

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

**APPLICATION OF PERMIAN RESOURCES  
OPERATING, LLC TO POOL ADDITIONAL  
INTERESTS UNDER ORDER NO. R-23869,  
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 26029  
ORDER NO. R-23869**

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

APPLICATION OF PERMIAN RESOURCES  
OPERATING, LLC TO POOL ADDITIONAL  
INTERESTS UNDER ORDER NO. R-23869,  
EDDY COUNTY, NEW MEXICO.

CASE NO. 26029  
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SELF-AFFIRMED STATEMENT  
OF RYAN CURRY

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

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

3. None of the parties proposed to be pooled in this case indicated opposition to this matter proceeding by affidavit; therefore, I do not expect any opposition at the hearing.

4. On July 3, 2025, the Division entered Order No. R- 23869 (“Order”) in Case Nos. 25283 and 25284 (collectively “Fiero Bone Spring Units”).

5. In Case No. 25283, the Order pooled uncommitted interests in the Bone Spring formation underlying 320-acre, more or less, standard horizontal spacing unit comprised of Lot 3, NE/2 SW/4, N/2 SE/4 (N/2 S/2 equivalent) of irregular Section 7, and the N/2 S/2 of Section 8, Township 20 South, Range 27 East, Eddy County, New Mexico. The Order dedicated this unit to the Fiero 7 Fed Com 133H well and designated Applicant as operator of this unit and well.

6. In Case No. 25284, the Order pooled uncommitted interests in the Bone Spring formation underlying 320-acre, more or less, standard horizontal spacing unit comprised of Lot 4,

SE/4 SW/4, S/2 SE/4 (S/2 S/2 equivalent) of irregular Section 7, and the S/2 S/2 of Section 8, Township 20 South, Range 27 East, Eddy County, New Mexico. The Order dedicated this unit to the Fiero 7 Fed Com 134H well and designated Applicant as operator of this unit and well.

7. A copy of the Order is attached as **Exhibit A-2**.

8. Following entry of the Order, Permian Resources determined there were additional interests in the Fiero Bone Spring Units that had not been pooled under the terms of the Order and filed Case No. 26029 to pool those additional interests.

9. **Exhibit A-3** provides a plat of the tracts included in the Fiero Bone Spring Units, identifies the interests in each tract, and identifies the additional uncommitted interests to be pooled under the terms of the Order, which are highlighted in yellow. The additional interest owners to be pooled are locatable.

10. **Exhibit A-4** contains a sample well proposal letter and AFEs sent to the additional working interest owners for the Fiero 7 Fed Com 133H and Fiero 7 Fed Com 134H wells to be pooled under the terms of the Order. The estimated costs reflected on the AFEs are fair and reasonable and comparable to the cost of other wells of similar depth and length drilled in the subject formation in the area.

11. In my opinion, Permian Resources made a good-faith effort to reach voluntary joinder as indicated by the chronology of contact described in **Exhibit A-5**.

12. The Ownership Commitment Exhibit is attached as **Exhibit A-6**. This exhibit includes a list of all owners in the Fiero Bone Spring Units and identifies each owner's ownership status, whether the owner has committed to the proposed spacing unit, and the type of commitment, *i.e.*, whether a signed letter of commitment, joinder agreement, or verbal agreement. Exhibit C of Permian Resource's exhibits also identifies when notice of this hearing was sent to each interest owner by our outside counsel, Hardy McLean LLC.

13. Permian Resources requests the additional uncommitted interests be pooled under the terms of the Order.

14. In my opinion, the granting of Permian Resources' application would serve the interests of conservation and prevention of waste.

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

16. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony above is true and correct and it 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.

SB Curry  
Ryan Curry

3/10/26  
Date

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

**APPLICATION OF PERMIAN RESOURCES  
OPERATING, LLC TO POOL ADDITIONAL  
INTERESTS UNDER ORDER NO. R-23869,  
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 26029  
ORDER NO. R-23869**

**APPLICATION**

Pursuant to NMSA 1978, Section 70-2-17, Permian Resources Operating, LLC (“Applicant”) (OGRID No. 372165) files this application with the Oil Conservation Division (“Division”) seeking to pool additional uncommitted interests under the terms of Division Order No. R-23869. Applicant states the following in support of its application.

1. The Division entered Order No. R-23869 (“Order”) in Case Nos. 25283 and 25284 (collectively “Fiero Bone Spring Units”) on July 3, 2025.

2. In Case No. 25283, the Order pooled uncommitted interests in the Bone Spring formation underlying 320-acre, more or less, standard horizontal spacing unit comprised of Lot 3, NE/2 SW/4, N/2 SE/4 (N/2 S/2 equivalent) of irregular Section 7, and the N/2 S/2 of Section 8, Township 20 South, Range 27 East, Eddy County, New Mexico. The Order dedicated this unit to the Fiero 7 Fed Com 133H well and designated Applicant as operator of this unit and well.

3. In Case No. 25284, the Order pooled uncommitted interests in the Bone Spring formation underlying 320-acre, more or less, standard horizontal spacing unit comprised of Lot 4, SE/4 SW/4, S/2 SE/4 (S/2 S/2 equivalent) of irregular Section 7, and the S/2 S/2 of Section 8, Township 20 South, Range 27 East, Eddy County, New Mexico. The Order dedicated this unit to the Fiero 7 Fed Com 134H well and designated Applicant as operator of this unit nit and well.

4. Since the Order was entered, Applicant has identified additional interests in the Fiero Bone Spring Units that have not been pooled under the terms of the Order.

**Permian Resources Operating, LLC  
Case No, 26029  
Exhibit A-1**

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

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

WHEREFORE, Applicant requests this application be set for hearing before an Examiner of the Division on March 26, 2026, and, after notice and hearing, the Division pool the additional uncommitted interests into the Fiero Bone Spring Units pursuant to the terms of Division Order No. R-23869.

Respectfully submitted,

HARDY MCLEAN LLC

/s/ Dana S. Hardy  
Dana S. Hardy  
Jaclyn M. McLean  
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ATTORNEYS FOR PERMIAN RESOURCES  
OPERATING, LLC

**Application of Permian Resources Operating, LLC to Pool Additional Interests Under Order No. R-23869, Eddy County, New Mexico.** Permian Resources Operating, LLC (“Applicant”) (OGRID No. 372165) seeks an order pooling additional uncommitted interests under Order No. R-23869 (“Order”). The Division issued the Order in Case Nos. 25283 and 25284 (collectively “Fiero Bone Spring Units”) on July 3, 2025. In Case No. 25283, the Order: pooled uncommitted interests in the Bone Spring formation underlying 320-acre, more or less, standard horizontal spacing unit comprised of Lot 3, NE/2 SW/4, N/2 SE/4 (N/2 S/2 equivalent) of irregular Section 7, and the N/2 S/2 of Section 8, Township 20 South, Range 27 East, Eddy County, New Mexico; dedicated this unit to the Fiero 7 Fed Com 133H well; and designated Applicant as operator of the unit and well. In Case No. 25284, the Order: pooled uncommitted interests in the Bone Spring formation underlying 320-acre, more or less, standard horizontal spacing unit comprised of Lot 4, SE/4 SW/4, S/2 SE/4 (S/2 S/2 equivalent) of irregular Section 7, and the S/2 S/2 of Section 8, Township 20 South, Range 27 East, Eddy County, New Mexico; dedicated this unit to the Fiero 7 Fed Com 134H well; and designated Applicant as operator of the unit and well. Applicant has identified additional interests in the Fiero Bone Spring Units that should be pooled under the terms of the Order. The Fiero 7 Fed Com Wells are located approximately 11.3 miles northwest of Carlsbad, New Mexico.

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

**APPLICATIONS OF PERMIAN RESOURCES  
OPERATING, LLC FOR STANDARD HORIZONTAL  
SPACING UNIT AND COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO**

**CASE NOS. 25283-25284  
ORDER NO. R-23869**

**ORDER**

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on May 27, 2025, and after considering the testimony, evidence, and recommendation of the Hearing and Technical Examiners, issues the following Order.

**FINDINGS OF FACT**

1. These cases involve compulsorily pooling applications filed by Permian Resources Operating, LLC (“PR”). MRC Permian Company and MRC Delaware Resources (collectively referred to as “MRC”) object to PR’s applications on the ground that the proposed development partially overlaps with acreage that MRC controls under a Joint Operating Agreement (“JOA”). These cases were consolidated for hearing and a single order is being issued for the consolidated cases.
2. PR has the right to drill within the proposed spacing units, and seeks to be named operator of its proposed wells and spacing units.
3. PR submitted two (2) applications under case numbers 25283 and 25284, each of which is to compulsorily pool the uncommitted oil and gas interests in the Bone Spring formation. Together these cases are comprised of approximately 640 acres, described as (“Subject Lands”):

Township 20 South, Range 27 East, N.M.P.M.  
Section 7: South half equivalent of irregular Section 7  
Section 8: South half

4. PR’s applications were for the Avalon; Bone Spring, North [3712] oil pool under statewide rules.
5. In case No. 25283, PR proposed a 320-acre, more or less, horizontal spacing unit in the north half south half equivalent of irregular Section 7 and the north half south half of Section 8 within the Subject Lands for the following well: Fiero 7 Fed Com No. 133H to target the Third Bone Spring sand.
6. In case No. 25284, PR proposed a 320-acre, more or less, horizontal spacing unit in the south half south half equivalent of irregular Section 7 and the south half

**Permian Resources Operating, LLC  
Case No, 26029  
Exhibit A-2**

south half of Section 8 within the Subject Lands for the following well: Fiero 7 Fed Com No. 134H to target the Third Bone Spring sand.

7. MRC did not file competing applications for compulsorily pooling stating that 100% of the working interest for MRC's proposed Becky project was committed to MRC via a Joint Operating Agreement ("JOA") dated February 7, 1964. MRC's proposed Becky project area is comprised of approximately 360 acres, described as ("Becky"):

Township 20 South, Range 27 East, N.M.P.M.

