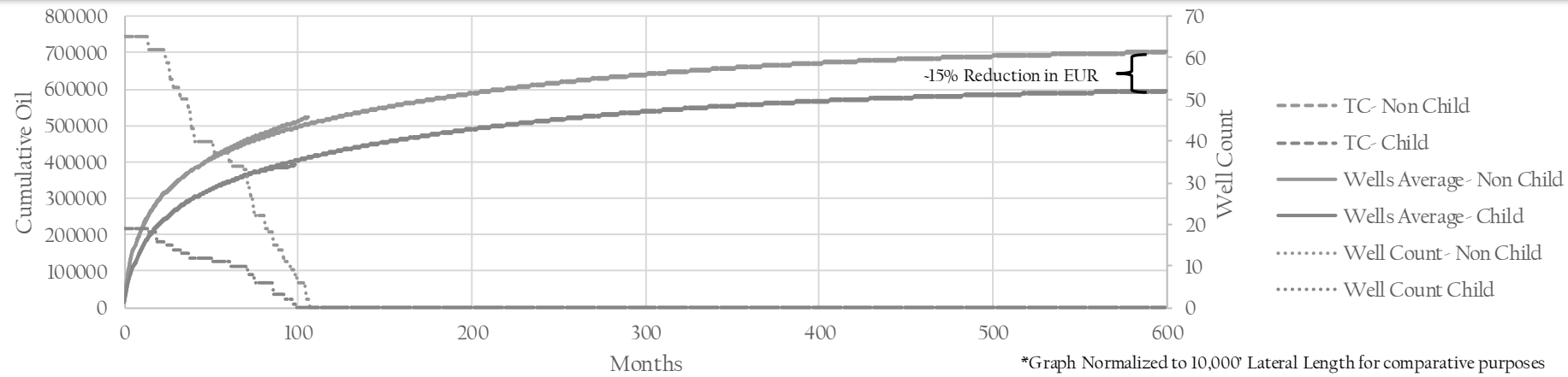
Map- WCA Showing Parent Child



SWE 2_25_26 Strip with Parent Child Effects

	Perf LL	Gross Invest	Oil EUR	Gas EUR	ROI	DROI	IRR
Non-Child	7500	\$ 8,428.18	499	2,597	2.03	1.48	37%
Child	7500	\$ 8,428.18	421	2,493	1.70	1.19	18%

Cumulative Oil Performance- Child vs. Non Child



*Graph Normalized to 10,000' Lateral Length for comparative purposes

*EUR Units in Mbo and MMcf

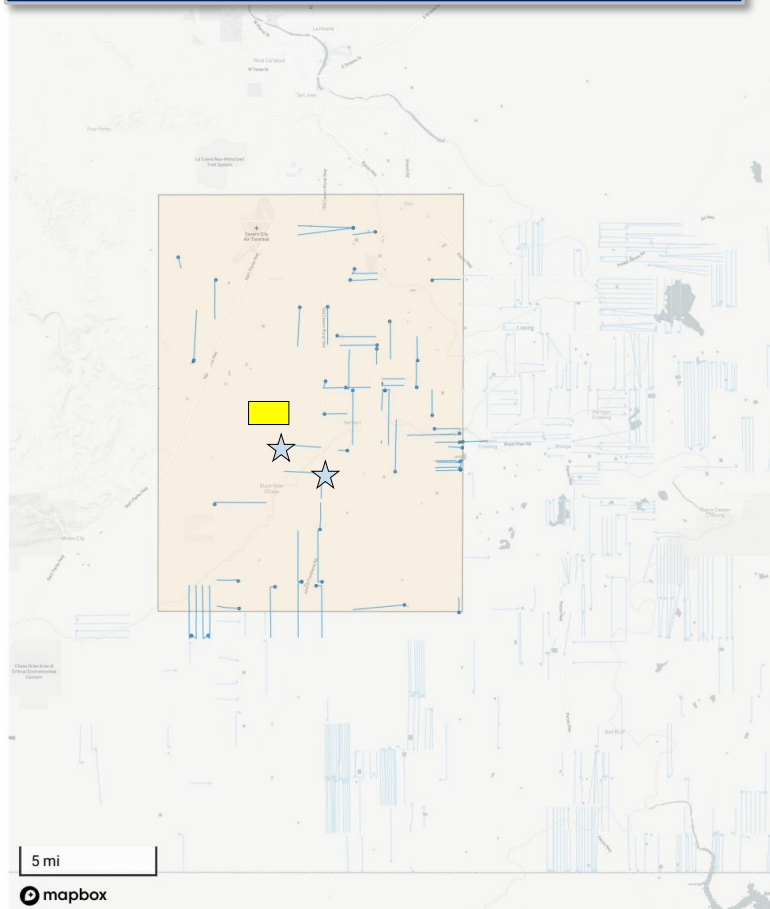
Wolfcamp B Summary

Wolfcamp B



Wolfcamp B

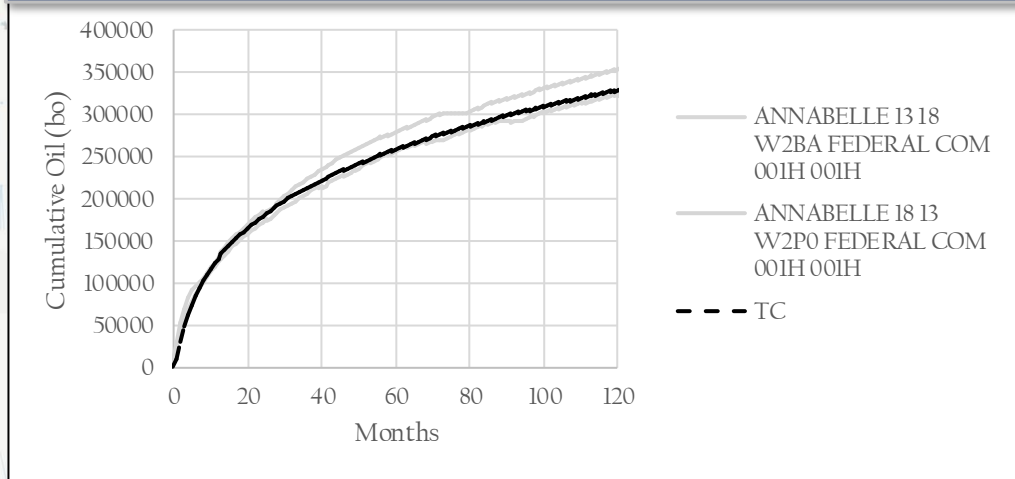
Map- WCB



- Super Hornet TC built off the Annabelle Unit
- High GOR target (-12 Mbo/MMcf)

• Marginal economics magnify impact of parent/child impacts due to improper sequencing

Cumulative Oil Performance



WCB SWE 2_25_26 Strip							
	Perf LL	Gross Invest	Oil EUR	Gas EUR	ROI	DROI10	IRR
WCB 4 WPS	7500	\$ 8,779.89	345	4,348	1.74	1.19	18%

© Mapbox © OpenStreetMap Improve this map

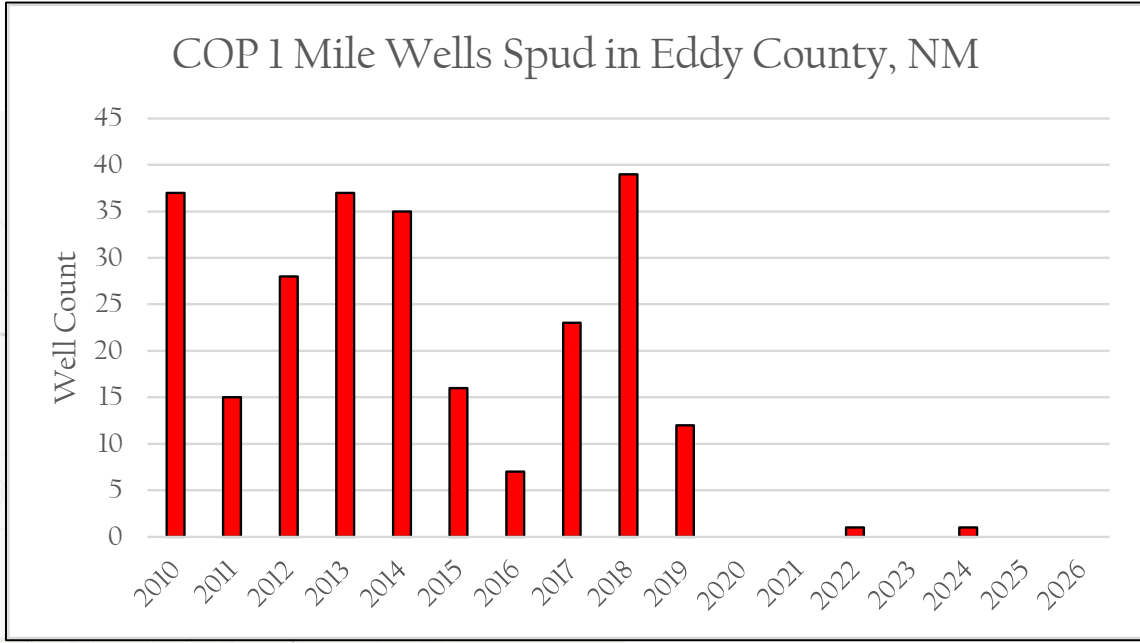
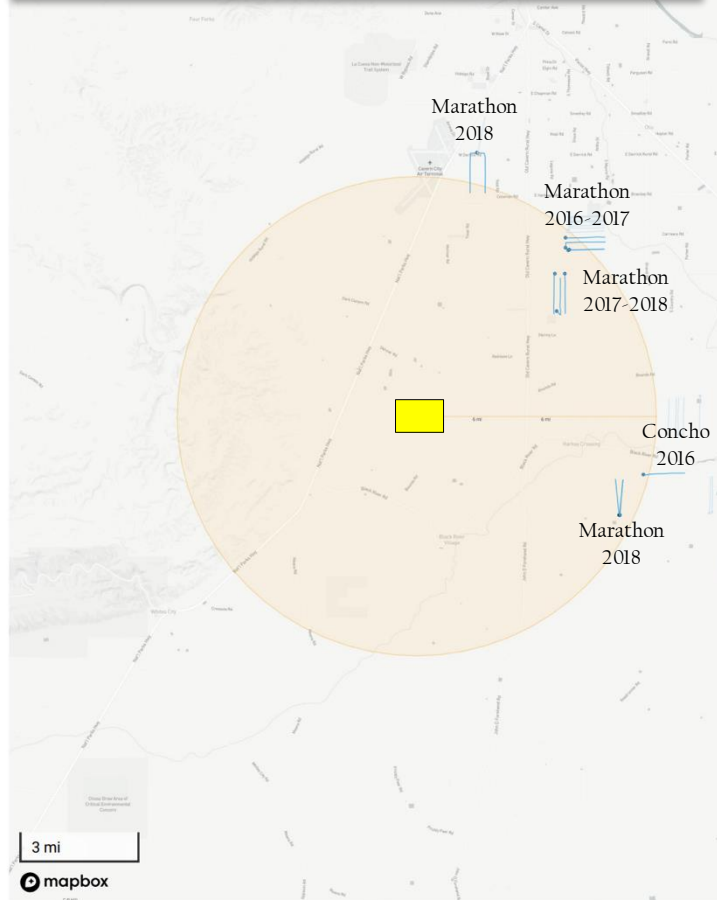
*EUR Units in Mbo and MMcf