Section 8: Southeast quarter

Section 9: Southwest quarter, Northwest quarter of the Southeast quarter

8. The Subject Lands proposed in PR's applications overlap MRC's proposed Becky project in the southeast quarter of Section 8, equivalent to twenty five percent of PR's proposed Fiero 7 Fed Com ("Fiero") development acreage.
9. Other acreage considered are an unleased federal tract in the southwest quarter of the southeast quarter of Section 9 and the east half of the southeast quarter of Section 9 with unidentified interest owners. These 120 acres are east of and adjacent to MRC's proposed Becky project area and were contemplated as being potentially stranded.
10. PR presented three witnesses in support of its applications:
  - a. Ryan Curry, Landman
  - b. Chris Cantin, Geologist
  - c. Sam Hamilton, Reservoir Engineer
11. MRC presented three witnesses in support of its objection to PR's applications:
  - a. Clay Wooten, Landman
  - b. Andrew Parker, Geologist
  - c. Tanner Schulz, Reservoir Engineer
12. The Oil Conservation Commission ("Commission") and OCD have developed several factors they "may consider" in evaluating competing compulsory pooling applications which are listed as follows:
  - a. A comparison of geologic evidence presented by each party as it relates to the proposed well location and the potential of each proposed prospect to efficiently recover the oil and gas reserves underlying the property.
  - b. A comparison of the risk associated with the parties' respective proposal for the exploration and development of the property.
  - c. A review of the negotiations between the competing parties prior to the applications to force pool to determine if there was a "good faith" effort.
  - d. A comparison of the ability of each party to prudently operate the property and, thereby, prevent waste.
  - e. A comparison of the differences in well cost estimates (AFEs) and other operational costs presented by each party for their respective proposals.

- f. An evaluation of the mineral interest ownership held by each party at the time the application was heard.
- g. A comparison of the ability of the applicants to timely locate well sites and to operate on the surface (the "surface factor").

#### Geological Evidence:

13. PR proposed two 2-mile laterals in the third Bone Spring drilled from east to west. PR is an active operator of Bone Spring wells in the immediate area. *See* PR Exhibits C-3 and C-4. PR made efforts to accommodate MRC's request to surface on the west rather than the east but were unable to find a suitable location for multiple reasons including the occurrence of karst. *See* Transcript ("Tr.") (May 27, 2025), 69:2-21
14. MRC proposed two hypothetical development plans for their Becky project, but has not taken any action to pursue either plan. *See* Transcript Tr. (May 27, 2025), 236:17 - 239:5. MRC became the operator of a contract area under a 1964 legacy JOA through a merger and the lands encompassed by the JOA are of an irregular shape (*See* MRC Exhibit A-5) leading to the 120 acres of land in the southeast quarter of Section 9 that are not covered by the JOA and the possibility of that acreage being stranded to the east of MRC's proposed Becky project. However, since MRC became operator of the JOA in 2015, MRC has not taken any steps to avoid this outcome. *See* PR Rebuttal Exhibit A-11. *See also* MRC Exhibit A, ¶ 15.
15. OCD finds that PR's applications support a viable development plan in the Subject Lands.

#### Risk and Development:

16. PR has been actively progressing its proposed Fiero development plan since May of 2024. *See* PR Exhibit A-7.
17. MRC's exhibits contain hypothetical rather than competing proposals (*See* MRC Exhibits A-3 and A-4) and MRC has not taken any action as operator of the 1964 legacy JOA to develop those lands.
18. OCD finds that PR presented an executable development plan while MRC did not.

#### Negotiations:

19. MRC requested that PR surface on the west side of their proposed spacing unit and either drill 1.5 mile laterals or, alternatively, continue drilling through the lands in MRC's proposed Becky project. *See* Tr. (May 27, 2025), 114: 15-22. PR was unable to find a suitable area for a surface location to the west and, additionally, drilling through the lands in MRC's proposed Becky project would lead to the certain stranding of the 120 acres of land in the southeast quarter of Section 9

adjacent to MRC's proposed Becky project as Mewbourne has a Bone Spring development in Sections 10, 11, and 12 in the same Township.

20. OCD finds that PR made efforts to negotiate in the Subject Lands, but was unable to fulfill MRC's requests.

Prudent Operatorship:

21. PR's applications align with prudent development in the Subject Lands and address aspects of safety, minimization of waste, and avoidance of the loss of a fee lease.
22. MRC's Reservoir Engineer testified that it would be prudent to pursue inclusion of the 120 acres east of and adjacent to MRC's proposed Becky project area that were contemplated as being potentially stranded in a future, non-hypothetical development proposal. *See* Tr. (May 27, 2025), 291: 10-17.
23. OCD finds that PR is acting as a prudent operator in association with these cases.

Comparison of Cost:

24. PR proposes a supervision cost of \$10,000 per month while drilling and \$1,000 per month while producing, and a risk charge of 200%. PR's cost estimation for an individual well is approximately \$9 million.
25. MRC did not provide cost estimates for any proposed development.
26. OCD finds PR's costs to be representative of the proposed development.

Working Interest:

27. PR has 56.2 percent interest in the proposed unit within the Subject Lands where the second highest interest is 18.7 percent. PR has obtained voluntary joinder from parties in the proposed unit to the extent that PR is seeking to compulsory pool approximately 13.9 percent of the interest.
28. MRC has approximately 7.2 percent interest in the proposed spacing unit and does not own any interest in Tract One of the proposed unit which is three quarters of the proposed unit. MRC was unable to reach an agreement with PR during negotiations and subsequently objected to PR's proposed development based solely on the 1964 legacy JOA which MRC states provides them with 100 percent controlling interest of the overlapping acreage in the southeast quarter of Section 8, or one quarter of PR's proposed spacing unit. However, other interest owners in the overlapping acreage have signed superceding JOA's with PR thus agreeing to voluntary joinder for PR's Fiero development. Further, the Division has authority to approve PR's applications for compulsory pooling in these cases as evidenced by Order No. R-14140 issued in Case No. 15433 in which Matador Production

Company's application for compulsory pooling was approved in a scenario that mirrors PR's applications as they relate to a legacy JOA and pooling.

29. OCD finds that PR has the majority working interest in the proposed Fiero spacing unit and is seeking to pool approximately 13.9 percent of the interest in the Subject Lands.

Surface Factor:

30. PR's proposed Fiero spacing units are within close proximity to other existing PR developments placing hydrocarbon and produced water take-away points as to reduce surface disturbance and waste. *See* PR Exhibit C-9.
31. MRC has not taken any action as operator of the 1964 legacy JOA to develop those lands since it assumed operatorship in 2015 with this JOA being the basis for MRC's objection to these cases. *See* PR Rebuttal Exhibit A-11.
32. OCD finds that PR is an active operator in the area of the Subject Lands and has been working to further its proposed Fiero development for over a year. *See* PR Exhibit A-7.

Conclusion:

33. OCD finds PR's proposal will result in effective recovery of hydrocarbons while preventing waste and protecting the correlative rights of the interest owners in the Subject Lands.
34. PR will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
35. PR proposes the supervision and risk charges for the Well(s) described in Exhibit A.
36. PR identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.

**CONCLUSIONS OF LAW**

37. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
38. PR is the owner of an oil and gas working interest within the Subject Lands.
39. PR satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
40. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.

41. PR has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Subject Lands described in Exhibit A.
42. The Subject Lands contain separately owned uncommitted interests in oil and gas minerals.
43. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Subject Lands.
44. The pooling of uncommitted interests in the Subject Lands will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
45. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

### **ORDER**

46. The uncommitted interests in each Unit within the Subject Lands are pooled as set forth in Exhibit A.
47. The Units within the Subject Lands shall be dedicated to the Well(s) set forth in Exhibit A.
48. PR is designated as operator of each Unit within the Subject Lands and the Well(s).
49. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, PR shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
50. If a Unit is a non-standard horizontal spacing unit which has not been approved under this Order, PR shall obtain the OCD's approval for a non-standard horizontal spacing unit in accordance with 19.15.16.15(B)(5) NMAC.
51. PR shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
52. This Order shall terminate automatically if PR fails to comply with the preceding paragraph unless PR requests an extension by notifying the OCD and all parties that required notice of the original compulsory pooling application in accordance with 19.15.4.12.B and 19.15.4.12.C NMAC. Upon no objection after twenty (20) days the extension is automatically granted up to one year. If a protest is received the extension is not granted and PR must set the case for a hearing.
53. PR may propose reasonable deviations from the development plan via notice to the OCD and all parties that required notice of the original compulsory pooling application in accordance with 19.15.4.12.B and 19.15.4.12.C NMAC. Upon no

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- objection after twenty (20) days the deviation is automatically granted. If a protest is received the deviation is not granted and the Operator must set the case for a hearing.
54. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
  55. PR shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
  56. No later than thirty (30) days after PR submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to PR no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
  57. No later than one hundred eighty (180) days after PR submits a Form C-105 for a well, PR shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
  58. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to PR its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or PR shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
  59. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
  60. No later than within ninety (90) days after PR submits a Form C-105 for a well, PR shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating

Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.