Short Laterals COP Activity

Short Laterals- COP Activity



Conoco Short Laterals in 6 Mile Radius



Conoco Activity

- A 1 mile well was Defined as
 - Horizontal Well
 - 4000'-5500' PLL
 - Currently COP operated
 - Eddy Co, NM
 - Binned by spud date
- In all of Eddy County- COP has two 1-mile spuds since 2020
- In a 6-mile radius of Super Hornet- COP has not spud a 1 mile well
 - All operated 1-mile wells were spud by previous operators acquired by COP

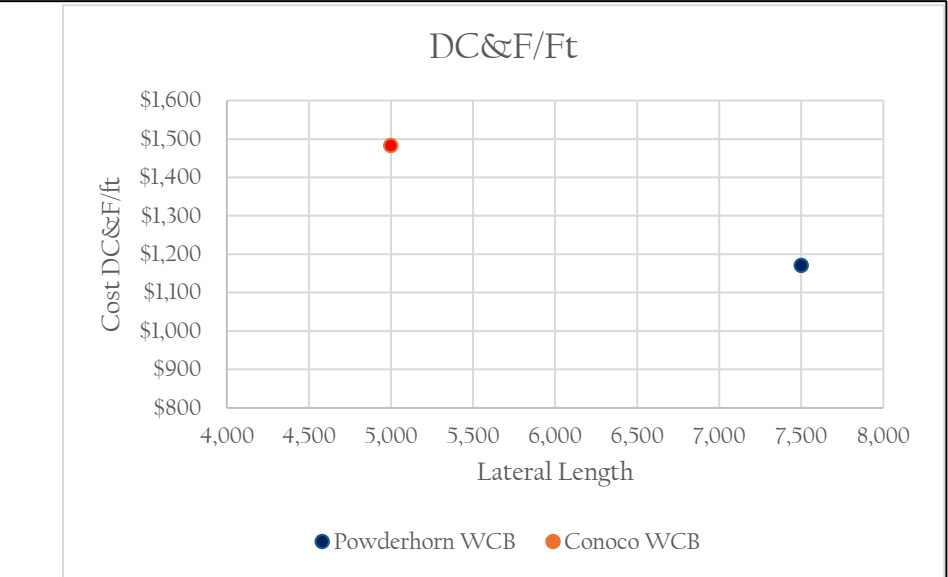
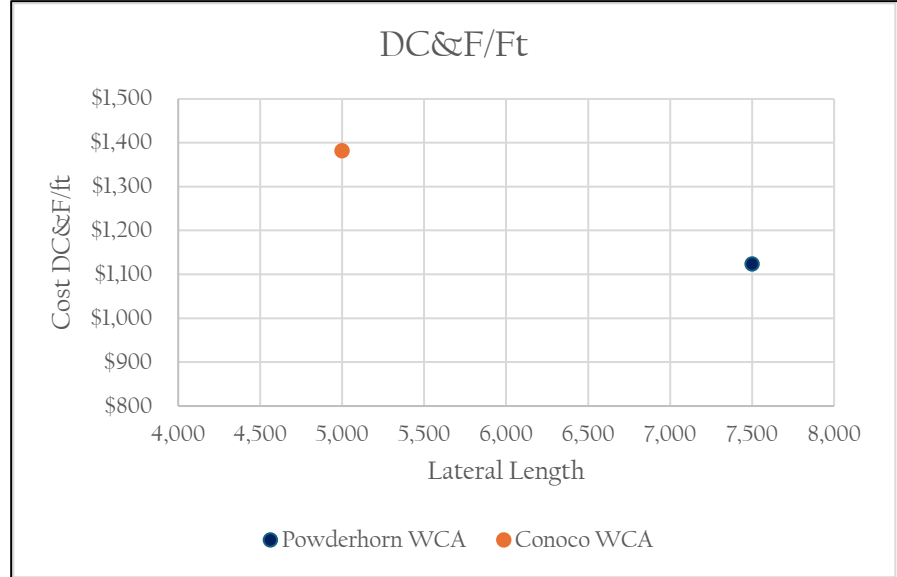
Longer Laterals Capital & Operational Efficiency

Short Laterals-Capital and Operational Inefficiencies

- Lower DC&F for longer laterals and more wells
 - Less drilling required per lateral foot
 - Shared facilities between 8 wells vs 4 wells
- Powderhorn's AFE's are 79%-81% of Conoco's AFE's on a cost per foot basis

Powderhorn, due to longer laterals and a 960-acre unit, will have improved capital and operational efficiencies

Zone	Operator	Perf Lateral	Drilling	Completions	Facility	Pump Equip	Total	DC&F	DC&F/Ft
WCA	Powderhorn WCA	7,500	\$ 3,466,691	\$ 4,122,926	\$ 838,565		\$ 8,428,182	\$ 8,428,182	\$ 1,124
	Conoco WCA	5,000	\$ 3,028,840	\$ 2,745,500	\$ 1,134,750	\$ 648,550	\$ 7,557,640	\$ 6,909,090	\$ 1,382
*Excluding Pump Equip from COP's AFE for an appropriate Analog to Powderhorn									
Zone	Operator	Perf Lateral	Drilling	Completions	Facility	Pump Equip	Total	DC&F	DC&F/Ft
WCB	Powderhorn WCB	7,500	\$ 3,713,729	\$ 4,227,601	\$ 838,565		\$ 8,779,895	\$ 8,779,895	\$ 1,171
	Conoco WCB	5,000	\$ 3,533,373	\$ 2,745,500	\$ 1,134,750	\$ 648,550	\$ 8,062,173	\$ 7,413,623	\$ 1,483
*Excluding Pump Equip from COP's AFE for an appropriate Analog to Powderhorn									



***Super Hornet State Com Unit
Case Nos. 25610
Legal Exhibits
Exhibit D***

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

APPLICATIONS OF COTERRA ENERGY
OPERATING CO. FOR APPROVAL OF
STANDARD HORIZONTAL SPACING
UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

CASE NOS. 25980, 25981, & 25982

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

CASE NOS. 25610, 25753 & 25754

APPLICATIONS OF AVANT OPERATING II,
LLC FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

CASE NOS. 25873 & 25874

APPLICATION OF MARATHON OIL PERMIAN, LLC
FOR APPROVAL OF A NON-STANDARD SPACING UNIT
AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

CASE NO. 25972
ORDER NO. R- 24228

APPLICATION OF MARATHON OIL PERMIAN, LLC FOR
APPROVAL COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

CASE NO. 25973
ORDER NO. R- 24229

**SELF-AFFIRMED STATEMENT
OF BENJAMIN B. HOLLIDAY**

1. I am attorney in fact and authorized representative Powderhorn Operating, LLC (“Powderhorn”), the Applicant in Case No. 25610, 25753, and 25754.
2. I am familiar with the Notice Letter attached as **Exhibit D-1**. I caused the Notice Letters, along with the Application in this case, to be sent to all parties set out in the chart attached as **Exhibit D-2**.
3. Copies of the electronic proof of delivery, as well as a chart summarizing certified mail deliver dates, is attached as **Exhibit D-3**.

4. All Working Interest parties have been served with actual notice as demonstrated by Exhibits D-1 and D-3. Out of an abundance of caution, we have caused notice to be run in the Carlsbad Current Argus on March 5, 2026 for overriding royalty interest owners.

5. I understand this Self-Affirmed Statement will be used as written testimony in the subject cases. I affirm that my testimony is true and correct and 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 signature below.

[s] Benjamin B. Holliday
BENJAMIN B. HOLLIDAY
Counsel for Powderhorn Operating, LLC

March 3, 2026
Date

HEARING NOTICE

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HOLLIDAY ENERGY LAW GROUP

October 30, 2025

VIA U.S. CERTIFIED MAIL, RETURN RECEIPT REQUESTED

TO: ALL INTEREST OWNERS ON ATTACHED LIST

RE: Case No. 25610 – Application of Powderhorn Operating, LLC for Compulsory Pooling, Eddy County, NM – Super Hornet Wells.

Dear Interest Owner:

NOTE: This letter is in supplement the prior Notice letter for Case No. 25610, which listed an incorrect party as applicant. The case has been set for a status conference on November 20, 2025.

This will advise that pursuant to NMSA 1978 § 70-2-17, Powderhorn Operating, LLC (“Powderhorn”) has filed an application with the New Mexico Oil Conservation Division for an order regarding the proposed wells described below; see Application attached as Exhibit A to this letter. You are receiving this notice because you may have an interest in this well.

Case No. 25610. Application of Powderhorn Operating, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted interest within the Wolfcamp formation, designated as a gas pool (Purple Sage Wolfcamp, [Gas] Pool Code 98220), underlying said Unit, into a 959.60-acre, more or less, standard horizontal well spacing unit comprised of the E/2 Section 3 and all of Section

147

2, located in Township 24 South, Range 26 East, NMPM, Eddy County, New Mexico (“Unit”).

The Unit is to be dedicated to the following wells (collectively the “Wells”):

1. **Super Hornet State Com 401H**, which is gas well that will be horizontally drilled from a surface hole location 2550’ FEL & 1,380’ FNL of Section 3, to a bottom hole location 100’ FEL & 990’ FNL of Section 2, Township 24 South, Range 26 East;
2. **Super Hornet State Com 402H**, which is gas well that will be horizontally drilled from a surface hole location 2550’ FEL & 1,1410’ FNL of Section 3, to a bottom hole location 100’ FEL & 2,330’ FNL of Section 2, Township 24 South, Range 26 East;
3. **Super Hornet State Com 403H**, which is gas well that will be horizontally drilled from a surface hole location 2535’ FEL & 1,380’ FSL of Section 3, to a bottom hole location 100’ FEL & 1,650’ FSL of Section 2, Township 24 South, Range 26 East;
4. **Super Hornet State Com 404H**, which is gas well that will be horizontally drilled from a surface hole location 2535’ FEL & 1,350’ FSL of Section 3, to a bottom hole location 100’ FEL & 330’ FSL of Section 2, Township 24 South, Range 26 East;

The wells will be horizontally drilled and have non-standard first and last take points. Applicant will apply for administrative approval of the non-standard locations. Also to be considered will be the cost of drilling and completing the Wells and the allocation of costs, the designation of Powderhorn as operator of the Wells, and a 200% charge for the risk involved in drilling and completing the wells.

The attached Application has been set for a status conference on November 20, 2025, before a Division Examiner at the New Mexico Oil Conservation Division. Hearings on this date

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will be conducted remotely. The hearings will begin at 9:00am. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <https://www.emnrd.nm.gov/ocd/hearing-info/>. You are not required to attend this hearing, but as an owner of an interest that may be affected, you may appear and present testimony.

Please feel free to contact me if you have any questions about this Application.

Regards,

Benjamin Holliday

Holliday ENERGY Law Group

107 Katherine Court

San Antonio, Texas 78209

O: 210.469.3187 **M:** 210.219.9126

E: ben@helg.law

W: theENERGYlawgroup.com

ATTACHED OWNER LIST

Kaiser-Francis Oil Company

P.O. Box 21468
Tulsa, OK 74121

W Wesley Perry Oil & Gas Inc.

508 West Wall Street, Suite 1250
Midland, TX 79701

EGL Resources, Inc.

508 West Wall Street, Suite 1250
Midland, TX 79701

S.E.S. Resources, Inc.