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

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

*Albert Chang*

---

ALBERT C.S. CHANG  
DIRECTOR  
AC/asf

Date: 7/3/2025

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**Exhibit A**

Received by OCD: 5/28/2025 10:30:56 PM

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| <b>COMPULSORY POOLING APPLICATION CHECKLIST</b>  |   |
|--|---|
| <b>ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS</b>   |   |
| <b>Case: 25283</b>   | <b>APPLICANT'S RESPONSE</b>   |
| Date: May 27, 2025   |   |
| Applicant  | Permian Resources Operating, LLC  |
| Designated Operator & OGRID (affiliation if applicable)  | Permian Resources Operating, LLC (OGRID No. 372165)   |
| Applicant's Counsel:   | Hardy McLean LLC  |
| Case Title:  | Application of Permian Resources Operating, LLC for Compulsory Pooling, Eddy County, New Mexico.  |
| Entries of Appearance/Intervenors:   | MRC Permian Company; COG Operating LLC; Concho Oil & Gas LLC; EOG Resources, Inc.; Powderhorn Operating, LLC  |
| Well Family  | Fiero   |
| <b>Formation/Pool</b>  |   |
| Formation Name(s) or Vertical Extent:  | Bone Spring   |
| Primary Product (Oil or Gas):  | Oil   |
| Pooling this vertical extent:  | Bone Spring   |
| Pool Name and Pool Code:   | Avalon, Bone Spring, North Pool (Code 3712)   |
| Well Location Setback Rules:   | Statewide   |
| <b>Spacing Unit</b>  |   |
| Type (Horizontal/Vertical)   | Horizontal  |
| Size (Acres)   | 320.00  |
| Building Blocks:   | quarter-quarter   |
| Orientation:   | East to West  |
| Description: TRS/County  | Lot 3, NE/4 SW/4, N/2 SE/4 (N/2 S/2 equivalent) of irregular Section 7, and the N/2 S/2 of Section 8, Township 20 South, Range 27 East, Eddy County.  |
| Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?   | Yes.  |
| <b>Other Situations</b>  |   |
| Depth Severance: Y/N. If yes, description  | N/A   |
| Proximity Tracts: if yes, description  | N/A   |
| Proximity Defining Well: if yes, description   | N/A   |
| Applicant's Ownership in Each Tract  | Exhibit A-5   |
| <b>Well(s)</b>   |   |
| Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)<br><i>*In lieu of the bottom hole location, Earthstone is providing the State Line Crossing</i> | Add wells as needed   |
| Well #1  | Fiero 7 State 133H<br>SHL: 846' FSL & 358' FWL (Unit M), Section 9, T20S-R27E<br>BHL: 1930' FSL & 100' FWL (Lot 3), Section 7, T20S-R27E<br>Completion Target: Third Bone Spring (Approx. 7,880' TVD) |
| <b>AFE Capex and Operating Costs</b>   |   |
| Drilling Supervision/Month \$  | \$10,000  |
| Production Supervision/Month \$  | \$1,000   |
| Justification for Supervision Costs  | Exhibit A-8   |
| Requested Risk Charge  | 200%  |
| <b>Notice of Hearing</b>   |   |
| Proposed Notice of Hearing   | Exhibit A-2   |
| Proof of Mailed Notice of Hearing (20 days before hearing)   | Exhibits D-1, D-2, D-3  |
| Proof of Published Notice of Hearing (10 days before hearing)  | Exhibit D-4   |
| <b>Ownership Determination</b>   |   |
| Land Ownership Schematic of the Spacing Unit   | Exhibit A-5   |
| Tract List (including lease numbers and owners)  | Exhibit A-5   |
| If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.   | N/A   |

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CASE NO. 25283, 25284  
ORDER NO. R-23869

Page 10 of 13

|  |                   |
|--|-------------------|
| Pooled Parties (including ownership type)  | Exhibit A-5       |
| Unlocatable Parties to be Pooled   | N/A               |
| Ownership Depth Severance (including percentage above & below)   | N/A               |
| <b>Joinder</b>   |                   |
| Sample Copy of Proposal Letter   | Exhibit A-8       |
| List of Interest Owners (ie Exhibit A of JOA)  | Exhibit A-5       |
| Chronology of Contact with Non-Joined Working Interests  | Exhibit A-9       |
| Overhead Rates in Proposal Letter  | Exhibit A-8       |
| Cost Estimate to Drill and Complete  | Exhibit A-8       |
| Cost Estimate to Equip Well  | Exhibit A-8       |
| Cost Estimate for Production Facilities  | Exhibit A-8       |
| <b>Geology</b>   |                   |
| Summary (including special considerations)   | Exhibit B         |
| Spacing Unit Schematic   | Exhibit B-2       |
| Gunbarrel/Lateral Trajectory Schematic   | Exhibit B-6       |
| Well Orientation (with rationale)  | Exhibit B         |
| Target Formation   | Exhibit B         |
| HSU Cross Section  | Exhibit B-3       |
| Depth Severance Discussion   | N/A               |
| <b>Forms, Figures and Tables</b>   |                   |
| C-102  | Exhibit A-4       |
| Tracts   | Exhibit A-5       |
| Summary of Interests, Unit Recapitulation (Tracts)   | Exhibit A-5       |
| General Location Map (including basin)   | Exhibit B-2       |
| Well Bore Location Map   | Exhibit B-3       |
| Structure Contour Map - Subsea Depth   | Exhibit B-4       |
| Cross Section Location Map (including wells)   | Exhibit B-3       |
| Cross Section (including Landing Zone)   | Exhibit B-5       |
| <b>Additional Information</b>  |                   |
| Special Provisions/Stipulations  | N/A               |
| <b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b> |                   |
| Printed Name (Attorney or Party Representative):   | Dana S. Hardy     |
| Signed Name (Attorney or Party Representative):  | /s/ Dana S. Hardy |
| Date:  | 5/19/2025         |

| <b>COMPULSORY POOLING APPLICATION CHECKLIST</b>  |  |
|--|--|
| <b>ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS</b>   |  |
| <b>Case: 25284</b>   | <b>APPLICANT'S RESPONSE</b>  |
| Date: May 27, 2025   |  |
| Applicant  | Permian Resources Operating, LLC   |
| Designated Operator & OGRID (affiliation if applicable)  | Permian Resources Operating, LLC (OGRID No. 372165)  |
| Applicant's Counsel:   | Hardy McLean LLC   |
| Case Title:  | Application of Permian Resources Operating, LLC for Compulsory Pooling, Eddy County, New Mexico.   |
| Entries of Appearance/Intervenors:   | MRC Permian Company; COG Operating LLC; Concho Oil & Gas LLC; EOG Resources, Inc.; Powderhorn Operating, LLC   |
| Well Family  | Fiero  |
| <b>Formation/Pool</b>  |  |
| Formation Name(s) or Vertical Extent:  | Bone Spring  |
| Primary Product (Oil or Gas):  | Oil  |
| Pooling this vertical extent:  | Bone Spring  |
| Pool Name and Pool Code:   | Avalon, Bone Spring, North Pool (Code 3712)  |
| Well Location Setback Rules:   | Statewide  |
| <b>Spacing Unit</b>  |  |
| Type (Horizontal/Vertical)   | Horizontal   |
| Size (Acres)   | 320.00   |
| Building Blocks:   | quarter-quarter  |
| Orientation:   | East to West   |
| Description: TRS/County  | Lot 4, SE/4 SW/4, S/2 SE/4 (S/2 S/2 equivalent) of irregular Section 7, and the S/2 S/2 of Section 8, Township 20 South, Range 27 East, Eddy County.   |
| Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?   | Yes.   |
| <b>Other Situations</b>  |  |
| Depth Severance: Y/N. If yes, description  | N/A  |
| Proximity Tracts: If yes, description  | N/A  |
| Proximity Defining Well: if yes, description   | N/A  |
| Applicant's Ownership in Each Tract  | Exhibit A-5  |
| <b>Well(s)</b>   |  |
| Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)<br><i>*In lieu of the bottom hole location, Earthstone is providing the State Line Crossing</i> | Add wells as needed  |
| Well #1  | Fiero 7 State 134H<br>SHL: 813' FSL & 359' FWL (Unit M), Section 9, T20S-R27E<br>BHL: 756' FSL & 100' FWL (Lot 4), Section 7, T20S-R27E<br>Completion Target: Third Bone Spring (Approx. 7,931' TVD) |
| <b>AFE Capex and Operating Costs</b>   |  |
| Drilling Supervision/Month \$  | \$10,000   |
| Production Supervision/Month \$  | \$1,000  |
| Justification for Supervision Costs  | Exhibit A-8  |
| Requested Risk Charge  | 200%   |
| <b>Notice of Hearing</b>   |  |
| Proposed Notice of Hearing   | Exhibit A-2  |
| Proof of Mailed Notice of Hearing (20 days before hearing)   | Exhibits D-1, D-2, D-3   |
| Proof of Published Notice of Hearing (10 days before hearing)  | Exhibit D-4  |
| <b>Ownership Determination</b>   |  |
| Land Ownership Schematic of the Spacing Unit   | Exhibit A-5  |
| Tract List (including lease numbers and owners)  | Exhibit A-5  |
| 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-5  |

|  |                   |
|--|-------------------|
| Unlocatable Parties to be Pooled   | N/A               |
| Ownership Depth Severance (including percentage above & below)   | N/A               |
| <b>Joinder</b>   |                   |
| Sample Copy of Proposal Letter   | Exhibit A-8       |
| List of Interest Owners (ie Exhibit A of JOA)  | Exhibit A-5       |
| Chronology of Contact with Non-Joined Working Interests  | Exhibit A-9       |
| Overhead Rates In Proposal Letter  | Exhibit A-8       |
| Cost Estimate to Drill and Complete  | Exhibit A-8       |
| Cost Estimate to Equip Well  | Exhibit A-8       |
| Cost Estimate for Production Facilities  | Exhibit A-8       |
| <b>Geology</b>   |                   |
| Summary (including special considerations)   | Exhibit B         |
| Spacing Unit Schematic   | Exhibit B-2       |
| Gunbarrel/Lateral Trajectory Schematic   | Exhibit B-6       |
| Well Orientation (with rationale)  | Exhibit B         |
| Target Formation   | Exhibit B         |
| HSU Cross Section  | Exhibit B-3       |
| Depth Severance Discussion   | N/A               |
| <b>Forms, Figures and Tables</b>   |                   |
| C-102  | Exhibit A-4       |
| Tracts   | Exhibit A-5       |
| Summary of Interests, Unit Recapitulation (Tracts)   | Exhibit A-5       |
| General Location Map (including basin)   | Exhibit B-2       |
| Well Bore Location Map   | Exhibit B-3       |
| Structure Contour Map - Subsea Depth   | Exhibit B-4       |
| Cross Section Location Map (including wells)   | Exhibit B-3       |
| Cross Section (including Landing Zone)   | Exhibit B-5       |
| <b>Additional Information</b>  |                   |
| Special Provisions/Stipulations  | N/A               |
| <b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b> |                   |
| Printed Name (Attorney or Party Representative):   | Dana S. Hardy     |
| Signed Name (Attorney or Party Representative):  | /s/ Dana S. Hardy |
| Date:  | 5/19/2025         |



**Tract 1****Section 7: Lot 3 (NW/4SW/4), NE/4SW/4 & N/2SE/4****Section 8: N/2SW/4****Containing 239.34 acres, more or less**

| <b>Party</b>                     | <b>Interest</b>    |
|----------------------------------|--------------------|
| Permian Resources Operating, LLC | 75.000000%         |
| PEC Exploration, LLC             | 25.000000%         |
| <b>Total</b>                     | <b>100.000000%</b> |