508 West Wall Street, Suite 1250
Midland, TX 79701

Lerwick I Oil & Gas, LLC

508 West Wall Street, Suite 1250
Midland, TX 79701

Finwing Oil & Gas, LLC

508 West Wall Street, Suite 1250
Midland, TX 79701

Bruce Veralli

P.O. Box 1788
Longview, TX 75606

Mark Stuart

P.O. Box 1788
Longview, TX 75606

David Wrather

P.O. Box 1788
Longview, TX 75606

John Wrather

P.O. Box 1788
Longview, TX 75606

Permian Resources Operating, LLC

300 N Marienfeld St, Suite 1000
Midland, TX 79701

Sasrana Oil & Gas LLC

104 S. Missouri Ave., Suite 200
Claremore, OK 74017

**Devon Energy Production Co LP /
WPX Energy Permian LLC**
333 W Sheridan Ave.
Oklahoma City, OK 73102

Vatex Oil & Gas LLC
3537 West 7th Street, Suite 8
Forth Worth, TX 76107

Sasrana Oil & Gas LLC
138 Spunky Creek Dr.
Catoosa, OK 74015

Kelake, LLC
3546 State Line Road
Logansport, Louisiana 71049

**Cimarex Energy Company/Coterra
Energy, Inc/Magnum Hunter
Production Inc.**
6001 Deauville Blvd.
Midland, TX 79706

ConocoPhillips Company
600 W Illinois Ave.
Midland, TX 79701

AO II Permian, LLC
1515 Wynkoop Street, Suite 700
Denver, Colorado 80202

Bureau of Land Management
301 Dinosaur Trail
Santa Fe, NM 87508

State Land Office
310 Old Santa Fe Trail
Santa Fe, NM 87501

Exhibit A

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

APPLICATION OF POWDERHORN
OPERATING, LLC
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO

CASE NO. 25610

APPLICATION

Pursuant to NMSA § 70-2-17, Powderhorn Operating, LLC (OGRID No. 332857) (“Applicant”), through its undersigned attorney, hereby files this Application with the Oil Conservation Division of the State of New Mexico (“Division”) for an order (1) creating a 959.60-acre, more or less, standard horizontal well spacing unit comprised of the E/2 Section 3 and all of Section 2, located in Township 24 South, Range 26 East, NMPM, Eddy County, New Mexico (“Unit”), and (2) pooling all uncommitted interest within the Wolfcamp formation, designated as a gas pool (Purple Sage Wolfcamp, [Gas] Pool Code 98220), underlying said 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 thereon.
2. Applicant seeks to dedicate the above-referenced Unit to the following wells, referred to collectively as the Wells:
 - a. **Super Hornet State Com 401H**, which is gas well that will be horizontally drilled from a surface hole location 2550’ FEL & 1,380’ FNL of Section 3, to a bottom hole location 100’ FEL & 990’ FNL of Section 2, Township 24 South, Range 26 East;
 - b. **Super Hornet State Com 402H**, which is gas well that will be horizontally drilled from a surface hole location 2550’ FEL & 1,1410’ FNL of Section 3, to a bottom hole location 100’ FEL & 2,330’ FNL of Section 2, Township 24 South, Range 26 East;
 - c. **Super Hornet State Com 403H**, which is gas well that will be horizontally drilled from a surface hole location 2535’ FEL & 1,380’ FSL of Section 3, to a bottom hole location 100’ FEL & 1,650’ FSL of Section 2, Township 24 South, Range 26 East;

- d. **Super Hornet State Com 404H**, which is gas well that will be horizontally drilled from a surface hole location 2535' FEL & 1,350' FSL of Section 3, to a bottom hole location 100' FEL & 330' FSL of Section 2, Township 24 South, Range 26 East;
3. The Wells will be horizontally drilled and located within the Purple Sage Wolfcamp Gas Pool (Code 98220). This pool is subject to special pool rules that establish 330-foot setback requirements.
4. The Wells will comply with the Division's setback requirements for this pool except the Wells will have non-standard first and last take points. Applicant will apply administratively for non-standard location ("NSL") approval for the wells.
5. The completed interval of the Wells will remain within 330-feet of the adjoining half section (or equivalent) tracts to allow inclusion of these proximity tracts within the proposed Unit under NMAC 19.15.16.15(B)(4).
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 approval of this Unit and pooling of uncommitted interests within the Unit 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 Wells and Unit.

WHEREFORE, Applicant requests this Application be set for hearing November 13, 2025, and that after notice and hearing, the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the Wells in the Unit;
- C. Designating Applicant as operator of the Unit and the Wells
- D. Authorizing Applicant to recover its costs of drilling, equipping and completing the Wells;

- 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% penalty for the risk assumed by Applicant in drilling and completing the Wells against any working interest owner who does not voluntarily participate in the drilling of the Wells.

Respectfully submitted,

HOLLIDAY ENERGY LAW GROUP, PC

/s/ Benjamin B. Holliday

Benjamin B. Holliday

107 Katherine Court, Suite 100

San Antonio, Texas 78209

Phone: (210) 469-3197

ben@helg.law

Counsel for Powderhorn Operating, LLC

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<input type="checkbox"/> Certified Mail Restricted Delivery	<input type="checkbox"/> Signature Confirmation™
<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery
<input type="checkbox"/> Collect on Delivery Restricted Delivery	
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Chart of Notice to All Parties