**Tract 2****Section 8: N/2SE/4****Containing 80.00 acres, more or less**

| <b>Party</b>                     | <b>Interest</b>    |
|----------------------------------|--------------------|
| Permian Resources Operating, LLC | 42.854943%         |
| Jalapeno Corporation             | 13.314706%         |
| Sharbro Energy, LLC              | 11.250000%         |
| Nortex Corporation               | 10.000000%         |
| Yates Energy Corporation         | 8.142852%          |
| EOG Resources Inc.               | 6.703125%          |
| Powderhorn Assets, LLC           | 3.333333%          |
| Read & Stevens, Inc.             | 1.171875%          |
| Astra Exploration Company, Inc.  | 1.000000%          |
| Eako, LLC                        | 0.641954%          |
| TTXMCO, LLC                      | 0.520833%          |
| Chief Capital (O&G) II, LLC      | 0.296875%          |
| Valko, LLC                       | 0.253879%          |
| Lucas Properties, LLC            | 0.187500%          |
| Patricia H. Miller               | 0.187500%          |
| Estate of Mary Ann Morrison      | 0.125000%          |
| Blue Star Royalty, LLC           | 0.015625%          |
| Yates Energy Corporation         | Lessee of Record   |
| MRC Delaware Resources, LLC      | Lessee of Record   |
| Jalapeno Corporation             | Lessee of Record   |
| <b>Total</b>                     | <b>100.000000%</b> |

**Recapitulation**

| <b>Party</b>                              | <b>Interest</b>    |
|---|--------------------|
| Permian Resources Operating, LLC          | 66.947127%         |
| PEC Exploration, LLC                      | 18.737083%         |
| Jalapeno Corporation                      | 3.335556%          |
| Sharbro Energy, LLC                       | 2.818313%          |
| Nortex Corporation                        | 2.505167%          |
| Yates Energy Corporation                  | 2.039920%          |
| EOG Resources Inc.                        | 1.679245%          |
| Powderhorn Assets, LLC                    | 0.835056%          |
| Read & Stevens, Inc.                      | 0.293574%          |
| Astra Exploration Company, Inc.           | 0.250517%          |
| Eako, LLC                                 | 0.160820%          |
| <b>TTXMCO, LLC</b>                        | <b>0.130477%</b>   |
| Chief Capital (O&G) II, LLC               | 0.074372%          |
| Valko, LLC                                | 0.063601%          |
| <b>Lucas Properties, LLC</b>              | <b>0.046972%</b>   |
| <b>Patricia H. Miller</b>                 | <b>0.046972%</b>   |
| <b>Estate of Mary Ann Morrison</b>        | <b>0.031315%</b>   |
| Blue Star Royalty, LLC                    | 0.003914%          |
| Yates Energy Corporation                  | Lessee of Record   |
| MRC Delaware Resources, LLC               | Lessee of Record   |
| Jalapeno Corporation                      | Lessee of Record   |
| <b>Total</b>                              | <b>100.000000%</b> |
| Total Committed to Unit                   | 99.744264%         |
| Total Seeking to Pool                     | 0.255736%          |
| <b>Additional Parties Seeking to Pool</b> |                    |



**Tract 1****Section 7: Lot 4 (SW/4SW/4), SE/4SW/4, S/2SE/4****Section 8: S/2SW/4****Containing 239.48 acres, more or less**

| <b>Party</b>                     | <b>Interest</b>    |
|----------------------------------|--------------------|
| Permian Resources Operating, LLC | 75.000000%         |
| PEC Exploration, LLC             | 25.000000%         |
| <b>Total</b>                     | <b>100.000000%</b> |

**Tract 2****Section 8: S/2SE/4****Containing 80.00 acres, more or less**

| <b>Party</b>                     | <b>Interest</b>    |
|----------------------------------|--------------------|
| Permian Resources Operating, LLC | 42.854943%         |
| Jalapeno Corporation             | 13.314706%         |
| Sharbro Energy, LLC              | 11.250000%         |
| Nortex Corporation               | 10.000000%         |
| Yates Energy Corporation         | 8.142852%          |
| EOG Resources Inc.               | 6.703125%          |
| Powderhorn Assets, LLC           | 3.333333%          |
| Read & Stevens, Inc.             | 1.171875%          |
| Astra Exploration Company, Inc.  | 1.000000%          |
| Eako, LLC                        | 0.641954%          |
| TTXMCO, LLC                      | 0.520833%          |
| Chief Capital (O&G) II, LLC      | 0.296875%          |
| Valko, LLC                       | 0.253879%          |
| Lucas Properties, LLC            | 0.187500%          |
| Patricia H. Miller               | 0.187500%          |
| Estate of Mary Ann Morrison      | 0.125000%          |
| Blue Star Royalty, LLC           | 0.015625%          |
| Yates Energy Corporation         | Lessee of Record   |
| MRC Delaware Resources, LLC      | Lessee of Record   |
| Jalapeno Corporation             | Lessee of Record   |
| <b>Total</b>                     | <b>100.000000%</b> |

**Recapitulation**

| <b>Party</b>                              | <b>Interest</b>    |
|---|--------------------|
| Permian Resources Operating, LLC          | 66.950656%         |
| PEC Exploration, LLC                      | 18.739827%         |
| Jalapeno Corporation                      | 3.334094%          |
| Sharbro Energy, LLC                       | 2.817078%          |
| Nortex Corporation                        | 2.504069%          |
| Yates Energy Corporation                  | 2.039026%          |
| EOG Resources Inc.                        | 1.678509%          |
| Powderhorn Assets, LLC                    | 0.834690%          |
| Read & Stevens, Inc.                      | 0.293446%          |
| Astra Exploration Company, Inc.           | 0.250407%          |
| Eako, LLC                                 | 0.160750%          |
| <b>TTXMCO, LLC</b>                        | <b>0.130420%</b>   |
| Chief Capital (O&G) II, LLC               | 0.074340%          |
| Valko, LLC                                | 0.063573%          |
| <b>Lucas Properties, LLC</b>              | <b>0.046951%</b>   |
| <b>Patricia H. Miller</b>                 | <b>0.046951%</b>   |
| <b>Estate of Mary Ann Morrison</b>        | <b>0.031301%</b>   |
| Blue Star Royalty, LLC                    | 0.003913%          |
| Yates Energy Corporation                  | Lessee of Record   |
| MRC Delaware Resources, LLC               | Lessee of Record   |
| Jalapeno Corporation                      | Lessee of Record   |
| <b>Total</b>                              | <b>100.000000%</b> |
| Total Committed to Unit                   | 99.744376%         |
| Total Seeking to Pool                     | 0.255624%          |
| <b>Additional Parties Seeking to Pool</b> |                    |



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

OFFICE 432.695.4222  
FAX 432.695.4063

May 7, 2025

**Via Certified Mail**

The Estate of Mary Ann Morrison  
8303 Emerald Meadow Lane  
Humble, TX 77396

**RE: Well Proposals – Fiero 7 Fed Com**  
Township 20 South – Range 27 East, N.M.P.M.  
Section 7: S/2  
Section 8: S/2  
Eddy County, New Mexico

To Whom It May Concern:

Permian Resources Operating, LLC (“Permian”), as operator, hereby proposes the drilling and completion of the following four (4) wells, the Fiero 7 Fed Com Wells at the following approximate locations within Township 20 South, Range 27 East, Eddy Co., NM:

1. **Fiero 7 Fed Com 123H**  
SHL: 912’ FSL & 358’ FWL or a legal location in the SW/4 of Section 9  
BHL: 2,310’ FSL & 100’ FWL of Section 7  
FTP: 2,310’ FSL & 100’ FEL of Section 8  
LTP: 2,310’ FSL & 100’ FWL of Section 7  
TVD: Approximately 6,675’  
TMD: Approximately 16,960’  
Proration Unit: N/2S/2 of Sections 7 & 8, T20S-R27E  
Targeted Interval: 2<sup>nd</sup> Bone Spring  
Total Cost: See attached AFE
  
2. **Fiero 7 Fed Com 133H**  
SHL: 846’ FSL & 358’ FWL or a legal location in the SW/4 of Section 9  
BHL: 2,310’ FSL & 100’ FWL of Section 7  
FTP: 2,310’ FSL & 100’ FEL of Section 8  
LTP: 2,310’ FSL & 100’ FWL of Section 7  
TVD: Approximately 7,880’  
TMD: Approximately 18,165’  
Proration Unit: N/2S/2 of Sections 7 & 8, T20S-R27E  
Targeted Interval: 3<sup>rd</sup> Bone Spring  
Total Cost: See attached AFE
  
3. **Fiero 7 Fed Com 124H**  
SHL: 879’ FSL & 358’ FWL or a legal location in the SW/4 of Section 9  
BHL: 990’ FSL & 100’ FWL of Section 7  
FTP: 990’ FSL & 100’ FEL of Section 8  
LTP: 990’ FSL & 100’ FWL of Section 7  
TVD: Approximately 6,676’  
TMD: Approximately 16,961’  
Proration Unit: S/2S/2 of Sections 7 & 8, T20S-R27E  
Targeted Interval: 2<sup>nd</sup> Bone Spring  
Total Cost: See attached AFE

**Permian Resources Operating, LLC**  
**Case No, 26029**  
**Exhibit A-4**



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

OFFICE 432.695.4222  
FAX 432.695.4063

#### 4. Fiero 7 Fed Com 134H

SHL: 813' FSL & 359' FWL or a legal location in the SW/4 of Section 9  
 BHL: 990' FSL & 100' FWL of Section 7  
 FTP: 990' FSL & 100' FEL of Section 8  
 LTP: 990' FSL & 100' FWL of Section 7  
 TVD: Approximately 7,931'  
 TMD: Approximately 18,216'  
 Proration Unit: S/2S/2 of Sections 7 & 8, T20S-R27E  
 Targeted Interval: 3<sup>rd</sup> Bone Spring  
 Total Cost: See attached AFE

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

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

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

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

Thank you for your time and consideration, if you have any questions at all, please don't hesitate to contact Erin Lloyd at [Erin.Lloyd@permianres.com](mailto:Erin.Lloyd@permianres.com) or myself at [Ryan.Curry@permianres.com](mailto:Ryan.Curry@permianres.com).

Respectfully,

Ryan Curry | Senior Landman

O 432.400.0209 | [ryan.curry@permianres.com](mailto:ryan.curry@permianres.com)  
 300 N. Marienfeld Street, Suite 1000 | Midland, TX 79701

Enclosures

ELECTIONS ON PAGE TO FOLLOW



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

OFFICE 432.695.4222  
FAX 432.695.4063

**Fiero 7 Fed Com Elections:**

| <b>Well Elections:</b><br><i>(Please indicate your responses in the spaces below)</i> |                             |  |
|---|-----------------------------|--|
| <b>Well(s)</b>  | <b>Elect to Participate</b> | <b>Elect to <u>NOT</u> Participate</b> |
| <b>Fiero Fed Com 123H</b>   |                             |  |
| <b>Fiero Fed Com 133H</b>   |                             |  |
| <b>Fiero Fed Com 124H</b>   |                             |  |
| <b>Fiero Fed Com 134H</b>   |                             |  |

Company / Party Name:

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

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

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



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

OFFICE 432.695.4222  
FAX 432.695.4063

**Participate / Rejection Declaration**

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

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

*Company / Party Name:*

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

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

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

|                        |                      |                     |                      |
|------------------------|----------------------|---------------------|----------------------|
| <b>AFE Number:</b>     | 502869               | <b>Description:</b> | FIERO 7 FED COM 133H |
| <b>AFE Name:</b>       | FIERO 7 FED COM 133H | <b>AFE TYPE:</b>    | Drill and Complete   |
| <b>Well Operator:</b>  | PERMIAN RESOURCES    |                     |                      |
| <b>Operator AFE #:</b> |                      |                     |                      |

| <u>Account</u>                    | <u>Description</u>              | <u>Gross Est. (\$)</u> |
|-----------------------------------|---------------------------------|------------------------|
| <b>Artificial Lift Intangible</b> |                                 |                        |
| 8060.3500                         | IAL - WELLSITE SUPERVISION      | \$5,000.00             |
| 8060.1400                         | IAL - WIRELINE OPEN/CASED HOLE  | \$10,000.00            |
| 8060.2010                         | IAL - KILL TRUCK                | \$5,000.00             |
| 8060.2000                         | IAL - TRUCKING/VACUUM/TRANSP    | \$5,000.00             |
| 8060.3400                         | IAL - RENTAL EQUIPMENT          | \$5,000.00             |
| 8060.3420                         | IAL - REVERSE UNIT RENTAL       | \$5,000.00             |
| 8060.2600                         | IAL - CONTRACT LABOR/ROUSTABOUT | \$15,000.00            |
| 8060.2300                         | IAL - COMPLETION FLUIDS         | \$5,000.00             |
| 8060.1900                         | IAL - INSPECTION & TESTING      | \$3,000.00             |
| 8060.3410                         | IAL - LAYDOWN MACHINE           | \$5,000.00             |
| 8060.1200                         | IAL - WORKOVER RIG              | \$17,000.00            |
|                                   | <b>Sub-total</b>                | <b>\$80,000.00</b>     |
| <b>Facilities</b>                 |                                 |                        |
| 8035.3400                         | FAC - METERS                    | \$48,000.00            |
| 8035.3200                         | FAC - VALVES FITTINGS & PIPE    | \$60,000.00            |
| 8035.3500                         | FAC - COMPRESSOR                | \$3,000.00             |
| 8035.3100                         | FAC - VRU RENTAL                | \$1,500.00             |
| 8035.4400                         | FAC - COMPANY LABOR             | \$500.00               |
| 8035.2400                         | FAC - SUPERVISION               | \$7,000.00             |
| 8035.2900                         | FAC - TANK BATTERY              | \$36,000.00            |
| 8035.1300                         | FAC - SURFACE DAMAGE            | \$200.00               |
| 8035.3000                         | FAC - HEATER TREATER/SEPARATOR  | \$97,000.00            |
| 8035.3300                         | FAC - CIRCULATING TRNSFER PUMP  | \$7,000.00             |
| 8035.1600                         | FAC - TRANSPORTATION TRUCKING   | \$3,000.00             |
| 8035.2200                         | FAC - CONTRACT LABOR / ROUSTAB  | \$20,000.00            |
| 8035.2100                         | FAC - INSPECTION & TESTING      | \$250.00               |
| 8035.3600                         | FAC - ELECTRICAL                | \$27,500.00            |
| 8035.2500                         | FAC - CONSULTING SERVICES       | \$500.00               |
| 8035.3800                         | FAC - FLARE/COMBUSTER           | \$11,000.00            |
| 8035.1500                         | FAC - MATERIALS & SUPPLIES      | \$3,000.00             |
| 8035.4500                         | FAC - CONTINGENCY               | \$10,496.00            |
| 8035.1310                         | FAC - PERMANENT EASEMENT/ROW    | \$1,000.00             |
| 8035.1400                         | FAC - ROAD LOCATIONS PITS       | \$2,500.00             |
| 8035.4000                         | FAC - SAFETY / ENVIRONMENTAL    | \$400.00               |
| 8035.3700                         | FAC - AUTOMATION MATERIAL       | \$12,500.00            |
| 8035.1700                         | FAC - RENTAL EQUIPMENT          | \$8,000.00             |
|                                   | <b>Sub-total</b>                | <b>\$360,346.00</b>    |
| <b>Drilling Intangible</b>        |                                 |                        |
| 8015.2500                         | IDC - MUD/CHEMICALS/ACIDIZING   | \$207,677.31           |
| 8015.3500                         | IDC - TRUCKING/VACUUM/ TRANSP   | \$20,250.00            |

| <u>Account</u>               | <u>Description</u>                       | <u>Gross Est. (\$)</u> |
|------------------------------|--|------------------------|
| 8015.2400                    | IDC - RIG WATER                          | \$16,875.00            |
| 8015.2350                    | IDC - FUEL/MUD                           | \$86,000.00            |
| 8015.5000                    | IDC - WELL CONTROL INSURANCE             | \$7,425.00             |
| 8015.4100                    | IDC - RENTAL EQUIPMENT                   | \$109,375.00           |
| 8015.1500                    | IDC - RIG MOB / TRUCKING                 | \$127,500.00           |
| 8015.1000                    | IDC - PERMITS,LICENSES,ETC               | \$15,000.00            |
| 8015.2150                    | IDC - DRILL BIT                          | \$98,000.00            |
| 8015.4200                    | IDC - MANCAMP                            | \$35,100.00            |
| 8015.2200                    | IDC - BITS, TOOLS, STABILIZERS           | \$52,346.00            |
| 8015.3800                    | IDC - WELLHEAD PREPARE/REPAIR            | \$12,500.00            |
| 8015.1100                    | IDC - STAKING & SURVEYING                | \$15,000.00            |
| 8015.3000                    | IDC - CEMENT SERV/FLOAT EQUIP            | \$143,200.00           |
| 8015.3400                    | IDC - MATERIALS & SUPPLIES               | \$5,000.00             |
| 8015.1900                    | IDC - DIRECTNL DRILL & SURVEY            | \$222,328.13           |
| 8015.3200                    | IDC - CONTRACT LABOR/ROUSTABOUT          | \$27,000.00            |
| 8015.3700                    | IDC - DISPOSAL                           | \$130,711.00           |
| 8015.4300                    | IDC - WELLSITE SUPERVISION               | \$78,300.00            |
| 8015.1200                    | IDC - LEGAL, TITLE SERVICES              | \$13,000.00            |
| 8015.5200                    | IDC - CONTINGENCY                        | \$110,921.62           |
| 8015.3100                    | IDC - CASING CREW & TOOLS                | \$47,500.00            |
| 8015.1400                    | IDC - ROAD, LOCATIONS, PITS              | \$135,625.00           |
| 8015.2300                    | IDC - FUEL / POWER                       | \$126,225.00           |
| 8015.4600                    | IDC - SAFETY / ENVIRONMENTAL             | \$14,850.00            |
| 8015.3600                    | IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM | \$53,071.88            |
| 8015.2000                    | IDC - CONDUCTOR HOLE & SERVICE           | \$42,500.00            |
| 8015.2700                    | IDC - INSPECTION, TESTING & REPAIR       | \$37,000.00            |
| 8015.1310                    | IDC - PERMANENT EASEMENT                 | \$12,000.00            |
| 8015.1700                    | IDC - DAYWORK CONTRACT                   | \$503,465.63           |
| 8015.1600                    | IDC - RIG MOB / STANDBY RATE             | \$35,100.00            |
| 8015.1300                    | IDC - SURFACE DAMAGE / ROW               | \$35,000.00            |
|                              | <b>Sub-total</b>                         | <b>\$2,575,846.57</b>  |
| <b>Completion Intangible</b> |  |                        |
| 8025.1600                    | ICC - COILED TUBING                      | \$184,906.00           |
| 8025.1800                    | ICC - WATER DISPOSAL/VACUUM TRUCK        | \$14,700.00            |
| 8025.2600                    | ICC - CONTRACT LABOR/ROUSTABOUT          | \$15,000.00            |
| 8025.1400                    | ICC - WIRELINE OPEN/CASED HOLE           | \$40,000.00            |
| 8025.1500                    | ICC - FUEL / POWER                       | \$251,969.00           |
| 8025.1100                    | ICC - ROAD, LOCATIONS, PITS              | \$10,500.00            |
| 8025.3400                    | ICC - RENTAL EQUIPMENT                   | \$149,130.00           |
| 8025.2500                    | ICC - WELL STIMULATION/FRACTUR           | \$1,847,401.00         |
| 8025.2200                    | ICC - ELECTRIC LOGGING / PERFORATING     | \$395,640.00           |
| 8025.2300                    | ICC - COMPLETION FLUIDS                  | \$10,000.00            |
| 8025.3700                    | ICC - SAFETY / ENVIRONMENTAL             | \$15,000.00            |
| 8025.3000                    | ICC - WATER HANDLING                     | \$150,919.00           |
| 8025.3050                    | ICC - SOURCE WATER                       | \$426,884.00           |
| 8025.3600                    | ICC - SUPERVISION/ENGINEERING            | \$5,000.00             |