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10/31/25	9589071052701833839642	W Wesley Perry Oil & Gas Inc.	508 West Wall Street, Suite 1250		Midland	TX	79701	11/3/25
10/31/25	9589071052701833839659	EGL Resources, Inc.	508 West Wall Street, Suite 1250		Midland	TX	79701	11/3/25
10/31/25	9589071052701833839802	S.E.S. Resources, Inc.	508 West Wall Street, Suite 1250		Midland	TX	79701	11/3/25
10/31/25	9589071052701833839819	Lerwick I Oil & Gas, LLC	508 West Wall Street, Suite 1250		Midland	TX	79701	11/18/25
10/31/25	9589071052701833839826	Finwing Oil & Gas, LLC	508 West Wall Street, Suite 1250		Midland	TX	79701	11/3/25
10/31/25	9589071052701833839833	Bruce Veralli	P.O. Box 1788		Longview	TX	75606	11/5/25
10/31/25	9589071052701833839840	Mark Stuart	P.O. Box 1788		Longview	TX	75606	11/5/25
10/31/25	9589071052701833839857	David Wrather	P.O. Box 1788		Longview	TX	75606	11/5/25
10/31/25	9589071052701833839864	John Wrather	P.O. Box 1788		Longview	TX	75606	11/5/25
10/31/25	9589071052701833839871	Permian Resources Operating, LLC	300 N Mariefeld St	Suite 1000	Midland	TX	79701	11/3/25
10/31/25	9589071052701833839888	Sasrana Oil & Gas LLC	104 S. Missouri Ave.	Suite 200	Claremore	OK	74017	11/5/25
10/31/25	9589071052701833839895	Devon Energy Production Co LP / WPX Energy Permian LLC	333 W Sheridan Ave.		Oklahoma City	OK	73102	11/5/25
11/12/25	address incorrect	Vatex Oil & Gas LLC	3537 West 7th Street	Suite 8	Forth Worth	TX	76107	
10/31/25	9589071052701833839901	Sasrana Oil & Gas LLC	138 Spunky Creek Dr.		Catoosa	OK	74015	11/5/25
10/31/25	9589071052701833839918	Kelake, LLC	3546 State Line Road		Logansport	LA	71049	11/4/25
10/31/25	9589071052701833839925	Cimarex Energy Company/Coterra Energy, Inc/Magnum Hunter Production Inc.	6001 Deauville Blvd.		Midland	TX	79706	11/3/25
10/31/25	9589071052701833839932	ConocoPhillips Company	600 W Illinois Ave.		Midland	TX	79701	11/6/25
10/31/25	9589071052701833839956	AO II Permian, LLC	1515 Wynkoop Street	Suite 700	Denver	CO	80202	11/10/25
10/31/25	9589071052701833839949	Bureau of Land Management	301 Dinosaur Trail		Santa Fe	NM	87508	11/10/25
10/31/25	9589071052701833839963	State Land Office	310 Old Santa Fe Trail		Santa Fe	NM	87501	11/10/25

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71049

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9589 0710 5270 1833 8399 18

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104. S. Missouri Ave., Suite 200
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OKLAHOMA CITY, OK 73102

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9589 0710 5270 1833 8398 95

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<input type="checkbox"/> Return Receipt (electronic)	\$0.00	
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00	
<input type="checkbox"/> Adult Signature Required	\$0.00	
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00	
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John Wrather
PO Box 1788
Longview, TX 75606

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

9589 0710 5270 1833 8398 71

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

Midland TX 79701

Official Use

Certified Mail Fee	\$5.30	0209
Extra Services & Fees (check box, add fee as appropriate)	\$4.40	08
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00	
<input type="checkbox"/> Return Receipt (electronic)	\$0.00	
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00	
<input type="checkbox"/> Adult Signature Required	\$0.00	
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00	
Postage	\$2.17	
Total Postage and Fees	\$11.87	

Postmark Here 10/31/2025

Sent To
PERMIAN RESOURCES OPERATING
300 N. MARIENFELD SUITE 1000
MIDLAND TX 79701

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

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee
X *Jane Tate*

B. Received by (Printed Name) *Jane Tate*

C. Date of Delivery

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

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

64 Registered Mail™
64 Certified Mail®
64 Collect on Delivery Restricted Delivery
(over \$500)

Domestic Return Receipt

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.
Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
JOHN WRATHER
P.O. BOX 1788
LONGVIEW, TX 75606

2. Article Number (Transfer from service label)
9590 9402 9403 5002 1223 34

9589 0710 5270 1833 8398 64

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

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee
X *M Lane*

B. Received by (Printed Name) *M Lane*

C. Date of Delivery *11/3/25*

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

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

64 Registered Mail™
64 Certified Mail®
64 Collect on Delivery Restricted Delivery
(over \$500)

Domestic Return Receipt

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.
Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
PERMIAN RESOURCES Op., LLC
300 N. MARIENFELD
SUITE 1000
MIDLAND, TX 79701

2. Article Number (Transfer from service label)
9590 9402 9403 5002 1221 98

9589 0710 5270 1833 8398 71

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

9589 0710 5270 1833 8398 40

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Longview, TX 75606

OFFICIAL USE

Certified Mail Fee	\$5.30	0209
Extra Services & Fees (check box, add fee as appropriate)	\$4.40	08
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00	
<input type="checkbox"/> Return Receipt (electronic)	\$0.00	
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00	
<input type="checkbox"/> Adult Signature Required	\$0.00	
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00	

Postage \$2.17

Total Postage and Fees \$11.87

Sent To
 Street and Apt. No.,
 City, State, ZIP+4®

Postmark Here
 10/31/2025

Mark Stuart
 PO Box 1788
 Longview, TX 75606

PS Form 3800, January 2020 PSN 7530-02-000-9053 See Reverse for Instructions

9589 0710 5270 1833 8398 57

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Longview, TX 75606

OFFICIAL USE

Certified Mail Fee	\$5.30	0209
Extra Services & Fees (check box, add fee as appropriate)	\$4.40	08
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00	
<input type="checkbox"/> Return Receipt (electronic)	\$0.00	
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00	
<input type="checkbox"/> Adult Signature Required	\$0.00	
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00	

Postage \$2.17

Total Postage and Fees \$11.87

Sent To
 Street and Apt. No.,
 City, State, ZIP+4®

Postmark Here
 10/31/2025

David Wrather
 PO Box 1788
 Longview, TX 75606

PS Form 3800, January 2020 PSN 7530-02-000-9053 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.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
 MARK STUART
 P.O. Box 1788
 LONGVIEW, TX 75606