| <u>Account</u>                  | <u>Description</u>                      | <u>Gross Est. (\$)</u> |
|---------------------------------|---|------------------------|
| 8025.3800                       | ICC - OVERHEAD                          | \$10,000.00            |
| 8025.2000                       | ICC - TRUCKING                          | \$14,375.00            |
| 8025.3100                       | ICC - WELLHEAD/FRACTREE REPAIR          | \$40,000.00            |
| 8025.3500                       | ICC - WELLSITE SUPERVISION              | \$43,200.00            |
|                                 | <b>Sub-total</b>                        | <b>\$3,624,624.00</b>  |
| <b>Flowback Intangible</b>      |   |                        |
| 8040.2000                       | IFC - TRUCKING/VACUUM/TRANSP            | \$20,000.00            |
| 8040.1899                       | IFC - FRAC WATER RECOVERY               | \$1,135,333.04         |
| 8040.2900                       | IFC - WELL TESTING / FLOWBACK           | \$125,000.00           |
| 8040.3430                       | IFC - SURFACE PUMP RENTAL               | \$20,000.00            |
| 8040.3500                       | IFC - WELLSITE SUPERVISION              | \$10,000.00            |
| 8040.4000                       | IFC - CHEMICALS                         | \$15,000.00            |
| 8040.3420                       | IFC - TANK RENTALS                      | \$20,000.00            |
| 8040.1100                       | IFC - ROADS LOCATIONS / PITS            | \$5,000.00             |
|                                 | <b>Sub-total</b>                        | <b>\$1,350,333.04</b>  |
| <b>Artificial Lift Tangible</b> |   |                        |
| 8065.2400                       | TAL - COMPRESSOR INSTALL & STARTUP      | \$70,000.00            |
| 8065.2300                       | TAL - GAS LIFT INJECTION LINE & INSTALL | \$80,000.00            |
| 8065.2500                       | TAL - VALVES/CONNECTIONS/FTGS           | \$15,000.00            |
| 8065.1320                       | TAL - GAS LIFT EQUIPMENT/INSTALL        | \$30,000.00            |
| 8065.3200                       | TAL - COMM, TELEMETRY & AUTOMA          | \$10,000.00            |
| 8065.2000                       | TAL - WELLHEAD EQUIPMENT                | \$60,000.00            |
| 8065.3100                       | TAL - MEASUREMENT EQUIPMENT             | \$30,000.00            |
| 8065.1100                       | TAL - TUBING                            | \$65,000.00            |
|                                 | <b>Sub-total</b>                        | <b>\$360,000.00</b>    |
| <b>Pipeline</b>                 |   |                        |
| 8036.2200                       | PLN - CONTRACT LABOR                    | \$20,000.00            |
| 8036.3620                       | PLN - POWER DISTRIBUTION LABOR          | \$4,000.00             |
| 8036.3200                       | PLN - VALVES FITTINGS & PIPE            | \$10,000.00            |
| 8036.3610                       | PLN - POWER DISTRIBUTION MATERIAL       | \$8,000.00             |
| 8036.2800                       | PLN - FLOWLINE MATERIAL                 | \$20,000.00            |
|                                 | <b>Sub-total</b>                        | <b>\$62,000.00</b>     |
| <b>Drilling Tangible</b>        |   |                        |
| 8020.1400                       | TDC - CASING - PRODUCTION               | \$340,653.87           |
| 8020.1500                       | TDC - WELLHEAD EQUIPMENT                | \$53,125.00            |
| 8020.1200                       | TDC - CASING - INTERMEDIATE - 1         | \$59,287.50            |
| 8020.1100                       | TDC - CASING - SURFACE                  | \$22,434.69            |
|                                 | <b>Sub-total</b>                        | <b>\$475,501.06</b>    |
| <b>Completion Tangible</b>      |   |                        |
| 8030.2000                       | TCC - WELLHEAD EQUIPMENT                | \$47,250.00            |
|                                 | <b>Sub-total</b>                        | <b>\$47,250.00</b>     |
|                                 | <b>Grand Total</b>                      | <b>\$8,935,900.67</b>  |

Company / Party Name:

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

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

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

|                        |                      |                     |                      |
|------------------------|----------------------|---------------------|----------------------|
| <b>AFE Number:</b>     | 502869               | <b>Description:</b> | FIERO 7 FED COM 134H |
| <b>AFE Name:</b>       | FIERO 7 FED COM 134H | <b>AFE TYPE:</b>    | Drill and Complete   |
| <b>Well Operator:</b>  | PERMIAN RESOURCES    |                     |                      |
| <b>Operator AFE #:</b> |                      |                     |                      |

| <u>Account</u>                    | <u>Description</u>              | <u>Gross Est. (\$)</u> |
|-----------------------------------|---------------------------------|------------------------|
| <b>Artificial Lift Intangible</b> |                                 |                        |
| 8060.3500                         | IAL - WELLSITE SUPERVISION      | \$5,000.00             |
| 8060.1400                         | IAL - WIRELINE OPEN/CASED HOLE  | \$10,000.00            |
| 8060.2010                         | IAL - KILL TRUCK                | \$5,000.00             |
| 8060.2000                         | IAL - TRUCKING/VACUUM/TRANSP    | \$5,000.00             |
| 8060.3400                         | IAL - RENTAL EQUIPMENT          | \$5,000.00             |
| 8060.3420                         | IAL - REVERSE UNIT RENTAL       | \$5,000.00             |
| 8060.2600                         | IAL - CONTRACT LABOR/ROUSTABOUT | \$15,000.00            |
| 8060.2300                         | IAL - COMPLETION FLUIDS         | \$5,000.00             |
| 8060.1900                         | IAL - INSPECTION & TESTING      | \$3,000.00             |
| 8060.3410                         | IAL - LAYDOWN MACHINE           | \$5,000.00             |
| 8060.1200                         | IAL - WORKOVER RIG              | \$17,000.00            |
|                                   | <b>Sub-total</b>                | <b>\$80,000.00</b>     |
| <b>Facilities</b>                 |                                 |                        |
| 8035.3400                         | FAC - METERS                    | \$48,000.00            |
| 8035.3200                         | FAC - VALVES FITTINGS & PIPE    | \$60,000.00            |
| 8035.3500                         | FAC - COMPRESSOR                | \$3,000.00             |
| 8035.3100                         | FAC - VRU RENTAL                | \$1,500.00             |
| 8035.4400                         | FAC - COMPANY LABOR             | \$500.00               |
| 8035.2400                         | FAC - SUPERVISION               | \$7,000.00             |
| 8035.2900                         | FAC - TANK BATTERY              | \$36,000.00            |
| 8035.1300                         | FAC - SURFACE DAMAGE            | \$200.00               |
| 8035.3000                         | FAC - HEATER TREATER/SEPARATOR  | \$97,000.00            |
| 8035.3300                         | FAC - CIRCULATING TRNSFER PUMP  | \$7,000.00             |
| 8035.1600                         | FAC - TRANSPORTATION TRUCKING   | \$3,000.00             |
| 8035.2200                         | FAC - CONTRACT LABOR / ROUSTAB  | \$20,000.00            |
| 8035.2100                         | FAC - INSPECTION & TESTING      | \$250.00               |
| 8035.3600                         | FAC - ELECTRICAL                | \$27,500.00            |
| 8035.2500                         | FAC - CONSULTING SERVICES       | \$500.00               |
| 8035.3800                         | FAC - FLARE/COMBUSTER           | \$11,000.00            |
| 8035.1500                         | FAC - MATERIALS & SUPPLIES      | \$3,000.00             |
| 8035.4500                         | FAC - CONTINGENCY               | \$10,496.00            |
| 8035.1310                         | FAC - PERMANENT EASEMENT/ROW    | \$1,000.00             |
| 8035.1400                         | FAC - ROAD LOCATIONS PITS       | \$2,500.00             |
| 8035.4000                         | FAC - SAFETY / ENVIRONMENTAL    | \$400.00               |
| 8035.3700                         | FAC - AUTOMATION MATERIAL       | \$12,500.00            |
| 8035.1700                         | FAC - RENTAL EQUIPMENT          | \$8,000.00             |
|                                   | <b>Sub-total</b>                | <b>\$360,346.00</b>    |
| <b>Drilling Intangible</b>        |                                 |                        |
| 8015.2500                         | IDC - MUD/CHEMICALS/ACIDIZING   | \$207,677.31           |
| 8015.3500                         | IDC - TRUCKING/VACUUM/ TRANSP   | \$20,250.00            |

| <u>Account</u>               | <u>Description</u>                       | <u>Gross Est. (\$)</u> |
|------------------------------|--|------------------------|
| 8015.2400                    | IDC - RIG WATER                          | \$16,875.00            |
| 8015.2350                    | IDC - FUEL/MUD                           | \$86,000.00            |
| 8015.5000                    | IDC - WELL CONTROL INSURANCE             | \$7,425.00             |
| 8015.4100                    | IDC - RENTAL EQUIPMENT                   | \$109,375.00           |
| 8015.1500                    | IDC - RIG MOB / TRUCKING                 | \$127,500.00           |
| 8015.1000                    | IDC - PERMITS,LICENSES,ETC               | \$15,000.00            |
| 8015.2150                    | IDC - DRILL BIT                          | \$98,000.00            |
| 8015.4200                    | IDC - MANCAMP                            | \$35,100.00            |
| 8015.2200                    | IDC - BITS, TOOLS, STABILIZERS           | \$52,346.00            |
| 8015.3800                    | IDC - WELLHEAD PREPARE/REPAIR            | \$12,500.00            |
| 8015.1100                    | IDC - STAKING & SURVEYING                | \$15,000.00            |
| 8015.3000                    | IDC - CEMENT SERV/FLOAT EQUIP            | \$143,200.00           |
| 8015.3400                    | IDC - MATERIALS & SUPPLIES               | \$5,000.00             |
| 8015.1900                    | IDC - DIRECTNL DRILL & SURVEY            | \$222,328.13           |
| 8015.3200                    | IDC - CONTRACT LABOR/ROUSTABOUT          | \$27,000.00            |
| 8015.3700                    | IDC - DISPOSAL                           | \$130,711.00           |
| 8015.4300                    | IDC - WELLSITE SUPERVISION               | \$78,300.00            |
| 8015.1200                    | IDC - LEGAL, TITLE SERVICES              | \$13,000.00            |
| 8015.5200                    | IDC - CONTINGENCY                        | \$110,921.62           |
| 8015.3100                    | IDC - CASING CREW & TOOLS                | \$47,500.00            |
| 8015.1400                    | IDC - ROAD, LOCATIONS, PITS              | \$135,625.00           |
| 8015.2300                    | IDC - FUEL / POWER                       | \$126,225.00           |
| 8015.4600                    | IDC - SAFETY / ENVIRONMENTAL             | \$14,850.00            |
| 8015.3600                    | IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM | \$53,071.88            |
| 8015.2000                    | IDC - CONDUCTOR HOLE & SERVICE           | \$42,500.00            |
| 8015.2700                    | IDC - INSPECTION, TESTING & REPAIR       | \$37,000.00            |
| 8015.1310                    | IDC - PERMANENT EASEMENT                 | \$12,000.00            |
| 8015.1700                    | IDC - DAYWORK CONTRACT                   | \$503,465.63           |
| 8015.1600                    | IDC - RIG MOB / STANDBY RATE             | \$35,100.00            |
| 8015.1300                    | IDC - SURFACE DAMAGE / ROW               | \$35,000.00            |
|                              | <b>Sub-total</b>                         | <b>\$2,575,846.57</b>  |
| <b>Completion Intangible</b> |  |                        |
| 8025.1600                    | ICC - COILED TUBING                      | \$184,906.00           |
| 8025.1800                    | ICC - WATER DISPOSAL/VACUUM TRUCK        | \$14,700.00            |
| 8025.2600                    | ICC - CONTRACT LABOR/ROUSTABOUT          | \$15,000.00            |
| 8025.1400                    | ICC - WIRELINE OPEN/CASED HOLE           | \$40,000.00            |
| 8025.1500                    | ICC - FUEL / POWER                       | \$251,969.00           |
| 8025.1100                    | ICC - ROAD, LOCATIONS, PITS              | \$10,500.00            |
| 8025.3400                    | ICC - RENTAL EQUIPMENT                   | \$149,130.00           |
| 8025.2500                    | ICC - WELL STIMULATION/FRACTUR           | \$1,847,401.00         |
| 8025.2200                    | ICC - ELECTRIC LOGGING / PERFORATING     | \$395,640.00           |
| 8025.2300                    | ICC - COMPLETION FLUIDS                  | \$10,000.00            |
| 8025.3700                    | ICC - SAFETY / ENVIRONMENTAL             | \$15,000.00            |
| 8025.3000                    | ICC - WATER HANDLING                     | \$150,919.00           |
| 8025.3050                    | ICC - SOURCE WATER                       | \$426,884.00           |
| 8025.3600                    | ICC - SUPERVISION/ENGINEERING            | \$5,000.00             |

| <u>Account</u>                  | <u>Description</u>                      | <u>Gross Est. (\$)</u> |
|---------------------------------|---|------------------------|
| 8025.3800                       | ICC - OVERHEAD                          | \$10,000.00            |
| 8025.2000                       | ICC - TRUCKING                          | \$14,375.00            |
| 8025.3100                       | ICC - WELLHEAD/FRACTREE REPAIR          | \$40,000.00            |
| 8025.3500                       | ICC - WELLSITE SUPERVISION              | \$43,200.00            |
|                                 | <b>Sub-total</b>                        | <b>\$3,624,624.00</b>  |
| <b>Flowback Intangible</b>      |   |                        |
| 8040.2000                       | IFC - TRUCKING/VACUUM/TRANSP            | \$20,000.00            |
| 8040.1899                       | IFC - FRAC WATER RECOVERY               | \$1,135,333.04         |
| 8040.2900                       | IFC - WELL TESTING / FLOWBACK           | \$125,000.00           |
| 8040.3430                       | IFC - SURFACE PUMP RENTAL               | \$20,000.00            |
| 8040.3500                       | IFC - WELLSITE SUPERVISION              | \$10,000.00            |
| 8040.4000                       | IFC - CHEMICALS                         | \$15,000.00            |
| 8040.3420                       | IFC - TANK RENTALS                      | \$20,000.00            |
| 8040.1100                       | IFC - ROADS LOCATIONS / PITS            | \$5,000.00             |
|                                 | <b>Sub-total</b>                        | <b>\$1,350,333.04</b>  |
| <b>Artificial Lift Tangible</b> |   |                        |
| 8065.2400                       | TAL - COMPRESSOR INSTALL & STARTUP      | \$70,000.00            |
| 8065.2300                       | TAL - GAS LIFT INJECTION LINE & INSTALL | \$80,000.00            |
| 8065.2500                       | TAL - VALVES/CONNECTIONS/FTGS           | \$15,000.00            |
| 8065.1320                       | TAL - GAS LIFT EQUIPMENT/INSTALL        | \$30,000.00            |
| 8065.3200                       | TAL - COMM, TELEMETRY & AUTOMA          | \$10,000.00            |
| 8065.2000                       | TAL - WELLHEAD EQUIPMENT                | \$60,000.00            |
| 8065.3100                       | TAL - MEASUREMENT EQUIPMENT             | \$30,000.00            |
| 8065.1100                       | TAL - TUBING                            | \$65,000.00            |
|                                 | <b>Sub-total</b>                        | <b>\$360,000.00</b>    |
| <b>Pipeline</b>                 |   |                        |
| 8036.2200                       | PLN - CONTRACT LABOR                    | \$20,000.00            |
| 8036.3620                       | PLN - POWER DISTRIBUTION LABOR          | \$4,000.00             |
| 8036.3200                       | PLN - VALVES FITTINGS & PIPE            | \$10,000.00            |
| 8036.3610                       | PLN - POWER DISTRIBUTION MATERIAL       | \$8,000.00             |
| 8036.2800                       | PLN - FLOWLINE MATERIAL                 | \$20,000.00            |
|                                 | <b>Sub-total</b>                        | <b>\$62,000.00</b>     |
| <b>Drilling Tangible</b>        |   |                        |
| 8020.1400                       | TDC - CASING - PRODUCTION               | \$340,653.87           |
| 8020.1500                       | TDC - WELLHEAD EQUIPMENT                | \$53,125.00            |
| 8020.1200                       | TDC - CASING - INTERMEDIATE - 1         | \$59,287.50            |
| 8020.1100                       | TDC - CASING - SURFACE                  | \$22,434.69            |
|                                 | <b>Sub-total</b>                        | <b>\$475,501.06</b>    |
| <b>Completion Tangible</b>      |   |                        |
| 8030.2000                       | TCC - WELLHEAD EQUIPMENT                | \$47,250.00            |
|                                 | <b>Sub-total</b>                        | <b>\$47,250.00</b>     |
|                                 | <b>Grand Total</b>                      | <b>\$8,935,900.67</b>  |

**Company / Party Name:**

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

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

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



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

OFFICE 432.695.4222  
FAX 432.695.4063

### **Fiero – Chronology of Communication**

| <b>Date</b>            | <b>Party</b>           | <b>Summary</b>  |
|------------------------|------------------------|---|
| February 12, 2025      | TTXMCO, LLC            | Pre-order proposals sent to TTXMCO, LLC                             |
| May 7, 2025            | Est. Mary Ann Morrison | Pre-order proposals sent to the Estate of Mary Ann Morrison         |
| May 7, 2025            | Lucas Properties       | Pre-order proposals sent to Lucas Properties, LLC                   |
| May 7, 2025            | Patricia H Miller      | Pre-order proposals sent to Patricia H Miller                       |
| May 7, 2025            | TTXMCO                 | Phone call regarding ability to sign JOA                            |
| May 15, 2025 (approx.) | Est. Mary Ann Morrison | Made contact with owner and offered to buy interest                 |
| May 16, 2025           | Patricia Miller        | Phone call and email regarding proposals and JOA                    |
| May 13, 2025           | TTXMCO                 | LOI to execute JOA signed by TTXMCO due to lack of agent            |
| May 22, 2025           | Patricia Miller        | Email following up on signing JOA – no response                     |
| July 7, 2025 (approx.) | Lucas Properties       | Lucas Properties indicated they will sign JOA but hasn't signed     |
| February 19, 2026      | TTXMCO                 | Email correspondence regarding ability to commit interest to JOA    |
| February 24, 2026      | Lucas Properties       | Email correspondence regarding JOA & offer to sell interest in Unit |
| February 24, 2026      | Est. Mary Ann Morrison | Email correspondence regarding JOA & offer to sell interest in Unit |
| February 24, 2026      | Patricia Miller        | Email correspondence regarding JOA & offer to sell interest in Unit |
| February 26, 2026      | Est. Mary Ann Morrison | Phone call regarding JOA and offer to sell interest.                |

Permian Resources Operating, LLC  
Case No, 26029  
Exhibit A-5

| Case No. 26029 - Permian Resources Operating, LLC: Fiero 7 Fed Com 133H and 134H Wells Re-Open - Ownership Commitment Exhibit |                   |                    |
|---|-------------------|--------------------|
| Owner Name  | Ownership Status  | Type of Commitment |
| Permian Resources Operating, LLC  | Committed         | JOA (Operator)     |
| PEC Exploration, LLC  | Committed         | JOA                |
| Jalapeno Corporation  | Committed         | JOA                |
| Sharbro Energy, LLC   | Committed         | JOA                |
| Nortex Corporation  | Committed         | JOA                |
| Yates Energy Corporation  | Previously Pooled | N/A                |
| EOG Resources Inc.  | Previously Pooled | N/A                |
| Powderhorn Assets, LLC  | Committed         | JOA                |
| Read & Stevens, Inc.  | Committed         | JOA                |
| Astra Exploration Company, Inc.   | Committed         | JOA                |
| Eako, LLC   | Committed         | JOA                |
| TTXMCO, LLC   | Uncommitted       |                    |
| Chief Capital (O&G) II, LLC   | Committed         | JOA                |
| Valko, LLC  | Committed         | JOA                |
| Lucas Properties, LLC   | Uncommitted       |                    |
| Patricia H. Miller  | Uncommitted       |                    |
| Estate of Mary Ann Morrison   | Uncommitted       |                    |
| Blue Star Royalty, LLC  | Committed         | JOA                |
| Yates Energy Corporation (Lessee of Record)   | Previously Pooled | N/A                |
| MRC Delaware Resources, LLC (Lessee of Record)  | Previously Pooled | N/A                |
| Jalapeno Corporation (Lessee of Record)   | Committed         | Comm Agreement     |

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

APPLICATION OF PERMIAN RESOURCES  
OPERATING, LLC TO POOL ADDITIONAL  
INTERESTS UNDER ORDER NO. R-23869,  
EDDY COUNTY, NEW MEXICO.