2. Article Number (Transfer from service label)
 9590 9402 9403 5002 1223 58
 9589 0710 5270 1833 8398 40
 PS Form 3811, July 2020 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature *Gaive Tate* Agent Addressee

B. Received by (Printed Name) *Gaive Tate* C. Date of Delivery

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

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
 Insured Mail Restricted Delivery (over \$500)

Priority Mail Express®
 Registered Mail™
 Registered Mail Restricted Delivery
 Signature Confirmation™
 Signature Confirmation Restricted Delivery

Domestic Return Receipt

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.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
 DAVID WRATHER
 P.O. Box 1788
 LONGVIEW, TX 75606

2. Article Number (Transfer from service label)
 9590 9402 9403 5002 1223 41
 9589 0710 5270 1833 8398 57
 PS Form 3811, July 2020 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature *Gaive Tate* Agent Addressee

B. Received by (Printed Name) *Gaive Tate* C. Date of Delivery

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

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
 Insured Mail Restricted Delivery (over \$500)

Priority Mail Express®
 Registered Mail™
 Registered Mail Restricted Delivery
 Signature Confirmation™
 Signature Confirmation Restricted Delivery

Domestic Return Receipt

CERTIFIED MAIL® RECEIPT

Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

Midland, TX 79701

Certified Mail Fee	\$5.30
Extra Services & Fees (check box, add fee as appropriate)	\$4.40
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00

0209
08
Postmark Here

Postage \$2.17

Total Postage and
\$11.87

10/31/2025
Lerwick I Oil & Gas, LLC
508 W. Wall Street, Suite 1250
Midland, TX 79701

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

CERTIFIED MAIL® RECEIPT

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For delivery information, visit our website at www.usps.com®.

Longview, TX 75606

Certified Mail Fee	\$5.30
Extra Services & Fees (check box, add fee as appropriate)	\$4.40
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00

0209
08
Postmark Here

Postage \$2.17

Total Postage and
\$11.87

10/31/2025
Bruce Veralli
PO Box 1788
Longview, TX 75606

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

CERTIFIED MAIL® RECEIPT

Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

Midland, TX 79701

Certified Mail Fee	\$5.30
Extra Services & Fees (check box, add fee as appropriate)	\$4.40
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00

0209
08
Postmark Here

Postage \$2.17

Total Postage and
\$11.87

10/31/2025
Finwing Oil & Gas, LLC
508 W. Wall Street, Suite 1250
Midland, TX 79701

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

COMPLETE THIS SECTION ON DELIVERY

- A. Signature *Jane Tate*
- B. Received by (Printed Name) *Jane Tate*
- C. Date of Delivery
- D. Is delivery address different from item 1? Yes No
If YES, enter delivery address below:

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

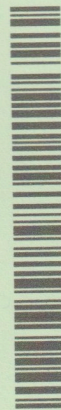
Domestic Return Receipt

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.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

BRUCE VERALLI
P.O. BOX 1788
LONGVIEW, TX 75606



9590 9402 9403 5002 1223 65

2. Article Number (Transfer from service label)

9589 0710 5270 1833 8398 33

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

9589 0710 5270 1833 8398 26

9589 0710 5270 1833 8398 33

166
CERTIFIED MAIL® RECEIPT
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For delivery information, visit our website at www.usps.com®.

10/31/2025 OK 74121

OFFICIAL USE

Certified Mail Fee	\$5.30	0209
Extra Services & Fees (check box, add fee as appropriate)	\$4.40	08
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00	
<input type="checkbox"/> Return Receipt (electronic)	\$0.00	
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00	
<input type="checkbox"/> Adult Signature Required	\$0.00	
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00	
Postage	\$2.17	
Total Postage	\$11.87	10/31/2025

Sent To
 Kaiser Francis Oil Company
 PO Box 21468
 Tulsa, OK 74121

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

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
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Midland, TX 79701

OFFICIAL USE

Certified Mail Fee	\$5.30	0209
Extra Services & Fees (check box, add fee as appropriate)	\$4.40	08
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00	
<input type="checkbox"/> Return Receipt (electronic)	\$0.00	
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00	
<input type="checkbox"/> Adult Signature Required	\$0.00	
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00	
Postage	\$2.17	
Total Postage	\$11.87	10/31/2025

Sent To
 W. Wesley Perry Oil & Gas, Inc.
 508 W. Wall Street, Suite 1250
 Midland, TX 79701

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

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee

B. Received by (Printed Name) KJV 10 2025 C. Date of Delivery 10/31/2025

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

3. Service Type
 Priority Mail Express®
 Registered Mail™
 Registered Mail Restricted Delivery
 Certified Mail®
 Certified Mail Restricted Delivery
 Signature Confirmation™
 Signature Confirmation Restricted Delivery
 Collect on Delivery
 Collect on Delivery Restricted Delivery
 Mail Restricted Delivery (500)

Domestic Return Receipt

SENDER: COMPLETE THIS SECTION

1. Article Addressed to:
 KAISER-FRANCIS OIL CO.
 P.O. Box 21468
 TULSA, OK 74121

2. Article Number (Transfer from service label)
 9590 9402 9403 5002 1222 11

3. Article Number (Transfer from service label)
 9589 0710 5270 1833 8396 35

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

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 Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

Midland, TX 79701

OFFICIAL USE

Certified Mail Fee	\$5.30	0209
Extra Services & Fees (check box, add fee as appropriate)	\$4.40	08
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00	
<input type="checkbox"/> Return Receipt (electronic)	\$0.00	
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00	
<input type="checkbox"/> Adult Signature Required	\$0.00	
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00	
Postage	\$2.17	
Total Postage	\$11.87	10/31/2025

Sent To
 EGL Resources, Inc.
 508 W. Wall Street, Suite 1250
 Midland, TX 79701

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

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
 Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

Midland, TX 79701

OFFICIAL USE

Certified Mail Fee	\$5.30	0209
Extra Services & Fees (check box, add fee as appropriate)	\$4.40	08
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00	
<input type="checkbox"/> Return Receipt (electronic)	\$0.00	
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00	
<input type="checkbox"/> Adult Signature Required	\$0.00	
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00	
Postage	\$2.17	
Total Postage and	\$11.87	10/31/2025

Sent To
 S.E.S. Resources, Inc.
 508 W. Wall Street, Suite 1250
 Midland, TX 79701

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

Publication

This is to notify the entities, individuals, their heirs, personal representatives, trustees, successors or assigns, and any other uncommitted mineral, working interest, or royalty owners: Kaiser-Francis Oil Company; Permian Resources Operating, LLC; Cimarex Energy Company / Coterra Energy, Inc / Magnum Hunter Production Inc.; AO II Permian, LLC / AO II Permian F3 / Avant Operating II, LLC ; Bureau of Land Management; State Land Office; PBEX, LLC; Faulconer 1996 LP; Jerry B. Elger; Wallace H. Scott; McElroy Minerals, LLC; Cathedral Royalties, LLC; Black Hills Gas Resources, Inc.; R.L. Spears; GBK Corporation; Finwing Oil & Gas, LLC; S.E.S. Resources, LLC; Andrew C. Elliott, Jr., Jacqueline Elliott Holleman; Virginia Elliott Harvey; VATEX Holdings, LLC; Loro Corporation; ConocoPhillips Company / Marathon Oil Permian, LLC; PBX, LLC; PBEX, LLC. **Case No. 25610**, Application of Powderhorn Operating, LLC (Applicant) for Compulsory Pooling, of the E/2 of Section 3 and all of Section 2, located in Township 24 South, Range 26 East, NMPM, Eddy County, New Mexico, Wolfcamp Formation is set for hearing on **Tuesday, March 10, 2026 at 9:00 a.m.** before a Division Examiner at the New Mexico Oil Conservation Division. Hearing may be viewed online by going to <https://www.emnrd.nm.gov/ocd/hearing-info/>. Applicants attorney is Benjamin Holliday, Holliday Energy Law Group, PO Box 6166 San Antonio, TX 78209, ben@helg.law, and the Application is on behalf of Powderhorn Operating, LLC, whose address is 600 N. Marienfeld, Suite 1000, Midland, Texas 79701. **Application of Powderhorn Operating, LLC for Compulsory Pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all uncommitted interest within the Wolfcamp formation, underlying a 959.60-acre, more or less, standard horizontal well spacing unit comprised of the E/2 of Section 3 and all of Section 2, located in Township 24 South, Range 26 East, NMPM, Eddy County, New Mexico (the Unit). The Unit will be dedicated to the following wells (the Wells): **Super Hornet State Com 401H**, a gas well to be horizontally drilled from a surface hole location in E/2 of Section 3, Township 24 South, Range 26 East, approximately 2,550 feet FEL, and approximately 1,380 feet FNL, to a bottom hole location in Section 2, Township 24 South, Range 26 East, approximately 100 feet FEL, and approximately 990 feet FNL. The completed interval of the Well will be orthodox. **Super Hornet State Com 402H**, a gas well to be horizontally drilled from a surface hole location in E/2 of Section 3, Township 24 South, Range 26 East, approximately 2,550 feet FEL, and approximately 1,410 feet FNL, to a bottom hole location in Section 2, Township 24 South, Range 26 East, approximately 100 feet FEL, and approximately 2,330 feet FNL. The completed interval of the Well will be orthodox. **Super Hornet State Com 403H**, a gas well to be horizontally drilled from a surface hole location in E/2 of Section 3, Township 24 South, Range 26 East, approximately 2,535 feet FEL, and approximately 1,380 feet FSL, to a bottom hole location in Section 2, Township 24 South, Range 26 East, approximately 100 feet FEL, and approximately 1,650 feet FSL. The completed interval of the Well will be orthodox. **Super Hornet State Com 404H**, a gas well to be horizontally drilled from a surface hole location in E/2 of Section 3, Township 24 South, Range 26 East, approximately 2,535 feet FEL, and approximately 1,350 feet FSL, to a bottom hole location in Section 2, Township 24 South, Range 26 East, approximately 100 feet FEL, and approximately 330 feet FSL. The completed interval of the Well will be orthodox. Also, to be considered will be the cost of drilling and completing the Wells and the allocation of the cost, the designation of Applicant as the operator of the Wells and Unit, and a 200% charge for the risk involved in drilling and completing the Wells against any working interest owner who does not voluntarily participate. The Wells are located approximately 8.9 miles south of Carlsbad, New Mexico. 87560-Published in Carlsbad Current Argus March 5, 2026.

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El Rito Media, LLC
 PO BOX 507
 HUTCHINSON, KS 67504-0507

Phone: (913)297-2059

INVOICE/RECEIPT

Ad/Order #: **0000087560**

03/03/2026

HOLLIDAY ENERGY LAW GROUP 107 KATHERINE COURT SAN ANTONIO TX 78209 Phone: (210)469-3187	75	Salesperson: Latisha Romine Description: Super Hornet NIEVE LEONOR, (210)469-3187 NIEVE@THEENERGYLAWGROUP.COM
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PO Number:	Size: 2.11 x 7.53	Color:	Total Weeks: 1
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Product	Category	Classification	Insertions Period
CNM - Carlsbad Current-Ar-gus	LEGAL LINE	PUBLIC NOTICES	03/05/26

Pricing Information:	Base Cost:	145.60
	Sub Total:	145.60
	Tax	10.77
	Total:	156.37
Total Due:		156.37

Ad Taker: Latisha Romine

Sales
Billing
Creative

Typesetting: _____	<input type="checkbox"/> Print As Is
Scanning: _____	<input type="checkbox"/> Change and Print
Proofing: _____	<input type="checkbox"/> Additional Proof Required
Out For Proof: 1st _____ 2nd _____	