CASE NO. 26029  
ORDER NO. R-23869

SELF-AFFIRMED STATEMENT  
OF JACLYN M. MCLEAN

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

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

3. Exhibit B-2 also provides the date the Notice Letter was sent, along with the delivery status of each.

4. Electronic return receipts are attached as **Exhibit B-3** as supporting documentation for proof of mailing and the information provided on Exhibit B-2.

5. On March 10, 2026, I caused a notice to be published in the Carlsbad Current-Argus. An Affidavit of Publication from the legal clerk of the Carlsbad Current-Argus along with a copy of the Notice Publication, is attached as **Exhibit B-4**.

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

/s/Jaclyn M. McLean  
Jaclyn M. McLean

March 17, 2026  
Date

Permian Resources Operating, LLC  
Case No. 26029  
Exhibit B



March 4, 2026

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

**TO: ALL PARTIES ENTITLED TO NOTICE**

**Re: Case No. 26029 – Application of Permian Resources Operating, LLC To Pool  
Additional Interests Under Order No. R-23869, Eddy County, New Mexico.**

To whom it may concern:

This letter is to advise you that the enclosed application was filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **March 26, 2026**, beginning at 9:00 a.m.

The hearing will be conducted in a hybrid fashion, both virtually and in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1<sup>st</sup> Floor, Santa Fe, NM 87505. The hearing may be held only virtually at the discretion of the Division. To confirm the manner in which the hearing will be held, and to participate virtually, please visit the OCD Hearings website at the following link: <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 by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Pursuant to Division Rule 19.15.4.13.B, a party who intends to present evidence at the hearing shall file a pre-hearing statement and serve copies on other parties, or the attorneys of parties who are represented by counsel, at least four business days prior to the scheduled hearing, but in no event later than 5:00 p.m. Mountain Time, on the Thursday preceding the scheduled hearing date. If you are not registered with the OCD’s E-Permitting system, you must submit the statement via e-mail to [ocd.hearings@emnrd.nm.gov](mailto:ocd.hearings@emnrd.nm.gov) and should include: the names of the parties; whether or not the parties are represented by counsel; a concise statement of the case; the names of witnesses anticipated to be called to testify at the hearing; the approximate amount of time needed to present the case; and an identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this application, please contact Ryan Curry, Senior Landman for Permian Resources Operating, LLC at [Ryan.Curry@permianres.com](mailto:Ryan.Curry@permianres.com) or 432-400-0209.

Sincerely,  
*/s/ Jaclyn M. McLean*  
Jaclyn M. McLean

125 Lincoln Avenue, Suite 223  
Santa Fe, NM 87501  
505-230-4410

HardyMcClean.com

**Writer:**  
Jaclyn M. McLean  
Managing Partner  
[jmclean@hardymcClean.com](mailto:jmclean@hardymcClean.com)

**Permian Resources Operating, LLC**  
**Case No. 26029**  
**Exhibit B-1**

## Postal Delivery Report

### Permian Resources Fiero - Case No. 26029

| Recipient                   | Date Mailed | USPS Tracking Number   | Date Received | Status                                       |
|-----------------------------|-------------|------------------------|---------------|--|
| Patricia H. Miller          | 3/4/2026    | 9414836208551296109290 | N/A           | Arrived at USPS Facility                     |
| TTXMCO, LLC                 | 3/4/2026    | 9414836208551296109283 | N/A           | Departed USPS Regional Facility              |
| Estate of Mary Ann Morrison | 3/4/2026    | 9414836208551296109306 | 3/16/2026     | Delivered, Left with Individual              |
| Lucas Properties, LLC       | 3/4/2026    | 9414836208551296109313 | N/A           | Reminder to Schedule Redelivery of your item |
| MRC Delaware Resources, LLC | 3/4/2026    | 9414836208551296109320 | 3/7/2026      | Delivered, Left with Individual              |

**Permian Resources Operating, LLC**  
**Case No. 26029**  
**Exhibit B-2**



March 16, 2026


Dear Simple Certified:

The following is in response to your request for proof of delivery on your item with the tracking number: **9414 8362 0855 1296 1093 06.**

**Item Details**

|                            |  |
|----------------------------|--|
| <b>Status:</b>             | Delivered, Left with Individual              |
| <b>Status Date / Time:</b> | March 16, 2026, 5:16 pm                      |
| <b>Location:</b>           | HUMBLE, TX 77396                             |
| <b>Postal Product:</b>     | First-Class Mail®                            |
| <b>Extra Services:</b>     | Certified Mail™<br>Return Receipt Electronic |
| <b>Recipient Name:</b>     | Estate of Mary Ann Morrison                  |

**Recipient Signature**

|                         |   |
|-------------------------|---|
| Signature of Recipient: |  |
| Address of Recipient:   | 8303 EMERALD MEADOW LN,<br>HUMBLE, TX 77396                                       |

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

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

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

|   |
|---|
| Estate of Mary Ann Morrison<br>8303 Emerald Meadow Lane<br>Humble, TX 77396<br>Reference #: PR Fiero 26029<br>Item ID: PR Fiero 26029 |
|---|

**Permian Resources Operating, LLC**  
**Case No. 26029**  
**Exhibit B-3**



March 7, 2026

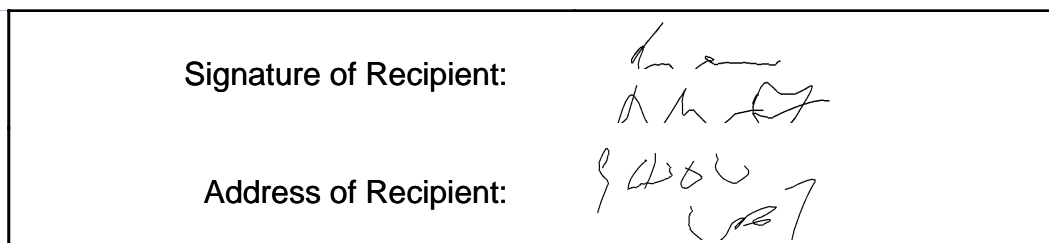
Dear Simple Certified:

The following is in response to your request for proof of delivery on your item with the tracking number: **9414 8362 0855 1296 1093 20.**

**Item Details**

|                            |  |
|----------------------------|--|
| <b>Status:</b>             | Delivered, Left with Individual              |
| <b>Status Date / Time:</b> | March 7, 2026, 9:31 am                       |
| <b>Location:</b>           | DALLAS, TX 75240                             |
| <b>Postal Product:</b>     | First-Class Mail®                            |
| <b>Extra Services:</b>     | Certified Mail™<br>Return Receipt Electronic |
| <b>Recipient Name:</b>     | MRC Delaware Resources LLC                   |

**Recipient Signature**



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

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

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

|  |
|--|
| MRC Delaware Resources, LLC<br>5400 LBJ FREEWAY,<br>STE 1500<br>DALLAS, TX 75240<br>Reference #: PR Fiero 26029<br>Item ID: PR Fiero 26029 |
|--|

# Affidavit of Publication

# Copy of Publication:

No. 88190

State of New Mexico

County of Eddy:

**Adrian Hedden**

being duly sworn, says that he is the **Publisher**

of the Carlsbad Current Argus, a weekly newspaper of general circulation, published in English at Carlsbad, said county and state, and that the hereto attached

### Legal Ad

was published in a regular and entire issue of the said Carlsbad Current Argus, a weekly newspaper duly qualified for that purpose within the meaning of Chapter 167 of the 1937 Session Laws of the state of New Mexico for 1 consecutive weeks/day on the same

day as follows:

|                     |                       |
|---------------------|-----------------------|
| First Publication   | <u>March 10, 2026</u> |
| Second Publication  | <u></u>               |
| Third Publication   | <u></u>               |
| Fourth Publication  | <u></u>               |
| Fifth Publication   | <u></u>               |
| Sixth Publication   | <u></u>               |
| Seventh Publication | <u></u>               |
| Eighth Publication  | <u></u>               |

Subscribed and sworn before me this

10th day of March 2026

LATISHA ROMINE  
 Notary Public, State of New Mexico  
 Commission No. 1076338  
 My Commission Expires  
 05-12-2027

Latisha Romine

Notary Public, Eddy County, New Mexico

This is to notify all interested parties; Lucas Properties, LLC; Estate of Mary Ann Morrison; Patricia H. Miller; TTXMCO, LLC; MRC Delaware Resources, LLC; and their successors and assigns; that the New Mexico Oil Conservation Division will conduct a hearing on the application submitted by Permian Resources, LLC, (Applicant) for Case No. 26029. The hearing will be conducted on March 26, 2026, in a hybrid fashion, both virtually and in person at the Energy, Minerals, and Natural Resources Department, 1st Floor, Santa Fe, NM 87505. To participate virtually, see the instructions posted on the OCD website: <https://www.emnrd.nm.gov/ocd/hearing-info/>. In Case No. 26029, Applicant seeks an order pooling additional uncommitted interests under Order No. R-23869 (Order). The Division issued the Order in Case Nos. 25283 and 25284 (collectively Fiero Bone Spring Units) on July 3, 2025. In Case No. 25283, the Order: pooled uncommitted interests in the Bone Spring formation underlying 320-acre, more or less, standard horizontal spacing unit comprised of Lot 3, NE/2 SW/4, N/2 SE/4 (N/2 S/2 equivalent) of irregular Section 7, and the N/2 S/2 of Section 8, Township 20 South, Range 27 East, Eddy County, New Mexico; dedicated this unit to the Fiero 7 Fed Com 133H well; and designated Applicant as operator of the unit and well. In Case No. 25284, the Order: pooled uncommitted interests in the Bone Spring formation underlying 320-acre, more or less, standard horizontal spacing unit comprised of Lot 4, SE/4 SW/4, S/2 SE/4 (S/2 S/2 equivalent) of irregular Section 7, and the S/2 S/2 of Section 8, Township 20 South, Range 27 East, Eddy County, New Mexico; dedicated this unit to the Fiero 7 Fed Com 134H well; and designated Applicant as operator of the unit and well. Applicant has identified additional interests in the Fiero Bone Spring Units that should be pooled under the terms of the Order. The Fiero 7 Fed Com Wells are located approximately 11.3 miles northwest of Carlsbad, New Mexico.  
 88190- Published in Carlsbad Current Argus March 10, 2026.

Permian Resources Operating, LLC  
 Case No. 26029  
 Exhibit B-4